

Land Use and Development Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor:

LONG TITLE**General Description:**

This bill creates the Beehive Development Agency and authorizes the chief executive officer of Governor's Office of Economic Opportunity to propose significant community impact project plans and associated project areas to the Beehive Development Agency.

Highlighted Provisions:

This bill:

- defines terms and modifies definitions;
- provides a severability provision;
- creates the Beehive Development Agency (agency) under Utah Constitution, Article XI, as a political subdivision of the state that is an independent, nonprofit, separate body corporate and politic, with perpetual succession, and a public corporation;
- provides that appropriations to the agency are nonlapsing;
- establishes the agency board and describes the agency powers and duties;
- provides that the agency may designate up to three significant community impact project areas each calendar year;
- describes the purposes of a significant community impact project;
- creates a revolving loan fund and establishes a loan committee;
- authorizes the agency to create a public infrastructure district for a significant community project area;
- describes the potential revenue sources of a significant community impact project area, including property tax differential, sales tax differential, and revenue generated by certain taxes;
- repeals provisions establishing the Governor's Office of Economic Opportunity (office) board of directors and the Unified Economic Opportunity Commission;
- creates the Economic Opportunity Coordinating Council (council);
- changes the executive director of the office to the chief executive officer;
- provides that the chief executive officer shall:

- 31 • receive direction from the council regarding statewide strategic objectives;
- 32 • establish strategies for and actively recruit targeted industries identified by the council;
- 33 • encourage a business to permanently relocate to, or significantly expand operations in,
- 34 the state;
- 35 • establish strategies for and actively support entrepreneurship and small business
- 36 development;
- 37 • coordinate the economic development activities of the office, state, and authorities
- 38 including the Military Installation Development Authority, the Utah Inland Port
- 39 Authority, the Point of the Mountain State Land Authority, the Utah Lake Authority,
- 40 the State Fair Park Authority, and the Utah Fairpark Area Investment and Restoration
- 41 District; and
- 42 • coordinate with various departments and officials in order to consolidate the Division
- 43 of Housing and Community Development within the office by July 1, 2026;
- 44 ▸ provides a sales and use tax exemption on certain construction materials associated with a
- 45 project area that is part of an approved significant community impact project area;
- 46 ▸ provides a formula for the State Tax Commission to administer certain sales and use taxes
- 47 in regard to a project area in an approved significant community impact project area;
- 48 ▸ removes the sunset on the Utah Housing Corporation; and
- 49 ▸ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:**AMENDS:**

- 11-59-302 (Effective 05/07/25)**, as last amended by Laws of Utah 2023, Chapter 263
- 17D-4-102 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 419
- 35A-8-202 (Effective 05/07/25)**, as last amended by Laws of Utah 2021, Chapter 281
- 59-12-103 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapters 88, 501
- 59-12-104 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 35
- 59-12-205 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 535
- 59-12-352 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapters 413,
- 419
- 59-12-354 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 419

65 **59-12-401 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 419
66 **59-12-402 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 419
67 **63A-3-401.5 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 419
68 **63A-3-402 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 419
69 **63C-25-202 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 419
70 **63H-8-302 (Effective 05/07/25)**, as last amended by Laws of Utah 2015, Chapter 164
71 and renumbered and amended by Laws of Utah 2015, Chapter 226
72 **63I-1-263 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Third Special
73 Session, Chapter 4
74 **63J-1-602.1 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapters 88,
75 501
76 **63N-1a-102 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
77 **63N-1a-301 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
78 **63N-1a-302 (Effective 05/07/25)**, as renumbered and amended by Laws of Utah 2021,
79 Chapter 282
80 **63N-1a-303 (Effective 05/07/25)**, as last amended by Laws of Utah 2022, Chapter 362
81 **63N-1a-306 (Effective 05/07/25)**, as last amended by Laws of Utah 2022, Chapter 362
82 **63N-2-103 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 438
83 **63N-2-104.2 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapters 159,
84 316
85 **63N-2-104.3 (Effective 05/07/25)**, as last amended by Laws of Utah 2023, Chapter 499
86 **63N-2-504 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
87 **63N-2-808 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
88 **63N-3-102 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
89 **63N-3-403 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 268
90 **63N-3-605 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapters 521,
91 537
92 **63N-3-801 (Effective 05/07/25)**, as last amended by Laws of Utah 2023, Chapter 499
93 **63N-3-1102 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
94 **63N-4-104 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
95 **63N-4-105 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159
96 **63N-4-504 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 506
97 **63N-4-804 (Effective 05/07/25)**, as enacted by Laws of Utah 2022, Chapter 362
98 **63N-7-102 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159

99 **63N-7-103 (Effective 05/07/25)**, as repealed and reenacted by Laws of Utah 2022,
100 Chapter 362

101 **63N-13-101 (Effective 05/07/25)**, as last amended by Laws of Utah 2023, Chapter 499

102 **63N-16-102 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 400

103 **63N-16-103 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapters 157,
104 400

105 **63N-17-201 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapter 159

106 **67-1-2 (Effective 05/07/25)**, as last amended by Laws of Utah 2023, Chapter 250

107 ENACTS:

108 **11-71-101 (Effective 05/07/25)**, Utah Code Annotated 1953

109 **11-71-102 (Effective 05/07/25)**, Utah Code Annotated 1953

110 **11-71-103 (Effective 05/07/25)**, Utah Code Annotated 1953

111 **11-71-104 (Effective 05/07/25)**, Utah Code Annotated 1953

112 **11-71-201 (Effective 05/07/25)**, Utah Code Annotated 1953

113 **11-71-202 (Effective 05/07/25)**, Utah Code Annotated 1953

114 **11-71-203 (Effective 05/07/25)**, Utah Code Annotated 1953

115 **11-71-204 (Effective 05/07/25)**, Utah Code Annotated 1953

116 **11-71-301 (Effective 05/07/25)**, Utah Code Annotated 1953

117 **11-71-302 (Effective 05/07/25)**, Utah Code Annotated 1953

118 **11-71-304 (Effective 05/07/25)**, Utah Code Annotated 1953

119 **11-71-305 (Effective 05/07/25)**, Utah Code Annotated 1953

120 **11-71-401 (Effective 05/07/25)**, Utah Code Annotated 1953

121 **11-71-402 (Effective 05/07/25)**, Utah Code Annotated 1953

122 **11-71-403 (Effective 05/07/25)**, Utah Code Annotated 1953

123 **11-71-404 (Effective 05/07/25)**, Utah Code Annotated 1953

124 **11-71-405 (Effective 05/07/25)**, Utah Code Annotated 1953

125 **11-71-501 (Effective 05/07/25)**, Utah Code Annotated 1953

126 **11-71-502 (Effective 05/07/25)**, Utah Code Annotated 1953

127 **11-71-601 (Effective 05/07/25)**, Utah Code Annotated 1953

128 **11-71-602 (Effective 05/07/25)**, Utah Code Annotated 1953

129 **11-71-603 (Effective 05/07/25)**, Utah Code Annotated 1953

130 **11-71-604 (Effective 05/07/25)**, Utah Code Annotated 1953

131 **11-71-605 (Effective 05/07/25)**, Utah Code Annotated 1953

132 **11-71-606 (Effective 05/07/25)**, Utah Code Annotated 1953

11-71-701 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-702 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-703 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-704 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-705 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-706 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-801 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-802 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-803 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-804 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-805 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-806 (Effective **05/07/25**), Utah Code Annotated 1953
11-71-901 (Effective **05/07/25**), Utah Code Annotated 1953
63N-1a-303.1 (Effective **05/07/25**), Utah Code Annotated 1953
63N-1a-303.2 (Effective **05/07/25**), Utah Code Annotated 1953
63N-1a-501 (Effective **05/07/25**), Utah Code Annotated 1953
63N-1a-502 (Effective **05/07/25**), Utah Code Annotated 1953
63N-22-101 (Effective **07/01/26**), Utah Code Annotated 1953

REPEALS:

63N-1a-201 (Effective **05/07/25**), as last amended by Laws of Utah 2024, Chapter 159
63N-1a-202 (Effective **05/07/25**), as last amended by Laws of Utah 2024, Chapter 159
63N-1a-304 (Effective **05/07/25**), as renumbered and amended by Laws of Utah 2021,
 Chapter 282
63N-1a-401 (Effective **05/07/25**), as last amended by Laws of Utah 2024, Chapter 159
63N-1a-402 (Effective **05/07/25**), as last amended by Laws of Utah 2024, Chapter 159
63N-1b-102 (Effective **05/07/25**), as last amended by Laws of Utah 2022, Chapter 118

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

Section 1. Section **11-59-302** is amended to read:

11-59-302 (Effective **05/07/25**). **Number of board members -- Appointment -- Vacancies -- Chairs.**
 (1) The board shall consist of 12 members as provided in Subsection (2).
 (2)(a) The president of the Senate shall appoint two members of the Senate to serve as members of the board.

(b) The speaker of the House of Representatives shall appoint two members of the House of Representatives to serve as members of the board.

(c) The governor shall appoint five individuals to serve as members of the board:

- (i) one of whom shall be ~~[a member of the board of or]~~employed by the Governor's Office of Economic Opportunity, created in Section 63N-1a-301;
- (ii) one of whom shall be an employee of the facilities division; and
- (iii) one of whom shall be an elected official from a municipality in close proximity to the municipality in which the point of the mountain state land is located.

(d) The Salt Lake County mayor shall appoint one board member, who shall be an elected Salt Lake County government official.

(e) The mayor of Draper, or a member of the Draper city council that the mayor designates, shall serve as a board member.

(f) The commissioner of higher education, appointed under Section 53B-1-408, or the commissioner's designee, shall serve as a board member.

(3)(a)(i) Subject to Subsection (3)(a)(ii), a vacancy on the board shall be filled in the same manner under this section as the appointment of the member whose vacancy is being filled.

- (ii) If the mayor of Draper or commissioner of higher education is removed as a board member under Subsection (5), the mayor of Draper or commissioner of higher education, as the case may be, shall designate an individual to serve as a member of the board, as provided in Subsection (2)(e) or (f), respectively.

(b) Each person appointed or designated to fill a vacancy shall serve the remaining unexpired term of the member whose vacancy the person is filling.

(4) A member of the board appointed by the governor, president of the Senate, or speaker of the House of Representatives serves at the pleasure of and may be removed and replaced at any time, with or without cause, by the governor, president of the Senate, or speaker of the House of Representatives, respectively.

(5) A member of the board may be removed by a vote of two-thirds of all members of the board.

(6)(a) The governor shall appoint one board member to serve as cochair of the board.

(b) The president of the Senate and speaker of the House of Representatives shall jointly appoint one legislative member of the board to serve as cochair of the board.

Section 2. Section **11-71-101** is enacted to read:

CHAPTER 71. BEEHIVE DEVELOPMENT AGENCY ACT

Part 1. General Provisions

11-71-101 (Effective 05/07/25). Definitions.

As used in this chapter:

- (1) "Agency" means the Beehive Development Agency created in Section 11-71-201.
- (2) "Approved significant community impact project plan" means a plan that has been approved by the board.
- (3) "Authority" means:
 - (a) the Military Installation Development Authority created in Section 63H-1-201;
 - (b) the Utah Inland Port Authority created in Section 11-58-201;
 - (c) the Point of the Mountain State Land Authority created in Section 11-59-201;
 - (d) the Utah Lake Authority created in Section 11-65-201;
 - (e) the State Fair Park Authority created in Section 11-68-201; or
 - (f) the Utah Fairpark Area Investment and Restoration District created in Section 11-70-201.
- (4) "Authority-run project area" means a project area created by an authority under the authority's statutory powers as part of a significant community impact project plan.
- (5) "Base taxable value" means the taxable value of property within a project area, as designated by the board in a resolution approving a significant community impact project plan, from which property tax differential will be collected, as shown upon the assessment roll last equalized before the year in which the board adopts a resolution approving the significant community impact project plan.
- (6) "Base taxable year" means, for each property tax differential collection period triggered within a project area or a proposed project area, the calendar year before the calendar year in which the property tax increment begins to be collected for the parcels triggered for that collection period.
- (7) "Board" means the Beehive Development Agency Board created in Section 11-71-301.
- (8) "Chief executive officer" means the chief executive officer of the Governor's Office of Economic Opportunity, appointed under Section 63N-1a-302.
- (9) "Council" means the Economic Opportunity Coordinating Council created in Section 63N-1a-501.
- (10) "Direct financial benefit":
 - (a) means any form of financial benefit that accrues to an individual directly, including:
 - (i) compensation, commission, or any other form of a payment or increase of money;
 - and

- (ii) an increase in the value of a business or property; and
- (b) does not include a financial benefit that accrues to the public generally.
- (11) "Economic opportunity of statewide concern" means a major economic project involving job creation, housing, energy, or capital investment goals.
- (12) "Family member" means a parent, spouse, sibling, child, or grandchild.
- (13) "Project area" means land designated by a significant community impact project plan in which a particular economic opportunity of statewide concern:
- (a) is proposed to occur, before the adoption of a proposed significant community impact project plan; or
- (b) (b)may occur or occurs, in an approved significant community impact project plan.
- (14) "Property tax differential":
- (a) means the difference between:
- (i) the amount of property tax revenues generated each tax year by all taxing entities from a project area, using the current assessed value of the property; and
- (ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property; and
- (b) does not include property tax revenue from:
- (i) a county additional property tax or multicounty assessing and collecting levy imposed in accordance with Section 59-2-1602;
- (ii) a judgment levy imposed by a taxing entity under Section 59-2-1328 or 59-2-1330; or
- (iii) a levy imposed by a taxing entity under Section 11-14-310 to pay for a general obligation bond.
- (15)(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 county or municipal design and safety standards.
- (b) "Public infrastructure and improvements" includes:

(i) facilities, lines, or systems that provide:

(A) water, chilled water, or steam; or

(B) sewer, storm drainage, natural gas, electricity, energy storage, clean energy, microgrids, or telecommunications service;

(ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, rail lines, intermodal facilities, multimodal facilities, and public transportation facilities; and

(iii) infrastructure, improvements, facilities, or buildings that are developed as part of a remediation project.

(16) "Project area" means land designated by a significant community impact project plan in which a particular economic opportunity of statewide concern:

(a) is proposed to occur, before the adoption of a proposed significant community impact project plan; or

(b) may occur or occurs, in an approved significant community impact project plan.

(17) "Property tax differential":

(a) means the difference between:

(i) the amount of property tax revenues generated each tax year by all taxing entities from a project area, using the current assessed value of the property; and

(ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property; and

(b) does not include property tax revenue from:

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

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

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

(18) "Sales and use tax base year" means the sales and use tax year determined by the first year pertaining to the tax imposed in Section 59-12-103 after the sales and use tax boundary for a project area is established as part of the board's adoption of a significant community impact project plan.

(19) "Sales and use tax boundary" means a boundary established by the board in coordination with the State Tax Commission, based on state sales and use tax collection, that corresponds as closely as reasonably practicable to the boundary of a project area

that is established as part of a significant community impact project plan.

(20) "Sales and use tax differential" means the difference between:

- (a) the amount of state sales and use tax revenue generated each year following the sales and use tax base year by the sales and use tax from the area within a sales and use tax boundary from which sales and use tax increment is to be collected; and
- (b) the amount of state sales and use tax revenue that was generated from within the sales and use tax boundary during the sales and use tax base year.

Section 3. Section **11-71-102** is enacted to read:

11-71-102 (Effective 05/07/25). Severability.

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

Section 4. Section **11-71-103** is enacted to read:

11-71-103 (Effective 05/07/25). Nonlapsing funds.

Money the authority receives from legislative appropriations is nonlapsing.

Section 5. Section **11-71-104** is enacted to read:

11-71-104 (Effective 05/07/25). Loan approval committee -- Approval of infrastructure loans.

(1) As used in this section:

- (a) "Beehive development fund" means the same as that term is defined in Section 63A-3-401.5.
- (b) "Borrower" means the same as that term is defined in Section 63A-3-401.5.
- (c) "Infrastructure loan" means the same as that term is defined in Section 63A-3-401.5.
- (d) "Infrastructure project" means the same as that term is defined in Section 63A-3-401.5.
- (e) "Loan approval committee" means a committee established under Subsection (2).

(2)(a) The agency shall establish a loan committee consisting of:

- (i) two individuals with expertise in public finance or infrastructure development, appointed by the governor;
- (ii) one individual with expertise in public finance or infrastructure development, appointed by the president of the Senate;
- (iii) one individual with expertise in public finance or infrastructure development, appointed by the speaker of the House of Representatives; and
- (iv) one individual with expertise in public finance or infrastructure development,

- 337 appointed jointly by the president of the Senate and the speaker of the House of
338 Representatives.
- 339 (b) A board member of the agency may not be appointed to or serve as a member of the
340 loan committee.
- 341 (3)(a) The loan committee may recommend for board approval an infrastructure loan
342 from the beehive development fund to a borrower for an infrastructure project
343 undertaken by the borrower.
- 344 (b) An infrastructure loan from the beehive development fund may not be made unless:
345 (i) the infrastructure loan is recommended by the loan committee; and
346 (ii) the board approves the infrastructure loan.
- 347 (4)(a) If the loan committee recommends an infrastructure loan, the loan committee shall
348 recommend the terms of an infrastructure loan in accordance with Section 63A-3-404.
- 349 (b) The board shall require the terms of an infrastructure loan secured by property tax
350 differential to include a requirement that money from the infrastructure loan be used
351 only for an infrastructure project within the project area that generates the property
352 tax differential.
- 353 (5) The board may establish policies and guidelines with respect to prioritizing requests for
354 infrastructure loans and approving infrastructure loans.
- 355 (6) Within 60 days after the execution of an infrastructure loan, the board shall report the
356 infrastructure loan, including the loan amount, terms, interest rate, and security, to:
357 (a) the Executive Appropriations Committee; and
358 (b) the State Finance Review Commission created in Section 63C-25-201.
- 359 (7)(a) Salaries and expenses of loan committee members who are legislators shall be
360 paid in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter
361 3, Legislator Compensation.
- 362 (b) A loan committee member who is not a legislator may not receive compensation or
363 benefits for the member's service on the committee, but may receive per diem and
364 reimbursement for travel expenses incurred as a committee member at the rates
365 established by the Division of Finance under:
366 (i) Sections 63A-3-106 and 63A-3-107; and
367 (ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
368 63A-3-107.

369 Section 6. Section **11-71-201** is enacted to read:

370 **Part 2. Beehive Development Agency**

11-71-201 (Effective 05/07/25). Creation of Beehive Development Agency.

- (1) Under the authority of Utah Constitution, Article XI, Section 8, there is created the Beehive Development Agency.
- (2) The agency is:
- (a) an independent, nonprofit, separate body corporate and politic, with perpetual succession;
 - (b) a political subdivision of the state; and
 - (c) a public corporation, as defined in Section 63E-1-102.
- (3) The purpose of the agency is to fulfill any number of statewide public purposes to maximize the long-term economic and other benefit for the state, consistent with the strategies, policies, and objectives described in this chapter.
- (4) The agency is the mechanism the state chooses to focus resources and efforts on behalf of the state to ensure that regional and statewide interests, concerns, and purposes are properly addressed from a statewide perspective.

Section 7. Section **11-71-202** is enacted to read:

11-71-202 (Effective 05/07/25). Agency powers and duties.

- (1) The agency has responsibility, and power to:
- (a) develop policies for the consideration of a potential significant community impact plan;
 - (b) approve up to three significant community impact plans per calendar year; and
 - (c) develop and implement a business plan for a project area as part of a significant community impact plan.
- (2) The agency may:
- (a) facilitate and bring about the development of land in ways that benefit the entire state;
 - (b) as the agency considers necessary or advisable to carry out any of the agency'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, either as lessee or lessor;
 - (c) sue and be sued;
 - (d) enter into contracts generally;

- (e) provide funding for the development of public infrastructure and improvements or other infrastructure and improvements on or related to the authority jurisdictional land or other authority project areas;
 - (f) exercise powers and perform functions under a contract, as authorized in the contract;
 - (g) receive the property tax differential, as provided in this chapter;
 - (h) receive sales and use tax differential, as provided in this chapter;
 - (i) accept financial or other assistance from any public or private source for the authority's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;
 - (j) 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;
 - (k) issue bonds to finance the undertaking of any development objectives of the authority, 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;
 - (l) hire employees, including contract employees;
 - (m) transact other business and exercise all other powers provided for in this chapter;
 - (n) engage one or more consultants to advise or assist the agency in the performance of the agency's duties and responsibilities;
 - (o) own, lease, operate, or otherwise control public infrastructure and improvements in a project area;
 - (p) exercise powers and perform functions that the agency is authorized by statute to exercise or perform; and
 - (q) support continued growth of the state's economy.
- (3)(a) The agency may establish a community enhancement program designed to address the impacts that development within a project area has on adjacent communities.
- (b)(i) The agency may use authority money to support the community enhancement program and to pay for efforts to address the impacts described in Subsection (3)(a).
- (ii) Agency money designated for use under Subsection (3)(b)(i) is exempt from execution or any other process in the collection of a judgment against or debt or other obligation of the authority arising out of the authority's activities with

respect to the community enhancement program.

Section 8. Section **11-71-203** is enacted to read:

11-71-203 (Effective 05/07/25). Additional duties -- Duty to make policies.

The agency board, created in Section 11-71-301, shall make additional policies necessary to carry out the agency's duties under this chapter.

Section 9. Section **11-71-204** is enacted to read:

11-71-204 (Effective 05/07/25). Applicability of other laws.

(1) As used in this section:

(a) "Public body" means the same as that term is defined in Section 52-4-103.

(b) "Subsidiary" means an agency subsidiary that is a public body.

(c) "Subsidiary board" means the governing body of a subsidiary.

(2) The agency and land within a project area established by the agency is not subject to:

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

(b) Title 17, Chapter 27a, County Land Use, Development, and Management Act;

(c) ordinances or regulations of a county or municipality, including those relating to land use, health, business license, or franchise; or

(d) 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.

(3)(a) The definitions in Section 57-8-3 apply to this Subsection (3).

(b) Notwithstanding the provisions of Title 57, Chapter 8, Condominium Ownership Act, or any other provision of law:

(i) if the agency or the state is the owner of land in a project area on which a condominium project is constructed, the agency or the state is not required to sign, execute, or record a declaration of a condominium project; and

(ii) if a condominium unit in a project area is owned by the agency and leased to the state for \$1 or less per calendar year, not including any common charges that are reimbursements for actual expenses:

(A) the condominium unit is not subject to any liens under Title 57, Chapter 8, Condominium Ownership Act;

(B) condominium unit owners within the same building or commercial condominium project may agree on any method of allocation and payment of common area expenses, regardless of the size or par value of each unit; and

(C) the condominium project may not be dissolved without the consent of all the

- 473 condominium unit owners.
- 474 (4) Notwithstanding any other provision, when a law requires the consent of a local
475 government, the agency is the consenting entity for a project area established under this
476 chapter.
- 477 (5)(a) A department, division, or other entity of the state and, except as provided in
478 Subsection (5)(b), a political subdivision of the state shall cooperate with the agency
479 to the fullest extent possible to provide whatever support, information, or other
480 assistance the authority requests that is reasonably necessary to help the agency fulfill
481 the agency's duties and responsibilities under this chapter.
- 482 (b) Subsection (5)(a) does not apply to a political subdivision that does not have any of a
483 project area located within the boundary of the political subdivision.
- 484 (6) The agency and a subsidiary are subject to Title 52, Chapter 4, Open and Public
485 Meetings Act, except that:
- 486 (a) notwithstanding Section 52-4-104, the timing and nature of training to agency board
487 members or subsidiary board members on the requirements of Title 52, Chapter 4,
488 Open and Public Meetings Act, may be determined by:
- 489 (i) the board chair, for the agency board; or
490 (ii) the subsidiary board chair, for a subsidiary board;
- 491 (b) agency staff may adopt a policy governing the use of electronic meetings under
492 Section 52-4-207, if the board delegates to agency staff the power to adopt the policy;
493 and
- 494 (c) for an electronic meeting of the agency board or subsidiary board that otherwise
495 complies with Section 52-4-207, the agency board or subsidiary board, respectively:
- 496 (i) is not required to establish an anchor location; and
497 (ii) may convene and conduct the meeting without the determination otherwise
498 required under Subsection 52-4-207(5)(a)(i).
- 499 (7) The agency and a subsidiary of the agency are subject to Title 63G, Chapter 2,
500 Government Records Access and Management Act, except that:
- 501 (a) notwithstanding Section 63G-2-701:
- 502 (i) the agency may establish an appeals board consisting of at least three members;
503 (ii) an appeals board established under Subsection (7)(a)(i) shall include three agency
504 board members; and
- 505 (iii) an appeal of a decision of an appeals board is filed in district court, as provided
506 in Section 63G-2-404, except that the State Records Committee is not a party; and

(b) a record created or retained by the agency or a subsidiary acting in the role of a facilitator under Subsection 63H-1-201(3)(v) is a protected record under Title 63G, Chapter 2, Government Records Access and Management Act.

(8) The agency or a subsidiary acting in the role of a facilitator under Subsection 63H-1-201(3)(v) is not prohibited from receiving a benefit from a public-private partnership that results from the facilitator's work as a facilitator.

(9)(a) Terms defined in Section 57-11-2 apply to this Subsection (9).

(b) Title 57, Chapter 11, Utah Uniform Land Sales Practices Act, does not apply to an offer or disposition of an interest in land if the interest in land lies within the boundaries of the project area and the agency:

(i)(A) has a development review committee using at least one professional planner;

(B) enacts standards and guidelines that require approval of planning, land use, and plats, including the approval of plans for streets, culinary water, sanitary sewer, and flood control; and

(C) will have the improvements for streets, culinary water, sanitary sewer, and flood control, plus telecommunications and electricity; and

(ii) if at the time of the offer or disposition, the subdivider furnishes satisfactory assurance of completion of the improvements described in Subsection (9)(b)(i)(C).

(10)(a) The agency may request and, upon request, shall receive:

(i) fuel dispensing and motor pool services provided by the Division of Fleet Operations;

(ii) surplus property services provided by the Division of Purchasing and General Services;

(iii) information technology services provided by the Division of Technology Services;

(iv) archive services provided by the Division of Archives and Records Service;

(v) financial services provided by the Division of Finance;

(vi) human resources services provided by the Division of Human Resource Management;

(vii) legal services provided by the Office of the Attorney General; and

(viii) banking services provided by the Office of the State Treasurer.

(b) Nothing in Subsection (10)(a) may be construed to relieve the agency of the obligation to pay the applicable fee for the service provided.

(11)(a) To govern agency procurements, the board shall adopt a procurement policy that

the board determines to be substantially consistent with applicable provisions of Title 63G, Chapter 6a, Utah Procurement Code.

(b) The board's determination under Subsection (11)(a) of substantial consistency is final and conclusive.

Section 10. Section **11-71-301** is enacted to read:

Part 3. Beehive Development Agency Board

11-71-301 (Effective 05/07/25). Beehive Development Agency Board -- Delegation.

(1) The agency shall be governed by a board which:

(a) shall manage and conduct the business and affairs of the agency;

(b) shall determine all questions of agency policy; and

(c) constitutes a mixed-function board.

(2) The board may by resolution delegate powers to agency staff.

Section 11. Section **11-71-302** is enacted to read:

11-71-302 (Effective 05/07/25). Number of board members -- Appointment -- Vacancies.

(1) The agency board consists of five voting members described in Subsection (2).

(2)(a) The governor shall appoint three members to the board.

(b) The speaker of the House of Representatives shall appoint one member to the board.

(c) The president of the Senate shall appoint one member to the board.

(3)(a) Except as provided in Subsection (3)(b), the term of a board member is four years.

(b) At the time of appointment of the initial board, the governor shall appoint two members for a term of two years to ensure that the terms of board members are staggered so that approximately half of the board is appointed every two years.

(4) Board members may not serve more than two full consecutive terms except when the appointing officer determines that an additional term is in the best interest of the state.

(5) A member of the board appointed under Subsection (2) serves at the pleasure of and may be removed and replaced at any time, with or without cause, by the individual who appointed the member.

(6) When a vacancy occurs in the membership of the board for any reason, the replacement shall be appointed for the unexpired term.

(7) A majority of board members, not including a vacancy, constitutes a quorum for conducting board business and exercising board power.

(8)(a) The governor shall select one board member as the board's chair.

(b) The board shall select one board member as the board's vice chair.

(9) Each board member shall serve until a successor is duly appointed and qualified.

(10) The board may appoint one or more advisory committees that may include individuals from public entities, community organizations, environmental organizations, business organizations, or other organizations or associations.

(11)(a) A member who is not a legislator may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(i) Section 63A-3-106;

(ii) Section 63A-3-107; and

(iii) rules made by the Division of Finance under 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.

(12) A member shall comply with the conflict of interest provisions described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

Section 12. Section **11-71-304** is enacted to read:

11-71-304 (Effective 05/07/25). Limitations on board members and chief executive officer -- Annual conflict of interest disclosure statement -- Penalties.

(1) As used in this section:

(a) "Chief executive officer" means the chief executive officer of the Governor's Office of Economic Opportunity.

(b) "Established project area" means a project area:

(i) created under this chapter; or

(ii) an authority-run project area if:

(A) in regard to the chief executive officer, the authority-run project area is established by an authority other than the Beehive Development Agency at the recommendation of the chief executive officer; and

(B) in regard to a board member and the chief executive officer, the board and authority enter into an agreement for the board to direct the authority's participation in a significant community impact project plan, as described in Section 11-71-401.

(2)(a) An individual is subject to Subsection (2)(b) if:

(i) the individual owns real property, other than a personal residence in which the

- 609 individual resides, within an established project area, whether or not the
610 ownership interest is a recorded interest;
- 611 (ii) a family member of the individual owns an interest in real property, other than a
612 personal residence in which the family member resides, located within an
613 established project area; or
- 614 (iii) the individual or a family member of the individual owns an interest in, is
615 directly affiliated with, or is an employee or officer of a private firm, private
616 company, or other private entity that the individual reasonably believes is likely to:
617 (A) participate in or receive a direct financial benefit from the development of a
618 project area; or
619 (B) acquire an interest in or locate a facility within an established project area.
- 620 (b) An individual described in Subsection (2)(a):
621 (i) may not be employed as the chief executive officer; or
622 (ii) may not, if the individual is a board member, participate in the consideration or
623 vote on any matter affecting the individual or family member's interest or
624 affiliation described in Subsection (2)(a).
- 625 (3) Before taking office as a board member or accepting employment as chief executive
626 officer, an individual shall submit to the governor and the president of the Senate a
627 statement verifying that the individual's service as a board member or employment as
628 chief executive officer does not violate this section.
- 629 (4)(a) An individual may not, at any time during the individual's service as a board
630 member or employment as chief executive officer, acquire, or take any action to
631 initiate, negotiate, or otherwise arrange for the acquisition of, an interest in real
632 property located within an established project area, if:
633 (i) the acquisition is in the individual's personal capacity or in the individual's
634 capacity as an employee or officer of a private firm, private company, or other
635 private entity; and
636 (ii) the acquisition will enable the individual to receive a direct financial benefit as a
637 result of the development of the established project area.
- 638 (b) Subsection (4)(a) does not apply to an individual's acquisition of, or action to initiate,
639 negotiate, or otherwise arrange for the acquisition of, an interest in real property that
640 is a personal residence in which the individual will reside upon acquisition of the real
641 property.
- 642 (5)(a) A board member or the chief executive officer may not receive a direct financial

benefit from the development of a project in an established project area.

(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) the chief executive officer's compensation or benefits from employment with the state.

(6) In addition to any other limitation on a board member described in this section, a board member shall, no sooner than January 1 and no later than January 31 of each year during which the board member holds office on the board:

(a) prepare a written conflict of interest disclosure statement that contains a response to each item of information described in Subsection 20A-11-1604(6); and

(b) submit the written disclosure statement to the state auditor.

(7)(a) No later than 10 business days after the date on which the board member submits the written disclosure statement described in Subsection (6), the state auditor shall:

(i) post an electronic copy of the written disclosure statement on a website maintained by the state auditor; and

(ii) provide the lieutenant governor with a link to the electronic posting described in Subsection (7)(a)(i).

(b) The agency shall ensure that the board member's written disclosure statement remains posted on the board's or agency's website until the board member leaves office.

(8) The state auditor shall take the action described in Subsection (9) if:

(a) a board member fails to timely submit the written disclosure statement described in Subsection (6); or

(b) a submitted written disclosure statement does not comply with the requirements of Subsection 20A-11-1604(6).

(9) If a circumstance described in Subsection (8) occurs, the state auditor shall, within five days after the day on which the state auditor determines that a violation occurred, notify the board member of the violation and direct the board member to submit an amended written disclosure statement correcting the problem.

(10)(a) It is unlawful for a board member to fail to submit or amend a written disclosure statement within seven days after the day on which the board member receives the notice described in Subsection (9).

(b) A board member who violates Subsection (10)(a) is guilty of a class B misdemeanor.

- (c) The state auditor shall report a violation of Subsection (10)(a) to the attorney general.
- (d) In addition to the criminal penalty described in Subsection (10)(b), the state auditor shall impose a civil fine of \$100 against a board member who violates Subsection (10)(a).

(11) The state auditor shall retain a fine collected under this section to pay for the costs of administering this section.

(12) 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 13. Section **11-71-305** is enacted to read:

11-71-305 (Effective 05/07/25). Policymaking.

The board shall establish policies, in addition to the requirements of this chapter, governing:

- (1) proposed significant community impact project plans;
- (2) criteria to consider a proposed significant community impact project plan;
- (3) criteria to approve or deny a proposed significant community impact project plan; and
- (4) any other policy the board considers necessary to fulfill the agency's duties under this chapter.

Section 14. Section **11-71-401** is enacted to read:

Part 4. Significant Community Impact Project Plan and Project Areas

11-71-401 (Effective 05/07/25). Preparation of a significant community impact project plan -- Required contents of a significant community impact project plan.

- (1) The chief executive officer may present a proposed significant community impact project plan to the board for the board's consideration.
- (2) A proposed significant community impact project plan shall:
 - (a) describe the economic opportunity of statewide concern to be addressed through the proposed significant community impact project;
 - (b) describe how the proposed significant community impact project promotes the strategic economic development objectives for the state, as established by the council;
 - (c) except as provided in Subsection (6), describe the proposed project area for the proposed significant community impact project, including:
 - (i) a boundary description of each proposed project area;
 - (ii) a proposed base taxable value for each proposed project area;
 - (iii) a proposed base taxable year;

- 711 (iv) a proposed sales and use tax boundary;
712 (v) a proposed sales and use tax base year;
713 (vi) the time period proposed for the collection of property tax differential and sales
714 and use tax differential, not to exceed:
715 (A) an initial 25-year period; and
716 (B) an optional secondary 15-year period; and
717 (vii) the information described in Subsection (5);
718 (d) describe any grants, awards, loans, or other incentives authorized under Title 63N,
719 Economic Opportunity Act, that will be leveraged in the significant community
720 impact project plan, including:
721 (i) a grant under Title 63N, Chapter 3, Part 10, Economic Assistance Grant Program;
722 (ii) a grant under Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant
723 Program;
724 (iii) an award from the Industrial Assistance Account under Title 63N, Chapter 3,
725 Part 1, Industrial Assistance Account;
726 (iv) an award under Title 63N, Chapter 4, Rural Development Act; or
727 (v) a tax credit incentive under Title 63N, Chapter 2, Tax Credit Incentives for
728 Economic Development; and
729 (e) include any other information the board requires.
730 (3) A grant, award, loan, or other incentive described in Subsection (2)(d):
731 (a) may proceed with or without an approved significant community impact project;
732 (b) is not required to be approved by the board; and
733 (c) if the grant, award, loan, or other incentive is proposed in the significant community
734 impact project plan, the grant, award, loan, or other incentive becomes project area
735 funds, as described in Section 11-71-501, upon the board's adoption of the significant
736 community impact project plan.
737 (4) Land included or to be included within a single project area is not required to be
738 contiguous.
739 (5) If a project area is to be on state land, the description of a project area shall include
740 written acknowledgment from the state officer, board chair, or other individual
741 responsible for the state land.
742 (6)(a) The chief executive officer may propose a significant community impact project
743 plan that requests an authority create an authority-run project area, under the
744 authority's statutory provisions, as part of a proposed significant community impact

745 project plan.

746 (b) The board may request an authority described in Subsection (6)(a) enter into an
747 agreement with the board to participate in a significant community impact project
748 plan, once approved, under the board's direction.

749 (7)(a) The chief executive officer is not required to secure local consent from any
750 affected local government entity before making a proposal for a significant
751 community impact project plan or associated project area, as described in this section.

752 (b) In presenting a proposed significant community impact project plan to the board, the
753 chief executive officer shall describe how the chief executive officer consulted with a
754 local government entity that may be affected by the adoption of a significant
755 community impact project area.

756 Section 15. Section **11-71-402** is enacted to read:

757 **11-71-402 (Effective 05/07/25). Public meeting to consider and discuss proposed**
758 **significant community impact project plan -- Notice -- Modification to proposed**
759 **economic zone.**

760 (1) The board shall hold at least one public meeting to consider and discuss a proposed
761 significant community impact project plan.

762 (2)(a) At least 15 days before holding a public meeting described under Subsection (1),
763 the board shall make the proposed significant community impact project plan
764 publicly available on a website.

765 (b) At least 10 days before holding a public meeting described in Subsection (1), the
766 board shall give notice of the public meeting:

767 (i) to each taxing entity that would be impacted by a project area in the proposed
768 significant community impact project area plan;

769 (ii) to a municipality located within one-half mile of a proposed project area in the
770 proposed significant community impact project area plan; and

771 (iii) for a proposed project area in the proposed significant community project area
772 plan, as a class A notice under Section 63G-30-102, for at least 10 days.

773 (3)(a) A private owner of land proposed to be included within a proposed project area
774 may request that the owner's land be excluded from a project area.

775 (b) A request under Subsection (3)(a) shall be submitted to the board:

776 (i) in writing; and

777 (ii) no more than 45 days after the public meeting described in Subsection (1).

778 (4) Before adopting a proposed significant community impact project plan, the board:

- 779 (a) shall eliminate from a proposed project area the land of any owner who timely
780 requests the owner's land to be excluded from the project area under Subsection (3);
781 and
782 (b) may make other modifications to the proposed significant community impact project
783 plan that the board considers necessary or appropriate.
784 (5) Notwithstanding Subsections (2) through (4), if a proposed significant community
785 impact project plan includes the creation of an authority-run project area, the
786 authority-run project area shall be noticed and created by the authority designated in the
787 proposed significant community impact project plan according to the statutory
788 provisions governing the authority.
789 (6) The board may adopt no more than three significant community impact project areas in
790 a calendar year.

791 Section 16. Section **11-71-403** is enacted to read:

792 **11-71-403 (Effective 05/07/25). Approval -- Effective date -- Certain legal**
793 **challenges barred.**

- 794 (1) The board may adopt a proposed significant community impact project plan by
795 resolution, with any modifications described in Subsection 11-71-402(4), following
796 consideration and discussion of:
797 (a) long-term population growth estimates in the state and areas in and around a
798 proposed project area;
799 (b) workforce needs and availability, especially for targeted industries identified by the
800 council;
801 (c) infrastructure needs in a proposed project area, including water, power,
802 transportation, and telecommunications;
803 (d) the availability of, and impact on the availability of, resources like water, energy, air
804 quality, and recreational opportunity;
805 (e) the needs of urban and rural areas of the state;
806 (f) impacts to the quality of life for all residents of the state; and
807 (g) any comments received before or during the public meeting described in Section
808 11-71-402.
809 (2) The board is not required to secure local consent from any affected local government
810 entity before approving a proposed significant community impact project plan or
811 associated project area.
812 (3) A resolution approving a significant community impact project plan shall contain, at

minimum, the board's findings that:

- (a) the proposed significant community impact project plan addresses an economic opportunity of statewide concern;
- (b) there is a public benefit to the proposed significant community impact project plan;
- (c) the proposed significant community impact project plan is economically sound and feasible to adopt and carry out; and
- (d) if adopted, the proposed significant community impact project plan will promote strategic economic development objectives for the state, as established by the council under Section 63N-1a-502.

(4) The board may adopt no more than three significant community impact project plans and associated project areas in a calendar year.

(5) If a parcel within a project area approved by the board under this section is part of a project area, as that term is defined in Section 17C-1-102, a housing and transit reinvestment zone created under Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act, a first home investment zone created under Title 63N, Chapter 3, Part 16, First Home Investment Zone Act, or a home ownership promotion zone created under Title 10, Chapter 9a, Part 10, Home Ownership Promotion Zone for Municipalities, or Title 17, Chapter 27a, Part 12, Home Ownership Promotion Zone for Counties, the chief executive officer and board shall work with the relevant local government entity to establish how the overlapping parcel shall be managed and how revenue generated by activity on the parcel shall be distributed.

(6)(a) A significant community impact project plan and the project area associated with the plan becomes effective on the date designated by the board in the resolution described in this section.

(b)(i) Property tax differential may begin to be generated for an approved project area on January 1 following the approval of a significant community impact project plan.

(ii) Sales and use tax differential may begin to be generated for an approved project area from the beginning of the first fiscal quarter following 90 days from the approval of a significant community impact project plan.

(c) Upon the effective date described in Subsection (6)(a), all affected local taxing entities are required to participate according to the terms approved by the board and each affected taxing entity is required to participate at the same rate.

(7) A legal action or other challenge to a significant community impact project plan or a

project area in a significant community impact project plan is barred unless brought within 30 days after the effective date of the significant community impact project plan, as described in Subsection (6)(a).

Section 17. Section **11-71-404** is enacted to read:

11-71-404 (Effective 05/07/25). Notice of significant community impact project plan adoption -- Notice of project area adoptions -- Effective date -- Time for challenging a statewide community impact project plan or project area.

(1) Upon the board's adoption of a significant community impact project plan as described in Section 11-71-403, the board shall provide notice as provided in Subsection (2) by publishing or causing to be published, legal notice for the project area included in the significant community impact project plan, as a class A notice under Section 63G-30-102, for at least 30 days.

(2)(a) Each notice under Subsection (1) shall include:

(i) the board resolution adopting the significant community impact project plan or a summary of the board resolution; and

(ii) a statement that the significant community impact project plan, including a description of all project areas approved in the plan, is available for general public inspection and the hours for inspection.

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

(3) The board shall make the adopted significant community impact project plan and a description of the project area available to the general public at the authority's offices during normal business hours.

(4) Within 10 days after the day on which a significant community impact project area is established, or after an amendment to a significant community impact project plan is adopted that modifies a boundary of a project area, the board 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 and recorder of each county where the project area is located.

Section 18. Section **11-71-405** is enacted to read:

11-71-405 (Effective 05/07/25). Amendment to a significant community impact

881 **project plan.**

- 882 (1) The board may amend an adopted significant community impact project plan by
883 following the same procedure under this part that applies to the initial adoption of a
884 significant community impact project plan.
- 885 (2) If an amendment to a significant community impact project plan results in land being
886 included in a project area that was not included in the project area before the
887 amendment, the base taxable value applicable to the project area before the amendment
888 also applies to the land added to the project area by amendment.

889 Section 19. Section **11-71-501** is enacted to read:

890 **Part 5. Project Area Budget**

891 **11-71-501 (Effective 05/07/25). Project area budget.**

- 892 (1) Before the agency may use the property tax differential from a project area, the board
893 shall prepare and adopt a project area budget.
- 894 (2) A project area budget shall include:
- 895 (a) the base taxable value of property in the project area;
- 896 (b) the projected property tax differential expected to be generated within the project
897 area;
- 898 (c) the amount of the property tax differential expected to be used to implement the
899 project area plan, including the estimated amount of the property tax differential to be
900 used for:
- 901 (i) land acquisition;
- 902 (ii) public infrastructure and improvements;
- 903 (iii) a remediation project, if applicable; and
- 904 (iv) loans, grants, or other incentives to private and public entities;
- 905 (d) the property tax differential expected to be used to cover the cost of administering
906 the project area plan;
- 907 (e) the amount of property tax differential expected to be shared with other taxing
908 entities; and
- 909 (f) for property that the authority owns or leases and expects to sell or sublease, the
910 expected total cost of the property to the authority and the expected selling price or
911 lease payments.
- 912 (3) The board may amend an adopted project area budget as and when the board considers
913 it appropriate.

914 Section 20. Section **11-71-502** is enacted to read:

11-71-502 (Effective 05/07/25). Budgets impacting public infrastructure districts created by the agency.

- (1)(a) Before the agency creates a subsidiary public infrastructure district for a significant community impact project area, the board shall prepare and adopt a public infrastructure district budget.
- (b) The public infrastructure district budget described in Subsection (1)(a) shall include the projected revenue to be generated by the public infrastructure district through:
- (i) the issuance of bonds; and
 - (ii) the levying of taxes as described in this section.
- (2)(a)(i) A public infrastructure district created by the agency as a subsidiary of the agency in accordance with Title 17D, Chapter 4, Public Infrastructure District Act, may, subject to limitations of Title 17D, Chapter 4, Public Infrastructure District Act, levy a property tax for the operations and maintenance of the subsidiary public infrastructure district's financed infrastructure and related improvements, subject to a maximum rate of .015%.
- (ii) A levy under Subsection (2)(a)(i) may be separate from a public infrastructure district property tax levy for a bond.
- (b) If a subsidiary public infrastructure district issues a bond:
- (i) the subsidiary public infrastructure district may:
 - (A) delay the effective date of the property tax levy for the bond until after the period of capitalized interest payments; and
 - (B) covenant with bondholders not to reduce or impair the property tax levy; and
 - (ii) notwithstanding a provision to the contrary in Title 17D, Chapter 4, Public Infrastructure District Act, the tax rate for the property tax levy for the bond may not exceed a rate that generates more revenue than required to pay the annual debt service of the bond plus administrative costs, subject to a maximum rate of .02%.
- (c)(i) A subsidiary public infrastructure district may create tax areas, as defined in Section 59-2-102, within the public infrastructure district and apply a different property tax rate to each tax area, subject to the maximum levy rate limitations described in Subsections (2)(a)(i) and (2)(b)(ii).
- (ii) If a subsidiary public infrastructure district issues bonds, the subsidiary public infrastructure district may issue bonds secured by property taxes from:
 - (A) the entire subsidiary public infrastructure district boundary; or
 - (B) one or more tax areas within the subsidiary public infrastructure district

boundary.

(3) The requirements of this section may be in addition to the requirements described in Part 7, Beehive Development Agency Bonds.

Section 21. Section **11-71-601** is enacted to read:

Part 6. Project Area Revenue

11-71-601 (Effective 05/07/25). Project area funds -- Project area agreements.

(1) The following constitute potential project area funds for an approved project area that is part of a significant community impact project plan:

(a) a grant, award, loan, or incentive authorized under Title 63N, Economic Opportunity Act, included as a part of the approved significant community impact project plan;

(b) property tax differential from a project area, as described in Section 11-71-605;

(c) sales and use tax differential from a project area, as described in Section 11-71-606;
and

(d) revenue generated by a tax authorized under this part.

(2) Project area funds may be expended for a purpose described in a significant community impact project plan, including:

(a) to pay for, including financing or refinancing, all or part of the development of land within an project area, including assisting the ongoing operation of a development or a facility within the project area;

(b) to pay the cost of the installation and construction of public infrastructure and improvements within the project area from which the project area funds were collected;

(c) to pay the cost of the installation of public infrastructure and improvements outside a project area if the board determines by resolution that the infrastructure and improvements are of benefit to the project area;

(d) to pay the principal and interest on bonds issued by the agency for the benefit of the project area, if the bonds were first approved by the board;

(e) to pay the cost of acquiring a conservation easement on land that is part of or adjacent to the project area; and

(f) to incentivize development that is contemplated in an approved significant community impact project plan.

(3)(a) The agency may use money it receives under Subsections 59-12-103(17) and (19) for the development of the project area that generated the funds, including paying for bonds issued to pay for the development and construction of projects in the project

983 area.

984 (b) If the amount of money the agency receives under Subsection (3)(a) exceeds the
985 amount required to pay the annual debt service on bonds issued to pay for the
986 development and construction of a project, the agency may use the excess amount
987 received to:

988 (i) pay down the principal on a bond associated with the project area that generated
989 the funds; or

990 (ii) support development outside of the project area that generated the funds.

991 (4) Before project funds may be used outside of the project area, the board shall:

992 (a) make a finding that the use of project area funds outside the project area will directly
993 benefit the project area and the elements of the significant community impact project
994 plan being targeted in the project area; and

995 (b) describe the maximum distance that project area funds may be used outside the
996 project area.

997 Section 22. Section **11-71-602** is enacted to read:

998 **11-71-602 (Effective 05/07/25). Accommodations tax.**

999 (1) As used in this section, "accommodations and services" means an accommodation or
1000 service described in Subsection 59-12-103(1)(i).

1001 (2) The board may impose an accommodations tax on a provider for amounts paid or
1002 charged for accommodations and services, if the place of accommodation is located
1003 within the project area on:

1004 (a) municipality-owned, county-owned, or state-owned property;

1005 (b) privately owned property on which a municipality, county, or the state owns some or
1006 all of the place of accommodation; or

1007 (c) privately owned property on which the board finds that a private owner is receiving
1008 significant benefit due to the proximity of the project area to the privately owned
1009 property.

1010 (3) The maximum rate of the accommodations tax authorized by this section is 15% of the
1011 amounts paid to or charged by the provider for accommodations and services.

1012 (4) A provider may recover an amount equal to the accommodations tax authorized in this
1013 section from customers, if the provider includes the amount as a separate billing line
1014 item.

1015 (5) If the board imposes the tax described in this section for an area, the board may not also
1016 impose on the amounts paid or charged for accommodations and services in the same

- 1017 area any other tax described in:
- 1018 (a) Title 59, Chapter 12, Sales and Use Tax Act; or
- 1019 (b) Title 59, Chapter 28, State Transient Room Tax Act.
- 1020 (6) Except as provided in Subsection (7) or (8), the tax imposed under this section shall be
- 1021 administered, collected, and enforced in accordance with:
- 1022 (a) the same procedures used to administer, collect, and enforce the tax under:
- 1023 (i) Title 59, Chapter 12, Part 1, Tax Collection; or
- 1024 (ii) Title 59, Chapter 12, Part 2, Local Sales and Use Tax Act; and
- 1025 (b) Title 59, Chapter 1, General Taxation Policies.
- 1026 (7) The location of a transaction shall be determined in accordance with Sections 59-12-211
- 1027 through 59-12-215.
- 1028 (8)(a) A tax under this section is not subject to Section 59-12-107.1 or 59-12-123 or
- 1029 Subsections 59-12-205(2) through (5).
- 1030 (b) The exemptions described in Sections 59-12-104, 59-12-104.1, and 59-12-104.6 do
- 1031 not apply to a tax imposed under this section.
- 1032 (9) The State Tax Commission shall:
- 1033 (a) except as provided in Subsection (9)(b), distribute the revenue collected from the tax
- 1034 to the board; and
- 1035 (b) retain and deposit an administrative charge in accordance with Section 59-1-306
- 1036 from revenue the State Tax Commission collects from a tax under this section.
- 1037 (10)(a) If the board imposes, repeals, or changes the rate of tax under this section, the
- 1038 implementation, repeal, or change shall take effect:
- 1039 (i) on the first day of a calendar quarter; and
- 1040 (ii) after a 90-day period beginning on the date the State Tax Commission receives
- 1041 the notice described in Subsection (10)(b) from the legislative body of the county
- 1042 or municipality.
- 1043 (b) The notice required in Subsection (10)(a)(ii) shall state:
- 1044 (i) that the county or municipality will impose, repeal, or change the rate of a tax
- 1045 under this section;
- 1046 (ii) the effective date of the implementation, repeal, or change of the tax; and
- 1047 (iii) the rate of the tax.
- 1048 Section 23. Section **11-71-603** is enacted to read:
- 1049 **11-71-603 (Effective 05/07/25). Energy sales and use tax.**
- 1050 (1) The board may levy an energy tax within a project area on an energy supplier as defined

in Section 10-1-303.

(2) The maximum rate of the energy tax under this section is 6% of the delivered value as defined in Section 10-1-303, except that delivered value does not include the amount of a tax paid under this section.

(3)(a) An energy supplier may recover an amount equal to the energy tax from the energy supplier's customers, if the energy supplier includes the amount as a separate billing line item.

(b) The energy tax levied under this section is in addition to the rate approved by the Public Service Commission and charged to the customer.

(4) If the agency has levied a municipal energy tax in the project area, the energy tax paid by a customer is reduced by any municipal energy tax paid by that customer on the same delivered value.

(5)(a) The energy tax is payable by the energy supplier to the agency on a monthly basis as described by the resolution levying the tax.

(b) The resolution 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.

Section 24. Section **11-71-604** is enacted to read:

11-71-604 (Effective 05/07/25). Other taxes levied for a project area.

(1) If the board does not levy the tax described in Section 11-71-602 for an area, the board may levy the following taxes:

(a) a transient room tax described in Subsection 59-12-352(7);

(b) resort community tax described in Section 59-12-401; and

(c) additional resort community sales and use tax described in Section 59-12-402.

(2) Revenue generated by a tax described in this section from a project area constitutes project area funds for that project area.

Section 25. Section **11-71-605** is enacted to read:

11-71-605 (Effective 05/07/25). Property tax differential.

(1) A county that collects property tax located within a project area shall, in accordance with Section 59-2-1365, distribute to the agency:

(a) beginning the year after a statewide community impact project plan is approved by resolution and for up to 25 years, up to 75% of property tax differential generated in the project area; and

(b) beginning the twenty-sixth year after a statewide community impact project plan is approved by resolution and for 15 years thereafter, unless earlier terminated by

1085 resolution of the board, 50% of property tax differential generated in the project area.

1086 (2) The agency may utilize property tax differential as described in this section and subject
1087 to the requirements of Section 11-71-501.

1088 (3) Improvements on a parcel within a project area become subject to property tax on
1089 January 1 immediately following the day on which the authority, or an entity designated
1090 by the authority, issues a certificate of occupancy or other final approval with respect to
1091 those improvements.

1092 (4) If an approved significant community impact project plan includes the creation of one
1093 or more authority-run project areas:

1094 (a) the authority shall manage the authority-run project area:

1095 (i) pursuant to the authority's statutory provisions; and

1096 (ii) in accordance with any agreement between the board and the authority governing
1097 the significant community impact project plan; and

1098 (b) the provisions of this section do not apply to the authority-run project area.

1099 Section 26. Section **11-71-606** is enacted to read:

1100 **11-71-606 (Effective 05/07/25). Sales and use tax differential.**

1101 (1)(a) The State Tax Commission shall, in accordance with Sections 59-12-103 and
1102 59-12-205, distribute to the fiscal agent designated by the board in an approved
1103 statewide community impact project plan:

1104 (i) beginning the year after a statewide community impact project plan is approved by
1105 resolution and for up to 25 years, 75% of property tax differential generated in the
1106 sales and use tax boundary for the project area; and

1107 (ii) beginning the twenty-sixth year after a statewide community impact project plan
1108 is approved by resolution and for up to 15 years thereafter, unless earlier
1109 terminated by resolution of the board, 50% of sales and use tax differential
1110 generated in the sales and use tax boundary for the project area.

1111 (b) The State Tax Commission shall determine the sales and use tax boundary, in
1112 consultation with the board, as close to the boundary of the established project area as
1113 practical.

1114 (2) If an approved significant community impact project plan includes the creation of one
1115 or more authority-run project areas:

1116 (a) the authority shall manage the authority-run project area:

1117 (i) pursuant to the authority's statutory provisions; and

1118 (ii) in accordance with any agreement between the board and the authority governing

1119 the significant community impact project plan; and

1120 (b) the provisions of this section do not apply to the authority-run project area.

1121 Section 27. Section **11-71-701** is enacted to read:

1122 **Part 7. Beehive Development Agency Bonds**

1123 **11-71-701 (Effective 05/07/25). Resolution authorizing issuance of bonds --**

1124 **Characteristics of bonds -- Notice.**

1125 (1) The agency may not issue bonds under this part unless the board first:

1126 (a) adopts a parameters resolution for the bonds that sets forth:

1127 (i) the maximum:

1128 (A) amount of bonds;

1129 (B) term; and

1130 (C) interest rate; and

1131 (ii) the expected security for the bonds; and

1132 (b) submits the parameters resolution for review and recommendation to the State

1133 Finance Review Commission created in Section 63C-25-201.

1134 (2)(a) As provided in the agency resolution authorizing the issuance of bonds under this
1135 part or the trust indenture under which the bonds are issued, bonds issued under this
1136 part may be issued in one or more series and may be sold at public or private sale and
1137 in the manner provided in the resolution or indenture.

1138 (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest
1139 at the rate, be in the denomination and in the form, carry the conversion or

1140 registration privileges, have the rank or priority, be executed in the manner, be

1141 subject to the terms of redemption or tender, with or without premium, be payable in

1142 the medium of payment and at the place, and have other characteristics as provided in

1143 the agency resolution authorizing the bond's issuance or the trust indenture under

1144 which the bonds are issued.

1145 (3) Upon the board's adoption of a resolution providing for the issuance of bonds, the board
1146 may provide for the publication of the resolution:

1147 (a) for the area within the agency's boundaries, as a class A notice under Section
1148 63G-30-102, for at least 30 days; and

1149 (b) as required in Section 45-1-101.

1150 (4) In lieu of publishing the entire resolution, the board may publish notice of bonds that
1151 contains the information described in Subsection 11-14-316(2).

1152 (5) For a period of 30 days after the publication, any person in interest may contest:

- 1153 (a) the legality of the resolution or proceeding;
 1154 (b) any bonds that may be authorized by the resolution or proceeding; or
 1155 (c) any provisions made for the security and payment of the bonds.
- 1156 (6)(a) A person may contest the matters set forth in Subsection (5) by filing a verified
 1157 written complaint, within 30 days of the publication under Subsection (5), in the
 1158 court with jurisdiction in the county in which the person resides.
- 1159 (b) A person may not contest the matters set forth in Subsection (5), or the regularity,
 1160 formality, or legality of the resolution or proceeding, for any reason, after the 30-day
 1161 period for contesting provided in Subsection (6)(a).
- 1162 (7) No later than 60 days after the closing day of any bonds, the agency shall report the
 1163 bonds issuance, including the amount of the bonds, terms, interest rate, and security, to:
 1164 (a) the Executive Appropriations Committee; and
 1165 (b) the State Finance Review Commission created in Section 63C-25-201.
- 1166 Section 28. Section **11-71-702** is enacted to read:
- 1167 **11-71-702 (Effective 05/07/25). Sources from which bonds may be made payable**
 1168 **-- Agency powers regarding bonds.**
- 1169 (1) The principal and interest on bonds issued by the agency may be made payable from:
 1170 (a) the income and revenues of the projects financed with the proceeds of the bonds;
 1171 (b) the income and revenues of certain designated projects that were financed in whole
 1172 or in part with the proceeds of the bonds;
 1173 (c) the income, proceeds, revenues, property, and funds the agency derives from or holds
 1174 in connection with the agency's undertaking and carrying out development of a
 1175 significant community impact project plan or an associated project area;
 1176 (d) property tax differential funds;
 1177 (e) sales and use differential funds;
 1178 (f) agency revenues generally;
 1179 (g) a contribution, loan, grant, or other financial assistance from the federal government
 1180 or a public entity in aid of the agency; or
 1181 (h) funds derived from any combination of the methods listed in Subsections (1)(a)
 1182 through (g).
- 1183 (2) In connection with the issuance of agency bonds, the agency may:
 1184 (a) pledge all or any part of the agency's gross or net rents, fees, or revenues that exist or
 1185 may come into existence;
 1186 (b) encumber by mortgage, deed of trust, or otherwise all or any part of the agency's real

or personal property, then owned or thereafter acquired; and
(c) make the covenants and take the action that may be necessary, convenient, or desirable to secure the agency'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.

Section 29. Section **11-71-703** is enacted to read:

11-71-703 (Effective 05/07/25). Purchase of bonds.

- (1) Any person, firm, corporation, association, political subdivision of the state, or other entity or public or private officer may purchase bonds issued by an agency under this part with funds owned or controlled by the purchaser.
- (2) Nothing in this section may be construed to relieve a purchaser of agency bonds of any duty to exercise reasonable care in selecting securities.

Section 30. Section **11-71-704** is enacted to read:

**11-71-704 (Effective 05/07/25). Those executing bonds not personally liable --
Limitation of obligations under bonds -- Negotiability.**

- (1) A member of the board or other person executing an agency bond is not liable personally on the bond.
- (2)(a) A bond issued by the agency is not a general obligation or liability of the state or any of the state's political subdivisions and does not constitute a charge against the state's general credit or taxing powers.
- (b) A bond issued by the agency is not payable out of any funds or properties other than those of the agency.
- (c) The state and its political subdivisions are not and may not be held liable on a bond issued by the agency.
- (d) A bond issued by the agency does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation.
- (3) A bond issued by the agency under this part is fully negotiable.

Section 31. Section **11-71-705** is enacted to read:

11-71-705 (Effective 05/07/25). Obligee rights -- Board may confer other rights.

- (1) In addition to all other rights that are conferred on an obligee of a bond issued by the agency under this part and subject to contractual restrictions binding on the obligee, an obligee may:
- (a) by mandamus, suit, action, or other proceeding, compel an agency and its board,

officers, agents, or employees to perform every term, provision, and covenant contained in any contract of the agency with or for the benefit of the obligee, and require the agency to carry out the covenants and agreements of the agency and to fulfill all duties imposed on the agency by this part; and

(b) by suit, action, or proceeding in equity, enjoin any acts or things that may be unlawful or violate the rights of the obligee.

(2)(a) In a board resolution authorizing the issuance of bonds or in a trust indenture, mortgage, lease, or other contract, the board may confer upon an obligee holding or representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue upon the happening of an event or default prescribed in the resolution, indenture, mortgage, lease, or other contract, and to be exercised by suit, action, or proceeding in any court of competent jurisdiction.

(b)(i) The rights that the board may confer under Subsection (2)(a) are the rights to:

(A) cause possession of all or part of a development project to be surrendered to an obligee;

(B) obtain the appointment of a receiver of all or part of an agency's development project and of the rents and profits from the development project; and

(C) require the agency and its board and employees to account as if the agency and the board and employees were the trustees of an express trust.

(ii) If a receiver is appointed through the exercise of a right granted under Subsection (2)(b)(i)(B), the receiver:

(A) may enter and take possession of the development project or any part of the development project, operate and maintain the development project, and collect and receive all fees, rents, revenues, or other charges arising from the development project after the receiver's appointment; and

(B) shall keep money collected as receiver for the agency in separate accounts and apply the money pursuant to the agency obligations as the court directs.

Section 32. Section **11-71-706** is enacted to read:

11-71-706 (Effective 05/07/25). Bonds exempt from taxes -- Agency may purchase its own bonds.

(1) A bond issued by the agency, or a subsidiary public infrastructure district as described in Section 11-71-502, under this part is issued for an essential public and governmental purpose and is, together with interest on the bond and income from the bond, exempt from all state taxes except the corporate franchise tax.

- (2) The agency may purchase the agency's own bonds at a price that the board determines.
- (3) Nothing in this section may be construed to limit the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the agency on the agency's rents, fees, grants, properties, or revenues.

Section 33. Section **11-71-801** is enacted to read:

Part 8. Agency Budget, Reporting, and Audits

11-71-801 (Effective 05/07/25). Annual agency budget -- Fiscal year -- Public hearing required -- Auditor forms -- Requirement to file annual budget.

- (1) The agency shall prepare and the board shall adopt an annual budget of revenues and expenditures for the agency for each fiscal year.
- (2) Each annual agency budget shall be adopted before June 30, except that the agency's initial budget shall be adopted as soon as reasonably practicable after the organization of the board and the beginning of agency operations.
- (3) The agency's fiscal year shall be the period from July 1 to the following June 30.
- (4)(a) Before adopting an annual budget, the board shall hold a public hearing on the annual budget.
- (b) The agency shall provide notice of the public hearing on the annual budget by publishing notice:
- (i) at least once in a newspaper of general circulation within the state, at least one week before the public hearing; and
- (ii) on the Utah Public Notice Website created in Section 63A-16-601, at least one week immediately before the public hearing.
- (c) The agency 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 agency budget, including:
- (a) revenues and expenditures for the budget year;
- (b) legal fees; and
- (c) administrative costs, including rent, supplies, and salaries of agency personnel.
- (6)(a) Within 30 days after adopting an annual budget, the board shall file a copy of the annual budget with the auditor of each county in which the agency jurisdictional land is located, the State Tax Commission, the state auditor, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects property tax differential.

(b) The requirement of Subsection (6)(a) to file a copy of the annual budget with the state as a taxing entity is met if the agency files a copy with the State Tax Commission and the state auditor.

Section 34. Section **11-71-802** is enacted to read:

11-71-802 (Effective 05/07/25). Amending the agency annual budget.

- (1) The board may by resolution amend an annual agency budget.
- (2) An amendment of the annual agency 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 agency may not make expenditures in excess of the total expenditures established in the annual budget as the budget is adopted or amended.

Section 35. Section **11-71-803** is enacted to read:

11-71-803 (Effective 05/07/25). Report.

- (1) No later than September 1 of each year, the board shall evaluate the agency's work to pursue strategic economic development objectives in the state.
- (2) No later than October 1 of each year, the board shall report to the council regarding:
 - (a) progress made toward strategic economic development objectives;
 - (b) draft proposals for significant community impact project plans;
 - (c) complete proposals for significant community impact project plans; and
 - (d) approved significant community impact project plans.
- (3) On or before October 1 of each year, the board shall provide a written report to the Economic Development and Workforce Services Interim Committee regarding any approved significant community impact project plans.
- (4)(a) On or before November 1 of each year, the agency shall prepare and file a report with the county auditor of each county in which a project area created under this chapter is located, the State Tax Commission, the State Board of Education, and each taxing entity that levies a tax on property from which the agency collects property tax differential.
- (b) The requirement of Subsection (4)(a) to file a copy of the report with the state as a taxing entity is met if the agency files a copy with the State Tax Commission and the state auditor.
- (c) Each report under this Subsection (4) shall contain:
 - (i) an estimate of the property tax differential to be paid to the agency for the calendar year ending December 31; and

1323 (ii) an estimate of the property tax differential to be paid to the agency for the
1324 calendar year beginning the next January 1.

1325 (5) Before November 30 of each year, the board shall present a report to the Executive
1326 Appropriations Committee of the Legislature, as the Executive Appropriations
1327 Committee directs, that includes:

1328 (a) an overview of any policies created by the board under this chapter;
1329 (b) an accounting of how agency funds have been spent;
1330 (c) any agency business plans developed under Part 5, Project Area Budget; and
1331 (d) an explanation of the agency's progress in achieving the policies and objectives
1332 described in this chapter.

1333 Section 36. Section **11-71-804** is enacted to read:

1334 **11-71-804 (Effective 05/07/25). Audit requirements.**

1335 The agency shall comply with the audit requirements of Title 51, Chapter 2a,
1336 Accounting Reports from Political Subdivisions, Interlocal Organizations, and Other Local
1337 Entities Act.

1338 Section 37. Section **11-71-805** is enacted to read:

1339 **11-71-805 (Effective 05/07/25). Audit report.**

1340 (1) The agency shall, within 180 days after the end of the agency's fiscal year, file a copy of
1341 the audit report with the county auditor, the State Tax Commission, the State Board of
1342 Education, and each taxing entity that levies a tax on property from which the agency
1343 collects property tax differential.

1344 (2) Each audit report under Subsection (1) shall include:

1345 (a) the property tax differential collected by the agency;
1346 (b) the outstanding principal amount of bonds issued or other loans incurred to finance
1347 the costs associated with the agency's projects; and
1348 (c) the actual amount expended for:
1349 (i) acquisition of property;
1350 (ii) site improvements or site preparation costs;
1351 (iii) installation of public utilities or other public improvements; and
1352 (iv) administrative costs of the agency.

1353 Section 38. Section **11-71-806** is enacted to read:

1354 **11-71-806 (Effective 05/07/25). Board is a public treasurer -- Certain agency**
1355 **funds are public funds.**

1356 (1) The board, or the board's designee:

- 1357 (a) is a public treasurer, as defined in Section 51-7-3; and
1358 (b) shall invest the agency funds specified in Subsection (2) as provided in that
1359 subsection.
- 1360 (2) Notwithstanding Subsection 63E-2-110(2)(a), property tax differential funds, sales and
1361 use tax differential, tax revenue collected by the agency as described in this chapter, and
1362 appropriations that the agency receives from the state:
- 1363 (a) are public funds; and
1364 (b) shall be invested as provided in Title 51, Chapter 7, State Money Management Act.
1365 Section 39. Section **11-71-901** is enacted to read:

1366 **Part 9. Agency Dissolution**

- 1367 **11-71-901 (Effective 05/07/25). Dissolution of agency -- Restrictions -- Notice of**
1368 **dissolution -- Disposition of agency property -- Agency records -- Dissolution expenses.**
- 1369 (1) The agency may not be dissolved unless the agency has no outstanding bonded
1370 indebtedness, other unpaid loans, indebtedness, or advances, and no legally binding
1371 contractual obligations with persons or entities other than the state.
- 1372 (2) Upon the dissolution of the agency:
- 1373 (a) the Governor's Office of Economic Opportunity shall publish a notice of dissolution:
1374 (i) for the county in which a project area created by the dissolved agency is located,
1375 as a class A notice under Section 63G-30-102, for at least seven days; and
1376 (ii) as required in Section 45-1-101; and
- 1377 (b) all title to property owned by the agency vests in the state.
- 1378 (3) The books, documents, records, papers, and seal of each dissolved agency shall be
1379 deposited for safekeeping and reference with the state auditor.
- 1380 (4) The agency shall pay all expenses of the deactivation and dissolution.

1381 Section 40. Section **17D-4-102** is amended to read:

1382 **17D-4-102 (Effective 05/07/25). Definitions.**

1383 As used in this chapter:

- 1384 (1) "Board" means the board of trustees of a public infrastructure district.
- 1385 (2) "Creating entity" means the county, municipality, or development authority that
1386 approves the creation of a public infrastructure district.
- 1387 (3) "Development authority" means:
- 1388 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 1389 (b) the Point of the Mountain State Land Authority created in Section 11-59-201;
- 1390 (c) the Utah Fairpark Area Investment and Restoration District created in Section

- 1391 11-70-201; [or]
1392 (d) the military installation development authority created in Section 63H-1-201[:]; or
1393 (e) the Beehive Development Agency created in Section 11-71-201.
- 1394 (4) "District applicant" means the person proposing the creation of a public infrastructure
1395 district.
- 1396 (5) "Division" means a division of a public infrastructure district:
1397 (a) that is relatively equal in number of eligible voters or potential eligible voters to all
1398 other divisions within the public infrastructure district, taking into account existing or
1399 potential developments which, when completed, would increase or decrease the
1400 population within the public infrastructure district; and
1401 (b) which a member of the board represents.
- 1402 (6) "Governing document" means the document governing a public infrastructure district to
1403 which the creating entity agrees before the creation of the public infrastructure district,
1404 as amended from time to time, and subject to the limitations of Title 17B, Chapter 1,
1405 Provisions Applicable to All Special Districts, and this chapter.
- 1406 (7)(a) "Limited tax bond" means a bond:
1407 (i) that is directly payable from and secured by ad valorem property taxes that are
1408 levied:
1409 (A) by a public infrastructure district that issues the bond; and
1410 (B) on taxable property within the district;
1411 (ii) that is a general obligation of the public infrastructure district; and
1412 (iii) for which the ad valorem property tax levy for repayment of the bond does not
1413 exceed the property tax levy rate limit established under Section 17D-4-303 for
1414 any fiscal year, except as provided in Subsection 17D-4-301(8).
- 1415 (b) "Limited tax bond" does not include:
1416 (i) a short-term bond;
1417 (ii) a tax and revenue anticipation bond; or
1418 (iii) a special assessment bond.
- 1419 (8) "Public infrastructure and improvements" means:
1420 (a) the same as that term is defined in Section 11-58-102, for a public infrastructure
1421 district created by the Utah Inland Port Authority created in Section 11-58-201;
1422 (b) the same as that term is defined in Section 11-70-101, for a public infrastructure
1423 district created by the Utah Fairpark Area Investment and Restoration District created
1424 in Section 11-70-201; [and]

(c) the same as that term is defined in Section 63H-1-102, for a public infrastructure district created by the military installation development authority created in Section 63H-1-201[-] ; and

(d) the same as that term is defined in Section 11-71-101, for a public infrastructure district created by the Beehive Development Agency created in Section 11-71-201.

Section 41. Section **35A-8-202** is amended to read:

35A-8-202 (Effective 05/07/25). Powers and duties of division.

(1) The division shall:

(a) assist local governments and citizens in the planning, development, and maintenance of necessary public infrastructure and services;

(b) cooperate with, and provide technical assistance to, counties, cities, towns, regional planning commissions, area-wide clearinghouses, zoning commissions, parks or recreation boards, community development groups, community action agencies, and other agencies created for the purpose of aiding and encouraging an orderly, productive, and coordinated development of the state and its political subdivisions;

(c) assist the governor in coordinating the activities of state agencies which have an impact on the solution of community development problems and the implementation of community plans;

(d) serve as a clearinghouse for information, data, and other materials which may be helpful to local governments in discharging their responsibilities and provide information on available federal and state financial and technical assistance;

(e) carry out continuing studies and analyses of the problems faced by communities within the state and develop such recommendations for administrative or legislative action as appear necessary;

(f) assist in funding affordable housing;

(g) support economic development activities through grants, loans, and direct programs financial assistance;

(h) certify project funding at the local level in conformance with federal, state, and other requirements;

(i) utilize the capabilities and facilities of public and private universities and colleges within the state in carrying out its functions; ~~and~~

(j) assist and support local governments, community action agencies, and citizens in the planning, development, and maintenance of home weatherization, energy efficiency, and antipoverty activities[-] ;

- (k) coordinate with the chief executive officer of the Governor's Office of Economic Development in pursuing statewide objectives for housing; and
- (l) assist the chief executive officer of the Governor's Office of Economic Development in fulfilling the duties described in Section 63N-1a-303.2.

(2) The division may:

- (a) by following the procedures and requirements of Title 63J, Chapter 5, Federal Funds Procedures Act, seek federal grants, loans, or participation in federal programs;
- (b) if any federal program requires the expenditure of state funds as a condition to participation by the state in any fund, property, or service, with the governor's approval, expend whatever funds are necessary out of the money provided by the Legislature for the use of the department;
- (c) in accordance with Part 9, Domestic Violence Shelters, assist in developing, constructing, and improving shelters for victims of domestic violence, as described in Section 77-36-1, through loans and grants to nonprofit and governmental entities; and
- (d) assist, when requested by a county or municipality, in the development of accessible housing.

Section 42. Section **59-12-103** is amended to read:

59-12-103 (Effective 01/01/26). Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenue.

(1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:

- (a) retail sales of tangible personal property made within the state;
- (b) amounts paid for:
 - (i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;
 - (ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
 - (iii) an ancillary service associated with a:
 - (A) telecommunications service described in Subsection (1)(b)(i); or
 - (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- (c) sales of the following for commercial use:
 - (i) gas;
 - (ii) electricity;

- 1493 (iii) heat;
1494 (iv) coal;
1495 (v) fuel oil; or
1496 (vi) other fuels;
- 1497 (d) sales of the following for residential use:
1498 (i) gas;
1499 (ii) electricity;
1500 (iii) heat;
1501 (iv) coal;
1502 (v) fuel oil; or
1503 (vi) other fuels;
- 1504 (e) sales of prepared food;
- 1505 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
1506 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
1507 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
1508 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
1509 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
1510 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
1511 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
1512 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
1513 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
1514 activity;
- 1515 (g) amounts paid or charged for services for repairs or renovations of tangible personal
1516 property, unless Section 59-12-104 provides for an exemption from sales and use tax
1517 for:
1518 (i) the tangible personal property; and
1519 (ii) parts used in the repairs or renovations of the tangible personal property described
1520 in Subsection (1)(g)(i), regardless of whether:
1521 (A) any parts are actually used in the repairs or renovations of that tangible
1522 personal property; or
1523 (B) the particular parts used in the repairs or renovations of that tangible personal
1524 property are exempt from a tax under this chapter;
- 1525 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for assisted
1526 cleaning or washing of tangible personal property;

- 1527 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
1528 court accommodations and services;
- 1529 (j) amounts paid or charged for laundry or dry cleaning services;
- 1530 (k) amounts paid or charged for leases or rentals of tangible personal property if within
1531 this state the tangible personal property is:
- 1532 (i) stored;
- 1533 (ii) used; or
- 1534 (iii) otherwise consumed;
- 1535 (l) amounts paid or charged for tangible personal property if within this state the tangible
1536 personal property is:
- 1537 (i) stored;
- 1538 (ii) used; or
- 1539 (iii) consumed;
- 1540 (m) amounts paid or charged for a sale:
- 1541 (i)(A) of a product transferred electronically; or
- 1542 (B) of a repair or renovation of a product transferred electronically; and
- 1543 (ii) regardless of whether the sale provides:
- 1544 (A) a right of permanent use of the product; or
- 1545 (B) a right to use the product that is less than a permanent use, including a right:
- 1546 (I) for a definite or specified length of time; and
- 1547 (II) that terminates upon the occurrence of a condition; and
- 1548 (n) sales of leased tangible personal property from the lessor to the lessee made in the
1549 state.
- 1550 (2)(a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are
1551 imposed on a transaction described in Subsection (1) equal to the sum of:
- 1552 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 1553 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 1554 (B)(I) the tax rate the state imposes in accordance with Part 18, Additional
1555 State Sales and Use Tax Act, if the location of the transaction as determined
1556 under Sections 59-12-211 through 59-12-215 is in a county in which the
1557 state imposes the tax under Part 18, Additional State Sales and Use Tax Act;
1558 and
- 1559 (II) the tax rate the state imposes in accordance with Part 20, Supplemental
1560 State Sales and Use Tax Act, if the location of the transaction as determined

- 1561 under Sections 59-12-211 through 59-12-215 is in a city, town, or the
1562 unincorporated area of a county in which the state imposes the tax under
1563 Part 20, Supplemental State Sales and Use Tax Act; and
- 1564 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1565 transaction under this chapter other than this part.
- 1566 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state
1567 tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal
1568 to the sum of:
- 1569 (i) a state tax imposed on the transaction at a tax rate of 2%; and
1570 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1571 transaction under this chapter other than this part.
- 1572 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed
1573 on amounts paid or charged for food and food ingredients equal to the sum of:
- 1574 (i) a state tax imposed on the amounts paid or charged for food and food ingredients
1575 at a tax rate of 1.75%; and
1576 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
1577 amounts paid or charged for food and food ingredients under this chapter other
1578 than this part.
- 1579 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid
1580 or charged for fuel to a common carrier that is a railroad for use in a locomotive
1581 engine at a rate of 4.85%.
- 1582 (e)(i)(A) If a shared vehicle owner certifies to the commission, on a form
1583 prescribed by the commission, that the shared vehicle is an individual-owned
1584 shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to
1585 car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle
1586 owner.
- 1587 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
1588 required once during the time that the shared vehicle owner owns the shared
1589 vehicle.
- 1590 (C) The commission shall verify that a shared vehicle is an individual-owned
1591 shared vehicle by verifying that the applicable Utah taxes imposed under this
1592 chapter were paid on the purchase of the shared vehicle.
- 1593 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
1594 individual-owned shared vehicle shared through a car-sharing program even if

- 1595 non-certified shared vehicles are also available to be shared through the same
1596 car-sharing program.
- 1597 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- 1598 (iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's
1599 representation that the shared vehicle is an individual-owned shared vehicle
1600 certified with the commission as described in Subsection (2)(e)(i).
- 1601 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
1602 representation that the shared vehicle is an individual-owned shared vehicle
1603 certified with the commission as described in Subsection (2)(e)(i), the
1604 car-sharing program is not liable for any tax, penalty, fee, or other sanction
1605 imposed on the shared vehicle owner.
- 1606 (iv) If all shared vehicles shared through a car-sharing program are certified as
1607 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has
1608 no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax
1609 period.
- 1610 (v) A car-sharing program is not required to list or otherwise identify an
1611 individual-owned shared vehicle on a return or an attachment to a return.
- 1612 (vi) A car-sharing program shall:
- 1613 (A) retain tax information for each car-sharing program transaction; and
1614 (B) provide the information described in Subsection (2)(e)(vi)(A) to the
1615 commission at the commission's request.
- 1616 (f)(i) For a bundled transaction that is attributable to food and food ingredients and
1617 tangible personal property other than food and food ingredients, a state tax and a
1618 local tax is imposed on the entire bundled transaction equal to the sum of:
- 1619 (A) a state tax imposed on the entire bundled transaction equal to the sum of:
- 1620 (I) the tax rate described in Subsection (2)(a)(i)(A); and
1621 (II)(Aa) the tax rate the state imposes in accordance with Part 18,
1622 Additional State Sales and Use Tax Act, if the location of the transaction
1623 as determined under Sections 59-12-211 through 59-12-215 is in a
1624 county in which the state imposes the tax under Part 18, Additional State
1625 Sales and Use Tax Act; and
1626 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental
1627 State Sales and Use Tax Act, if the location of the transaction as
1628 determined under Sections 59-12-211 through 59-12-215 is in a city,

- town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- (B) a local tax imposed on the entire bundled transaction at the sum of the tax 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.

- 1697 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
1698 seller's regular course of business includes books and records the seller keeps in
1699 the regular course of business for nontax purposes.
- 1700 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
1701 imposed under the following shall take effect on the first day of a calendar quarter:
- 1702 (i) Subsection (2)(a)(i)(A);
1703 (ii) Subsection (2)(b)(i);
1704 (iii) Subsection (2)(c)(i); or
1705 (iv) Subsection (2)(f)(i)(A)(I).
- 1706 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
1707 begins on or after the effective date of the tax rate increase if the billing period for
1708 the transaction begins before the effective date of a tax rate increase imposed
1709 under:
- 1710 (A) Subsection (2)(a)(i)(A);
1711 (B) Subsection (2)(b)(i);
1712 (C) Subsection (2)(c)(i); or
1713 (D) Subsection (2)(f)(i)(A)(I).
- 1714 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
1715 statement for the billing period is rendered on or after the effective date of the
1716 repeal of the tax or the tax rate decrease imposed under:
- 1717 (A) Subsection (2)(a)(i)(A);
1718 (B) Subsection (2)(b)(i);
1719 (C) Subsection (2)(c)(i); or
1720 (D) Subsection (2)(f)(i)(A)(I).
- 1721 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
1722 is computed on the basis of sales and use tax rates published in the catalogue, a
1723 tax rate repeal or change in a tax rate takes effect:
- 1724 (A) on the first day of a calendar quarter; and
1725 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
1726 change.
- 1727 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
- 1728 (A) Subsection (2)(a)(i)(A);
1729 (B) Subsection (2)(b)(i);
1730 (C) Subsection (2)(c)(i); or

- 1731 (D) Subsection (2)(f)(i)(A)(I).
- 1732 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1733 the commission may by rule define the term "catalogue sale."
- 1734 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine
1735 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel
1736 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other
1737 fuel at the location.
- 1738 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
1739 or other fuel is furnished through a single meter for two or more of the following
1740 uses:
- 1741 (A) a commercial use;
1742 (B) an industrial use; or
1743 (C) a residential use.
- 1744 (3)(a) The following state taxes shall be deposited into the General Fund:
- 1745 (i) the tax imposed by Subsection (2)(a)(i)(A);
1746 (ii) the tax imposed by Subsection (2)(b)(i);
1747 (iii) the tax imposed by Subsection (2)(c)(i); and
1748 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 1749 (b) The following local taxes shall be distributed to a county, city, or town as provided
1750 in this chapter:
- 1751 (i) the tax imposed by Subsection (2)(a)(ii);
1752 (ii) the tax imposed by Subsection (2)(b)(ii);
1753 (iii) the tax imposed by Subsection (2)(c)(ii); and
1754 (iv) the tax imposed by Subsection (2)(f)(i)(B).
- 1755 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.
- 1756 (4)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1757 2003, the lesser of the following amounts shall be expended as provided in
1758 Subsections (4)(b) through (g):
- 1759 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
1760 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
1761 (B) for the fiscal year; or
1762 (ii) \$17,500,000.
- 1763 (b)(i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
1764 described in Subsection (4)(a) shall be transferred each year as designated sales

and use tax revenue to the Division of Wildlife Resources to:

(A) implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species.

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

(iii) At the end of each fiscal year:

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

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

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

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

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

(ii) At the end of each fiscal year:

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

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

(C) 25% of any unexpended designated sales and use tax revenue shall lapse to the

- 1799 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 1800 (e)(i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount
- 1801 described in Subsection (4)(a) shall be deposited into the Water Resources
- 1802 Conservation and Development Fund created in Section 73-10-24 for use by the
- 1803 Division of Water Resources.
- 1804 (ii) In addition to the uses allowed of the Water Resources Conservation and
- 1805 Development Fund under Section 73-10-24, the Water Resources Conservation
- 1806 and Development Fund may also be used to:
- 1807 (A) conduct hydrologic and geotechnical investigations by the Division of Water
- 1808 Resources in a cooperative effort with other state, federal, or local entities, for
- 1809 the purpose of quantifying surface and ground water resources and describing
- 1810 the hydrologic systems of an area in sufficient detail so as to enable local and
- 1811 state resource managers to plan for and accommodate growth in water use
- 1812 without jeopardizing the resource;
- 1813 (B) fund state required dam safety improvements; and
- 1814 (C) protect the state's interest in interstate water compact allocations, including the
- 1815 hiring of technical and legal staff.
- 1816 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in
- 1817 Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program
- 1818 Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund
- 1819 wastewater projects.
- 1820 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
- 1821 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program
- 1822 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
- 1823 (i) provide for the installation and repair of collection, treatment, storage, and
- 1824 distribution facilities for any public water system, as defined in Section 19-4-102;
- 1825 (ii) develop underground sources of water, including springs and wells; and
- 1826 (iii) develop surface water sources.
- 1827 (5)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 1828 2006, the difference between the following amounts shall be expended as provided in
- 1829 this Subsection (5), if that difference is greater than \$1:
- 1830 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for
- 1831 the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1);
- 1832 and

- 1833 (ii) \$17,500,000.
- 1834 (b)(i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
- 1835 (A) transferred each fiscal year to the Department of Natural Resources as
- 1836 designated sales and use tax revenue; and
- 1837 (B) expended by the Department of Natural Resources for watershed rehabilitation
- 1838 or restoration.
- 1839 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
- 1840 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources
- 1841 Conservation and Development Fund created in Section 73-10-24.
- 1842 (c)(i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
- 1843 remaining difference described in Subsection (5)(a) shall be:
- 1844 (A) transferred each fiscal year to the Division of Water Resources as designated
- 1845 sales and use tax revenue; and
- 1846 (B) expended by the Division of Water Resources for cloud-seeding projects
- 1847 authorized by Title 73, Chapter 15, Modification of Weather.
- 1848 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
- 1849 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources
- 1850 Conservation and Development Fund created in Section 73-10-24.
- 1851 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
- 1852 remaining difference described in Subsection (5)(a) shall be deposited into the Water
- 1853 Resources Conservation and Development Fund created in Section 73-10-24 for use
- 1854 by the Division of Water Resources for:
- 1855 (i) preconstruction costs:
- 1856 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73,
- 1857 Chapter 26, Bear River Development Act; and
- 1858 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
- 1859 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 1860 (ii) the cost of employing a civil engineer to oversee any project authorized by Title
- 1861 73, Chapter 26, Bear River Development Act;
- 1862 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline
- 1863 project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development
- 1864 Act; and
- 1865 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
- 1866 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i)

1867 through (iii).

1868 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
1869 remaining difference described in Subsection (5)(a) shall be deposited each year into
1870 the Water Rights Restricted Account created by Section 73-2-1.6.

1871 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each
1872 fiscal year, the commission shall deposit into the Water Infrastructure Restricted
1873 Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax
1874 rate on the transactions described in Subsection (1) for the fiscal year.

1875 (7)(a) Notwithstanding Subsection (3)(a) and subject to Subsections (7)(b), (c), and (d),
1876 for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into
1877 the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of
1878 the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from
1879 the following sales and use taxes:

1880 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
1881 (ii) the tax imposed by Subsection (2)(b)(i);
1882 (iii) the tax imposed by Subsection (2)(c)(i); and
1883 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

1884 (b)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall
1885 annually reduce the deposit under Subsection (7)(a) into the Transportation
1886 Investment Fund of 2005 by an amount equal to .44% of the revenue collected
1887 from the following sales and use taxes:

1888 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
1889 (B) the tax imposed by Subsection (2)(b)(i);
1890 (C) the tax imposed by Subsection (2)(c)(i); and
1891 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).

1892 (ii) The commission shall annually deposit the amount described in Subsection
1893 (7)(b)(i) into the Cottonwood Canyons Transportation Investment Fund created in
1894 Section 72-2-124.

1895 (c)(i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
1896 2023, the commission shall annually reduce the deposit into the Transportation
1897 Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is
1898 equal to 5% of:

1899 (A) the amount of revenue generated in the current fiscal year by the portion of
1900 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) revenue 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).
- (d)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under this Subsection (7) by an amount that is equal to 1% of the revenue 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);
 - (C) the tax imposed by Subsection (2)(c)(i); and
 - (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- (ii) The commission shall annually deposit the amount described in Subsection (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.
- (8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to [Subsections] Subsection (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 revenue 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

1935 (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the
1936 current fiscal year by the portion of the tax imposed on motor and special fuel that is
1937 sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

1938 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
1939 into the Transit Transportation Investment Fund created in Section 72-2-124.

1940 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1941 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies
1942 Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1943 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal
1944 year during which the commission receives notice under Section 63N-2-510 that
1945 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the
1946 commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the
1947 revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact
1948 Mitigation Fund, created in Section 63N-2-512.

1949 (11)(a) The rate specified in this subsection is 0.15%.

1950 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
1951 on or after July 1, 2019, annually transfer the amount of revenue collected from the
1952 rate described in Subsection (11)(a) on the transactions that are subject to the sales
1953 and use tax under Subsection (2)(a)(i)(A) into the Medicaid ACA Fund created in
1954 Section 26B-1-315.

1955 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1956 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated
1957 credit solely for use of the Search and Rescue Financial Assistance Program created in,
1958 and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

1959 (13)(a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
1960 annually transfer \$1,813,400 of the revenue deposited into the Transportation
1961 Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.

1962 (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under
1963 Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall
1964 transfer the total revenue deposited into the Transportation Investment Fund of 2005
1965 under Subsections (7) and (8) during the fiscal year to the General Fund.

1966 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning
1967 the first day of the calendar quarter one year after the sales and use tax boundary for a
1968 housing and transit reinvestment zone is established, the commission, at least annually,

1969 shall transfer an amount equal to 15% of the sales and use tax increment within an
 1970 established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit
 1971 Transportation Investment Fund created in Section 72-2-124.

1972 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning
 1973 on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted
 1974 Account, created in Section 51-9-902, a portion of the taxes listed under Subsection
 1975 (3)(a) equal to 1% of the revenue collected from the following sales and use taxes:

1976 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1977 (b) the tax imposed by Subsection (2)(b)(i);

1978 (c) the tax imposed by Subsection (2)(c)(i); and

1979 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

1980 (16) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission shall
 1981 transfer to the Utah Fairpark Area Investment and Restoration District, created in
 1982 Section 11-70-201, the revenue from the sales and use tax imposed by Subsection
 1983 (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as
 1984 defined in Section 11-70-101.

1985 (17) Notwithstanding Subsection (3)(a) and except as provided in Subsections (19) and (20),
 1986 the commission shall transfer to the Beehive Development Agency:

1987 (a) for the first 25 years following the adoption of a project area, 75% of the revenue
 1988 from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on
 1989 transactions occurring within the sales and use tax boundary, as defined in Section
 1990 11-71-101, for the project area; and

1991 (b) for 15 years following the time period described in Subsection (17)(a), if approved
 1992 by the Beehive Development Agency board established in Section 11-71-302, 50% of
 1993 the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7%
 1994 rate, on transactions occurring within the sales and use tax boundary for a project
 1995 area.

1996 ~~[(17)]~~ (18)(a) As used in this Subsection ~~[(17)]~~ (18):

1997 (i) "Additional land" means point of the mountain state land described in Subsection
 1998 11-59-102(6)(b) that the point of the mountain authority acquires after the point of
 1999 the mountain authority provides the commission a map under Subsection ~~[(17)(e)]~~
 2000 (18)(c).

2001 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
 2002 Authority, created in Section 11-59-201.

- (iii) "Point of the mountain state land" means the same as that term is defined in Section 11-59-102.
- (b) Notwithstanding Subsection (3)(a), the commission shall distribute to the point of the mountain authority 50% of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring on the point of the mountain state land.
- (c) The distribution under Subsection ~~[(17)(b)]~~ (18)(b) shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map that:
- (i) accurately describes the point of the mountain state land; and
 - (ii) the point of the mountain authority certifies as accurate.
- (d) A distribution under Subsection ~~[(17)(b)]~~ (18)(b) with respect to additional land shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map of point of the mountain state land that:
- (i) accurately describes the point of the mountain state land, including the additional land; and
 - (ii) the point of the mountain authority certifies as accurate.
- (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue distributed to the point of the mountain authority under Subsection ~~[(17)(b)]~~ (18)(b), the point of the mountain authority shall immediately notify the commission in writing that the bonds are paid in full.
- (ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection ~~[(17)(b)]~~ (18)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the commission receives the written notice under Subsection ~~[(17)(e)(i)]~~ (18)(c)(i).
- (19)(a) As used in this Subsection (19):
- (i) "Applicable percentage" means, for a project area established under Title 11, Chapter 71, Beehive Development Agency Act, 15% of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate for sales occurring within the qualified development zone described in Subsection (19)(a)(ii)(A).
 - (ii) "Qualified development zone" means the sales and use tax boundary of a project area established under Title 11, Chapter 71, Beehive Development Agency Act.
 - (iii) "Qualifying construction materials" means construction materials that are:

- 2037 (A) delivered to a delivery outlet within a qualified development zone; and
 2038 (B) intended to be permanently attached to real property within the qualified
 2039 development zone.
- 2040 (b) For a sale of qualifying construction materials, the commission shall distribute the
 2041 product calculated in Subsection (19)(c) to the Beehive Development Agency if the
 2042 seller of the construction materials:
- 2043 (i) establishes a delivery outlet with the commission within the qualified development
 2044 zone;
- 2045 (ii) reports the sales of the construction materials to the delivery outlet described in
 2046 Subsection (19)(b)(i); and
- 2047 (iii) does not report the sales of the construction materials on a simplified electronic
 2048 return.
- 2049 (c) For the purposes of Subsection (19)(b), the product is equal to:
- 2050 (i) the sales price or purchase price of the qualifying construction materials; and
 2051 (ii) the applicable percentage.
- 2052 (d) If an amount of revenue is distributed pertaining to a qualified construction material
 2053 transaction pursuant to Subsection (19)(b), the distribution under Subsection (17) is
 2054 satisfied for that transaction.
- 2055 (20)(a) As used in this Subsection (20):
- 2056 (i) "Qualified development zone" means the same as that term is defined in
 2057 Subsection (19).
- 2058 (ii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M,
 2059 Schedule J or a substantially similar form as designated by the commission.
- 2060 (b) Revenue generated by a Schedule J sale within a qualified development zone shall be
 2061 distributed into the General Fund.
- 2062 Section 43. Section **59-12-104** is amended to read:
- 2063 **59-12-104 (Effective 01/01/26). Exemptions.**
- 2064 Exemptions from the taxes imposed by this chapter are as follows:
- 2065 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
 2066 under Chapter 13, Motor and Special Fuel Tax Act;
- 2067 (2) subject to Section 59-12-104.6, sales to the state, its institutions, and its political
 2068 subdivisions; however, this exemption does not apply to sales of:
- 2069 (a) construction materials except:
- 2070 (i) construction materials purchased by or on behalf of institutions of the public

2071 education system as defined in Utah Constitution, Article X, Section 2, provided
2072 the construction materials are clearly identified and segregated and installed or
2073 converted to real property which is owned by institutions of the public education
2074 system; and

2075 (ii) construction materials purchased by the state, its institutions, or its political
2076 subdivisions which are installed or converted to real property by employees of the
2077 state, its institutions, or its political subdivisions; or

2078 (b) tangible personal property in connection with the construction, operation,
2079 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
2080 facilities providing additional project capacity, as defined in Section 11-13-103;

2081 (3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:

2082 (i) the proceeds of each sale do not exceed \$1; and

2083 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
2084 the cost of the item described in Subsection (3)(b) as goods consumed; and

2085 (b) Subsection (3)(a) applies to:

2086 (i) food and food ingredients; or

2087 (ii) prepared food;

2088 (4)(a) sales of the following to a commercial airline carrier for in-flight consumption:

2089 (i) alcoholic beverages;

2090 (ii) food and food ingredients; or

2091 (iii) prepared food;

2092 (b) sales of tangible personal property or a product transferred electronically:

2093 (i) to a passenger;

2094 (ii) by a commercial airline carrier; and

2095 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or

2096 (c) services related to Subsection (4)(a) or (b);

2097 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
2098 in interstate or foreign commerce;

2099 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
2100 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
2101 exhibitor, distributor, or commercial television or radio broadcaster;

2102 (7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
2103 cleaning or washing of tangible personal property if the cleaning or washing of the
2104 tangible personal property is not assisted cleaning or washing of tangible personal

- 2105 property;
- 2106 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 2107 tangible personal property and cleaning or washing of tangible personal property that
- 2108 is not assisted cleaning or washing of tangible personal property, the exemption
- 2109 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
- 2110 the assisted cleaning or washing of the tangible personal property; and
- 2111 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
- 2112 Administrative Rulemaking Act, the commission may make rules:
- 2113 (i) governing the circumstances under which sales are at the same business location;
- 2114 and
- 2115 (ii) establishing the procedures and requirements for a seller to separately account for
- 2116 sales of assisted cleaning or washing of tangible personal property;
- 2117 (8) sales made to or by religious or charitable institutions in the conduct of their regular
- 2118 religious or charitable functions and activities, if the requirements of Section 59-12-104.1
- 2119 are fulfilled;
- 2120 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this
- 2121 state if:
- 2122 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- 2123 (b) the vehicle is not registered in this state; and
- 2124 (c)(i) the vehicle is not used in this state; or
- 2125 (ii) the vehicle is used in this state:
- 2126 (A) if the vehicle is not used to conduct business, for a time period that does not
- 2127 exceed the longer of:
- 2128 (I) 30 days in any calendar year; or
- 2129 (II) the time period necessary to transport the vehicle to the borders of this
- 2130 state; or
- 2131 (B) if the vehicle is used to conduct business, for the time period necessary to
- 2132 transport the vehicle to the borders of this state;
- 2133 (10)(a) amounts paid for an item described in Subsection (10)(b) if:
- 2134 (i) the item is intended for human use; and
- 2135 (ii)(A) a prescription was issued for the item; or
- 2136 (B) the item was purchased by a hospital or other medical facility; and
- 2137 (b)(i) Subsection (10)(a) applies to:
- 2138 (A) a drug;

2139 (B) a syringe; or
2140 (C) a stoma supply; and
2141 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
2142 the commission may by rule define the terms:
2143 (A) "syringe"; or
2144 (B) "stoma supply";
2145 (11) purchases or leases exempt under Section 19-12-201;
2146 (12)(a) sales of an item described in Subsection (12)(c) served by:
2147 (i) the following if the item described in Subsection (12)(c) is not available to the
2148 general public:
2149 (A) a church; or
2150 (B) a charitable institution; or
2151 (ii) an institution of higher education if:
2152 (A) the item described in Subsection (12)(c) is not available to the general public;
2153 or
2154 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
2155 plan offered by the institution of higher education; ~~[or]~~
2156 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
2157 (i) a medical facility; or
2158 (ii) a nursing facility; and
2159 (c) Subsections (12)(a) and (b) apply to:
2160 (i) food and food ingredients;
2161 (ii) prepared food; or
2162 (iii) alcoholic beverages;
2163 (13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property
2164 or a product transferred electronically by a person:
2165 (i) regardless of the number of transactions involving the sale of that tangible
2166 personal property or product transferred electronically by that person; and
2167 (ii) not regularly engaged in the business of selling that type of tangible personal
2168 property or product transferred electronically;
2169 (b) this Subsection (13) does not apply if:
2170 (i) the sale is one of a series of sales of a character to indicate that the person is
2171 regularly engaged in the business of selling that type of tangible personal property
2172 or product transferred electronically;

- 2173 (ii) the person holds that person out as regularly engaged in the business of selling
2174 that type of tangible personal property or product transferred electronically;
2175 (iii) the person sells an item of tangible personal property or product transferred
2176 electronically that the person purchased as a sale that is exempt under Subsection
2177 (25); or
2178 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
2179 of this state in which case the tax is based upon:
2180 (A) the bill of sale, lease agreement, or other written evidence of value of the
2181 vehicle or vessel being sold; or
2182 (B) in the absence of a bill of sale, lease agreement, or other written evidence of
2183 value, the fair market value of the vehicle or vessel being sold at the time of the
2184 sale as determined by the commission; and
2185 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2186 commission shall make rules establishing the circumstances under which:
2187 (i) a person is regularly engaged in the business of selling a type of tangible personal
2188 property or product transferred electronically;
2189 (ii) a sale of tangible personal property or a product transferred electronically is one
2190 of a series of sales of a character to indicate that a person is regularly engaged in
2191 the business of selling that type of tangible personal property or product
2192 transferred electronically; or
2193 (iii) a person holds that person out as regularly engaged in the business of selling a
2194 type of tangible personal property or product transferred electronically;
2195 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
2196 operating repair or replacement parts, or materials, except for office equipment or office
2197 supplies, by:
2198 (a) a manufacturing facility that:
2199 (i) is located in the state; and
2200 (ii) uses or consumes the machinery, equipment, normal operating repair or
2201 replacement parts, or materials:
2202 (A) in the manufacturing process to manufacture an item sold as tangible personal
2203 property, as the commission may define that phrase in accordance with Title
2204 63G, Chapter 3, Utah Administrative Rulemaking Act; or
2205 (B) for a scrap recycler, to process an item sold as tangible personal property, as
2206 the commission may define that phrase in accordance with Title 63G, Chapter

- 2207 3, Utah Administrative Rulemaking Act;
- 2208 (b) an establishment, as the commission defines that term in accordance with Title 63G,
- 2209 Chapter 3, Utah Administrative Rulemaking Act, that:
- 2210 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
- 2211 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
- 2212 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
- 2213 Fuels) Mining, of the 2002 North American Industry Classification System of the
- 2214 federal Executive Office of the President, Office of Management and Budget;
- 2215 (ii) is located in the state; and
- 2216 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 2217 replacement parts, or materials in:
- 2218 (A) the production process to produce an item sold as tangible personal property,
- 2219 as the commission may define that phrase in accordance with Title 63G,
- 2220 Chapter 3, Utah Administrative Rulemaking Act;
- 2221 (B) research and development, as the commission may define that phrase in
- 2222 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 2223 (C) transporting, storing, or managing tailings, overburden, or similar waste
- 2224 materials produced from mining;
- 2225 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
- 2226 in mining; or
- 2227 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 2228 (c) an establishment, as the commission defines that term in accordance with Title 63G,
- 2229 Chapter 3, Utah Administrative Rulemaking Act, that:
- 2230 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
- 2231 American Industry Classification System of the federal Executive Office of the
- 2232 President, Office of Management and Budget;
- 2233 (ii) is located in the state; and
- 2234 (iii) uses or consumes the machinery, equipment, normal operating repair or
- 2235 replacement parts, or materials in the operation of the web search portal;
- 2236 (15)(a) sales of the following if the requirements of Subsection (15)(b) are met:
- 2237 (i) tooling;
- 2238 (ii) special tooling;
- 2239 (iii) support equipment;
- 2240 (iv) special test equipment; or

- 2241 (v) parts used in the repairs or renovations of tooling or equipment described in
2242 Subsections (15)(a)(i) through (iv); and
- 2243 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 2244 (i) the tooling, equipment, or parts are used or consumed exclusively in the
2245 performance of any aerospace or electronics industry contract with the United
2246 States government or any subcontract under that contract; and
- 2247 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
2248 title to the tooling, equipment, or parts is vested in the United States government
2249 as evidenced by:
- 2250 (A) a government identification tag placed on the tooling, equipment, or parts; or
2251 (B) listing on a government-approved property record if placing a government
2252 identification tag on the tooling, equipment, or parts is impractical;
- 2253 (16) sales of newspapers or newspaper subscriptions;
- 2254 (17)(a) except as provided in Subsection (17)(b), tangible personal property or a product
2255 transferred electronically traded in as full or part payment of the purchase price,
2256 except that for purposes of calculating sales or use tax upon vehicles not sold by a
2257 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
- 2258 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
2259 vehicle being traded in; or
- 2260 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
2261 fair market value of the vehicle being sold and the vehicle being traded in, as
2262 determined by the commission; and
- 2263 (b) Subsection (17)(a) does not apply to the following items of tangible personal
2264 property or products transferred electronically traded in as full or part payment of the
2265 purchase price:
- 2266 (i) money;
- 2267 (ii) electricity;
- 2268 (iii) water;
- 2269 (iv) gas; or
- 2270 (v) steam;
- 2271 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal
2272 property or a product transferred electronically used or consumed primarily and
2273 directly in farming operations, regardless of whether the tangible personal
2274 property or product transferred electronically:

- 2275 (A) becomes part of real estate; or
2276 (B) is installed by a farmer, contractor, or subcontractor; or
2277 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
2278 product transferred electronically if the tangible personal property or product
2279 transferred electronically is exempt under Subsection (18)(a)(i); and
2280 (b) amounts paid or charged for the following are subject to the taxes imposed by this
2281 chapter:
2282 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
2283 supplies if used in a manner that is incidental to farming; and
2284 (B) tangible personal property that is considered to be used in a manner that is
2285 incidental to farming includes:
2286 (I) hand tools; or
2287 (II) maintenance and janitorial equipment and supplies;
2288 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
2289 transferred electronically if the tangible personal property or product
2290 transferred electronically is used in an activity other than farming; and
2291 (B) tangible personal property or a product transferred electronically that is
2292 considered to be used in an activity other than farming includes:
2293 (I) office equipment and supplies; or
2294 (II) equipment and supplies used in:
2295 (Aa) the sale or distribution of farm products;
2296 (Bb) research; or
2297 (Cc) transportation; or
2298 (iii) a vehicle required to be registered by the laws of this state during the period
2299 ending two years after the date of the vehicle's purchase;
2300 (19) sales of hay;
2301 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,
2302 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
2303 garden, farm, or other agricultural produce is sold by:
2304 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
2305 agricultural produce;
2306 (b) an employee of the producer described in Subsection (20)(a); or
2307 (c) a member of the immediate family of the producer described in Subsection (20)(a);
2308 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under

2309 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;

2310 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,

2311 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,

2312 wholesaler, or retailer for use in packaging tangible personal property to be sold by that

2313 manufacturer, processor, wholesaler, or retailer;

2314 (23) a product stored in the state for resale;

2315 (24)(a) purchases of a product if:

2316 (i) the product is:

2317 (A) purchased outside of this state;

2318 (B) brought into this state:

2319 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

2320 (II) by a nonresident person who is not living or working in this state at the

2321 time of the purchase;

2322 (C) used for the personal use or enjoyment of the nonresident person described in

2323 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;

2324 and

2325 (D) not used in conducting business in this state; and

2326 (ii) for:

2327 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use

2328 of the product for a purpose for which the product is designed occurs outside of

2329 this state;

2330 (B) a boat, the boat is registered outside of this state; or

2331 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is

2332 registered outside of this state;

2333 (b) the exemption provided for in Subsection (24)(a) does not apply to:

2334 (i) a lease or rental of a product; or

2335 (ii) a sale of a vehicle exempt under Subsection (33); and

2336 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for

2337 purposes of Subsection (24)(a), the commission may by rule define what constitutes

2338 the following:

2339 (i) conducting business in this state if that phrase has the same meaning in this

2340 Subsection (24) as in Subsection (63);

2341 (ii) the first use of a product if that phrase has the same meaning in this Subsection

2342 (24) as in Subsection (63); or

2343 (iii) a purpose for which a product is designed if that phrase has the same meaning in
2344 this Subsection (24) as in Subsection (63);

2345 (25) a product purchased for resale in the regular course of business, either in its original
2346 form or as an ingredient or component part of a manufactured or compounded product;

2347 (26) a product upon which a sales or use tax was paid to some other state, or one of its
2348 subdivisions, except that the state shall be paid any difference between the tax paid and
2349 the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no adjustment
2350 is allowed if the tax paid was greater than the tax imposed by this part and Part 2, Local
2351 Sales and Use Tax Act;

2352 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person
2353 for use in compounding a service taxable under the subsections;

2354 (28) purchases made in accordance with the special supplemental nutrition program for
2355 women, infants, and children established in 42 U.S.C. Sec. 1786;

2356 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
2357 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
2358 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
2359 President, Office of Management and Budget;

2360 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
2361 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
2362 motor is:

2363 (a) not registered in this state; and

2364 (b)(i) not used in this state; or

2365 (ii) used in this state:

2366 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
2367 a time period that does not exceed the longer of:

2368 (I) 30 days in any calendar year; or

2369 (II) the time period necessary to transport the boat, boat trailer, or outboard
2370 motor to the borders of this state; or

2371 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
2372 time period necessary to transport the boat, boat trailer, or outboard motor to
2373 the borders of this state;

2374 (31) sales of aircraft manufactured in Utah;

2375 (32) amounts paid for the purchase of telecommunications service for purposes of
2376 providing telecommunications service;

- 2377 (33) sales, leases, or uses of the following:
- 2378 (a) a vehicle by an authorized carrier; or
- 2379 (b) tangible personal property that is installed on a vehicle:
- 2380 (i) sold or leased to or used by an authorized carrier; and
- 2381 (ii) before the vehicle is placed in service for the first time;
- 2382 (34)(a) 45% of the sales price of any new manufactured home; and
- 2383 (b) 100% of the sales price of any used manufactured home;
- 2384 (35) sales relating to schools and fundraising sales;
- 2385 (36) sales or rentals of durable medical equipment if:
- 2386 (a) a person presents a prescription for the durable medical equipment; and
- 2387 (b) the durable medical equipment is used for home use only;
- 2388 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
- 2389 Section 72-11-102; and
- 2390 (b) the commission shall by rule determine the method for calculating sales exempt
- 2391 under Subsection (37)(a) that are not separately metered and accounted for in utility
- 2392 billings;
- 2393 (38) sales to a ski resort of:
- 2394 (a) snowmaking equipment;
- 2395 (b) ski slope grooming equipment;
- 2396 (c) passenger ropeways as defined in Section 72-11-102; or
- 2397 (d) parts used in the repairs or renovations of equipment or passenger ropeways
- 2398 described in Subsections (38)(a) through (c);
- 2399 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
- 2400 oil, or other fuels for industrial use;
- 2401 (40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
- 2402 amusement, entertainment, or recreation an unassisted amusement device as defined
- 2403 in Section 59-12-102;
- 2404 (b) if a seller that sells or rents at the same business location the right to use or operate
- 2405 for amusement, entertainment, or recreation one or more unassisted amusement
- 2406 devices and one or more assisted amusement devices, the exemption described in
- 2407 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of
- 2408 the right to use or operate for amusement, entertainment, or recreation for the assisted
- 2409 amusement devices; and
- 2410 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah

2411 Administrative Rulemaking Act, the commission may make rules:
2412 (i) governing the circumstances under which sales are at the same business location;
2413 and
2414 (ii) establishing the procedures and requirements for a seller to separately account for
2415 the sales or rentals of the right to use or operate for amusement, entertainment, or
2416 recreation for assisted amusement devices;

2417 (41)(a) sales of photocopies by:
2418 (i) a governmental entity; or
2419 (ii) an entity within the state system of public education, including:
2420 (A) a school; or
2421 (B) the State Board of Education; or
2422 (b) sales of publications by a governmental entity;

2423 (42) amounts paid for admission to an athletic event at an institution of higher education
2424 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20
2425 U.S.C. Sec. 1681 et seq.;

2426 (43)(a) sales made to or by:
2427 (i) an area agency on aging; or
2428 (ii) a senior citizen center owned by a county, city, or town; or
2429 (b) sales made by a senior citizen center that contracts with an area agency on aging;

2430 (44) sales or leases of semiconductor fabricating, processing, research, or development
2431 materials regardless of whether the semiconductor fabricating, processing, research, or
2432 development materials:
2433 (a) actually come into contact with a semiconductor; or
2434 (b) ultimately become incorporated into real property;

2435 (45) an amount paid by or charged to a purchaser for accommodations and services
2436 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
2437 Section 59-12-104.2;

2438 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in
2439 accordance with Section 41-3-306 for the event period specified on the temporary sports
2440 event registration certificate;

2441 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff
2442 adopted by the Public Service Commission only for purchase of electricity produced
2443 from a new alternative energy source built after January 1, 2016, as designated in the
2444 tariff by the Public Service Commission; and

2445 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
2446 only to the portion of the tariff rate a customer pays under the tariff described in
2447 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
2448 (47)(a) that the customer would have paid absent the tariff;

2449 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
2450 the mobility enhancing equipment;

2451 (49) sales of water in a:

2452 (a) pipe;

2453 (b) conduit;

2454 (c) ditch; or

2455 (d) reservoir;

2456 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a
2457 foreign nation;

2458 (51)(a) sales of an item described in Subsection (51)(b) if the item:

2459 (i) does not constitute legal tender of a state, the United States, or a foreign nation;

2460 and

2461 (ii) has a gold, silver, or platinum content of 50% or more; and

2462 (b) Subsection (51)(a) applies to a gold, silver, or platinum:

2463 (i) ingot;

2464 (ii) bar;

2465 (iii) medallion; or

2466 (iv) decorative coin;

2467 (52) amounts paid on a sale-leaseback transaction;

2468 (53) sales of a prosthetic device:

2469 (a) for use on or in a human; and

2470 (b)(i) for which a prescription is required; or

2471 (ii) if the prosthetic device is purchased by a hospital or other medical facility;

2472 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
2473 machinery or equipment by an establishment described in Subsection (54)(c) if the
2474 machinery or equipment is primarily used in the production or postproduction of the
2475 following media for commercial distribution:

2476 (i) a motion picture;

2477 (ii) a television program;

2478 (iii) a movie made for television;

- 2479 (iv) a music video;
2480 (v) a commercial;
2481 (vi) a documentary; or
2482 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
2483 commission by administrative rule made in accordance with Subsection (54)(d); [
2484 or]
- 2485 (b) purchases, leases, or rentals of machinery or equipment by an establishment
2486 described in Subsection (54)(c) that is used for the production or postproduction of
2487 the following are subject to the taxes imposed by this chapter:
2488 (i) a live musical performance;
2489 (ii) a live news program; or
2490 (iii) a live sporting event;
- 2491 (c) the following establishments listed in the 1997 North American Industry
2492 Classification System of the federal Executive Office of the President, Office of
2493 Management and Budget, apply to Subsections (54)(a) and (b):
2494 (i) NAICS Code 512110; or
2495 (ii) NAICS Code 51219; and
- 2496 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2497 commission may by rule:
2498 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
2499 or
2500 (ii) define:
2501 (A) "commercial distribution";
2502 (B) "live musical performance";
2503 (C) "live news program"; or
2504 (D) "live sporting event";
- 2505 (55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
2506 or before June 30, 2027, of tangible personal property that:
2507 (i) is leased or purchased for or by a facility that:
2508 (A) is an alternative energy electricity production facility;
2509 (B) is located in the state; and
2510 (C)(I) becomes operational on or after July 1, 2004; or
2511 (II) has its generation capacity increased by one or more megawatts on or after
2512 July 1, 2004, as a result of the use of the tangible personal property;

- 2513 (ii) has an economic life of five or more years; and
- 2514 (iii) is used to make the facility or the increase in capacity of the facility described in
- 2515 Subsection (55)(a)(i) operational up to the point of interconnection with an
- 2516 existing transmission grid including:
- 2517 (A) a wind turbine;
- 2518 (B) generating equipment;
- 2519 (C) a control and monitoring system;
- 2520 (D) a power line;
- 2521 (E) substation equipment;
- 2522 (F) lighting;
- 2523 (G) fencing;
- 2524 (H) pipes; or
- 2525 (I) other equipment used for locating a power line or pole; and
- 2526 (b) this Subsection (55) does not apply to:
- 2527 (i) tangible personal property used in construction of:
- 2528 (A) a new alternative energy electricity production facility; or
- 2529 (B) the increase in the capacity of an alternative energy electricity production
- 2530 facility;
- 2531 (ii) contracted services required for construction and routine maintenance activities;
- 2532 and
- 2533 (iii) unless the tangible personal property is used or acquired for an increase in
- 2534 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
- 2535 property used or acquired after:
- 2536 (A) the alternative energy electricity production facility described in Subsection
- 2537 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- 2538 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
- 2539 described in Subsection (55)(a)(iii);
- 2540 (56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
- 2541 or before June 30, 2027, of tangible personal property that:
- 2542 (i) is leased or purchased for or by a facility that:
- 2543 (A) is a waste energy production facility;
- 2544 (B) is located in the state; and
- 2545 (C)(I) becomes operational on or after July 1, 2004; or
- 2546 (II) has its generation capacity increased by one or more megawatts on or after

2547 July 1, 2004, as a result of the use of the tangible personal property;

2548 (ii) has an economic life of five or more years; and

2549 (iii) is used to make the facility or the increase in capacity of the facility described in

2550 Subsection (56)(a)(i) operational up to the point of interconnection with an

2551 existing transmission grid including:

2552 (A) generating equipment;

2553 (B) a control and monitoring system;

2554 (C) a power line;

2555 (D) substation equipment;

2556 (E) lighting;

2557 (F) fencing;

2558 (G) pipes; or

2559 (H) other equipment used for locating a power line or pole; and

2560 (b) this Subsection (56) does not apply to:

2561 (i) tangible personal property used in construction of:

2562 (A) a new waste energy facility; or

2563 (B) the increase in the capacity of a waste energy facility;

2564 (ii) contracted services required for construction and routine maintenance activities;

2565 and

2566 (iii) unless the tangible personal property is used or acquired for an increase in

2567 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used

2568 or acquired after:

2569 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as

2570 described in Subsection (56)(a)(iii); or

2571 (B) the increased capacity described in Subsection (56)(a)(i) is operational as

2572 described in Subsection (56)(a)(iii);

2573 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or

2574 before June 30, 2027, of tangible personal property that:

2575 (i) is leased or purchased for or by a facility that:

2576 (A) is located in the state;

2577 (B) produces fuel from alternative energy, including:

2578 (I) methanol; or

2579 (II) ethanol; and

2580 (C)(I) becomes operational on or after July 1, 2004; or

2581 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,
2582 2004, as a result of the installation of the tangible personal property;
2583 (ii) has an economic life of five or more years; and
2584 (iii) is installed on the facility described in Subsection (57)(a)(i);
2585 (b) this Subsection (57) does not apply to:
2586 (i) tangible personal property used in construction of:
2587 (A) a new facility described in Subsection (57)(a)(i); or
2588 (B) the increase in capacity of the facility described in Subsection (57)(a)(i); ~~or~~
2589 (ii) contracted services required for construction and routine maintenance activities;
2590 and
2591 (iii) unless the tangible personal property is used or acquired for an increase in
2592 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used
2593 or acquired after:
2594 (A) the facility described in Subsection (57)(a)(i) is operational; or
2595 (B) the increased capacity described in Subsection (57)(a)(i) is operational;
2596 (58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product
2597 transferred electronically to a person within this state if that tangible personal
2598 property or product transferred electronically is subsequently shipped outside the
2599 state and incorporated pursuant to contract into and becomes a part of real property
2600 located outside of this state; and
2601 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other
2602 state or political entity to which the tangible personal property is shipped imposes a
2603 sales, use, gross receipts, or other similar transaction excise tax on the transaction
2604 against which the other state or political entity allows a credit for sales and use taxes
2605 imposed by this chapter;
2606 (59) purchases:
2607 (a) of one or more of the following items in printed or electronic format:
2608 (i) a list containing information that includes one or more:
2609 (A) names; or
2610 (B) addresses; or
2611 (ii) a database containing information that includes one or more:
2612 (A) names; or
2613 (B) addresses; and
2614 (b) used to send direct mail;

- 2615 (60) redemptions or repurchases of a product by a person if that product was:
- 2616 (a) delivered to a pawnbroker as part of a pawn transaction; and
- 2617 (b) redeemed or repurchased within the time period established in a written agreement
- 2618 between the person and the pawnbroker for redeeming or repurchasing the product;
- 2619 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:
- 2620 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;
- 2621 and
- 2622 (ii) has a useful economic life of one or more years; and
- 2623 (b) the following apply to Subsection (61)(a):
- 2624 (i) telecommunications enabling or facilitating equipment, machinery, or software;
- 2625 (ii) telecommunications equipment, machinery, or software required for 911 service;
- 2626 (iii) telecommunications maintenance or repair equipment, machinery, or software;
- 2627 (iv) telecommunications switching or routing equipment, machinery, or software; or
- 2628 (v) telecommunications transmission equipment, machinery, or software;
- 2629 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
- 2630 personal property or a product transferred electronically that are used in the research
- 2631 and development of alternative energy technology; and
- 2632 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2633 commission may, for purposes of Subsection (62)(a), make rules defining what
- 2634 constitutes purchases of tangible personal property or a product transferred
- 2635 electronically that are used in the research and development of alternative energy
- 2636 technology;
- 2637 (63)(a) purchases of tangible personal property or a product transferred electronically if:
- 2638 (i) the tangible personal property or product transferred electronically is:
- 2639 (A) purchased outside of this state;
- 2640 (B) brought into this state at any time after the purchase described in Subsection
- 2641 (63)(a)(i)(A); and
- 2642 (C) used in conducting business in this state; and
- 2643 (ii) for:
- 2644 (A) tangible personal property or a product transferred electronically other than
- 2645 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
- 2646 use of the property for a purpose for which the property is designed occurs
- 2647 outside of this state; or
- 2648 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is

- 2649 registered outside of this state and not required to be registered in this state
2650 under Section 41-1a-202 or 73-18-9 based on residency;
- 2651 (b) the exemption provided for in Subsection (63)(a) does not apply to:
- 2652 (i) a lease or rental of tangible personal property or a product transferred
2653 electronically; or
- 2654 (ii) a sale of a vehicle exempt under Subsection (33); and
- 2655 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
2656 purposes of Subsection (63)(a), the commission may by rule define what constitutes
2657 the following:
- 2658 (i) conducting business in this state if that phrase has the same meaning in this
2659 Subsection (63) as in Subsection (24);
- 2660 (ii) the first use of tangible personal property or a product transferred electronically if
2661 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
- 2662 (iii) a purpose for which tangible personal property or a product transferred
2663 electronically is designed if that phrase has the same meaning in this Subsection
2664 (63) as in Subsection (24);
- 2665 (64) sales of disposable home medical equipment or supplies if:
- 2666 (a) a person presents a prescription for the disposable home medical equipment or
2667 supplies;
- 2668 (b) the disposable home medical equipment or supplies are used exclusively by the
2669 person to whom the prescription described in Subsection (64)(a) is issued; and
- 2670 (c) the disposable home medical equipment and supplies are listed as eligible for
2671 payment under:
- 2672 (i) Title XVIII, federal Social Security Act; or
- 2673 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 2674 (65) sales:
- 2675 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
2676 Act; or
- 2677 (b) of tangible personal property to a subcontractor of a public transit district, if the
2678 tangible personal property is:
- 2679 (i) clearly identified; and
- 2680 (ii) installed or converted to real property owned by the public transit district;
- 2681 (66) sales of construction materials:
- 2682 (a) purchased on or after July 1, 2010;

- 2683 (b) purchased by, on behalf of, or for the benefit of an international airport:
2684 (i) located within a county of the first class; and
2685 (ii) that has a United States customs office on its premises; and
2686 (c) if the construction materials are:
2687 (i) clearly identified;
2688 (ii) segregated; and
2689 (iii) installed or converted to real property:
2690 (A) owned or operated by the international airport described in Subsection (66)(b);
2691 and
2692 (B) located at the international airport described in Subsection (66)(b);
2693 (67) sales of construction materials:
2694 (a) purchased on or after July 1, 2008;
2695 (b) purchased by, on behalf of, or for the benefit of a new airport:
2696 (i) located within a county of the second class; and
2697 (ii) that is owned or operated by a city in which an airline as defined in Section
2698 59-2-102 is headquartered; and
2699 (c) if the construction materials are:
2700 (i) clearly identified;
2701 (ii) segregated; and
2702 (iii) installed or converted to real property:
2703 (A) owned or operated by the new airport described in Subsection (67)(b);
2704 (B) located at the new airport described in Subsection (67)(b); and
2705 (C) as part of the construction of the new airport described in Subsection (67)(b);
2706 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common
2707 carrier that is a railroad for use in a locomotive engine;
2708 (69) purchases and sales described in Section 63H-4-111;
2709 (70)(a) sales of tangible personal property to an aircraft maintenance, repair, and
2710 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
2711 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
2712 aircraft's registration lists a state or country other than this state as the location of
2713 registry of the fixed wing turbine powered aircraft; or
2714 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
2715 provider in connection with the maintenance, repair, overhaul, or refurbishment in
2716 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered

2717 aircraft's registration lists a state or country other than this state as the location of
2718 registry of the fixed wing turbine powered aircraft;

2719 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:

2720 (a) to a person admitted to an institution of higher education; and

2721 (b) by a seller, other than a bookstore owned by an institution of higher education, if

2722 51% or more of that seller's sales revenue for the previous calendar quarter are sales

2723 of a textbook for a higher education course;

2724 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)

2725 on a purchaser from a business for which the municipality provides an enhanced level of

2726 municipal services;

2727 (73) amounts paid or charged for construction materials used in the construction of a new or

2728 expanding life science research and development facility in the state, if the construction

2729 materials are:

2730 (a) clearly identified;

2731 (b) segregated; and

2732 (c) installed or converted to real property;

2733 (74) amounts paid or charged for:

2734 (a) a purchase or lease of machinery and equipment that:

2735 (i) are used in performing qualified research:

2736 (A) as defined in Section 41(d), Internal Revenue Code; and

2737 (B) in the state; and

2738 (ii) have an economic life of three or more years; and

2739 (b) normal operating repair or replacement parts:

2740 (i) for the machinery and equipment described in Subsection (74)(a); and

2741 (ii) that have an economic life of three or more years;

2742 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:

2743 (a) for a sale:

2744 (i) the ownership of the seller and the ownership of the purchaser are identical; and

2745 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that

2746 tangible personal property prior to making the sale; or

2747 (b) for a lease:

2748 (i) the ownership of the lessor and the ownership of the lessee are identical; and

2749 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that

2750 tangible personal property prior to making the lease;

- 2751 (76)(a) purchases of machinery or equipment if:
- 2752 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
- 2753 Gambling, and Recreation Industries, of the 2012 North American Industry
- 2754 Classification System of the federal Executive Office of the President, Office of
- 2755 Management and Budget;
- 2756 (ii) the machinery or equipment:
- 2757 (A) has an economic life of three or more years; and
- 2758 (B) is used by one or more persons who pay admission or user fees described in
- 2759 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
- 2760 and
- 2761 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 2762 (A) amounts paid or charged as admission or user fees described in Subsection
- 2763 59-12-103(1)(f); and
- 2764 (B) subject to taxation under this chapter; and
- 2765 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2766 commission may make rules for verifying that 51% of a purchaser's sales revenue for
- 2767 the previous calendar quarter is:
- 2768 (i) amounts paid or charged as admission or user fees described in Subsection
- 2769 59-12-103(1)(f); and
- 2770 (ii) subject to taxation under this chapter;
- 2771 (77) purchases of a short-term lodging consumable by a business that provides
- 2772 accommodations and services described in Subsection 59-12-103(1)(i);
- 2773 (78) amounts paid or charged to access a database:
- 2774 (a) if the primary purpose for accessing the database is to view or retrieve information
- 2775 from the database; and
- 2776 (b) not including amounts paid or charged for a:
- 2777 (i) digital audio work;
- 2778 (ii) digital audio-visual work; or
- 2779 (iii) digital book;
- 2780 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 2781 payment service, of:
- 2782 (a) machinery and equipment that:
- 2783 (i) are used in the operation of the electronic financial payment service; and
- 2784 (ii) have an economic life of three or more years; and

- 2785 (b) normal operating repair or replacement parts that:
- 2786 (i) are used in the operation of the electronic financial payment service; and
- 2787 (ii) have an economic life of three or more years;
- 2788 (80) sales of a fuel cell as defined in Section 54-15-102;
- 2789 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 2790 product transferred electronically if the tangible personal property or product transferred
- 2791 electronically:
- 2792 (a) is stored, used, or consumed in the state; and
- 2793 (b) is temporarily brought into the state from another state:
- 2794 (i) during a disaster period as defined in Section 53-2a-1202;
- 2795 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 2796 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 2797 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 2798 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
- 2799 Section 39A-7-102, made pursuant to Title 39A, Chapter 7, Morale, Welfare, and
- 2800 Recreation Program;
- 2801 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 2802 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
- 2803 occupant of a qualifying data center of machinery, equipment, or normal operating
- 2804 repair or replacement parts, if the machinery, equipment, or normal operating repair or
- 2805 replacement parts:
- 2806 (a) are used in:
- 2807 (i) the operation of the qualifying data center; or
- 2808 (ii) the occupant's operations in the qualifying data center; and
- 2809 (b) have an economic life of one or more years;
- 2810 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
- 2811 that includes cleaning or washing of the interior of the vehicle;
- 2812 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 2813 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
- 2814 supplies used or consumed:
- 2815 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
- 2816 in Section 79-6-701 located in the state;
- 2817 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
- 2818 chemicals, reagents, solutions, or supplies are used or consumed in:

- 2819 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
2820 added to gasoline or diesel fuel;
- 2821 (ii) research and development;
- 2822 (iii) transporting, storing, or managing raw materials, work in process, finished
2823 products, and waste materials produced from refining gasoline or diesel fuel, or
2824 adding blendstock to gasoline or diesel fuel;
- 2825 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
2826 refining; or
- 2827 (v) preventing, controlling, or reducing pollutants from refining; and
- 2828 (c) if the person holds a valid refiner tax exemption certification as defined in Section
2829 79-6-701;
- 2830 (87) amounts paid to or charged by a proprietor for accommodations and services, as
2831 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
2832 tax imposed under Section 63H-1-205;
- 2833 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
2834 operating repair or replacement parts, or materials, except for office equipment or office
2835 supplies, by an establishment, as the commission defines that term in accordance with
2836 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 2837 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
2838 American Industry Classification System of the federal Executive Office of the
2839 President, Office of Management and Budget;
- 2840 (b) is located in this state; and
- 2841 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
2842 materials in the operation of the establishment;
- 2843 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 2844 (90) sales of a note, leaf, foil, or film, if the item:
- 2845 (a) is used as currency;
- 2846 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 2847 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
2848 transparent polymer holder, coating, or encasement;
- 2849 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
2850 surfing facility, if a trained instructor:
- 2851 (a) is present with the participant, in person or by video, for the duration of the activity;
- 2852 and

2853 (b) actively instructs the participant, including providing observation or feedback;
 2854 (92) amounts paid or charged in connection with the construction, operation, maintenance,
 2855 repair, or replacement of facilities owned by or constructed for:
 2856 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
 2857 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;
 2858 (93) amounts paid by the service provider for tangible personal property, other than
 2859 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
 2860 that:
 2861 (a) is consumed in the performance of a service that is subject to tax under Subsection
 2862 59-12-103(1)(b), (f), (g), (h), (i), or (j);
 2863 (b) has to be consumed for the service provider to provide the service described in
 2864 Subsection (93)(a); and
 2865 (c) will be consumed in the performance of the service described in Subsection (93)(a),
 2866 to one or more customers, to the point that the tangible personal property disappears
 2867 or cannot be used for any other purpose;
 2868 (94) sales of rail rolling stock manufactured in Utah;
 2869 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
 2870 construction materials between establishments, as the commission defines that term in
 2871 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:
 2872 (a) the establishments are related directly or indirectly through 100% common
 2873 ownership or control; and
 2874 (b) each establishment is described in one of the following subsectors of the 2022 North
 2875 American Industry Classification System of the federal Executive Office of the
 2876 President, Office of Management and Budget:
 2877 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
 2878 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;
 2879 (96) sales of construction materials used for the construction of a qualified stadium, as
 2880 defined in Section 11-70-101; ~~and~~
 2881 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in
 2882 Section 4-41-102[-] ; and
 2883 (98) sales of construction materials used for the construction of a structure or facility within
 2884 a project area approved by the Beehive Development Agency created in Section
 2885 11-71-201, if the Beehive Development Agency board approves the construction and
 2886 establishes a delivery outlet with the commission.

Section 44. Section **59-12-205** is amended to read:

59-12-205 (Effective 01/01/26). Ordinances to conform with statutory amendments -- Distribution of tax revenue -- Determination of population.

(1) To maintain in effect sales and use tax ordinances adopted pursuant to Section

59-12-204, a county, city, or town shall adopt amendments to the county's, city's, or town's sales and use tax ordinances:

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

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

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

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

(ii)(A) except as provided in Subsections (2)(a)(ii)(B), (C), [and] (D), and (E),

50% of each dollar collected from the sales and use tax authorized by this part shall be distributed to each county, city, and town on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215;

(B) except as provided in Subsections (7) and (8), 50% of each dollar collected from the sales and use tax authorized by this part within a project area described in a project area plan adopted by the military installation development authority under Title 63H, Chapter 1, Military Installation Development Authority Act, shall be distributed to the military installation development authority created in Section 63H-1-201;

(C) except as provided in Subsections (7) and (8), beginning July 1, 2024, 20% of each dollar collected from the sales and use tax authorized by this part within a project area under Title 11, Chapter 58, Utah Inland Port Authority Act, shall be distributed to the Utah Inland Port Authority, created in Section 11-58-201; [and]

(D) except as provided in Subsections (7) and (8), 50% of each dollar collected from the sales and use tax authorized by this part within the lake authority boundary, as defined in Section 11-65-101, shall be distributed to the Utah Lake Authority, created in Section 11-65-201, beginning the next full calendar quarter following the creation of the Utah Lake Authority[]; and

2921 (E) except as provided in Subsections (7) and (8), 50% of each dollar collected
2922 from the sales and use tax authorized by this part within a sales and use tax
2923 boundary, as defined in Section 11-71-101, shall be distributed to the Beehive
2924 Development Agency for a project area approved by the Beehive Development
2925 Agency board beginning the next full calendar quarter following the creation of
2926 the project area.

2927 (b) Subsection (2)(a)(ii)(C) does not apply to sales and use tax revenue collected before
2928 July 1, 2022.

2929 (3)(a) As used in this Subsection (3):

2930 (i) "Eligible county, city, or town" means a county, city, or town that:

2931 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection
2932 (3)(b) equal to the amount described in Subsection (3)(b)(ii); and

2933 (B) does not impose a sales and use tax under Section 59-12-2103 on or before
2934 July 1, 2016.

2935 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue
2936 distributions an eligible county, city, or town received from a tax imposed in
2937 accordance with this part for fiscal year 2004-05.

2938 (b) An eligible county, city, or town shall receive a tax revenue distribution for a tax
2939 imposed in accordance with this part equal to the greater of:

2940 (i) the payment required by Subsection (2); or

2941 (ii) the minimum tax revenue distribution.

2942 (4)(a) For purposes of this Subsection (4):

2943 (i) "Annual local contribution" means the lesser of \$275,000 or an amount equal to
2944 2.55% of the participating local government's tax revenue distribution amount
2945 under Subsection (2)(a)(i) for the previous fiscal year.

2946 (ii) "Participating local government" means a county or municipality, as defined in
2947 Section 10-1-104, that is not an eligible municipality certified in accordance with
2948 Section 35A-16-404.

2949 (b) For revenue collected from the tax authorized by this part that is distributed on or
2950 after January 1, 2019, the commission, before making a tax revenue distribution
2951 under Subsection (2)(a)(i) to a participating local government, shall:

2952 (i) adjust a participating local government's tax revenue distribution under Subsection
2953 (2)(a)(i) by:

2954 (A) subtracting an amount equal to one-twelfth of the annual local contribution for

- 2955 each participating local government from the participating local government's
2956 tax revenue distribution; and
- 2957 (B) if applicable, reducing the amount described in Subsection (4)(b)(i)(A) by an
2958 amount equal to one-twelfth of \$250 for each bed that is available at all
2959 homeless shelters located within the boundaries of the participating local
2960 government, as reported to the commission by the Office of Homeless Services
2961 in accordance with Section 35A-16-405; and
- 2962 (ii) deposit the resulting amount described in Subsection (4)(b)(i) into the Homeless
2963 Shelter Cities Mitigation Restricted Account created in Section 35A-16-402.
- 2964 (c) For a participating local government that qualifies to receive a distribution described
2965 in Subsection (3), the commission shall apply the provisions of this Subsection (4)
2966 after the commission applies the provisions of Subsection (3).
- 2967 (5)(a) As used in this Subsection (5):
- 2968 (i) "Annual dedicated sand and gravel sales tax revenue" means an amount equal to
2969 the total revenue an establishment described in NAICS Code 327320, Ready-Mix
2970 Concrete Manufacturing, of the 2022 North American Industry Classification
2971 System of the federal Executive Office of the President, Office of Management
2972 and Budget, collects and remits under this part for a calendar year.
- 2973 (ii) "Sand and gravel" means sand, gravel, or a combination of sand and gravel.
- 2974 (iii) "Sand and gravel extraction site" means a pit, quarry, or deposit that:
- 2975 (A) contains sand and gravel; and
- 2976 (B) is assessed by the commission in accordance with Section 59-2-201.
- 2977 (iv) "Ton" means a short ton of 2,000 pounds.
- 2978 (v) "Tonnage ratio" means the ratio of:
- 2979 (A) the total amount of sand and gravel, measured in tons, sold during a calendar
2980 year from all sand and gravel extraction sites located within a county, city, or
2981 town; to
- 2982 (B) the total amount of sand and gravel, measured in tons, sold during the same
2983 calendar year from sand and gravel extraction sites statewide.
- 2984 (b) For purposes of calculating the ratio described in Subsection (5)(a)(v), the
2985 commission shall:
- 2986 (i) use the gross sales data provided to the commission as part of the commission's
2987 property tax valuation process; and
- 2988 (ii) if a sand and gravel extraction site operates as a unit across municipal or county

2989 lines, apportion the reported tonnage among the counties, cities, or towns based on
2990 the percentage of the sand and gravel extraction site located in each county, city,
2991 or town, as approximated by the commission.

2992 (c)(i) Beginning July 2023, and each July thereafter, the commission shall distribute
2993 from total collections under this part an amount equal to the annual dedicated sand
2994 and gravel sales tax revenue for the preceding calendar year to each county, city,
2995 or town in the same proportion as the county's, city's, or town's tonnage ratio for
2996 the preceding calendar year.

2997 (ii) The commission shall ensure that the revenue distributed under this Subsection
2998 (5)(c) is drawn from each jurisdiction's collections in proportion to the
2999 jurisdiction's share of total collections for the preceding 12-month period.

3000 (d) A county, city, or town shall use revenue described in Subsection (5)(c) for class B
3001 or class C roads.

3002 (6)(a) Population figures for purposes of this section shall be based on the most recent
3003 official census or census estimate of the United States Bureau of the Census.

3004 (b) If a needed population estimate is not available from the United States Bureau of the
3005 Census, population figures shall be derived from the estimate from the Utah
3006 Population Committee.

3007 (c) The population of a county for purposes of this section shall be determined only from
3008 the unincorporated area of the county.

3009 (7)(a) As used in this Subsection (7):

3010 (i) "Applicable percentage" means, for a project area under Title 11, Chapter 71,
3011 Beehive Development Agency Act, for sales occurring within a qualified
3012 development zone described in Subsection (7)(a)(ii), 50% of the revenue from the
3013 sales and use tax under this part.

3014 (ii) "Qualified development zone" means the sales and use tax boundary a project
3015 area under Title 11, Chapter 71, Beehive Development Agency Act.

3016 (iii) "Qualifying construction materials" means construction materials that are:

3017 (A) delivered to a delivery outlet within a qualified development zone; and

3018 (B) intended to be permanently attached to real property within the qualified
3019 development zone.

3020 (b) For a sale of qualifying construction materials, the commission shall distribute the
3021 product calculated in Subsection (7)(c) to the Beehive Development Agency for a
3022 qualified development zone if the seller of the construction materials:

- (i) establishes a delivery outlet with the commission within the qualified development zone;
- (ii) reports the sales of the construction materials to the delivery outlet described in Subsection (7)(b)(i); and
- (iii) does not report the sales of the construction materials on a simplified electronic return.
- (c) For the purposes of Subsection (7)(b), the product is equal to:
- (i) the sales price or purchase price of the qualifying construction materials; and
- (ii) the applicable percentage.
- (d) If an amount of revenue is distributed pertaining to a qualified construction material transaction pursuant to Subsection (7)(b), the distribution under Subsection (2)(a)(ii)(E) is satisfied for that transaction.
- (8)(a) As used in this Subsection (8):
- (i) "Qualified development zone" means the same as that term is defined in Subsection (7).
- (ii) "Schedule J sale" means a sale reported on State Tax Commission Form TC-62M, Schedule J or a substantially similar form as designated by the commission.
- (b) Revenue generated by a Schedule J sale within a qualified development zone shall be distributed to the jurisdiction that would have received the revenue in the absence of the qualified development zone.
- Section 45. Section **59-12-352** is amended to read:
- 59-12-352 (Effective 01/01/26). Transient room tax authority for municipalities and certain authorities -- Purposes for which revenues may be used.**
- (1)(a) Except as provided in Subsection (5), the governing body of a municipality may impose a tax of not to exceed 1% on charges for the accommodations and services described in Subsection 59-12-103(1)(i).
- (b) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a municipality.
- (c) Beginning October 1, 2024, the Utah Fairpark Area Investment and Restoration District, created in Section 11-70-201, may impose a tax under this section for accommodations and services described in Subsection 59-12-103(1)(i) within the

3057 district sales tax area, as defined in Section 11-70-101, to the same extent and in the
 3058 same manner as a municipality may impose a tax under this section.

3059 (d) Beginning January 1, 2026, the Beehive Development Agency may impose a tax
 3060 under this section for accommodations and services described in Subsection
 3061 59-12-103(1)(i) within a project area established by the Beehive Development
 3062 Agency Board:

3063 (i) to the same extent and in the same manner as a municipality may impose a tax
 3064 under this section; and

3065 (ii) as described in Subsection (7).

3066 (2) Subject to the limitations of Subsection (1), a governing body of a municipality may, by
 3067 ordinance, increase or decrease the tax under this part.

3068 (3) A governing body of a municipality shall regulate the tax under this part by ordinance.

3069 (4) A municipality may use revenues generated by the tax under this part for general fund
 3070 purposes.

3071 (5)(a) A municipality may not impose a tax under this section for accommodations and
 3072 services described in Subsection 59-12-103(1)(i) within a project area described in a
 3073 project area plan adopted by[-]:

3074 (i) the military installation development authority under Title 63H, Chapter 1,
 3075 Military Installation Development Authority Act; [or]

3076 (ii) the Utah Fairpark Area Investment and Restoration District under Title 11,
 3077 Chapter 70, Utah Fairpark Area Investment and Restoration District[-] ; or

3078 (iii) the Beehive Development Agency created in Section 11-71-201.

3079 (b) Subsection (5)(a) does not apply to the military installation development authority's
 3080 imposition of a tax under this section.

3081 (6)(a) As used in this Subsection (6):

3082 (i) "Authority" means the Point of the Mountain State Land Authority, created in
 3083 Section 11-59-201.

3084 (ii) "Authority board" means the board referred to in Section 11-59-301.

3085 (b) The authority may, by a resolution adopted by the authority board, impose a tax of
 3086 not to exceed 5% on charges for the accommodations and services described in
 3087 Subsection 59-12-103(1)(i) for transactions that occur on point of the mountain state
 3088 land, as defined in Section 11-59-102.

3089 (c) The authority board, by resolution, shall regulate the tax under this Subsection (6).

3090 (d) The authority shall use all revenue from a tax imposed under this Subsection (6) to

3091 provide affordable housing, consistent with the manner that a community
 3092 reinvestment agency uses funds for income targeted housing under Section 17C-1-412.

3093 (e) A tax under this Subsection (6) is in addition to any other tax that may be imposed
 3094 under this part.

3095 (7)(a) The Beehive Development Agency Board may impose a tax of not to exceed 5%
 3096 on charges for the accommodations and services described in Subsection
 3097 59-12-103(1)(i) for transactions that occur within a project area.

3098 (b) Revenue generated by a tax imposed under this Subsection (7):
 3099 (i) shall be distributed to the Beehive Development Agency; and
 3100 (ii) constitutes project area funds, to be managed and expended as described in
 3101 Section 11-71-501.

3102 (c) A tax under this Subsection (7) is in addition to any other tax that may be imposed
 3103 under this part.

3104 Section 46. Section **59-12-354** is amended to read:

3105 **59-12-354 (Effective 01/01/26). Collection of tax -- Administrative charge.**

3106 (1) Except as provided in Subsections (2) and (3), the tax authorized under this part shall be
 3107 administered, collected, and enforced in accordance with:

3108 (a) the same procedures used to administer, collect, and enforce the tax under:

3109 (i) Part 1, Tax Collection; or
 3110 (ii) Part 2, Local Sales and Use Tax Act; and

3111 (b) Chapter 1, General Taxation Policies.

3112 (2)(a) The location of a transaction shall be determined in accordance with Sections
 3113 59-12-211 through 59-12-215.

3114 (b) Except as provided in Subsection (2)(c), the commission shall distribute the revenue
 3115 collected from the tax to:

3116 (i)(A) the municipality within which the revenue was collected, for a tax imposed
 3117 under this part by a municipality; or
 3118 (B) the Utah Fairpark Area Investment and Restoration District, for a tax imposed
 3119 under this part by the Utah Fairpark Area Investment and Restoration District; [
 3120 and]

3121 (ii) the Point of the Mountain State Land Authority, for a tax imposed under
 3122 Subsection 59-12-352(6)[-] ; and

3123 (iii) the Beehive Development Agency, for a tax imposed under Subsection
 3124 59-12-352(7).

3125 (c) The commission shall retain and deposit an administrative charge in accordance with
 3126 Section 59-1-306 from the revenue the commission collects from a tax under this part.

3127 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or Subsections
 3128 59-12-205(2) through (5).

3129 Section 47. Section **59-12-401** is amended to read:

3130 **59-12-401 (Effective 01/01/26). Resort communities tax authority for cities,**
 3131 **towns, and certain authorities -- Base -- Rate -- Collection fees.**

3132 (1)(a) In addition to other sales and use taxes, a city or town in which the transient room
 3133 capacity as defined in Section 59-12-405 is greater than or equal to 66% of the
 3134 municipality's permanent census population may impose a sales and use tax of up to
 3135 1.1% on the transactions described in Subsection 59-12-103(1) located within the city
 3136 or town.

3137 (b) Notwithstanding Subsection (1)(a), a city or town may not impose a tax under this
 3138 section on:

3139 (i)(A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a
 3140 manufactured home, or a mobile home;

3141 (B) the sales and uses described in Section 59-12-104 to the extent the sales and
 3142 uses are exempt from taxation under Section 59-12-104; and

3143 (C) except as provided in Subsection (1)(d), amounts paid or charged for food and
 3144 food ingredients; [or]

3145 (ii) transactions that occur in the district sales tax area, as defined in Subsection (4), if
 3146 the fairpark district, as defined in Subsection (4), has imposed a tax under
 3147 Subsection (4); or

3148 (iii) transactions that occur in a project area of the Beehive Development Agency, if
 3149 the Beehive Development Agency has imposed a tax under Subsection (5).

3150 (c) For purposes of this Subsection (1), the location of a transaction shall be determined
 3151 in accordance with Sections 59-12-211 through 59-12-215.

3152 (d) A city or town imposing a tax under this section shall impose the tax on the purchase
 3153 price or the sales price for amounts paid or charged for food and food ingredients if
 3154 the food and food ingredients are sold as part of a bundled transaction attributable to
 3155 food and food ingredients and tangible personal property other than food and food
 3156 ingredients.

3157 (2)(a) An amount equal to the total of any costs incurred by the state in connection with
 3158 the implementation of Subsection (1) which exceed, in any year, the revenues

received by the state from its collection fees received in connection with the implementation of Subsection (1) shall be paid over to the state General Fund by the cities and towns which impose the tax provided for in Subsection (1).

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

(3)(a) Subject to Section 63H-1-203, the military installation development authority created in Section 63H-1-201 may impose a tax under this section on the transactions described in Subsection 59-12-103(1) located within a project area described in a project area plan adopted by the authority under Title 63H, Chapter 1, Military Installation Development Authority Act, as though the authority were a city or a town.

(b) For purposes of calculating the permanent census population within a project area, the board, as defined in Section 63H-1-102, shall:

(i) use the actual number of permanent residents within the project area as determined by the board;

(ii) include in the calculation of transient room capacity the number, as determined by the board, of approved high-occupancy lodging units, recreational lodging units, special lodging units, and standard lodging units, even if the units are not constructed;

(iii) adopt a resolution verifying the population number; and

(iv) provide the commission any information required in Section 59-12-405.

(c) Notwithstanding Subsection (1)(a), a board as defined in Section 63H-1-102 may impose the sales and use tax under this section if there are no permanent residents.

(4)(a) As used in this Subsection (4):

(i) "District sales tax area" means the same as that term is defined in Section 11-70-101.

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

(iii) "Fairpark district board" means the board of the fairpark district.

(b) The fairpark district, by resolution of the fairpark district board, may impose a tax under this section, as though the fairpark district were a city or town, on transactions described in Subsection 59-12-103(1):

(i) located within the district sales tax area; and

(ii) that occur on or after October 1, 2024.

- (c) For purposes of calculating the permanent census population within the district sales tax area, the fairpark district board shall:
- (i) use the actual number of permanent residents within the district sales tax area as determined by the fairpark district board;
 - (ii) include in the calculation of transient room capacity the number, as determined by the fairpark district board, of approved high-occupancy lodging units, recreational lodging units, special lodging units, and standard lodging units, even if the units are not constructed;
 - (iii) adopt a resolution verifying the population number; and
 - (iv) provide the commission any information required in Section 59-12-405.
- (d) Notwithstanding Subsection (1)(a), the fairpark district may impose the sales and use tax under this section if there are no permanent residents within the district sales tax area.

(5) Beginning January 1, 2026, the Beehive Development Agency may impose a tax under this section as though the Beehive Development Agency were a city or town in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population on the transactions described in Subsection 59-12-103(1) located within the sales and use tax boundary for the project area.

Section 48. Section **59-12-402** is amended to read:

59-12-402 (Effective 01/01/26). Additional resort communities sales and use tax -- Base -- Rate -- Collection fees -- Resolution and voter approval requirements -- Election requirements -- Notice requirements -- Ordinance requirements -- Certain authorities implementing additional resort communities sales and use tax.

- (1)(a) Subject to Subsections (2) through (6), the governing body of a municipality in which the transient room capacity as defined in Section 59-12-405 is greater than or equal to 66% of the municipality's permanent census population may, in addition to the sales tax authorized under Section 59-12-401, impose an additional resort communities sales tax in an amount that is less than or equal to .5% on the transactions described in Subsection 59-12-103(1) located within the municipality.
- (b) Notwithstanding Subsection (1)(a), the governing body of a municipality may not impose a tax under this section on:
- (i)(A) the sale of a motor vehicle, an aircraft, a watercraft, a modular home, a manufactured home, or a mobile home;

- 3227 (B) the sales and uses described in Section 59-12-104 to the extent the sales and
3228 uses are exempt from taxation under Section 59-12-104; and
- 3229 (C) except as provided in Subsection (1)(d), amounts paid or charged for food and
3230 food ingredients; [or]
- 3231 (ii) transactions that occur in the district sales tax area, as defined in Subsection
3232 59-12-401(4), if the Utah Fairpark Area Investment and Restoration District,
3233 created in Section 11-70-201, has imposed a tax under Subsection (8)[~~]~~ ; or
- 3234 (iii) transactions that occur within the sales and use tax boundary of a project area
3235 established by the Beehive Development Agency, if the Beehive Development
3236 Agency, created in Section 11-71-201, has imposed a tax under Subsection (9).
- 3237 (c) For purposes of this Subsection (1), the location of a transaction shall be determined
3238 in accordance with Sections 59-12-211 through 59-12-215.
- 3239 (d) A municipality imposing a tax under this section shall impose the tax on the
3240 purchase price or sales price for amounts paid or charged for food and food
3241 ingredients if the food and food ingredients are sold as part of a bundled transaction
3242 attributable to food and food ingredients and tangible personal property other than
3243 food and food ingredients.
- 3244 (2)(a) An amount equal to the total of any costs incurred by the state in connection with
3245 the implementation of Subsection (1) which exceed, in any year, the revenues
3246 received by the state from its collection fees received in connection with the
3247 implementation of Subsection (1) shall be paid over to the state General Fund by the
3248 cities and towns which impose the tax provided for in Subsection (1).
- 3249 (b) Amounts paid under Subsection (2)(a) shall be allocated proportionally among those
3250 cities and towns according to the amount of revenue the respective cities and towns
3251 generate in that year through imposition of that tax.
- 3252 (3) To impose an additional resort communities sales tax under this section, the governing
3253 body of the municipality shall:
- 3254 (a) pass a resolution approving the tax; and
- 3255 (b) except as provided in Subsection (6), obtain voter approval for the tax as provided in
3256 Subsection (4).
- 3257 (4) To obtain voter approval for an additional resort communities sales tax under
3258 Subsection (3)(b), a municipality shall:
- 3259 (a) hold the additional resort communities sales tax election during:
- 3260 (i) a regular general election; or

- 3261 (ii) a municipal general election; and
- 3262 (b) post notice of the election for the municipality, as a class A notice under Section
- 3263 63G-30-102, for at least 15 days before the day on which the election is held.
- 3264 (5) An ordinance approving an additional resort communities sales tax under this section
- 3265 shall provide an effective date for the tax as provided in Section 59-12-403.
- 3266 (6)(a) Except as provided in Subsection (6)(b), a municipality is not subject to the voter
- 3267 approval requirements of Subsection (3)(b) if, on or before January 1, 1996, the
- 3268 municipality imposed a license fee or tax on businesses based on gross receipts
- 3269 pursuant to Section 10-1-203.
- 3270 (b) The exception from the voter approval requirements in Subsection (6)(a) does not
- 3271 apply to a municipality that, on or before January 1, 1996, imposed a license fee or
- 3272 tax on only one class of businesses based on gross receipts pursuant to Section
- 3273 10-1-203.
- 3274 (7) Subject to Subsection 63H-1-203(1), a military installation development authority
- 3275 authorized to impose a resort communities tax under Section 59-12-401 may impose an
- 3276 additional resort communities sales tax under this section.
- 3277 (8) The Utah Fairpark Area Investment and Restoration District, created in Section
- 3278 11-70-201, may impose an additional resort communities tax under this section on
- 3279 transactions that occur:
- 3280 (a) within the district sales tax area, as defined in Subsection 59-12-401(4); and
- 3281 (b) that occur on or after October 1, 2024.
- 3282 (9) On or after January 1, 2026, the Beehive Development Agency may impose an
- 3283 additional resort communities tax under this section on transactions that occur within the
- 3284 project area sales and use tax boundary, as defined in Section 11-71-101, as if the
- 3285 Beehive Development Agency was a municipality.
- 3286 Section 49. Section **63A-3-401.5** is amended to read:
- 3287 **63A-3-401.5 (Effective 05/07/25). Definitions.**
- 3288 As used in this part:
- 3289 (1) "Beehive development fund" means the infrastructure fund created in Subsection
- 3290 63A-3-402(1)(e).
- 3291 (2) "Borrower" means a person who borrows money from an infrastructure fund for an
- 3292 infrastructure project.
- 3293 ~~[(2)]~~ (3) "Fairpark district development fund" means the infrastructure fund created in
- 3294 Subsection 63A-3-402(1)(c).

- 3295 ~~[(3)]~~ (4) "Independent political subdivision" means:
- 3296 (a) the Utah Inland Port Authority created in Section 11-58-201;
- 3297 (b) the Point of the Mountain State Land Authority created in Section 11-59-201;
- 3298 (c) the Utah Fairpark Area Investment and Restoration District created in Section
- 3299 11-70-201; or
- 3300 (d) the Military Installation Development Authority created in Section 63H-1-201.
- 3301 ~~[(4)]~~ (5) "Infrastructure fund" means a fund created in Subsection 63A-3-402(1).
- 3302 ~~[(5)]~~ (6) "Infrastructure loan" means a loan of infrastructure fund money to finance an
- 3303 infrastructure project.
- 3304 ~~[(6)]~~ (7) "Infrastructure project" means a project to acquire, construct, reconstruct,
- 3305 rehabilitate, equip, or improve public infrastructure and improvements:
- 3306 (a) within a project area; or
- 3307 (b) outside a project area, if the respective loan approval body determines by resolution
- 3308 that the public infrastructure and improvements are of benefit to the project area.
- 3309 ~~[(7)]~~ (8) "Inland port" means the same as that term is defined in Section 11-58-102.
- 3310 ~~[(8)]~~ (9) "Inland port fund" means the infrastructure fund created in Subsection 63A-3-402
- 3311 (1)(a).
- 3312 ~~[(9)]~~ (10) "Military development fund" means the infrastructure fund created in Subsection
- 3313 63A-3-402(1)(d).
- 3314 ~~[(10)]~~ (11) "Point of the mountain fund" means the infrastructure fund created in Subsection
- 3315 63A-3-402(1)(b).
- 3316 ~~[(11)]~~ (12) "Project area" means:
- 3317 (a) the same as that term is defined in Section 11-58-102, for purposes of an
- 3318 infrastructure loan from the inland port fund;
- 3319 (b) the point of the mountain state land, as defined in Section 11-59-102, for purposes of
- 3320 an infrastructure loan from the point of the mountain fund;
- 3321 (c) the same as that term is defined in Section 11-70-101, for purposes of an
- 3322 infrastructure loan from the fairpark district development fund; ~~[or]~~
- 3323 (d) the same as that term is defined in Section 63H-1-102, for purposes of an
- 3324 infrastructure loan from the military development fund~~[-]~~ ; or
- 3325 (e) the same as that term is defined in Section 11-71-101, for purposes of an
- 3326 infrastructure loan from the beehive development fund.
- 3327 ~~[(12)]~~ (13) "Property tax revenue" means:
- 3328 (a) property tax differential, as defined in Section 11-58-102, for purposes of an

- 3329 infrastructure loan from the inland port fund;
- 3330 (b) enhanced property tax revenue, as defined in Section 11-70-101, for purposes of an
- 3331 infrastructure loan from the fairpark district development fund; [or]
- 3332 (c) property tax allocation, as defined in Section 63H-1-102, for purposes of an
- 3333 infrastructure loan from the military development fund[-] ; or
- 3334 (d) property tax differential, as defined in Section 11-71-101, for purposes of an
- 3335 infrastructure loan from the beehive development fund.

3336 [(13)] (14) "Public infrastructure and improvements" means:

- 3337 (a) the same as that term is defined in Section 11-58-102, for purposes of an
- 3338 infrastructure loan from the inland port fund;
- 3339 (b) publicly owned infrastructure and improvements, as defined in Section 11-59-102,
- 3340 for purposes of an infrastructure loan from the point of the mountain fund;
- 3341 (c) the same as that term is defined in Section 11-70-101, for purposes of an
- 3342 infrastructure loan from the fairpark district development fund; [or]
- 3343 (d) the same as that term is defined in Section 63H-1-102, for purposes of an
- 3344 infrastructure loan from the military development fund[-] ; or
- 3345 (e) the same as that term is defined in Section 11-71-101, for purposes of an
- 3346 infrastructure loan from the beehive development fund.

3347 [(14)] (15) "Respective loan approval body" means:

- 3348 (a) the board created in Section 11-58-301, for purposes of an infrastructure loan from
- 3349 the inland port fund;
- 3350 (b) the board created in Section 11-59-301, for purposes of an infrastructure loan from
- 3351 the point of the mountain fund;
- 3352 (c) the board created in Section 11-70-301, for purposes of an infrastructure loan from
- 3353 the fairpark area development fund; [or]
- 3354 (d) the committee created in Section 63H-1-104, for purposes of an infrastructure loan
- 3355 from the military development fund[-] ; or
- 3356 (e) the loan committee created in Section 11-71-104, for purposes of an infrastructure
- 3357 loan from the beehive development fund.

3358 Section 50. Section **63A-3-402** is amended to read:

3359 **63A-3-402 (Effective 05/07/25). Infrastructure funds established -- Purpose of**

3360 **funds -- Use of money in funds.**

3361 (1) There are created, as enterprise revolving loan funds:

- 3362 (a) the inland port infrastructure revolving loan fund;

- 3363 (b) the point of the mountain infrastructure revolving loan fund;
 3364 (c) the fairpark area development revolving loan fund; ~~and~~
 3365 (d) the military development infrastructure revolving loan fund~~[-]~~ ; and
 3366 (e) the beehive development infrastructure revolving loan fund.
- 3367 (2) The purpose of each infrastructure fund is to provide funding, through infrastructure
 3368 loans, for infrastructure projects undertaken by a borrower.
- 3369 (3)(a) Money in an infrastructure fund may be used only to provide loans for
 3370 infrastructure projects.
- 3371 (b) The division may not loan money in an infrastructure fund without the approval of:
 3372 (i) the respective loan approval body; and
 3373 (ii) the Executive Appropriations Committee of the Legislature, for a loan from the
 3374 inland port fund, the point of the mountain fund, ~~or~~ the fairpark area
 3375 development fund, or the beehive development fund.
- 3376 Section 51. Section **63C-25-202** is amended to read:
 3377 **63C-25-202 (Effective 05/07/25). Powers and duties.**
- 3378 (1) The commission shall annually review a report provided in accordance with Section
 3379 63B-1-305 or 63B-1a-102.
- 3380 (2)(a) A loan entity other than a loan entity described in Subsection (2)(b) shall no later
 3381 than January 1 of each year submit information on each revolving loan fund from
 3382 which the loan entity made a loan in the previous fiscal year, including information
 3383 identifying new and ongoing loan recipients, the terms of each loan, loan repayment,
 3384 and any other information regarding a revolving loan fund requested by the
 3385 commission.
- 3386 (b) If a loan entity is:
 3387 (i) the Utah Inland Port Authority, the loan entity shall submit the information in
 3388 accordance with Section 11-58-106 and any other information regarding a
 3389 revolving loan fund requested by the commission;
 3390 (ii) the Point of the Mountain State Land Authority, the loan entity shall submit the
 3391 information in accordance with Section 11-59-104 and any other information
 3392 regarding a revolving loan fund requested by the commission;
 3393 (iii) the Utah Fairpark Area Investment and Restoration District, the loan entity shall
 3394 submit the information in accordance with Section 11-70-104 and any other
 3395 information regarding a revolving loan fund requested by the commission; ~~or~~
 3396 (iv) the Military Installation Development Authority, the loan entity shall submit the

- 3397 information in accordance with Section 63H-1-104 and any other information
3398 regarding a revolving loan fund requested by the commission[-] ; or
3399 (v) the Beehive Development Agency, the loan entity shall submit the information in
3400 accordance with Section 11-71-104 and any other information regarding a
3401 revolving loan fund requested by the commission.
- 3402 (c) The commission may annually review and provide feedback for the following:
- 3403 (i) each loan entity for compliance with state law authorizing and regulating the
3404 revolving loan fund, including, as applicable, Title 11, Chapter 14, Local
3405 Government Bonding Act;
- 3406 (ii) each loan entity's revolving loan fund policies and practices, including policies
3407 and practices for approving and setting the terms of a loan; and
- 3408 (iii) each borrower of funds from a revolving loan fund for accurate and timely
3409 reporting by the borrower to the appropriate debt repository.
- 3410 (3)(a) The commission shall review and may approve a bond before a large public transit
3411 district may issue a bond.
- 3412 (b) The commission may not approve issuance of a bond described in Subsection (3)(a)
3413 unless the execution and terms of the bond comply with state law.
- 3414 (c) If, after review, the commission approves a bond described in Subsection (3)(a), the
3415 large public transit district:
- 3416 (i) may not change before issuing the bond the terms of the bond that were reviewed
3417 by the commission if the change is outside the approved parameters and intended
3418 purposes; and
- 3419 (ii) is under no obligation to issue the bond.
- 3420 (d) A member of the commission who approves a bond under Subsection (3)(a) or
3421 reviews a parameters resolution under Subsection (4)(a) is not liable personally on
3422 the bond.
- 3423 (e) The approval of a bond under Subsection (3)(a) or review under Subsection (4)(a) of
3424 a parameters resolution by the commission:
- 3425 (i) is not an obligation of the state; and
- 3426 (ii) is not an act that:
- 3427 (A) lends the state's credit; or
- 3428 (B) constitutes indebtedness within the meaning of any constitutional or statutory
3429 debt limitation.
- 3430 (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

(ii) a public infrastructure district may issue a bond, if the creating entity of the public infrastructure district is a bonding political subdivision.

(b) The commission shall conduct the review under Subsection (4)(a) and forward any recommendations to the bonding political subdivision or public infrastructure district no later than 45 days after the day on which the commission receives the bonding political subdivision's or public infrastructure district's parameters resolution.

(c) Notwithstanding Subsection (4)(a), if the commission fails to review a parameters resolution or forward recommendations, if any, in the timeframe described in Subsection (4)(b), the bonding political subdivision or public infrastructure district, respectively, may proceed with the bond without review by the commission.

(d) After review by the commission under Subsection (4)(a), the bonding political subdivision or public infrastructure district:

(i) shall consider recommendations by the commission; and

(ii) may proceed with the bond but is under no obligation to issue the bond.

(5) The commission shall provide training and other information on debt management, lending and borrowing best practices, and compliance with state law to the authority, a bonding political subdivision, a large public transit district, and a loan entity.

(6)(a) Before a bonding government entity may enter into a concessionaire contract, the commission shall review and approve the concessionaire contract.

(b) If, after review, the commission approves the concessionaire contract, the bonding government entity:

(i) may not change the terms of the concessionaire contract if the change is outside of:

(A) any applicable approved parameters of the concessionaire contract; or

(B) the intended purposes of the concessionaire contract; and

(ii) is under no obligation to enter into the concessionaire contract.

Section 52. Section **63H-8-302** is amended to read:

63H-8-302 (Effective 05/07/25). Corporation -- Additional powers.

(1) To accomplish the declared purposes of this chapter, the corporation has the following powers:

(a) to purchase mortgage loans originated by mortgage lenders or local public bodies made for the purpose of financing the construction, development, rehabilitation, refinancing, or purchase of residential housing for low and moderate income persons;

- 3465 (b) to make mortgage loans and to provide financial assistance to housing sponsors for
3466 the purpose of financing the construction, development, rehabilitation, refinancing, or
3467 purchase of residential housing for low and moderate income persons;
- 3468 (c) to make mortgage loans and provide financial assistance to housing sponsors for the
3469 purpose of financing the operations of a housing development that are necessary or
3470 desirable to enable the housing development to remain available as residential
3471 housing for low and moderate income persons, whether or not the housing
3472 development has been financed by the corporation;
- 3473 (d) to provide financial assistance to any housing authority created under Title 35A,
3474 Chapter 8, Part 4, Housing Authorities, which housing authorities may enter into
3475 commitments for and accept loans for a housing project as defined in Section
3476 35A-8-401; and
- 3477 (e) to make mortgage loans and to provide financial assistance to low and moderate
3478 income persons for the construction, rehabilitation, refinancing, or purchase of
3479 residential housing.
- 3480 (2) The corporation may issue bonds to purchase loans under Subsection (1)(a) only after a
3481 determination by the corporation that the loans are not otherwise available upon
3482 reasonably equivalent terms and conditions from private lenders.
- 3483 (3) Loans for owner-occupied housing made under Subsection (1)(a) may not include a
3484 penalty for prepayment.
- 3485 (4) The corporation shall make rules or adopt policies and procedures to govern the
3486 activities authorized under this section, including:
- 3487 (a) procedures for the submission of requests or the invitation of proposals for the
3488 purchase and sale of mortgage loans and the making of mortgage loans;
- 3489 (b) rates, fees, charges, and other terms and conditions of originating or servicing
3490 mortgage loans in order to protect against a realization of an excessive financial
3491 return or benefit by the originator or servicer;
- 3492 (c) the type and amount of collateral, payment bonds, performance bonds, or other
3493 security to be provided for construction loans made by the corporation;
- 3494 (d) the nature and amounts of fees to be charged by the corporation to provide for
3495 expenses and reserves of the corporation;
- 3496 (e) procedures allowing the corporation to prohibit persons who fail to comply with the
3497 rules of the corporation with respect to the operations of a program of the corporation
3498 from participating, either directly or indirectly, in the programs of the corporation;

- 3499 (f) the terms and conditions under which the corporation may purchase and make
3500 mortgage loans under each program of the corporation;
- 3501 (g) the terms and conditions under which the corporation may provide financial
3502 assistance under each program of the corporation;
- 3503 (h) the terms and conditions under which the corporation may guarantee mortgage loans
3504 under each program of the corporation; and
- 3505 (i) any other matters related to the duties or exercise of powers under this section.
- 3506 (5)(a)(i) The trustees of the corporation shall elect the directors, trustees, and
3507 members, if any, of each subsidiary.
- 3508 (ii) Service by a trustee of the corporation in any of these capacities does not
3509 constitute a conflict of interest for any purpose.
- 3510 (iii) The corporation may delegate any of its powers and duties under this chapter to
3511 any subsidiary.
- 3512 (iv) Subsidiaries shall constitute legal entities separate and distinct from each other,
3513 the corporation, and the state.
- 3514 (b) A note, bond, and other obligation of a subsidiary shall contain on its face a
3515 statement to the effect that:
- 3516 (i) the subsidiary is obligated to pay the note, bond, or other obligation solely from
3517 the revenues or other funds of the subsidiary;
- 3518 (ii) neither the corporation, nor the state, nor any of its political subdivisions is
3519 obligated to pay the note, bond, or other obligation; and
- 3520 (iii) neither the faith and credit nor the taxing power of the state or its political
3521 subdivisions is pledged to the payment of principal, the redemption price of, or the
3522 interest on, the note, bond, or other obligation.
- 3523 (c) Upon dissolution of a subsidiary of the corporation, any assets shall revert to the
3524 corporation or to a successor to the corporation or, failing this succession, to the state.
- 3525 (6)(a) The corporation may, with the approval of the state treasurer:
- 3526 (i) enter into interest rate contracts that its trustees determine are necessary,
3527 convenient, or appropriate for the control or management of debt or for the cost of
3528 servicing debt; and
- 3529 (ii) use corporation funds to satisfy its payment obligations under those contracts.
- 3530 (b) An interest rate contract may contain payment, security, default, termination,
3531 remedy, and other terms and conditions that the trustees consider appropriate.
- 3532 (c) An interest rate contract and funds used in connection with an interest rate contract

- 3533 may not be considered a deposit or investment.
- 3534 (7) The corporation shall coordinate with the chief executive officer of the Governor's
 3535 Office of Economic Opportunity in fulfilling the corporation's duties.
- 3536 Section 53. Section **63I-1-263** is amended to read:
- 3537 **63I-1-263 (Effective 05/07/25). Repeal dates: Titles 63A to 63O.**
- 3538 (1) Subsection 63A-5b-405(5), regarding prioritizing and allocating capital improvement
 3539 funding, is repealed July 1, 2024.
- 3540 (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July 1,
 3541 2028.
- 3542 (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1, 2025.
- 3543 (4) Title 63C, Chapter 18, Behavioral Health Crisis Response Committee, is repealed
 3544 December 31, 2026.
- 3545 (5) Title 63C, Chapter 23, Education and Mental Health Coordinating Committee, is
 3546 repealed December 31, 2024.
- 3547 (6) Title 63C, Chapter 25, State Finance Review Commission, is repealed July 1, 2027.
- 3548 (7) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.
- 3549 (8) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.
- 3550 (9) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is repealed July
 3551 1, 2028.
- 3552 (10) Section 63G-6a-805, Purchase from community rehabilitation programs, is repealed
 3553 July 1, 2026.
- 3554 (11) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed July 1, 2028.
- 3555 (12) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
 3556 2029.
- 3557 ~~[(13) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2026.]~~
- 3558 ~~[(14)]~~ (13) Subsection 63J-1-602.2(16), related to the Communication Habits to reduce
 3559 Adolescent Threats (CHAT) Pilot Program, is repealed July 1, 2029.
- 3560 ~~[(15)]~~ (14) Subsection 63J-1-602.2(26), regarding the Utah Seismic Safety Commission, is
 3561 repealed January 1, 2025.
- 3562 ~~[(16)]~~ (15) Section 63L-11-204, Canyon resource management plan, is repealed July 1, 2025.
- 3563 ~~[(17)]~~ (16) Title 63L, Chapter 11, Part 4, Resource Development Coordinating Committee,
 3564 is repealed July 1, 2027.
- 3565 ~~[(18)]~~ (17) Title 63M, Chapter 7, Part 7, Domestic Violence Offender Treatment Board, is
 3566 repealed July 1, 2027.

- 3567 ~~[(19)]~~ (18) Section 63M-7-902, Creation -- Membership -- Terms -- Vacancies -- Expenses,
 3568 is repealed July 1, 2029.
- 3569 ~~[(20)]~~ (19) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2026.
- 3570 (20) Section 63N-1a-303.2, Coordination of future Office of Housing and Community
 3571 Planning, is repealed July 1, 2026.
- 3572 (21) Title 63N, Chapter 1b, Part 4, Women in the Economy Subcommittee, is repealed
 3573 January 1, 2030.
- 3574 (22) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.
- 3575 (23) Subsection 63N-2-511(1)(b), regarding the Board of Tourism Development, is
 3576 repealed July 1, 2025.
- 3577 (24) Section 63N-2-512, Hotel Impact Mitigation Fund, is repealed July 1, 2028.
- 3578 (25) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is repealed July
 3579 1, 2027.
- 3580 (26) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant Program, is
 3581 repealed July 1, 2025.
- 3582 (27) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed July
 3583 1, 2028.
- 3584 (28) Section 63N-4-804, which creates the Rural Opportunity Advisory Committee, is
 3585 repealed July 1, 2027.
- 3586 (29) Subsection 63N-4-805(5)(b), regarding the Rural Employment Expansion Program, is
 3587 repealed July 1, 2028.
- 3588 (30) Subsection 63N-7-101(1), regarding the Board of Tourism Development, is repealed
 3589 July 1, 2025.
- 3590 (31) Subsection 63N-7-102(3)(c), regarding a requirement for the Utah Office of Tourism
 3591 to receive approval from the Board of Tourism Development, is repealed July 1, 2025.
- 3592 (32) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed July 1, 2025.
- 3593 Section 54. Section **63J-1-602.1** is amended to read:
- 3594 **63J-1-602.1 (Effective 05/07/25). List of nonlapsing appropriations from**
 3595 **accounts and funds.**
- 3596 Appropriations made from the following accounts or funds are nonlapsing:
- 3597 (1) The Native American Repatriation Restricted Account created in Section 9-9-407.
- 3598 (2) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission, as
 3599 provided under Title 9, Chapter 23, Pete Suazo Utah Athletic Commission Act.
- 3600 (3) Funds collected for directing and administering the C-PACE district created in Section

- 3601 11-42a-106.
- 3602 (4) Money received by the Utah Inland Port Authority, as provided in Section 11-58-105.
- 3603 (5) The Commerce Electronic Payment Fee Restricted Account created in Section 13-1-17.
- 3604 (6) The Division of Air Quality Oil, Gas, and Mining Restricted Account created in Section
- 3605 19-2a-106.
- 3606 (7) The Division of Water Quality Oil, Gas, and Mining Restricted Account created in
- 3607 Section 19-5-126.
- 3608 (8) State funds for matching federal funds in the Children's Health Insurance Program as
- 3609 provided in Section 26B-3-906.
- 3610 (9) Funds collected from the program fund for local health department expenses incurred in
- 3611 responding to a local health emergency under Section 26B-7-111.
- 3612 (10) The Technology Development Restricted Account created in Section 31A-3-104.
- 3613 (11) The Criminal Background Check Restricted Account created in Section 31A-3-105.
- 3614 (12) The Captive Insurance Restricted Account created in Section 31A-3-304, except to the
- 3615 extent that Section 31A-3-304 makes the money received under that section free revenue.
- 3616 (13) The Title Licensee Enforcement Restricted Account created in Section 31A-23a-415.
- 3617 (14) The Health Insurance Actuarial Review Restricted Account created in Section
- 3618 31A-30-115.
- 3619 (15) The State Mandated Insurer Payments Restricted Account created in Section
- 3620 31A-30-118.
- 3621 (16) The Insurance Fraud Investigation Restricted Account created in Section 31A-31-108.
- 3622 (17) The Underage Drinking Prevention Media and Education Campaign Restricted
- 3623 Account created in Section 32B-2-306.
- 3624 (18) The Drinking While Pregnant Prevention Media and Education Campaign Restricted
- 3625 Account created in Section 32B-2-308.
- 3626 (19) The School Readiness Restricted Account created in Section 35A-15-203.
- 3627 (20) Money received by the Utah State Office of Rehabilitation for the sale of certain
- 3628 products or services, as provided in Section 35A-13-202.
- 3629 (21) The Homeless Shelter Cities Mitigation Restricted Account created in Section
- 3630 35A-16-402.
- 3631 (22) The Oil and Gas Administrative Penalties Account created in Section 40-6-11.
- 3632 (23) The Oil and Gas Conservation Account created in Section 40-6-14.5.
- 3633 (24) The Division of Oil, Gas, and Mining Restricted account created in Section 40-6-23.
- 3634 (25) The Electronic Payment Fee Restricted Account created by Section 41-1a-121 to the

- 3635 Motor Vehicle Division.
- 3636 (26) The License Plate Restricted Account created by Section 41-1a-122.
- 3637 (27) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account
- 3638 created by Section 41-3-110 to the State Tax Commission.
- 3639 (28) The State Disaster Recovery Restricted Account to the Division of Emergency
- 3640 Management, as provided in Section 53-2a-603.
- 3641 (29) The Response, Recovery, and Post-disaster Mitigation Restricted Account created in
- 3642 Section 53-2a-1302.
- 3643 (30) The Department of Public Safety Restricted Account to the Department of Public
- 3644 Safety, as provided in Section 53-3-106.
- 3645 (31) The Utah Highway Patrol Aero Bureau Restricted Account created in Section 53-8-303.
- 3646 (32) The DNA Specimen Restricted Account created in Section 53-10-407.
- 3647 (33) The Technical Colleges Capital Projects Fund created in Section 53B-2a-118.
- 3648 (34) The Higher Education Capital Projects Fund created in Section 53B-22-202.
- 3649 (35) A certain portion of money collected for administrative costs under the School
- 3650 Institutional Trust Lands Management Act, as provided under Section 53C-3-202.
- 3651 (36) The Public Utility Regulatory Restricted Account created in Section 54-5-1.5, subject
- 3652 to Subsection 54-5-1.5(4)(d).
- 3653 (37) Funds collected from a surcharge fee to provide certain licensees with access to an
- 3654 electronic reference library, as provided in Section 58-3a-105.
- 3655 (38) Certain fines collected by the Division of Professional Licensing for violation of
- 3656 unlawful or unprofessional conduct that are used for education and enforcement
- 3657 purposes, as provided in Section 58-17b-505.
- 3658 (39) Funds collected from a surcharge fee to provide certain licensees with access to an
- 3659 electronic reference library, as provided in Section 58-22-104.
- 3660 (40) Funds collected from a surcharge fee to provide certain licensees with access to an
- 3661 electronic reference library, as provided in Section 58-55-106.
- 3662 (41) Funds collected from a surcharge fee to provide certain licensees with access to an
- 3663 electronic reference library, as provided in Section 58-56-3.5.
- 3664 (42) Certain fines collected by the Division of Professional Licensing for use in education
- 3665 and enforcement of the Security Personnel Licensing Act, as provided in Section
- 3666 58-63-103.
- 3667 (43) The Relative Value Study Restricted Account created in Section 59-9-105.
- 3668 (44) The Cigarette Tax Restricted Account created in Section 59-14-204.

- 3669 (45) Funds paid to the Division of Real Estate for the cost of a criminal background check
3670 for a mortgage loan license, as provided in Section 61-2c-202.
- 3671 (46) Funds paid to the Division of Real Estate for the cost of a criminal background check
3672 for principal broker, associate broker, and sales agent licenses, as provided in Section
3673 61-2f-204.
- 3674 (47) Certain funds donated to the Department of Health and Human Services, as provided
3675 in Section 26B-1-202.
- 3676 (48) Certain funds donated to the Division of Child and Family Services, as provided in
3677 Section 80-2-404.
- 3678 (49) Funds collected by the Office of Administrative Rules for publishing, as provided in
3679 Section 63G-3-402.
- 3680 (50) The Immigration Act Restricted Account created in Section 63G-12-103.
- 3681 (51) Money received by the military installation development authority, as provided in
3682 Section 63H-1-504.
- 3683 (52) The Unified Statewide 911 Emergency Service Account created in Section 63H-7a-304.
- 3684 (53) The Utah Statewide Radio System Restricted Account created in Section 63H-7a-403.
- 3685 (54) The Utah Capital Investment Restricted Account created in Section 63N-6-204.
- 3686 (55) The Motion Picture Incentive Account created in Section 63N-8-103.
- 3687 (56) Funds collected by the housing of state probationary inmates or state parole inmates, as
3688 provided in Subsection 64-13e-104(2).
- 3689 (57) Certain forestry and fire control funds utilized by the Division of Forestry, Fire, and
3690 State Lands, as provided in Section 65A-8-103.
- 3691 (58) The following funds or accounts created in Section 72-2-124:
- 3692 (a) Transportation Investment Fund of 2005;
- 3693 (b) Transit Transportation Investment Fund;
- 3694 (c) Cottonwood Canyons Transportation Investment Fund;
- 3695 (d) Active Transportation Investment Fund; and
- 3696 (e) Commuter Rail Subaccount.
- 3697 (59) The Amusement Ride Safety Restricted Account, as provided in Section 72-16-204.
- 3698 (60) Certain funds received by the Office of the State Engineer for well drilling fines or
3699 bonds, as provided in Section 73-3-25.
- 3700 (61) The Water Resources Conservation and Development Fund, as provided in Section
3701 73-23-2.
- 3702 (62) Award money under the State Asset Forfeiture Grant Program, as provided under

- 3703 Section 77-11b-403.
- 3704 (63) Funds donated or paid to a juvenile court by private sources, as provided in Subsection
- 3705 78A-6-203(1)(c).
- 3706 (64) Fees for certificate of admission created under Section 78A-9-102.
- 3707 (65) Funds collected for adoption document access as provided in Sections 78B-6-141,
- 3708 78B-6-144, and 78B-6-144.5.
- 3709 (66) Funds collected for indigent defense as provided in Title 78B, Chapter 22, Part 4, Utah
- 3710 Indigent Defense Commission.
- 3711 (67) The Utah Geological Survey Restricted Account created in Section 79-3-403.
- 3712 (68) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades State Park,
- 3713 and Green River State Park, as provided under Section 79-4-403.
- 3714 (69) Certain funds received by the Division of State Parks from the sale or disposal of
- 3715 buffalo, as provided under Section 79-4-1001.
- 3716 (70) Money received by the Beehive Development Agency, as provided in Section
- 3717 11-71-103.
- 3718 Section 55. Section **63N-1a-102** is amended to read:
- 3719 **63N-1a-102 (Effective 05/07/25). Definitions.**
- 3720 As used in this title:
- 3721 (1) "Baseline jobs" means the number of full-time employee positions that existed within a
- 3722 business entity in the state before the date on which a project related to the business
- 3723 entity is approved by the office~~[or by the GOEO board]~~.
- 3724 (2) "Baseline state revenue" means the amount of state tax revenue collected from a
- 3725 business entity or the employees of a business entity during the year before the date on
- 3726 which a project related to the business entity is approved by the office~~[or by the GOEO~~
- 3727 ~~board]~~.
- 3728 ~~[(3) "Commission" means the Unified Economic Opportunity Commission created in~~
- 3729 ~~Section 63N-1a-201.]~~
- 3730 ~~[(4)]~~ (3) "Chief executive officer" means the chief executive officer of the Governor's Office of
- Economic Opportunity.
- 3731 (4) "Council" means the Economic Opportunity Coordinating Council created in Section
- 3732 63N-1a-501.
- 3733 (5) "Economic opportunity agency" includes:
- 3734 (a) the Department of Workforce Services;
- 3735 (b) the Department of Cultural and Community Engagement;

- 3736 (c) the Department of Commerce;
- 3737 (d) the Department of Natural Resources;
- 3738 (e) the Office of Energy Development;
- 3739 (f) the State Board of Education;
- 3740 (g) institutions of higher education;
- 3741 (h) the Utah Multicultural Commission;
- 3742 (i) the World Trade Center Utah;
- 3743 (j) local government entities;
- 3744 (k) associations of governments;
- 3745 (l) the Utah League of Cities and Towns;
- 3746 (m) the Utah Association of Counties;
- 3747 (n) the Economic Development Corporation of Utah;
- 3748 (o) the Small Business Administration;
- 3749 (p) chambers of commerce;
- 3750 (q) industry associations;
- 3751 (r) small business development centers; and
- 3752 (s) other entities identified by the [~~commission or the executive director~~] chief executive
- 3753 officer.
- 3754 [(5) "~~Executive director~~" means the executive director of the office.]
- 3755 (6) "Full-time employee" means an employment position that is filled by an employee who
- 3756 works at least 30 hours per week and:
- 3757 (a) may include an employment position filled by more than one employee, if each
- 3758 employee who works less than 30 hours per week is provided benefits comparable to
- 3759 a full-time employee; and
- 3760 (b) may not include an employment position that is shifted from one jurisdiction in the
- 3761 state to another jurisdiction in the state.
- 3762 [(7) "~~GOEO board~~" means the Board of Economic Opportunity created in Section
- 3763 ~~63N-1a-401~~.]
- 3764 [(8)] (7) "High paying job" means a newly created full-time employee position where the
- 3765 aggregate average annual gross wage of the employment position, not including health
- 3766 care or other paid or unpaid benefits, is:
- 3767 (a) at least 110% of the average wage of the county in which the employment position
- 3768 exists; or
- 3769 (b) for an employment position related to a project described in Chapter 2, Part 1,

3770 Economic Development Tax Increment Financing, and that is located within the
3771 boundary of a county of the third, fourth, fifth, or sixth class, or located within a
3772 municipality in a county of the second class and where the municipality has a
3773 population of 10,000 or less:

3774 (i) at least 100% of the average wage of the county in which the employment position
3775 exists; or

3776 (ii) an amount determined by rule made by the office in accordance with Title 63G,
3777 Chapter 3, Utah Administrative Rulemaking Act, if the office determines the
3778 project is in a county experiencing economic distress.

3779 ~~[(9)]~~ (8)(a) "Incremental job" means a full-time employment position in the state that:

3780 (i) did not exist within a business entity in the state before the beginning of a project
3781 related to the business entity; and

3782 (ii) is created in addition to the number of baseline jobs that existed within a business
3783 entity.

3784 (b) "Incremental job" includes a full-time employment position where the employee is
3785 hired:

3786 (i) directly by a business entity; or

3787 (ii) by a professional employer organization, as defined in Section 31A-40-102, on
3788 behalf of a business entity.

3789 ~~[(10)]~~ (9) "New state revenue" means the state revenue collected from a business entity or a
3790 business entity's employees during a calendar year minus the baseline state revenue
3791 calculation.

3792 ~~[(11)]~~ (10) "Office" or "GOEO" means the Governor's Office of Economic Opportunity.

3793 ~~[(12)]~~ (11) "State revenue" means state tax liability paid by a business entity or a business
3794 entity's employees under any combination of the following provisions:

3795 (a) Title 59, Chapter 7, Corporate Franchise and Income Taxes;

3796 (b) Title 59, Chapter 10, Part 1, Determination and Reporting of Tax Liability and
3797 Information;

3798 (c) Title 59, Chapter 10, Part 2, Trusts and Estates;

3799 (d) Title 59, Chapter 10, Part 4, Withholding of Tax; and

3800 (e) Title 59, Chapter 12, Sales and Use Tax Act.

3801 ~~[(13)]~~ (12) "State strategic goals" means the strategic goals listed in Section 63N-1a-103.

3802 ~~[(14)]~~ (13) "Statewide economic development strategy" means the economic development
3803 strategy developed by the commission in accordance with Section 63N-1a-202.

3804 [(15)] (14) "Talent board" means the Talent, Education, and Industry Alignment Board
3805 created in Section 53B-34-102.

3806 [(16)] (15) "Targeted industry" means an industry or group of industries targeted by the [
3807 ~~commission~~] council under Section [63N-1a-202] 63N-1a-502, for economic
3808 development in the state.

3809 Section 56. Section **63N-1a-301** is amended to read:

3810 **63N-1a-301 (Effective 05/07/25). Creation of office -- Responsibilities.**

3811 (1) There is created the Governor's Office of Economic Opportunity.

3812 (2) The office is:

3813 (a) responsible for implementing the statewide economic development strategy
3814 developed by the [~~commission~~] council; and

3815 (b) the industrial and business promotion authority of the state.

3816 (3) The office shall:

3817 (a) consistent with the statewide economic development strategy, coordinate and align
3818 into a single effort the activities of the economic opportunity agencies in the field of
3819 economic development;

3820 (b) provide support and direction to economic opportunity agencies in establishing
3821 goals, metrics, and activities that align with the statewide economic development
3822 strategy;

3823 (c) administer and coordinate state and federal economic development grant programs;

3824 (d) promote and encourage the economic, commercial, financial, industrial, agricultural,
3825 and civic welfare of the state;

3826 (e) promote and encourage the employment of workers in the state and the purchase of
3827 goods and services produced in the state by local businesses;

3828 (f) act to create, develop, attract, and retain business, industry, and commerce in the state:

3829 (i) in accordance with the statewide economic development plan and [~~commission~~]
3830 council directives; and

3831 (ii) subject to the restrictions in Section 11-41-103;

3832 (g) act to enhance the state's economy;

3833 (h) act to assist strategic industries that are likely to drive future economic growth;

3834 (i) assist communities in the state in developing economic development capacity and
3835 coordination with other communities;

3836 (j) identify areas of education and workforce development in the state that can be
3837 improved to support economic and business development;

- (k) consistent with direction from the ~~[commission]~~ council, develop core strategic priorities for the office, which may include:
- (i) enhancing statewide access to entrepreneurship opportunities and small business support;
 - (ii) focusing industry recruitment and expansion of targeted industries;
 - (iii) ensuring that in awarding competitive economic development incentives the office accurately measures the benefits and costs of the incentives; and
 - (iv) assisting communities with technical support to aid those communities in improving economic development opportunities;
- (l) submit an annual written report as described in Section 63N-1a-306; and
- (m) perform other duties as provided by the Legislature.

(4) To perform the office's duties under this title, the office may:

- (a) enter into a contract or agreement with, or make a grant to, a public or private entity, including a municipality, if the contract or agreement is not in violation of state statute or other applicable law;
- (b) except as provided in Subsection (4)(c), receive and expend funds from a public or private source for any lawful purpose that is in the state's best interest; and
- (c) solicit and accept a contribution of money, services, or facilities from a public or private donor, but may not use the contribution for publicizing the exclusive interest of the donor.

(5) Money received under Subsection (4)(c) shall be deposited into the General Fund as dedicated credits of the office.

(6)(a) The office shall~~[:]~~

~~[(i) obtain the advice of the GOEO board before implementing a change to a policy, priority, or objective under which the office operates; and]~~

~~[(ii)]~~ provide periodic updates to the ~~[commission]~~ council regarding the office's efforts under Subsections (3)(a) and (b).

- (b) Subsection (6)(a)(i) does not apply to the routine administration by the office of money or services related to the assistance, retention, or recruitment of business, industry, or commerce in the state.

Section 57. Section **63N-1a-302** is amended to read:

63N-1a-302 (Effective 05/07/25). Chief executive officer of office -- Appointment -- Removal -- Compensation.

(1) The office shall be administered, organized, and managed by ~~[an executive director]~~ a

3872 chief executive officer appointed by the governor, with the advice and consent of the
3873 Senate.

3874 (2) The ~~[executive director]~~ chief executive officer serves at the pleasure of the governor.

3875 (3) The salary of the chief executive officer shall be determined by the governor.

3876 ~~[(3) The salary of the executive director shall be established by the governor within the~~
3877 ~~salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation.]~~

3878 Section 58. Section **63N-1a-303** is amended to read:

3879 **63N-1a-303 (Effective 05/07/25). Powers and duties of chief executive officer.**

3880 (1) Unless otherwise expressly provided by statute, the ~~[executive director]~~ chief executive
3881 officer may organize the office in any appropriate manner, including the appointment of
3882 deputy directors of the office.

3883 (2) The ~~[executive director]~~ chief executive officer may consolidate personnel and service
3884 functions for efficiency and economy in the office.

3885 (3) The ~~[executive director]~~ chief executive officer, with the approval of the governor:

3886 (a) may, by following the procedures and requirements of Title 63J, Chapter 5, Federal
3887 Funds Procedures Act, seek federal grants, loans, or participation in federal programs;

3888 (b) may enter into a lawful contract or agreement with another state, a chamber of
3889 commerce organization, a service club, or a private entity; and

3890 (c) shall annually prepare and submit to the governor a budget of the office's financial
3891 requirements.

3892 (4) With the governor's approval, if a federal program requires the expenditure of state
3893 funds as a condition for the state to participate in a fund, property, or service, the [
3894 ~~executive director]~~ chief executive officer may expend necessary funds from money
3895 provided by the Legislature for the use of the office.

3896 (5) The ~~[executive director]~~ chief executive officer shall coordinate with the executive
3897 directors of the Department of Workforce Services and the Governor's Office of
3898 Planning and Budget to review data and metrics to be reported to the Legislature as
3899 described in Subsection 63N-1a-306(2)(b).

3900 (6) Unless otherwise provided in this title, the ~~[executive director]~~ chief executive officer
3901 may make rules in accordance with Title 63G, Chapter 3, Utah Administrative
3902 Rulemaking Act, as necessary for the administration of programs established under state
3903 law.

3904 Section 59. Section **63N-1a-303.1** is enacted to read:

3905 **63N-1a-303.1 (Effective 05/07/25). Additional duties of the chief executive officer.**

- 3906 (1) The chief executive officer shall:
- 3907 (a) receive direction from the council regarding statewide strategic objectives;
- 3908 (b) establish strategies for and actively recruit targeted industries identified by the
- 3909 council;
- 3910 (c) encourage a business to permanently relocate to, or significantly expand operations
- 3911 in, the state;
- 3912 (d) establish strategies for and actively support entrepreneurship and small business
- 3913 development;
- 3914 (e) coordinate the economic development activities of the office, state, and the following
- 3915 authorities:
- 3916 (i) the Military Installation Development Authority created in Section 63H-1-201;
- 3917 (ii) the Utah Inland Port Authority created in Section 11-58-201;
- 3918 (iii) the Point of the Mountain State Land Authority created in Section 11-59-201;
- 3919 (iv) the Utah Lake Authority created in Section 11-65-201;
- 3920 (v) the State Fair Park Authority created in Section 11-68-201;
- 3921 (vi) the Utah Fairpark Area Investment and Restoration District created in Section
- 3922 11-70-201; or
- 3923 (vii) the Beehive Development Agency created in Section 11-71-201;
- 3924 (f) develop proposals for significant community impact projects for consideration by the
- 3925 Beehive Development Agency established in Title 11, Chapter 71, Beehive
- 3926 Development Agency Act;
- 3927 (g) consider any targeted industries identified by the council;
- 3928 (h) consider areas of the state for targeted economic development, including housing
- 3929 development, as identified by the council;
- 3930 (i) match areas of the state for targeted economic development, including housing
- 3931 development, with targeted industries or businesses encouraged to permanently
- 3932 relocate to, or significantly expand operations in, the state;
- 3933 (j) ensure the office's efforts are, to the extent practicable, data-driven, evidence-based,
- 3934 and focused on developing human capital, physical capital, and innovation; and
- 3935 (k) support an integrated international trade strategy for the state.
- 3936 (2) The chief executive officer shall comply with the disclosure requirements of Section
- 3937 11-71-304.
- 3938 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 3939 chief executive officer may make rules for the conduct of the office's business.

3940 Section 60. Section **63N-1a-303.2** is enacted to read:

3941 **63N-1a-303.2 (Effective 05/07/25). Coordination of future Office of Housing and**
 3942 **Community Planning.**

3943 (1) In addition to the duties described in Section 63N-1a-204, the chief executive officer
 3944 shall coordinate with the following in order to create a plan to consolidate the Division
 3945 of Housing and Community Development into the office by July 1, 2026:

- 3946 (a) the governor, or the governor's designee;
- 3947 (b) the president of the Senate, or the president's designee;
- 3948 (c) the speaker of the House of Representatives, or the speaker's designee;
- 3949 (d) the executive director of the Department of Workforce Services;
- 3950 (e) the director of the Division of Finance; and
- 3951 (f) the chairs of the Commission on Housing Affordability, created in Section
 3952 35A-8-2202.

3953 (2) In coordinating with the individuals and entities described in Subsection (1), the chief
 3954 executive officer shall provide regular written updates, no less frequently than monthly,
 3955 to:

- 3956 (a) the Economic Development and Workforce Services Interim Committee;
- 3957 (b) the Political Subdivisions Interim Committee;
- 3958 (c) the Economic and Community Development Appropriations Subcommittee; and
- 3959 (d) the board.

3960 (3) The chief executive officer may hire a director for the Office of Housing and
 3961 Community Planning and the director may assist in the process described in Subsections
 3962 (1) and (2).

3963 Section 61. Section **63N-1a-306** is amended to read:

3964 **63N-1a-306 (Effective 05/07/25). Annual report -- Content -- Format.**

3965 (1) The office shall prepare and submit to the governor and the Legislature, by October 1 of
 3966 each year, an annual written report of the operations, activities, programs, and services
 3967 of the office, including the divisions, sections, boards, commissions, councils, and
 3968 committees established under this title, for the preceding fiscal year.

3969 (2) For each operation, activity, program, or service provided by the office, the annual
 3970 report shall include:

- 3971 (a) a description of the operation, activity, program, or service;
- 3972 (b) data and metrics:
 - 3973 (i) selected and used by the office to measure progress, performance, effectiveness,

3974 and scope of the operation, activity, program, or service, including summary data;
 3975 and

3976 (ii) that are consistent and comparable for each state operation, activity, program, or
 3977 service that primarily involves employment training or placement as determined
 3978 by the ~~[executive directors of the office]~~ chief executive officer, the executive
 3979 director of the Department of Workforce Services, and the executive director of
 3980 the Governor's Office of Planning and Budget;

3981 (c) budget data, including the amount and source of funding, expenses, and allocation of
 3982 full-time employees for the operation, activity, program, or service;

3983 (d) historical data from previous years for comparison with data reported under
 3984 Subsections (2)(b) and (c);

3985 (e) goals, challenges, and achievements related to the operation, activity, program, or
 3986 service;

3987 (f) relevant federal and state statutory references and requirements;

3988 (g) contact information of officials knowledgeable and responsible for each operation,
 3989 activity, program, or service; and

3990 (h) other information determined by the office that:

3991 (i) may be needed, useful, or of historical significance; or

3992 (ii) promotes accountability and transparency for each operation, activity, program,
 3993 or service with the public and elected officials.

3994 (3) The annual report shall be designed to provide clear, accurate, and accessible
 3995 information to the public, the governor, and the Legislature.

3996 (4) The office shall:

3997 (a) submit the annual report in accordance with Section 68-3-14;

3998 (b) make the annual report, and previous annual reports, accessible to the public by
 3999 placing a link to the reports on the office's website; and

4000 (c) provide the data and metrics described in Subsection (2)(b) to the talent board.

4001 Section 62. Section **63N-1a-501** is enacted to read:

4002 **Part 5. Economic Opportunity Coordinating Council**

4003 **63N-1a-501 (Effective 05/07/25). Creation of Economic Opportunity**

4004 **Coordinating Council.**

4005 (1) There is created the Economic Opportunity Coordinating Council.

4006 (2) The council consists of:

4007 (a) the governor, or the governor's designee, who shall be the chair of the council;

- 4008 (b) the president of the Senate or the president's designee;
- 4009 (c) the speaker of the House of Representatives or the speaker's designee;
- 4010 (d) the chief executive officer;
- 4011 (e) a member appointed by the Military Installation Development Authority board
- 4012 created in Section 63H-1-301, to represent the interests of the Military Installation
- 4013 Development Authority;
- 4014 (f) a member appointed by the Point of the Mountain State Land Authority board created
- 4015 in Section 11-59-301, to represent the interests of the Point of the Mountain State
- 4016 Land Authority;
- 4017 (g) a member appointed by the Utah Inland Port Authority board created in Section
- 4018 11-58-301, to represent the interests of the Utah Inland Port Authority;
- 4019 (h) a member appointed by the Utah Fairpark Area Investment and Restoration District
- 4020 board created in Section 11-70-301, to represent the interests of the Utah Fairpark
- 4021 Area Investment and Restoration District; and
- 4022 (i) a member appointed by the Beehive Development Agency board created in Section
- 4023 11-71-301, to represent the interests of the Beehive Development Agency.
- 4024 (3)(a) A majority of council members, not including a vacancy, constitutes a quorum for
- 4025 the purpose of conducting council business.
- 4026 (b) The action of a majority of a quorum constitutes the action of the council.
- 4027 (4) The office shall provide office space and administrative staff support for the council.
- 4028 (5)(a) A council member may not receive compensation or benefits for the member's
- 4029 service on the council, but may receive per diem and travel expenses in accordance
- 4030 with:
- 4031 (i) Sections 63A-3-106 and 63A-3-107; and
- 4032 (ii) rules made by the Division of Finance in accordance with Sections 63A-3-106
- 4033 and 63A-3-107.
- 4034 (b) Compensation and expenses of a council member who is a legislator are governed by
- 4035 Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and
- 4036 Expenses.
- 4037 Section 63. Section **63N-1a-502** is enacted to read:
- 4038 **63N-1a-502 (Effective 05/07/25). Coordinating council duties.**
- 4039 (1) The council shall:
- 4040 (a) establish strategic economic development objectives for the state, including
- 4041 establishing broad objectives;

- (b) provide recommendations to the commissioner regarding efforts to achieve the strategic economic development objectives;
- (c) make recommendations to the Legislature;
- (d) unify and coordinate economic development projects that have regional or statewide impact;
- (e) at least once every five years, recommend to the commissioner industries or groups of industries to target for economic development in the state;
- (f) gather input from organizations contributing to economic development in the state, including economic opportunity agencies; and
- (g) receive an annual report from the board.

(2) The council may establish working groups as appropriate to assist and advise the council.

Section 64. Section **63N-2-103** is amended to read:

63N-2-103 (Effective 05/07/25). Definitions.

As used in this part:

- (1)(a) "Business entity" means a person that enters into a written agreement with the office to initiate a new commercial project in Utah that will qualify the person to receive a tax credit under Section 59-7-614.2 or 59-10-1107.
- (b) With respect to a tax credit authorized by the office in accordance with Subsection 63N-2-104.3(2), "business entity" includes a nonprofit entity.
- (2) "Commercial or industrial zone" means an area zoned agricultural, commercial, industrial, manufacturing, business park, research park, or other appropriate business related use in a general plan that contemplates future growth.
- (3) "Development zone" means an economic development zone created under Section 63N-2-104.
- (4) "Local government entity" means a county, city, or town.
- (5) "New commercial project" means an economic development opportunity that:
 - (a) involves a targeted industry;
 - (b) is located within:
 - (i) a county of the third, fourth, fifth, or sixth class; or
 - (ii) a municipality that has a population of 10,000 or less and the municipality is located within a county of the second class; or
 - (c) involves an economic development opportunity that the ~~[commission]~~ office determines to be eligible for a tax credit under this part.

- 4076 (6) "Remote work opportunity" means a new commercial project that:
- 4077 (a) does not require a physical office in the state where employees associated with the
- 4078 new commercial project are required to work; and
- 4079 (b) requires employees associated with the new commercial project to:
- 4080 (i) work remotely from a location within the state; and
- 4081 (ii) maintain residency in the state.
- 4082 (7) "Significant capital investment" means an investment in capital or fixed assets, which
- 4083 may include real property, personal property, and other fixtures related to a new
- 4084 commercial project that represents an expansion of existing operations in the state or
- 4085 that increases the business entity's existing workforce in the state.
- 4086 (8) "Tax credit" means an economic development tax credit created by Section 59-7-614.2
- 4087 or 59-10-1107.
- 4088 (9) "Tax credit amount" means the amount the office lists as a tax credit on a tax credit
- 4089 certificate for a taxable year.
- 4090 (10) "Tax credit certificate" means a certificate issued by the office that:
- 4091 (a) lists the name of the business entity to which the office authorizes a tax credit;
- 4092 (b) lists the business entity's taxpayer identification number;
- 4093 (c) lists the amount of tax credit that the office authorizes the business entity for the
- 4094 taxable year; and
- 4095 (d) may include other information as determined by the office.
- 4096 (11) "Written agreement" means a written agreement entered into between the office and a
- 4097 business entity under Section 63N-2-104.2.
- 4098 Section 65. Section **63N-2-104.2** is amended to read:
- 4099 **63N-2-104.2 (Effective 05/07/25). Written agreement -- Contents -- Grounds for**
- 4100 **amendment or termination.**
- 4101 (1) If the office determines that a business entity is eligible for a tax credit under Section
- 4102 63N-2-104.1, the office may enter into a written agreement with the business entity that:
- 4103 (a) establishes performance benchmarks for the business entity to claim a tax credit,
- 4104 including any minimum wage requirements;
- 4105 (b) specifies the maximum amount of tax credit that the business entity may be
- 4106 authorized for a taxable year and over the life of the new commercial project, subject
- 4107 to the limitations in Section 63N-2-104.3;
- 4108 (c) establishes the length of time the business entity may claim a tax credit;
- 4109 (d) requires the business entity to retain records supporting a claim for a tax credit for at

- 4110 least four years after the business entity claims the tax credit;
- 4111 (e) requires the business entity to submit to audits for verification of any tax credit
- 4112 claimed; and
- 4113 (f) requires the business entity, in order to claim a tax credit, to meet the requirements of
- 4114 Section 63N-2-105.
- 4115 (2) In establishing the terms of a written agreement, including the duration and amount of
- 4116 tax credit that the business entity may be authorized to receive, the office shall:
- 4117 (a) authorize the tax credit in a manner that provides the most effective incentive for the
- 4118 new commercial project; and
- 4119 (b) consider the following factors:
- 4120 (i) whether the new commercial project provides vital or specialized support to
- 4121 supply chains;
- 4122 (ii) whether the new commercial project provides an innovative product, technology,
- 4123 or service;
- 4124 (iii) the number and wages of new incremental jobs associated with the new
- 4125 commercial project;
- 4126 (iv) the amount of financial support provided by local government entities for the
- 4127 new commercial project;
- 4128 (v) the amount of capital expenditures associated with the new commercial project;
- 4129 (vi) whether the new commercial project returns jobs transferred overseas;
- 4130 (vii) the rate of unemployment in the county in which the new commercial project is
- 4131 located;
- 4132 (viii) whether the new commercial project creates a remote work opportunity;
- 4133 (ix) whether the new commercial project is located in a development zone created by
- 4134 a local government entity as described in Subsection 63N-2-104(2);
- 4135 (x) whether the business entity commits to hiring Utah workers for the new
- 4136 commercial project;
- 4137 (xi) whether the business entity adopts a corporate citizenry plan or supports
- 4138 initiatives in the state that advance education, gender equality, diversity and
- 4139 inclusion, work-life balance, environmental or social good, or other similar causes;
- 4140 (xii) whether the business entity's headquarters are located within the state;
- 4141 (xiii) the likelihood of other business entities relocating to another state as a result of
- 4142 the new commercial project;
- 4143 (xiv) the necessity of the tax credit for the business entity's expansion in the state or

- 4144 relocation from another state;
- 4145 (xv) whether the proposed new commercial project might reasonably be expected to
- 4146 occur in the foreseeable future without the tax credit; and
- 4147 (xvi) the location and impact of the new commercial project on existing and planned
- 4148 transportation facilities, existing and planned housing, including affordable
- 4149 housing, and public infrastructure[; and] .

4150 [~~(e) consult with the GEO board.~~]

- 4151 (3) In determining the amount of tax credit that a business entity may be authorized to
- 4152 receive under a written agreement, the office may:
- 4153 (a) authorize a higher or optimized amount of tax credit for a new commercial project
- 4154 located within a development zone created by a local government entity as described
- 4155 in Subsection 63N-2-104(2); and
- 4156 (b) establish by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 4157 Rulemaking Act, a process by which the office closely approximates the amount of
- 4158 taxes the business entity paid under Title 59, Chapter 12, Sales and Use Tax Act, for
- 4159 a capital project.
- 4160 (4) If the office identifies any of the following events after entering into a written
- 4161 agreement with a business entity, the office and the business entity shall amend, or the
- 4162 office may terminate, the written agreement:
- 4163 (a) a change in the business entity's organization resulting from a merger with or
- 4164 acquisition of another entity located in the state;
- 4165 (b) a material increase in the business entity's retail operations that results in new state
- 4166 revenue not subject to the incentive; or
- 4167 (c) an increase in the business entity's operations that:
- 4168 (i) is outside the scope of the written agreement or outside the boundaries of a
- 4169 development zone; and
- 4170 (ii) results in new state revenue not subject to the incentive.

4171 Section 66. Section **63N-2-104.3** is amended to read:

4172 **63N-2-104.3 (Effective 05/07/25). Limitations on tax credit amount.**

- 4173 (1) Except as provided in Subsection (2)(a), for a new commercial project that is located
- 4174 within the boundary of a county of the first or second class, the office may not authorize
- 4175 a tax credit that exceeds:
- 4176 (a) 50% of the new state revenues from the new commercial project in any given year;
- 4177 (b) 30% of the new state revenues from the new commercial project over a period of up

- 4178 to 20 years; or
- 4179 (c) 35% of the new state revenues from the new commercial project over a period of up
- 4180 to 20 years, if:
- 4181 (i) the new commercial project brings 2,500 or more new incremental jobs to the
- 4182 state;
- 4183 (ii) the amount of capital expenditures associated with the new commercial project is
- 4184 \$1,000,000,000 or more; and
- 4185 (iii) the ~~[commission]~~ council approves the tax credit.
- 4186 (2) If the office authorizes a tax credit for a new commercial project located within the
- 4187 boundary of:
- 4188 (a) a municipality with a population of 10,000 or less located within a county of the
- 4189 second class and that is experiencing economic hardship as determined by the office,
- 4190 the office may authorize a tax credit of up to 50% of new state revenues from the new
- 4191 commercial project over a period of up to 20 years;
- 4192 (b) a county of the third class, the office may authorize a tax credit of up to 50% of new
- 4193 state revenues from the new commercial project over a period of up to 20 years; and
- 4194 (c) a county of the fourth, fifth, or sixth class, the office may authorize a tax credit of
- 4195 50% of new state revenues from the new commercial project over a period of up to
- 4196 20 years.

4197 Section 67. Section **63N-2-504** is amended to read:

4198 **63N-2-504 (Effective 05/07/25). Independent review committee.**

- 4199 (1) In accordance with rules adopted by the office under Section 63N-2-509, the GOEO
- 4200 board shall establish a separate, independent review committee to provide
- 4201 recommendations to the office regarding the terms and conditions of an agreement and
- 4202 to consult with the office as provided in this part or in rule.
- 4203 (2) The review committee shall consist of:
- 4204 (a) one member appointed by the ~~[executive director]~~ chief executive officer or the chief
- 4205 executive officer's designee to represent the office;
- 4206 (b) two members appointed by the mayor or chief executive of the county in which the
- 4207 qualified hotel is located or proposed to be located;
- 4208 (c) two members appointed by:
- 4209 (i) the mayor of the municipality in which the qualified hotel is located or proposed
- 4210 to be located, if the qualified hotel is located or proposed to be located within the
- 4211 boundary of a municipality; or

- 4212 (ii) the mayor or chief executive of the county in which the qualified hotel is located
 4213 or proposed to be located, in addition to the two members appointed under
 4214 Subsection (2)(b), if the qualified hotel is located or proposed to be located
 4215 outside the boundary of a municipality;
- 4216 (d) an individual representing the hotel industry, appointed by the Utah Hotel and
 4217 Lodging Association;
- 4218 (e) an individual representing the commercial development and construction industry,
 4219 appointed by the president or chief executive officer of the local chamber of
 4220 commerce; and
- 4221 (f) an individual representing the convention and meeting planners industry, appointed
 4222 by the president or chief executive officer of the local convention and visitors bureau[;
 4223 and] .
- 4224 [~~(g) one member appointed by the GOEO board.~~]
- 4225 (3)(a) A member serves an indeterminate term and may be removed from the review
 4226 committee by the appointing authority at any time.
- 4227 (b) A vacancy may be filled in the same manner as an appointment under Subsection (2).
- 4228 (4) A member of the review committee may not be paid for serving on the review
 4229 committee and may not receive per diem or expense reimbursement.
- 4230 (5) The office shall provide any necessary staff support to the review committee.
- 4231 Section 68. Section **63N-2-808** is amended to read:
- 4232 **63N-2-808 (Effective 05/07/25). Agreements between office and tax credit**
 4233 **applicant and life science establishment -- Tax credit certificate.**
- 4234 (1)(a) The office[~~, with advice from the GOEO board,~~] may enter into an agreement to
 4235 grant a tax credit certificate to a tax credit applicant selected in accordance with this
 4236 part, if the tax credit applicant meets the conditions established in the agreement and
 4237 under this part.
- 4238 (b) The agreement described in Subsection (1)(a) shall:
- 4239 (i) detail the requirements that the tax credit applicant shall meet prior to receiving a
 4240 tax credit certificate;
- 4241 (ii) require the tax credit certificate recipient to retain records supporting a claim for a
 4242 tax credit for at least four years after the tax credit certificate recipient claims a tax
 4243 credit under this part; and
- 4244 (iii) require the tax credit certificate recipient to submit to audits for verification of
 4245 the tax credit claimed, including audits by the office and by the State Tax

Commission.

(2)(a) The office~~[-with advice from the GOEO board,]~~ shall enter into an agreement with the life science establishment in which the tax credit applicant invested for purposes of claiming a tax credit.

(b) The agreement described in Subsection (2)(a):

(i) shall provide the office with a document that expressly and directly authorizes the State Tax Commission to disclose to the office the life science establishment's tax returns and other information that would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue Code;

(ii) shall authorize the Department of Workforce Services to disclose to the office the employment data that the life science establishment submits to the Department of Workforce Services;

(iii) shall require the life science establishment to provide the office with the life science establishment's current capitalization tables; and

(iv) may require the life science establishment to provide the office with other data that:

(A) ensure compliance with the requirements of this chapter; and

(B) demonstrate the economic impact of the tax credit applicant's investment in the life science establishment.

Section 69. Section **63N-3-102** is amended to read:

63N-3-102 (Effective 05/07/25). Definitions.

As used in this part:

(1) "Administrator" means the ~~[executive director]~~ chief executive officer or the ~~[executive director's]~~ chief executive officer's designee.

(2) "Applicant" means an individual, for profit business entity, nonprofit, corporation, partnership, unincorporated association, government entity, executive branch department or division of a department, a political subdivision, a state institution of higher education, or any other administrative unit of the state.

(3) "Economic opportunities" means business situations or community circumstances which lend themselves to the furtherance of the economic interests of the state by providing a catalyst or stimulus to the growth or retention, or both, of commerce and industry in the state, including retention of companies whose relocation outside the state would have a significant detrimental economic impact on the state as a whole, regions of the state, or specific components of the state.

4280 (4) "Restricted Account" means the restricted account known as the Industrial Assistance
 4281 Account created in Section 63N-3-103.

4282 (5) "Talent development grant" means a grant awarded under Section 63N-3-112.

4283 Section 70. Section **63N-3-403** is amended to read:

4284 **63N-3-403 (Effective 05/07/25). Transient Room Tax Fund -- Source of revenues**
 4285 **-- Interest -- Expenditure or pledge of revenues.**

4286 (1) There is created a fiduciary fund held by the state in a purely custodial capacity known
 4287 as the Transient Room Tax Fund.

4288 (2)(a) The fund shall be funded by the portion of the sales and use tax described in
 4289 Subsection 59-12-301(2).

4290 (b)(i) The fund shall earn interest.

4291 (ii) Any interest earned on fund money shall be deposited into the fund.

4292 (3)(a) Subject to Subsection (3)(b), the ~~[executive director]~~ chief executive officer or the
 4293 chief executive officer's designee shall expend or pledge the money deposited into
 4294 the fund:

4295 (i) to mitigate the impacts of traffic and parking relating to a convention facility
 4296 within a county of the first class;

4297 (ii) for a purpose listed in Section 17-31-2, except that any requirements in Section
 4298 17-31-2 for the expenditure of money do not apply; or

4299 (iii) for a combination of Subsections (3)(a)(i) and (ii).

4300 (b) The ~~[executive director]~~ chief executive officer or the chief executive officer's
 4301 designee may not expend more than \$20,000,000 in total to mitigate the impacts of
 4302 traffic and parking relating to a convention facility within a county of the first class.

4303 Section 71. Section **63N-3-605** is amended to read:

4304 **63N-3-605 (Effective 05/07/25). Housing and Transit Reinvestment Zone**
 4305 **Committee -- Creation.**

4306 (1) For any housing and transit reinvestment zone proposed under this part, or for a first
 4307 home investment zone proposed in accordance with Part 16, First Home Investment
 4308 Zone Act, there is created a housing and transit reinvestment zone committee with
 4309 membership described in Subsection (2).

4310 (2) Each housing and transit reinvestment zone committee shall consist of the following
 4311 members:

4312 (a) one representative from the Governor's Office of Economic Opportunity, designated
 4313 by the ~~[executive director of the Governor's Office of Economic Opportunity]~~ chief

- 4314 executive officer or the chief executive officer's designee;
- 4315 (b) one representative from each municipality that is a party to the proposed housing and
- 4316 transit reinvestment zone or first home investment zone, designated by the chief
- 4317 executive officer of each respective municipality;
- 4318 (c) a member of the Transportation Commission created in Section 72-1-301;
- 4319 (d) a member of the board of trustees of a large public transit district;
- 4320 (e) one individual from the Office of the State Treasurer, designated by the state
- 4321 treasurer;
- 4322 (f) two members designated by the president of the Senate;
- 4323 (g) two members designated by the speaker of the House of Representatives;
- 4324 (h) one member designated by the chief executive officer of each county affected by the
- 4325 housing and transit reinvestment zone or first home investment zone;
- 4326 (i) two representatives designated by the school superintendent from the school district
- 4327 affected by the housing and transit reinvestment zone or first home investment zone;
- 4328 and
- 4329 (j) one representative, representing the largest participating local taxing entity, after the
- 4330 municipality, county, and school district.
- 4331 (3) The individual designated by the Governor's Office of Economic Opportunity as
- 4332 described in Subsection (2)(a) shall serve as chair of the housing and transit
- 4333 reinvestment zone committee.
- 4334 (4)(a) A majority of the members of the housing and transit reinvestment zone
- 4335 committee constitutes a quorum of the housing and transit reinvestment zone
- 4336 committee.
- 4337 (b) An action by a majority of a quorum of the housing and transit reinvestment zone
- 4338 committee is an action of the housing and transit reinvestment zone committee.
- 4339 (5)(a) After the Governor's Office of Economic Opportunity receives the results of the
- 4340 analysis described in Section 63N-3-604, and after the Governor's Office of
- 4341 Economic Opportunity has received a request from the submitting municipality or
- 4342 public transit county to submit the housing and transit reinvestment zone proposal to
- 4343 the housing and transit reinvestment zone committee, the Governor's Office of
- 4344 Economic Opportunity shall notify each of the entities described in Subsection (2) of
- 4345 the formation of the housing and transit reinvestment zone committee.
- 4346 (b) For a first home investment zone, the housing and transit reinvestment zone
- 4347 committee shall follow the procedures described in Section 63N-3-1604.

- 4348 (6)(a) The chair of the housing and transit reinvestment zone committee shall convene a
4349 public meeting to consider the proposed housing and transit reinvestment zone.
- 4350 (b) A meeting of the housing and transit reinvestment zone committee is subject to Title
4351 52, Chapter 4, Open and Public Meetings Act.
- 4352 (7)(a) The proposing municipality or public transit county shall present the housing and
4353 transit reinvestment zone proposal to the housing and transit reinvestment zone
4354 committee in a public meeting.
- 4355 (b) The housing and transit reinvestment zone committee shall:
- 4356 (i) evaluate and verify whether the elements of a housing and transit reinvestment
4357 zone described in Subsections 63N-3-603(2) and (4) have been met; and
- 4358 (ii) evaluate the proposed housing and transit reinvestment zone relative to the
4359 analysis described in Subsection 63N-3-604(2).
- 4360 (8)(a) Subject to Subsection (8)(b), the housing and transit reinvestment zone committee
4361 may:
- 4362 (i) request changes to the housing and transit reinvestment zone proposal based on
4363 the analysis, characteristics, and criteria described in Section 63N-3-604; or
- 4364 (ii) vote to approve or deny the proposal.
- 4365 (b) Before the housing and transit reinvestment zone committee may approve the
4366 housing and transit reinvestment zone proposal, the municipality or public transit
4367 county proposing the housing and transit reinvestment zone shall ensure that the area
4368 of the proposed housing and transit reinvestment zone is zoned in such a manner to
4369 accommodate the requirements of a housing and transit reinvestment zone described
4370 in this section and the proposed development.
- 4371 (9) If a housing and transit reinvestment zone is approved by the committee:
- 4372 (a) the proposed housing and transit reinvestment zone is established according to the
4373 terms of the housing and transit reinvestment zone proposal;
- 4374 (b) affected local taxing entities are required to participate according to the terms of the
4375 housing and transit reinvestment zone proposal; and
- 4376 (c) each affected taxing entity is required to participate at the same rate[-].
- 4377 (10) A housing and transit reinvestment zone proposal may be amended by following the
4378 same procedure as approving a housing and transit reinvestment zone proposal.
- 4379 Section 72. Section **63N-3-801** is amended to read:
- 4380 **63N-3-801 (Effective 05/07/25). Creation and administration.**
- 4381 (1) There is created an enterprise fund known as the "State Small Business Credit Initiative

- 4382 Program Fund" administered by the office.
- 4383 (2) The ~~[executive director]~~ chief executive officer or the ~~[executive director's]~~ chief
4384 executive officer's designee is the administrator of the fund.
- 4385 (3) Revenues deposited into the fund shall consist of:
- 4386 (a) grants, pay backs, bonuses, entitlements, and other money received from the federal
4387 government to implement the State Small Business Credit Initiative; and
- 4388 (b) transfers, grants, gifts, bequests, and other money made available from any source to
4389 implement this part.
- 4390 (4)(a) The state treasurer shall invest the money in the fund according to the procedures
4391 and requirements of Title 51, Chapter 7, State Money Management Act.
- 4392 (b) Interest and other earnings derived from the fund money shall be deposited in the
4393 fund.
- 4394 (5) The office may use fund money for administration of the fund.
- 4395 Section 73. Section **63N-3-1102** is amended to read:
- 4396 **63N-3-1102 (Effective 05/07/25). Manufacturing Modernization Grant Program**
4397 **-- Creation -- Purpose -- Requirements -- Rulemaking -- Report.**
- 4398 (1)(a) There is created the Manufacturing Modernization Grant Program to be
4399 administered by the office.
- 4400 (b) The purpose of the program is to award grants to existing Utah businesses to
4401 establish, relocate, retain, or develop manufacturing industry in the state and lessen
4402 dependence on manufacturing overseas.
- 4403 (2)(a) An entity that submits a proposal for a grant to the office shall include details in
4404 the proposal regarding:
- 4405 (i) the entity's plan to use the grant to fulfill the purpose described in Subsection
4406 (1)(b);
- 4407 (ii) any plan to use funding sources in addition to a grant for the proposal; and
- 4408 (iii) any existing or planned partnerships between the entity and another individual or
4409 entity to implement the proposal.
- 4410 (b) In evaluating a proposal for a grant, the office shall consider:
- 4411 (i) the likelihood the proposal will accomplish the purpose described in Subsection
4412 (1)(b);
- 4413 (ii) the extent to which any additional funding sources or existing or planned
4414 partnerships will benefit the proposal; and
- 4415 (iii) the viability and sustainability of the proposal.

- 4416 (c) In determining a grant award, the office[:]
 4417 [(i) may consult with the GOEO board; and]
 4418 [(ii)] _may prioritize a targeted industry or an entity with fewer than 250 employees.
- 4419 (3) Before receiving the grant, a grant recipient shall enter into a written agreement with the
 4420 office that specifies:
 4421 (a) the grant amount;
 4422 (b) the time period and structure for distribution of the grant, including any terms and
 4423 conditions the recipient is required to meet to receive a distribution; and
 4424 (c) the expenses for which the recipient may use the grant, including:
 4425 (i) acquisition of manufacturing equipment;
 4426 (ii) production, design, or engineering costs;
 4427 (iii) specialized employee training;
 4428 (iv) technology upgrades; or
 4429 (v) provision of a grant to another individual or entity for the expenses described in
 4430 Subsections (3)(c)(i) through (iv) or to otherwise fulfill the recipient's proposal.
- 4431 (4) Subject to Subsection (2), the office may, in accordance with Title 63G, Chapter 3, Utah
 4432 Administrative Rulemaking Act, make rules to establish:
 4433 (a) the form and process for submitting a proposal to the office for a grant;
 4434 (b) the entities that are eligible to apply for a grant;
 4435 (c) the method and formula for determining a grant amount; and
 4436 (d) the reporting requirements for a grant recipient.
- 4437 (5) On or before October 1 of each year, the office shall provide a written report to the
 4438 Economic Development and Workforce Services Interim Committee regarding:
 4439 (a) each grant awarded; and
 4440 (b) the economic impact of each grant.
- 4441 Section 74. Section **63N-4-104** is amended to read:
 4442 **63N-4-104 (Effective 05/07/25). Duties.**
- 4443 (1) The Center for Rural Development shall:
 4444 (a) work to enhance the capacity of the office to address rural economic development,
 4445 planning, and leadership training challenges and opportunities by establishing
 4446 partnerships and positive working relationships with appropriate public and private
 4447 sector entities, individuals, and institutions;
 4448 (b) work with the [~~GOEO board~~] chief executive officer to coordinate and focus
 4449 available resources in ways that address the economic development, planning, and

- 4450 leadership training challenges and priorities in rural Utah;
- 4451 (c) assist in administering the Rural Opportunity Program created in Section 63N-4-802;
- 4452 and
- 4453 (d) in accordance with economic development and planning policies set by state
- 4454 government, coordinate relations between:
- 4455 (i) the state;
- 4456 (ii) rural governments;
- 4457 (iii) other public and private groups engaged in rural economic planning and
- 4458 development; and
- 4459 (iv) federal agencies.
- 4460 (2) The Center for Rural Development may, in accordance with Title 63G, Chapter 3, Utah
- 4461 Administrative Rulemaking Act, make rules necessary to carry out its duties.
- 4462 Section 75. Section **63N-4-105** is amended to read:
- 4463 **63N-4-105 (Effective 05/07/25). Program manager.**
- 4464 (1) The ~~[executive director]~~ chief executive officer may appoint a director for the Center for
- 4465 Rural Development with the approval of the governor.
- 4466 (2) The director of the Center for Rural Development shall be a person knowledgeable in
- 4467 the field of rural economic development and planning and experienced in administration.
- 4468 (3) Upon change of the ~~[executive director]~~ chief executive officer, the director of the
- 4469 Center for Rural Development may not be dismissed without cause for at least 180 days.
- 4470 Section 76. Section **63N-4-504** is amended to read:
- 4471 **63N-4-504 (Effective 05/07/25). Requirements for awarding a working hubs**
- 4472 **grant.**
- 4473 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 4474 office shall make rules establishing the eligibility and reporting criteria for an entity to
- 4475 receive a grant under this part, including:
- 4476 (a) the form and process of submitting an application to the office for a grant;
- 4477 (b) which entities are eligible to apply for a grant;
- 4478 (c) the method and formula for determining grant amounts; and
- 4479 (d) the reporting requirements of grant recipients.
- 4480 (2) In determining the award of a grant, the office may prioritize projects:
- 4481 (a) that will serve underprivileged or underserved communities, including communities
- 4482 with high unemployment or low median incomes;
- 4483 (b) where an applicant demonstrates comprehensive planning of the project but has

- 4484 limited access to financial resources, including financial resources from local or
4485 county government; and
- 4486 (c) that maximize economic development opportunities in collaboration with the
4487 economic development needs or plans of an educational institution, a county, and a
4488 municipality.
- 4489 (3) Subject to legislative appropriation, a grant may only be awarded by the [executive
4490 director] chief executive officer or the chief executive officer's designee.
- 4491 (4) A grant may only be awarded under this part:
- 4492 (a) if the grant recipient agrees to provide any combination of funds, land, buildings, or
4493 in-kind work in an amount equal to at least 25% of the grant;
- 4494 (b) if the grant recipient agrees not to use grant money for the ongoing operation or
4495 maintenance of a coworking and innovation center; and
- 4496 (c) in an amount no more than \$500,000 to a grant applicant.
- 4497 Section 77. Section **63N-4-804** is amended to read:
- 4498 **63N-4-804 (Effective 05/07/25). Rural Opportunity Advisory Committee.**
- 4499 (1) There is created within the office the Rural Opportunity Advisory Committee.
- 4500 (2) The advisory committee shall be composed of seven members appointed by the [
4501 executive director] chief executive officer, at least five of whom shall reside in a rural
4502 county.
- 4503 (3) The advisory committee shall advise and make recommendations to the office regarding
4504 the awarding of grants and loans under the Rural Opportunity Program.
- 4505 (4)(a) Subject to Subsection (4)(b), each member of the advisory committee shall be
4506 appointed for a four-year term unless a member is appointed to complete an
4507 unexpired term.
- 4508 (b) The [executive director] chief executive officer may adjust the length of term at the
4509 time of appointment or reappointment so that approximately half of the advisory
4510 committee is appointed every two years.
- 4511 (5) The advisory committee shall annually elect a chair from among the advisory
4512 committee's members.
- 4513 (6) A majority of the advisory committee constitutes a quorum for the purpose of
4514 conducting advisory committee business and the action of a majority of a quorum
4515 constitutes the action of the advisory committee.
- 4516 (7) The office shall provide staff support for the advisory committee.
- 4517 (8) A member may not receive compensation or benefits for the member's service, but may

receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

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

Section 78. Section **63N-7-102** is amended to read:

63N-7-102 (Effective 05/07/25). Utah Office of Tourism created -- Appointment of managing director -- Responsibilities of tourism office.

(1) There is created within GOEO the Utah Office of Tourism.

(2)(a) The ~~[executive director]~~ chief executive officer shall appoint a managing director of the tourism office.

(b) The managing director may, with the approval of the ~~[executive director]~~ chief executive officer, appoint staff.

(3) The tourism office shall:

(a) be the tourism development authority of the state;

(b) develop a tourism advertising, marketing, branding, destination development, and destination management program for the state;

(c) receive approval from the board under Subsection 63N-7-202(1)(a) before implementing the program described in Subsection (3)(b);

(d) develop a plan to increase the economic contribution by tourists visiting the state;

(e) plan and conduct a program of information, advertising, and publicity relating to the recreational, scenic, historic, cultural, and culinary tourist attractions, amenities, and advantages of the state at large;

(f) encourage and assist in the coordination of the activities of persons, firms, associations, corporations, travel regions, counties, and governmental agencies engaged in publicizing, developing, and promoting the tourist attractions, amenities, and advantages of the state;

(g) conduct a regular and ongoing research program to identify statewide economic trends and conditions in the tourism sector of the economy; and

(h) ensure that any plan or program developed under this Subsection (3) addresses, but not be limited to, the following policies:

(i) enhancing the state's image;

(ii) promoting the state as a year-round destination;

(iii) encouraging expenditures by visitors to the state; and

4552 (iv) expanding the markets where the state is promoted.

4553 Section 79. Section **63N-7-103** is amended to read:

4554 **63N-7-103 (Effective 05/07/25). Annual report.**

4555 The [~~executive director~~] chief executive officer or chief executive officer's designee
4556 shall include, in the annual written report described in Section 63N-1a-306, a report from the
4557 managing director on the activities of the tourism office, including information regarding the
4558 economic efficiency and results of the tourism advertising, marketing, branding, destination
4559 development, and destination management program developed under Section 63N-7-102.

4560 Section 80. Section **63N-13-101** is amended to read:

4561 **63N-13-101 (Effective 05/07/25). Title -- Projects to assist companies to secure**
4562 **new business with federal, state, and local governments.**

4563 (1) This chapter is known as "Procurement Programs."

4564 (2) The Legislature recognizes that:

4565 (a) many Utah companies provide products and services which are routinely procured by
4566 a myriad of governmental entities at all levels of government, but that attempting to
4567 understand and comply with the numerous certification, registration, proposal, and
4568 contract requirements associated with government procurement often raises
4569 significant barriers for those companies with no government contracting experience;

4570 (b) the costs associated with obtaining a government contract for products or services
4571 often prevent most small businesses from working in the governmental procurement
4572 market;

4573 (c) currently a majority of federal procurement opportunities are contracted to
4574 businesses located outside of the state;

4575 (d) the office currently administers programs and initiatives that help create and grow
4576 companies in Utah and recruit companies to Utah through the use of state employees,
4577 public-private partnerships, and contractual services; and

4578 (e) there exists a significant opportunity for Utah companies to secure new business with
4579 federal, state, and local governments.

4580 (3) The office, through [~~its executive director~~] the chief executive officer or chief executive
4581 officer's designee:

4582 (a) shall manage and direct the administration of state and federal programs and
4583 initiatives whose purpose is to procure federal, state, and local governmental
4584 contracts;

4585 (b) may require program accountability measures; and

(c) may receive and distribute legislative appropriations and public and private grants for projects and programs that:

(i) are focused on growing Utah companies and positively impacting statewide revenues by helping these companies secure new business with federal, state, and local governments;

(ii) provide guidance to Utah companies interested in obtaining new business with federal, state, and local governmental entities;

(iii) would facilitate marketing, business development, and expansion opportunities for Utah companies in cooperation with the office's APEX accelerator program and with public, nonprofit, or private sector partners such as local chambers of commerce, trade associations, or private contractors as determined by the office's director to successfully match Utah businesses with government procurement opportunities; and

(iv) may include the following components:

(A) recruitment, individualized consultation, and an introduction to government contracting;

(B) specialized contractor training for companies located in Utah;

(C) a Utah contractor matching program for government requirements;

(D) experienced proposal and bid support; and

(E) specialized support services.

(4)(a) The office, through ~~[its executive director]~~ the chief executive officer or chief executive officer's designee, shall make any distribution referred to in Subsection (3) on a semiannual basis.

(b) A recipient of money distributed under this section shall provide the office with a set of standard monthly reports, the content of which shall be determined by the office to include at least the following information:

(i) consultive meetings with Utah companies;

(ii) seminars or training meetings held;

(iii) government contracts awarded to Utah companies;

(iv) increased revenues generated by Utah companies from new government contracts;

(v) jobs created;

(vi) salary ranges of new jobs; and

(vii) the value of contracts generated.

Section 81. Section **63N-16-102** is amended to read:

63N-16-102 (Effective 05/07/25). Definitions.

As used in this chapter:

- (1) "Advisory committee" means the General Regulatory Sandbox Program Advisory Committee created in Section 63N-16-104.
- (2) "Applicable agency" means a department or agency of the state that by law regulates a business activity and persons engaged in such business activity, including the issuance of licenses or other types of authorization, which the office determines would otherwise regulate a sandbox participant.
- (3) "Applicant" means a person that applies to participate in the regulatory sandbox.
- (4) "Blockchain technology" means the use of a digital database containing records of financial transactions, which can be simultaneously used and shared within a decentralized, publicly accessible network and can record transactions between two parties in a verifiable and permanent way.
- (5) "Consumer" means a person that purchases or otherwise enters into a transaction or agreement to receive an offering pursuant to a demonstration by a sandbox participant.
- (6) "Demonstrate" or "demonstration" means to temporarily provide an offering in accordance with the provisions of the regulatory sandbox program described in this chapter.
- (7) "Director" means the director of the Utah Office of Regulatory Relief created in Section 63N-16-103.
- ~~[(8) "Executive director" means the executive director of the Governor's Office of Economic Opportunity.]~~
- ~~[(9)]~~ (8) "Financial product or service" means:
 - (a) a financial product or financial service that requires state licensure or registration; or
 - (b) a financial product, financial service, or banking business that includes a business model, delivery mechanism, offering of deposit accounts, or element that may require a license or other authorization to act as a financial institution, enterprise, or other entity that is regulated by Title 7, Financial Institutions Act, or other related provisions.
- ~~[(10)]~~ (9) "Health, safety, and financial well-being" includes protecting against physical injury, property damage, or financial harm.
- ~~[(11)]~~ (10) "Innovation" means the use or incorporation of a new or existing idea, a new or emerging technology, or a new use of existing technology, including blockchain

4654 technology, to address a problem, provide a benefit, or otherwise offer a product,
4655 production method, or service.

4656 ~~[(12)]~~ (11) "Insurance product or service" means an insurance product or insurance service
4657 that requires state licensure, registration, or other authorization as regulated by Title
4658 31A, Insurance Code, including an insurance product or insurance service that includes a
4659 business model, delivery mechanism, or element that requires a license, registration, or
4660 other authorization to do an insurance business, act as an insurance producer or
4661 consultant, or engage in insurance adjusting as regulated by Title 31A, Insurance Code.

4662 ~~[(13)]~~ (12)(a) "Offering" means a product, production method, or service, including a
4663 financial product or service or an insurance product or service, that includes an
4664 innovation.

4665 (b) "Offering" does not include a product, production method, or service that is governed
4666 by Title 61, Chapter 1, Utah Uniform Securities Act.

4667 ~~[(14)]~~ (13) "Product" means a commercially distributed good that is:

- 4668 (a) tangible personal property;
4669 (b) the result of a production process; and
4670 (c) passed through the distribution channel before consumption.

4671 ~~[(15)]~~ (14) "Production" means the method or process of creating or obtaining a good, which
4672 may include assembling, breeding, capturing, collecting, extracting, fabricating,
4673 farming, fishing, gathering, growing, harvesting, hunting, manufacturing, mining,
4674 processing, raising, or trapping a good.

4675 ~~[(16)]~~ (15) "Regulatory relief office" means the Utah Office of Regulatory Relief created in
4676 Section 63N-16-103.

4677 ~~[(17)]~~ (16) "Regulatory sandbox" means the General Regulatory Sandbox Program created
4678 in Section 63N-16-201, which allows a person to temporarily demonstrate an offering
4679 under a waiver or suspension of one or more state laws or regulations.

4680 ~~[(18)]~~ (17) "Sandbox participant" means a person whose application to participate in the
4681 regulatory sandbox is approved in accordance with the provisions of this chapter.

4682 ~~[(19)]~~ (18) "Service" means any commercial activity, duty, or labor performed for another
4683 person.

4684 Section 82. Section **63N-16-103** is amended to read:

4685 **63N-16-103 (Effective 05/07/25). Creation of regulatory relief office and**
4686 **appointment of director -- Responsibilities of regulatory relief office.**

4687 (1) There is created within the Governor's Office of Economic Opportunity the Utah Office

4688 of Regulatory Relief.

4689 (2)(a) The regulatory relief office shall be administered by a director.

4690 (b) The director shall report to the [~~executive director~~] chief executive officer or the [~~executive director's~~] chief executive officer's designee and may appoint staff subject
4691 to the approval of the [~~executive director~~] chief executive officer.
4692

4693 (3) The regulatory relief office shall:

4694 (a) administer the provisions of this chapter;

4695 (b) administer the regulatory sandbox program; and

4696 (c) act as a liaison between private businesses and applicable agencies to identify state
4697 laws or regulations that could potentially be waived or suspended under the
4698 regulatory sandbox program, or amended.

4699 (4) The regulatory relief office may:

4700 (a) propose potential reciprocity agreements between states that use or are proposing to
4701 use similar programs to the regulatory sandbox; and

4702 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
4703 the provisions of this chapter, make rules regarding:

4704 (i) administering the regulatory sandbox, including making rules regarding the
4705 application process and the reporting requirements of sandbox participants; and

4706 (ii) cooperating and consulting with other agencies in the state that administer
4707 sandbox programs.

4708 Section 83. Section **63N-17-201** is amended to read:

4709 **63N-17-201 (Effective 05/07/25). Utah Broadband Center -- Creation -- Director**
4710 **-- Duties.**

4711 (1) There is created within the office the Utah Broadband Center.

4712 (2) The [~~executive director~~] chief executive officer shall appoint a director of the broadband
4713 center to oversee the operations of the broadband center.

4714 (3) The broadband center shall:

4715 (a) ensure that publicly funded broadband projects continue to be publicly accessible and
4716 provide a public benefit;

4717 (b) develop the statewide digital connectivity plan described in Section 63N-17-203;

4718 (c) carry out the duties described in Section 63N-17-202;

4719 (d) administer the Broadband Access Grant Program in accordance with Part 3,
4720 Broadband Access Grant Program; and

4721 (e) administer the Broadband Equity Access and Deployment Grant Program in

accordance with Part 4, Broadband Equity Access and Deployment Program.

(f) The broadband center shall ensure efficiency with respect to:

(i) expenditure of funds; and

(ii) avoiding duplication of efforts.

(g) The broadband center shall consider administering broadband infrastructure funds in a manner that:

(i) efficiently maximizes the leverage of federal funding;

(ii) avoids the use of public funds for broadband facilities that duplicate existing broadband facilities that already meet or exceed federal standards; and

(iii) accounts for the benefits and costs to the state of existing facilities, equipment, and services of public and private broadband providers.

Section 84. Section **63N-22-101** is enacted to read:

CHAPTER 22. OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

63N-22-101 (Effective 07/01/26). Office of Housing and Community

Development.

(1) There is created the Office of Housing and Community Development.

(2) The chief executive officer may hire a director of the Office of Housing and Community Development.

Section 85. Section **67-1-2** is amended to read:

67-1-2 (Effective 05/07/25). Senate confirmation of gubernatorial nominees -- Verification of nomination requirements -- Consultation on appointments -- Notification of anticipated vacancies.

(1)(a) Except as provided in Subsection (3), at least 30 days before the day of an extraordinary session of the Senate to confirm a gubernatorial nominee, the governor shall send to each member of the Senate and to the Office of Legislative Research and General Counsel the following information for each nominee:

(i) the nominee's name and biographical information, including a resume and curriculum vitae with personal contact information, including home address, email address, and telephone number, redacted, except that the governor shall send to the Office of Legislative Research and General Counsel the contact information for the nominee;

(ii) a detailed list, with citations, of the legal requirements for the appointed position;

(iii) a detailed list with supporting documents explaining how, and verifying that, the nominee meets each statutory and constitutional requirement for the appointed

- 4756 position;
- 4757 (iv) a written certification by the governor that the nominee satisfies all requirements
- 4758 for the appointment; and
- 4759 (v) public comment information collected in accordance with Section 63G-24-204.
- 4760 (b) This Subsection (1) does not apply to a judicial appointee.
- 4761 (2)(a) A majority of the president of the Senate, the Senate majority leader, and the
- 4762 Senate minority leader may waive the 30-day requirement described in Subsection (1)
- 4763 for a gubernatorial nominee other than a nominee for the following:
- 4764 (i) the executive director of a department;
- 4765 (ii) the ~~[executive director]~~ chief executive officer of the Governor's Office of
- 4766 Economic Opportunity;
- 4767 (iii) the executive director of the Labor Commission;
- 4768 (iv) a member of the State Tax Commission;
- 4769 (v) a member of the State Board of Education;
- 4770 (vi) a member of the Utah Board of Higher Education; or
- 4771 (vii) an individual:
- 4772 (A) whose appointment requires the advice and consent of the Senate; and
- 4773 (B) whom the governor designates as a member of the governor's cabinet.
- 4774 (b) The Senate shall hold a confirmation hearing for a nominee for an individual
- 4775 described in Subsection (2)(a).
- 4776 (3) The governor shall:
- 4777 (a) if the governor is aware of an upcoming vacancy in a position that requires Senate
- 4778 confirmation, provide notice of the upcoming vacancy to the president of the Senate,
- 4779 the Senate minority leader, and the Office of Legislative Research and General
- 4780 Counsel at least 30 days before the day on which the vacancy occurs; and
- 4781 (b) establish a process for government entities and other relevant organizations to
- 4782 provide input on gubernatorial appointments.
- 4783 (4) When the governor makes a judicial appointment, the governor shall immediately
- 4784 provide to the president of the Senate and the Office of Legislative Research and
- 4785 General Counsel:
- 4786 (a) the name of the judicial appointee; and
- 4787 (b) the judicial appointee's:
- 4788 (i) resume;
- 4789 (ii) complete file of all the application materials the governor received from the

4790 judicial nominating commission; and
 4791 (iii) any other related documents, including any letters received by the governor
 4792 about the appointee, unless the letter specifically directs that the letter may not be
 4793 shared.

4794 (5) The governor shall inform the president of the Senate and the Office of Legislative
 4795 Research and General Counsel of the number of letters withheld pursuant to Subsection
 4796 (4)(b)(iii).

4797 (6)(a) Letters of inquiry submitted by any judge at the request of any judicial nominating
 4798 commission are classified as private in accordance with Section 63G-2-302.

4799 (b) All other records received from the governor pursuant to this Subsection (6) may be
 4800 classified as private in accordance with Section 63G-2-302.

4801 (7) The Senate shall consent or refuse to give the Senate's consent to a nomination or
 4802 judicial appointment.

4803 Section 86. **Repealer.**

4804 This bill repeals:

4805 Section **63N-1a-201, Creation of commission.**

4806 Section **63N-1a-202, Commission duties.**

4807 Section **63N-1a-304, Executive director and the Public Service Commission.**

4808 Section **63N-1a-401, Creation of Board of Economic Opportunity.**

4809 Section **63N-1a-402, Board of Economic Opportunity duties and powers.**

4810 Section **63N-1b-102, Subcommittees generally.**

4811 Section 87. **Effective Date.**

4812 (1) Except as provided in Subsections (2) and (3), this bill takes effect May 7, 2025.

4813 (2) The actions affecting the following sections take effect on January 1, 2026:

4814 (a) Section 59-12-103Effective 01/01/26;

4815 (b) Section 59-12-104Effective 01/01/26;

4816 (c) Section 59-12-205Effective 01/01/26;

4817 (d) Section 59-12-352Effective 01/01/26;

4818 (e) Section 59-12-354Effective 01/01/26;

4819 (f) Section 59-12-401Effective 01/01/26; and

4820 (g) Section 59-12-402Effective 01/01/26.

4821 (3) The actions affecting Section 63N-22-101 Effective 07/01/26 take effect on July 1, 2026.