

SALES AND USE TAX MODIFICATIONS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeffrey D. Stenquist

Senate Sponsor: David P. Hinkins

LONG TITLE

General Description:

This bill modifies the uses of the county option Funding for Health Care sales and use tax.

Highlighted Provisions:

This bill:

- authorizes a rural county to use revenue generated from the imposition of the rural county health care tax to mitigate the impacts of visitors within the county and to forecast for avalanches; and

- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-802, as last amended by Laws of Utah 2023, Chapters 92, 471

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

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

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

(1) (a) A county legislative body of the following counties may impose a sales and use tax of up to 1% on the transactions described in Subsection 59-12-103(1) located within the county:

- (i) a county of the third, fourth, fifth, or sixth class; or

- 29 (ii) a county of the second class that has:
- 30 (A) a national park within or partially within the county's boundaries; and
- 31 (B) two or more state parks within or partially within the county's boundaries.
- 32 ~~[(b) Subject to Subsection (3), the money collected from a tax under this section may be~~
- 33 ~~used to fund:]~~
- 34 ~~[(i) for a county described in Subsection (1)(a)(i):]~~
- 35 ~~[(A) rural emergency medical services in that county;]~~
- 36 ~~[(B) federally qualified health centers in that county;]~~
- 37 ~~[(C) freestanding urgent care centers in that county;]~~
- 38 ~~[(D) rural county health care facilities in that county;]~~
- 39 ~~[(E) rural health clinics in that county; or]~~
- 40 ~~[(F) a combination of Subsections (1)(b)(i)(A) through (E); and]~~
- 41 ~~[(ii) for a county described in Subsection (1)(a)(ii), emergency medical services that are~~
- 42 ~~provided by a political subdivision within that county, subject to Subsection (4)(c).]~~
- 43 ~~[(e)]~~ (b) Notwithstanding Subsection (1)(a), a county legislative body may not impose a
- 44 tax under this section on:
- 45 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
- 46 are exempt from taxation under Section 59-12-104;
- 47 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction
- 48 in a city that imposes a tax under Section 59-12-804; and
- 49 (iii) except as provided in Subsection ~~[(1)(e)]~~ (1)(d), amounts paid or charged for food
- 50 and food ingredients.
- 51 ~~[(d)]~~ (c) For purposes of this Subsection (1), the location of a transaction ~~[shall be]~~ is
- 52 determined in accordance with Sections 59-12-211 through 59-12-215.
- 53 ~~[(e)]~~ (d) A county legislative body imposing a tax under this section shall impose the tax
- 54 on the purchase price or sales price for amounts paid or charged for food and food
- 55 ingredients if the food and food ingredients are sold as part of a bundled transaction
- 56 attributable to food and food ingredients and tangible personal property other than
- 57 food and food ingredients.
- 58 (2) (a) Except as provided in Subsection ~~[(4)(b)]~~ (5)(b), before imposing a tax under
- 59 Subsection (1), a county legislative body shall obtain approval to impose the tax from
- 60 a majority of the:
- 61 (i) members of the county's legislative body; and
- 62 (ii) county's registered voters voting on the imposition of the tax.

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

(3) ~~[The]~~ Subject to Subsection (4), a county legislative body may use money collected from a tax imposed under Subsection (1) ~~[may only be used to fund:]~~ to fund:

(a) for a county described in Subsection (1)(a)(i):

(i) the following costs associated with a federally qualified health center within the county, a freestanding urgent care center within the county, a rural county health care facility within the county, or a rural health clinic within the county:

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

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

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

~~[(iv)]~~ (ii) rural emergency medical services within ~~[that]~~ the county; ~~[and]~~ or

(iii) a combination of the activities described in this Subsection (3)(a); and

(b) for a county described in Subsection (1)(a)(ii), emergency medical services that are provided by a political subdivision within that county, subject to Subsection ~~[(4)(e)]~~ (5)(c).

(4) (a) For a tax enacted on or after July 1, 2024, by a county described in Subsection (1)(a)(i), a county legislative body may use money collected from a tax imposed under Subsection (1) to fund:

(i) the costs described in Subsection (3)(a)(i);

(ii) the following activities to mitigate the impacts of visitors within the county:

(A) emergency medical services;

(B) solid waste disposal;

(C) search and rescue activities;

(D) law enforcement activities; or

(E) fire protection services;

(iii) avalanche forecasting within the county; or

(iv) a combination of the activities described in this Subsection (4)(a).

(b) For a tax increased on or after July 1, 2024, by a county described in Subsection (1)(a)(i), a county legislative body may use the money collected from the increased tax rate to fund the activities described in Subsections (4)(a)(i) through (iv).

- 97 ~~[(4)]~~ (5) (a) A county described in Subsection (1)(a)(ii) may impose a tax under this
98 section within a portion of the county if the affected area includes:
- 99 (i) the entire unincorporated area of the county; and
100 (ii) the entire boundaries of any municipality located within the affected area.
- 101 (b) Before a county described in Subsection (1)(a)(ii) may impose a tax under this
102 section within a portion of the county, the county legislative body shall obtain
103 approval to impose the tax from a majority of:
- 104 (i) the members of the county's legislative body;
105 (ii) the county's registered voters within the affected area voting on the imposition of
106 the tax, in an election conducted according to the procedures and requirements of
107 Title 11, Chapter 14, Local Government Bonding Act; and
- 108 (iii) (A) the members of the legislative body of each municipality located within
109 the affected area; or
110 (B) the members of the governing body of a special service district established
111 under Title 17D, Chapter 1, Special Service District Act, to provide emergency
112 medical services within the affected area.
- 113 (c) A county described in Subsection (1)(a)(ii) that imposes a tax under this section
114 within a portion of the county in accordance with this Subsection ~~[(4)]~~ (5) may use the
115 money collected from the tax to fund emergency medical services that are provided
116 by a political subdivision within the affected area.
- 117 ~~[(5)]~~ (6) (a) A tax under this section shall be:
- 118 (i) except as provided in Subsection ~~[(5)(b)]~~ (6)(b), administered, collected, and
119 enforced in accordance with:
- 120 (A) the same procedures used to administer, collect, and enforce the tax under:
- 121 (I) Part 1, Tax Collection; or
122 (II) Part 2, Local Sales and Use Tax Act; and
123 (B) Chapter 1, General Taxation Policies; and
- 124 (ii) levied for a period of 10 years and may be reauthorized at the end of the ~~[ten-year]~~
125 10-year period by the county legislative body as provided in Subsection (1).
- 126 (b) A tax under this section is not subject to Subsections 59-12-205(2) through (5).
- 127 (c) A county legislative body shall distribute money collected from a tax under this
128 section quarterly.
- 129 ~~[(6)]~~ (7) The commission shall retain and deposit an administrative charge in accordance
130 with Section 59-1-306 from the revenue the commission collects from a tax under this

131 section.

132 Section 2. **Effective date.**

133 This bill takes effect on May 1, 2024.