

1 **LOCAL OPTION SALES AND USE TAX DISTRIBUTION**

2 **FORMULA AMENDMENTS**

3 2018 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Howard A. Stephenson**

6 House Sponsor: Steve Eliason

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions relating to the distribution of certain local option sales and
11 use tax revenue.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ amends definitions;
- 15 ▶ repeals and amends provisions relating to the distribution of sales and use tax
- 16 revenue for certain fiscal years; and
- 17 ▶ makes technical and conforming changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **59-12-205**, as last amended by Laws of Utah 2017, Chapters 230 and 385

25 **59-12-302**, as last amended by Laws of Utah 2016, Chapter 364

26 **59-12-354**, as last amended by Laws of Utah 2016, Chapter 364

27 **59-12-403**, as last amended by Laws of Utah 2016, Chapter 364

28 **59-12-603**, as last amended by Laws of Utah 2017, Chapter 178

29 **59-12-703**, as last amended by Laws of Utah 2017, Chapters 181 and 422

- 30 **59-12-802**, as last amended by Laws of Utah 2017, Chapter 422
- 31 **59-12-804**, as last amended by Laws of Utah 2017, Chapter 422
- 32 **59-12-1102**, as last amended by Laws of Utah 2016, Chapter 364
- 33 **59-12-1302**, as last amended by Laws of Utah 2017, Chapter 422
- 34 **59-12-1402**, as last amended by Laws of Utah 2017, Chapter 422
- 35 **59-12-2103**, as last amended by Laws of Utah 2017, Chapter 422
- 36 **59-12-2206**, as last amended by Laws of Utah 2017, Chapter 160



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

39 Section 1. Section **59-12-205** is amended to read:

40 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**
 41 **tax revenue -- Determination of population.**

42 (1) To maintain in effect sales and use tax ordinances adopted pursuant to Section
 43 **59-12-204**, a county, city, or town shall adopt amendments to the county's, city's, or town's
 44 sales and use tax ordinances:

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

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

48 (2) Except as provided in Subsections (3) [~~through (6)~~] and (4) and subject to
 49 Subsection [~~(7)~~] (5):

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

54 (b) (i) except as provided in Subsection (2)(b)(ii), 50% of each dollar collected from
 55 the sales and use tax authorized by this part shall be distributed to each county, city, and town
 56 on the basis of the location of the transaction as determined under Sections **59-12-211** through
 57 **59-12-215**; and

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

63 (3) (a) Beginning on July 1, 2017, and ending on June 30, 2022, the commission shall
64 distribute annually to a county, city, or town the distribution required by this Subsection (3) if:

65 (i) the county, city, or town is a:

66 (A) county of the third, fourth, fifth, or sixth class;

67 (B) city of the fifth class; or

68 (C) town;

69 (ii) the county, city, or town received a distribution under this section for the calendar
70 year beginning on January 1, 2008, that was less than the distribution under this section that the
71 county, city, or town received for the calendar year beginning on January 1, 2007;

72 (iii) (A) for a county described in Subsection (3)(a)(i)(A), the county had located
73 within the unincorporated area of the county for one or more days during the calendar year
74 beginning on January 1, 2008, an establishment described in NAICS Industry Group 2121,
75 Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the 2002 North
76 American Industry Classification System of the federal Executive Office of the President,
77 Office of Management and Budget; or

78 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
79 (3)(a)(i)(C), the city or town had located within the city or town for one or more days during
80 the calendar year beginning on January 1, 2008, an establishment described in NAICS Industry
81 Group 2121, Coal Mining, or NAICS Code 213113, Support Activities for Coal Mining, of the
82 2002 North American Industry Classification System of the federal Executive Office of the
83 President, Office of Management and Budget; and

84 (iv) (A) for a county described in Subsection (3)(a)(i)(A), at least one establishment
85 described in Subsection (3)(a)(iii)(A) located within the unincorporated area of the county for

86 one or more days during the calendar year beginning on January 1, 2008, was not the holder of
87 a direct payment permit under Section 59-12-107.1; or

88 (B) for a city described in Subsection (3)(a)(i)(B) or a town described in Subsection
89 (3)(a)(i)(C), at least one establishment described in Subsection (3)(a)(iii)(B) located within a
90 city or town for one or more days during the calendar year beginning on January 1, 2008, was
91 not the holder of a direct payment permit under Section 59-12-107.1.

92 (b) The commission shall make the distribution required by this Subsection (3) to a
93 county, city, or town described in Subsection (3)(a):

94 (i) from the distribution required by Subsection (2)(a); and

95 (ii) before making any other distribution required by this section.

96 (c) (i) For purposes of this Subsection (3), the distribution is the amount calculated by
97 multiplying the fraction calculated under Subsection (3)(c)(ii) by \$333,583.

98 (ii) For purposes of Subsection (3)(c)(i):

99 (A) the numerator of the fraction is the difference calculated by subtracting the
100 distribution a county, city, or town described in Subsection (3)(a) received under this section
101 for the calendar year beginning on January 1, 2008, from the distribution under this section that
102 the county, city, or town received for the calendar year beginning on January 1, 2007; and

103 (B) the denominator of the fraction is \$333,583.

104 (d) A distribution required by this Subsection (3) is in addition to any other distribution
105 required by this section.

106 ~~[(4) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year~~
107 ~~2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of~~
108 ~~the taxable sales within the boundaries of the county, city, or town.]~~

109 ~~[(b) The commission shall proportionally reduce monthly distributions to any county,~~
110 ~~city, or town that, but for the reduction, would receive a distribution in excess of 1% of the~~
111 ~~sales and use tax revenue collected within the boundaries of the county, city, or town.]~~

112 ~~[(5) (a) As used in this Subsection (5):]~~

113 ~~[(i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000~~

114 ~~or more in tax revenue distributions in accordance with Subsection (4) for each of the~~
115 ~~following fiscal years:]~~

116 ~~[(A) fiscal year 2002-03;]~~

117 ~~[(B) fiscal year 2003-04; and]~~

118 ~~[(C) fiscal year 2004-05.]~~

119 ~~[(ii) "Minimum tax revenue distribution" means the greater of:]~~

120 ~~[(A) the total amount of tax revenue distributions an eligible county, city, or town~~
121 ~~receives from a tax imposed in accordance with this part for fiscal year 2000-01; or]~~

122 ~~[(B) the total amount of tax revenue distributions an eligible county, city, or town~~
123 ~~receives from a tax imposed in accordance with this part for fiscal year 2004-05.]~~

124 ~~[(b) (i) Except as provided in Subsection (5)(b)(ii), beginning with fiscal year 2006-07~~
125 ~~and ending with fiscal year 2012-13, an eligible county, city, or town shall receive a tax~~
126 ~~revenue distribution for a tax imposed in accordance with this part equal to the greater of:]~~

127 ~~[(A) the payment required by Subsection (2); or]~~

128 ~~[(B) the minimum tax revenue distribution.]~~

129 ~~[(ii) If the tax revenue distribution required by Subsection (5)(b)(i) for an eligible~~
130 ~~county, city, or town is equal to the amount described in Subsection (5)(b)(i)(A) for three~~
131 ~~consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following~~
132 ~~that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax~~
133 ~~revenue distribution equal to the payment required by Subsection (2).]~~

134 ~~[(c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year~~
135 ~~2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution~~
136 ~~for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that~~
137 ~~eligible county, city, or town is less than or equal to the product of:]~~

138 ~~[(i) the minimum tax revenue distribution; and]~~

139 ~~[(ii) .90.]~~

140 ~~[(6)] (4) (a) As used in this Subsection [(6)] (4):~~

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

142 ~~[(A) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~
143 ~~distributions for fiscal year 2002-03;]~~

144 ~~[(B) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~
145 ~~distributions for fiscal year 2003-04;]~~

146 ~~[(C) receives, in accordance with Subsection (4), \$2,000 or more in tax revenue~~
147 ~~distributions for fiscal year 2004-05;]~~

148 ~~[(D) for a fiscal year beginning with fiscal year 2012-13 and ending with fiscal year~~
149 ~~2015-16, does not receive a tax revenue distribution described in Subsection (5) equal to the~~
150 ~~amount described in Subsection (5)(b)(i)(A) for three consecutive fiscal years; and]~~

151 (A) for fiscal year 2012-13, received a tax revenue distribution under Subsection (4)(b)
152 equal to the amount described in Subsection (4)(b)(ii); and

153 ~~[(E)]~~ (B) does not impose a sales and use tax under Section [59-12-2103](#) on or before
154 July 1, 2016.

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

158 (b) ~~[Beginning with fiscal year 2016-17, an]~~ An eligible county, city, or town shall
159 receive a tax revenue distribution for a tax imposed in accordance with this part equal to the
160 greater of:

- 161 (i) the payment required by Subsection (2); or
- 162 (ii) the minimum tax revenue distribution.

163 ~~[(7)]~~ (5) (a) Population figures for purposes of this section shall be based on the most
164 recent official census or census estimate of the United States Census Bureau.

165 (b) If a needed population estimate is not available from the United States Census
166 Bureau, population figures shall be derived from the estimate from the Utah Population
167 Estimates Committee created by executive order of the governor.

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

170 Section 2. Section **59-12-302** is amended to read:

171 **59-12-302. Collection of tax -- Administrative charge.**

172 (1) Except as provided in Subsection (2) or (3), the tax authorized under this part shall
173 be administered, collected, and enforced in accordance with:

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

175 (i) Part 1, Tax Collection; or

176 (ii) Part 2, Local Sales and Use Tax Act; and

177 (b) Chapter 1, General Taxation Policies.

178 (2) The location of a transaction shall be determined in accordance with Sections
179 [59-12-211](#) through [59-12-215](#).

180 (3) A tax under this part is not subject to Section [59-12-107.1](#) or [59-12-123](#) or
181 Subsections [59-12-205](#)(2) through [~~(7)~~] [\(5\)](#).

182 (4) The commission:

183 (a) shall distribute the revenue collected from the tax to the county within which the
184 revenue was collected; and

185 (b) shall retain and deposit an administrative charge in accordance with Section
186 [59-1-306](#) from revenue the commission collects from a tax under this part.

187 Section 3. Section **59-12-354** is amended to read:

188 **59-12-354. Collection of tax -- Administrative charge.**

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

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

192 (i) Part 1, Tax Collection; or

193 (ii) Part 2, Local Sales and Use Tax Act; and

194 (b) Chapter 1, General Taxation Policies.

195 (2) (a) The location of a transaction shall be determined in accordance with Sections
196 [59-12-211](#) through [59-12-215](#).

197 (b) The commission:

198 (i) except as provided in Subsection (2)(b)(ii), shall distribute the revenue collected
199 from the tax to the municipality within which the revenue was collected; and

200 (ii) shall retain and deposit an administrative charge in accordance with Section
201 59-1-306 from the revenue the commission collects from a tax under this part.

202 (3) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
203 Subsections 59-12-205(2) through [~~7~~] (5).

204 Section 4. Section 59-12-403 is amended to read:

205 **59-12-403. Enactment or repeal of tax -- Tax rate change -- Effective date --**
206 **Notice requirements -- Administration, collection, and enforcement of tax --**
207 **Administrative charge.**

208 (1) For purposes of this section:

209 (a) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
210 4, Annexation.

211 (b) "Annexing area" means an area that is annexed into a city or town.

212 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after April 1, 2008, a
213 city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
214 repeal, or change shall take effect:

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

216 (ii) after a 90-day period beginning on the date the commission receives notice meeting
217 the requirements of Subsection (2)(b) from the city or town.

218 (b) The notice described in Subsection (2)(a)(ii) shall state:

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

221 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);

222 (iii) the effective date of the tax described in Subsection (2)(b)(i); and

223 (iv) if the city or town enacts the tax or changes the rate of the tax described in
224 Subsection (2)(b)(i), the rate of the tax.

225 (c) (i) If the billing period for a transaction begins before the effective date of the

226 enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or
227 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the
228 first billing period that begins on or after the effective date of the enactment of the tax or the
229 tax rate increase.

230 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
231 statement for the billing period is produced on or after the effective date of the repeal of the tax
232 or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

233 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
234 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
235 a tax described in Subsection (2)(a) takes effect:

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

237 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
238 rate of the tax under Subsection (2)(a).

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

241 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs
242 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the
243 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
244 effect:

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

246 (ii) after a 90-day period beginning on the date the commission receives notice meeting
247 the requirements of Subsection (3)(b) from the city or town that annexes the annexing area.

248 (b) The notice described in Subsection (3)(a)(ii) shall state:

249 (i) that the annexation described in Subsection (3)(a) will result in an enactment,
250 repeal, or change in the rate of a tax under this part for the annexing area;

251 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

252 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

253 (iv) if the city or town enacts the tax or changes the rate of the tax described in

254 Subsection (3)(b)(i), the rate of the tax.

255 (c) (i) If the billing period for a transaction begins before the effective date of the
256 enactment of the tax or the tax rate increase imposed under Section 59-12-401, 59-12-402, or
257 59-12-402.1, the enactment of the tax or the tax rate increase takes effect on the first day of the
258 first billing period that begins on or after the effective date of the enactment of the tax or the
259 tax rate increase.

260 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
261 statement for the billing period is produced on or after the effective date of the repeal of the tax
262 or the tax rate decrease imposed under Section 59-12-401, 59-12-402, or 59-12-402.1.

263 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
264 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
265 a tax described in Subsection (3)(a) takes effect:

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

267 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
268 rate of the tax under Subsection (3)(a).

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

271 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
272 administered, collected, and enforced in accordance with:

273 (i) the same procedures used to administer, collect, and enforce the tax under:

274 (A) Part 1, Tax Collection; or

275 (B) Part 2, Local Sales and Use Tax Act; and

276 (ii) Chapter 1, General Taxation Policies.

277 (b) A tax under this part is not subject to Subsections 59-12-205(2) through ~~(7)~~ (5).

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

280 Section 5. Section 59-12-603 is amended to read:

281 **59-12-603. County tax -- Bases -- Rates -- Use of revenue -- Adoption of ordinance**

282 **required -- Advisory board -- Administration -- Collection -- Administrative charge --**
283 **Distribution -- Enactment or repeal of tax or tax rate change -- Effective date -- Notice**
284 **requirements.**

285 (1) (a) In addition to any other taxes, a county legislative body may, as provided in this
286 part, impose a tax as follows:

287 (i) (A) a county legislative body of any county may impose a tax of not to exceed 3%
288 on all short-term leases and rentals of motor vehicles not exceeding 30 days, except for leases
289 and rentals of motor vehicles made for the purpose of temporarily replacing a person's motor
290 vehicle that is being repaired pursuant to a repair or an insurance agreement; and

291 (B) beginning on or after January 1, 1999, a county legislative body of any county
292 imposing a tax under Subsection (1)(a)(i)(A) may, in addition to imposing the tax under
293 Subsection (1)(a)(i)(A), impose a tax of not to exceed 4% on all short-term leases and rentals
294 of motor vehicles not exceeding 30 days, except for leases and rentals of motor vehicles made
295 for the purpose of temporarily replacing a person's motor vehicle that is being repaired pursuant
296 to a repair or an insurance agreement;

297 (ii) a county legislative body of any county may impose a tax of not to exceed 1% of all
298 sales of the following that are sold by a restaurant:

299 (A) alcoholic beverages;

300 (B) food and food ingredients; or

301 (C) prepared food; and

302 (iii) a county legislative body of a county of the first class may impose a tax of not to
303 exceed .5% on charges for the accommodations and services described in Subsection
304 [59-12-103\(1\)\(i\)](#).

305 (b) A tax imposed under Subsection (1)(a) is subject to the audit provisions of Section
306 [17-31-5.5](#).

307 (2) (a) Subject to Subsection (2)(b), revenue from the imposition of the taxes provided
308 for in Subsections (1)(a)(i) through (iii) may be used for:

309 (i) financing tourism promotion; and

310 (ii) the development, operation, and maintenance of:

311 (A) an airport facility;

312 (B) a convention facility;

313 (C) a cultural facility;

314 (D) a recreation facility; or

315 (E) a tourist facility.

316 (b) A county of the first class shall expend at least \$450,000 each year of the revenue
317 from the imposition of a tax authorized by Subsection (1)(a)(iii) within the county to fund a
318 marketing and ticketing system designed to:

319 (i) promote tourism in ski areas within the county by persons that do not reside within
320 the state; and

321 (ii) combine the sale of:

322 (A) ski lift tickets; and

323 (B) accommodations and services described in Subsection 59-12-103(1)(i).

324 (3) A tax imposed under this part may be pledged as security for bonds, notes, or other
325 evidences of indebtedness incurred by a county, city, or town under Title 11, Chapter 14, Local
326 Government Bonding Act, or a community reinvestment agency under Title 17C, Chapter 1,
327 Part 5, Agency Bonds, to finance:

328 (a) an airport facility;

329 (b) a convention facility;

330 (c) a cultural facility;

331 (d) a recreation facility; or

332 (e) a tourist facility.

333 (4) (a) To impose the tax under Subsection (1), each county legislative body shall adopt
334 an ordinance imposing the tax.

335 (b) The ordinance under Subsection (4)(a) shall include provisions substantially the
336 same as those contained in Part 1, Tax Collection, except that the tax shall be imposed only on
337 those items and sales described in Subsection (1).

338 (c) The name of the county as the taxing agency shall be substituted for that of the state
339 where necessary, and an additional license is not required if one has been or is issued under
340 Section 59-12-106.

341 (5) To maintain in effect its tax ordinance adopted under this part, each county
342 legislative body shall, within 30 days of any amendment of any applicable provisions of Part 1,
343 Tax Collection, adopt amendments to its tax ordinance to conform with the applicable
344 amendments to Part 1, Tax Collection.

345 (6) (a) Regardless of whether a county of the first class creates a tourism tax advisory
346 board in accordance with Section 17-31-8, the county legislative body of the county of the first
347 class shall create a tax advisory board in accordance with this Subsection (6).

348 (b) The tax advisory board shall be composed of nine members appointed as follows:

349 (i) four members shall be residents of a county of the first class appointed by the
350 county legislative body of the county of the first class; and

351 (ii) subject to Subsections (6)(c) and (d), five members shall be mayors of cities or
352 towns within the county of the first class appointed by an organization representing all mayors
353 of cities and towns within the county of the first class.

354 (c) Five members of the tax advisory board constitute a quorum.

355 (d) The county legislative body of the county of the first class shall determine:

356 (i) terms of the members of the tax advisory board;

357 (ii) procedures and requirements for removing a member of the tax advisory board;

358 (iii) voting requirements, except that action of the tax advisory board shall be by at
359 least a majority vote of a quorum of the tax advisory board;

360 (iv) chairs or other officers of the tax advisory board;

361 (v) how meetings are to be called and the frequency of meetings; and

362 (vi) the compensation, if any, of members of the tax advisory board.

363 (e) The tax advisory board under this Subsection (6) shall advise the county legislative
364 body of the county of the first class on the expenditure of revenue collected within the county
365 of the first class from the taxes described in Subsection (1)(a).

366 (7) (a) (i) Except as provided in Subsection (7)(a)(ii), a tax authorized under this part
367 shall be administered, collected, and enforced in accordance with:

368 (A) the same procedures used to administer, collect, and enforce the tax under:

369 (I) Part 1, Tax Collection; or

370 (II) Part 2, Local Sales and Use Tax Act; and

371 (B) Chapter 1, General Taxation Policies.

372 (ii) A tax under this part is not subject to Section 59-12-107.1 or 59-12-123 or
373 Subsections 59-12-205(2) through [~~7~~] (5).

374 (b) Except as provided in Subsection (7)(c):

375 (i) for a tax under this part other than the tax under Subsection (1)(a)(i)(B), the
376 commission shall distribute the revenue to the county imposing the tax; and

377 (ii) for a tax under Subsection (1)(a)(i)(B), the commission shall distribute the revenue
378 according to the distribution formula provided in Subsection (8).

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

381 (8) The commission shall distribute the revenue generated by the tax under Subsection
382 (1)(a)(i)(B) to each county collecting a tax under Subsection (1)(a)(i)(B) according to the
383 following formula:

384 (a) the commission shall distribute 70% of the revenue based on the percentages
385 generated by dividing the revenue collected by each county under Subsection (1)(a)(i)(B) by
386 the total revenue collected by all counties under Subsection (1)(a)(i)(B); and

387 (b) the commission shall distribute 30% of the revenue based on the percentages
388 generated by dividing the population of each county collecting a tax under Subsection
389 (1)(a)(i)(B) by the total population of all counties collecting a tax under Subsection (1)(a)(i)(B).

390 (9) (a) For purposes of this Subsection (9):

391 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
392 County Annexation.

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

394 (b) (i) Except as provided in Subsection (9)(c), if, on or after July 1, 2004, a county
395 enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or
396 change shall take effect:

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

398 (B) after a 90-day period beginning on the date the commission receives notice meeting
399 the requirements of Subsection (9)(b)(ii) from the county.

400 (ii) The notice described in Subsection (9)(b)(i)(B) shall state:

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

402 (B) the statutory authority for the tax described in Subsection (9)(b)(ii)(A);

403 (C) the effective date of the tax described in Subsection (9)(b)(ii)(A); and

404 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
405 (9)(b)(ii)(A), the rate of the tax.

406 (c) (i) If the billing period for a transaction begins before the effective date of the
407 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
408 the tax or the tax rate increase shall take effect on the first day of the first billing period that
409 begins after the effective date of the enactment of the tax or the tax rate increase.

410 (ii) If the billing period for a transaction begins before the effective date of the repeal
411 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
412 rate decrease shall take effect on the first day of the last billing period that began before the
413 effective date of the repeal of the tax or the tax rate decrease.

414 (d) (i) Except as provided in Subsection (9)(e), if, for an annexation that occurs on or
415 after July 1, 2004, the annexation will result in the enactment, repeal, or change in the rate of a
416 tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

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

418 (B) after a 90-day period beginning on the date the commission receives notice meeting
419 the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

420 (ii) The notice described in Subsection (9)(d)(i)(B) shall state:

421 (A) that the annexation described in Subsection (9)(d)(i) will result in an enactment,

422 repeal, or change in the rate of a tax under this part for the annexing area;

423 (B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

424 (C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

425 (D) if the county enacts the tax or changes the rate of the tax described in Subsection
426 (9)(d)(ii)(A), the rate of the tax.

427 (e) (i) If the billing period for a transaction begins before the effective date of the
428 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
429 the tax or the tax rate increase shall take effect on the first day of the first billing period that
430 begins after the effective date of the enactment of the tax or the tax rate increase.

431 (ii) If the billing period for a transaction begins before the effective date of the repeal
432 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
433 rate decrease shall take effect on the first day of the last billing period that began before the
434 effective date of the repeal of the tax or the tax rate decrease.

435 Section 6. Section **59-12-703** is amended to read:

436 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**
437 **Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date**
438 **-- Notice requirements.**

439 (1) (a) Subject to the other provisions of this section, a county legislative body may
440 submit an opinion question to the residents of that county, by majority vote of all members of
441 the legislative body, so that each resident of the county, except residents in municipalities that
442 have already imposed a sales and use tax under Part 14, City or Town Option Funding for
443 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an
444 opportunity to express the resident's opinion on the imposition of a local sales and use tax of
445 .1% on the transactions described in Subsection **59-12-103(1)** located within the county, to:

446 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical
447 organizations, cultural organizations, and zoological organizations, and rural radio stations, in
448 that county; or

449 (ii) provide funding for a botanical organization, cultural organization, or zoological

450 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
451 furtherance of the botanical organization's, cultural organization's, or zoological organization's
452 primary purpose.

453 (b) The opinion question required by this section shall state:

454 "Shall (insert the name of the county), Utah, be authorized to impose a .1% sales and
455 use tax for (list the purposes for which the revenue collected from the sales and use tax shall be
456 expended)?"

457 (c) A county legislative body may not impose a tax under this section on:

458 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
459 are exempt from taxation under Section 59-12-104;

460 (ii) sales and uses within a municipality that has already imposed a sales and use tax
461 under Part 14, City or Town Option Funding for Botanical, Cultural, Recreational, and
462 Zoological Organizations or Facilities; and

463 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
464 food ingredients.

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

467 (e) A county legislative body imposing a tax under this section shall impose the tax on
468 the purchase price or sales price for amounts paid or charged for food and food ingredients if
469 the food and food ingredients are sold as part of a bundled transaction attributable to food and
470 food ingredients and tangible personal property other than food and food ingredients.

471 (f) The election shall follow the procedures outlined in Title 11, Chapter 14, Local
472 Government Bonding Act.

473 (2) (a) If the county legislative body determines that a majority of the county's
474 registered voters voting on the imposition of the tax have voted in favor of the imposition of
475 the tax as prescribed in Subsection (1), the county legislative body may impose the tax by a
476 majority vote of all members of the legislative body on the transactions:

477 (i) described in Subsection (1); and

478 (ii) within the county, including the cities and towns located in the county, except those
479 cities and towns that have already imposed a sales and use tax under Part 14, City or Town
480 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
481 Facilities.

482 (b) A county legislative body may revise county ordinances to reflect statutory changes
483 to the distribution formula or eligible recipients of revenue generated from a tax imposed under
484 Subsection (2)(a) without submitting an opinion question to residents of the county.

485 (3) Subject to Section 59-12-704, revenue collected from a tax imposed under
486 Subsection (2) shall be expended:

487 (a) to fund cultural facilities, recreational facilities, and zoological facilities located
488 within the county or a city or town located in the county, except a city or town that has already
489 imposed a sales and use tax under Part 14, City or Town Option Funding for Botanical,
490 Cultural, Recreational, and Zoological Organizations or Facilities;

491 (b) to fund ongoing operating expenses of:

492 (i) recreational facilities described in Subsection (3)(a);

493 (ii) botanical organizations, cultural organizations, and zoological organizations within
494 the county; and

495 (iii) rural radio stations within the county; and

496 (c) as stated in the opinion question described in Subsection (1).

497 (4) (a) A tax authorized under this part shall be:

498 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
499 accordance with:

500 (A) the same procedures used to administer, collect, and enforce the tax under:

501 (I) Part 1, Tax Collection; or

502 (II) Part 2, Local Sales and Use Tax Act; and

503 (B) Chapter 1, General Taxation Policies; and

504 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
505 period in accordance with this section.

506 (b) A tax under this part is not subject to Subsections 59-12-205(2) through [(7)] (5).

507 (5) (a) For purposes of this Subsection (5):

508 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, Part 2,
509 County Annexation.

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

511 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a
512 county enacts or repeals a tax under this part, the enactment or repeal shall take effect:

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

514 (B) after a 90-day period beginning on the date the commission receives notice meeting
515 the requirements of Subsection (5)(b)(ii) from the county.

516 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

517 (A) that the county will enact or repeal a tax under this part;

518 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

519 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

520 (D) if the county enacts the tax described in Subsection (5)(b)(ii)(A), the rate of the
521 tax.

522 (c) (i) If the billing period for a transaction begins before the effective date of the
523 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
524 the first billing period that begins on or after the effective date of the enactment of the tax.

525 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
526 period is produced on or after the effective date of the repeal of the tax imposed under this
527 section.

528 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
529 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
530 Subsection (5)(b)(i) takes effect:

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

532 (B) beginning 60 days after the effective date of the enactment or repeal under
533 Subsection (5)(b)(i).

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

536 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
537 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
538 part for an annexing area, the enactment or repeal shall take effect:

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

540 (B) after a 90-day period beginning on the date the commission receives notice meeting
541 the requirements of Subsection (5)(e)(ii) from the county that annexes the annexing area.

542 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

543 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
544 repeal of a tax under this part for the annexing area;

545 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

546 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

547 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

548 (f) (i) If the billing period for a transaction begins before the effective date of the
549 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
550 the first billing period that begins on or after the effective date of the enactment of the tax.

551 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
552 period is produced on or after the effective date of the repeal of the tax imposed under this
553 section.

554 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
555 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
556 Subsection (5)(e)(i) takes effect:

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

558 (B) beginning 60 days after the effective date of the enactment or repeal under
559 Subsection (5)(e)(i).

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

562 Section 7. Section **59-12-802** is amended to read:

563 **59-12-802. Imposition of rural county health care facilities tax -- Expenditure of**
564 **tax revenue -- Base -- Rate -- Administration, collection, and enforcement of tax --**
565 **Administrative charge.**

566 (1) (a) A county legislative body of a county of the third, fourth, fifth, or sixth class
567 may impose a sales and use tax of up to 1% on the transactions described in Subsection
568 **59-12-103**(1) located within the county.

569 (b) Subject to Subsection (3), the money collected from a tax under this section may be
570 used to fund:

571 (i) for a county of the third or fourth class, rural county health care facilities in that
572 county; or

573 (ii) for a county of the fifth or sixth class:

574 (A) rural emergency medical services in that county;

575 (B) federally qualified health centers in that county;

576 (C) freestanding urgent care centers in that county;

577 (D) rural county health care facilities in that county;

578 (E) rural health clinics in that county; or

579 (F) a combination of Subsections (1)(b)(ii)(A) through (E).

580 (c) Notwithstanding Subsection (1)(a), a county legislative body may not impose a tax
581 under this section on:

582 (i) the sales and uses described in Section **59-12-104** to the extent the sales and uses
583 are exempt from taxation under Section **59-12-104**;

584 (ii) a transaction to the extent a rural city hospital tax is imposed on that transaction in
585 a city that imposes a tax under Section **59-12-804**; and

586 (iii) except as provided in Subsection (1)(e), amounts paid or charged for food and
587 food ingredients.

588 (d) For purposes of this Subsection (1), the location of a transaction shall be
589 determined in accordance with Sections **59-12-211** through **59-12-215**.

590 (e) A county legislative body imposing a tax under this section shall impose the tax on
591 the purchase price or sales price for amounts paid or charged for food and food ingredients if
592 the food and food ingredients are sold as part of a bundled transaction attributable to food and
593 food ingredients and tangible personal property other than food and food ingredients.

594 (2) (a) Before imposing a tax under Subsection (1), a county legislative body shall
595 obtain approval to impose the tax from a majority of the:

- 596 (i) members of the county's legislative body; and
- 597 (ii) county's registered voters voting on the imposition of the tax.

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

600 (3) (a) The money collected from a tax imposed under Subsection (1) by a county
601 legislative body of a county of the third or fourth class may only be used for the financing of:

- 602 (i) ongoing operating expenses of a rural county health care facility within that county;
- 603 (ii) the acquisition of land for a rural county health care facility within that county; or
- 604 (iii) the design, construction, equipping, or furnishing of a rural county health care
605 facility within that county.

606 (b) The money collected from a tax imposed under Subsection (1) by a county of the
607 fifth or sixth class may only be used to fund:

- 608 (i) ongoing operating expenses of a center, clinic, or facility described in Subsection
609 (1)(b)(ii) within that county;
- 610 (ii) the acquisition of land for a center, clinic, or facility described in Subsection
611 (1)(b)(ii) within that county;
- 612 (iii) the design, construction, equipping, or furnishing of a center, clinic, or facility
613 described in Subsection (1)(b)(ii) within that county; or
- 614 (iv) rural emergency medical services within that county.

615 (4) (a) A tax under this section shall be:

- 616 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
617 accordance with:

618 (A) the same procedures used to administer, collect, and enforce the tax under:
619 (I) Part 1, Tax Collection; or
620 (II) Part 2, Local Sales and Use Tax Act; and
621 (B) Chapter 1, General Taxation Policies; and
622 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
623 period by the county legislative body as provided in Subsection (1).

624 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [~~7~~]
625 5).

626 (c) A county legislative body shall distribute money collected from a tax under this
627 section quarterly.

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

630 Section 8. Section 59-12-804 is amended to read:

631 **59-12-804. Imposition of rural city hospital tax -- Base -- Rate -- Administration,**
632 **collection, and enforcement of tax -- Administrative charge.**

633 (1) (a) A city legislative body may impose a sales and use tax of up to 1%:

634 (i) on the transactions described in Subsection 59-12-103(1) located within the city;
635 and

636 (ii) to fund rural city hospitals in that city.

637 (b) Notwithstanding Subsection (1)(a)(i), a city legislative body may not impose a tax
638 under this section on:

639 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
640 are exempt from taxation under Section 59-12-104; and

641 (ii) except as provided in Subsection (1)(d), amounts paid or charged for food and food
642 ingredients.

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

645 (d) A city legislative body imposing a tax under this section shall impose the tax on the

646 purchase price or sales price for amounts paid or charged for food and food ingredients if the
647 food and food ingredients are sold as part of a bundled transaction attributable to food and food
648 ingredients and tangible personal property other than food and food ingredients.

649 (2) (a) Before imposing a tax under Subsection (1)(a), a city legislative body shall
650 obtain approval to impose the tax from a majority of the:

651 (i) members of the city legislative body; and

652 (ii) city's registered voters voting on the imposition of the tax.

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

655 (3) The money collected from a tax imposed under Subsection (1) may only be used to
656 fund:

657 (a) ongoing operating expenses of a rural city hospital;

658 (b) the acquisition of land for a rural city hospital; or

659 (c) the design, construction, equipping, or furnishing of a rural city hospital.

660 (4) (a) A tax under this section shall be:

661 (i) except as provided in Subsection (4)(b), administered, collected, and enforced in
662 accordance with:

663 (A) the same procedures used to administer, collect, and enforce the tax under:

664 (I) Part 1, Tax Collection; or

665 (II) Part 2, Local Sales and Use Tax Act; and

666 (B) Chapter 1, General Taxation Policies; and

667 (ii) levied for a period of 10 years and may be reauthorized at the end of the ten-year
668 period by the city legislative body as provided in Subsection (1).

669 (b) A tax under this section is not subject to Subsections 59-12-205(2) through [(7)]
670 (5).

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

673 Section 9. Section 59-12-1102 is amended to read:

674 **59-12-1102. Base -- Rate -- Imposition of tax -- Distribution of revenue --**
675 **Administration -- Administrative charge -- Commission requirement to retain an amount**
676 **to be deposited into the Qualified Emergency Food Agencies Fund -- Enactment or repeal**
677 **of tax -- Effective date -- Notice requirements.**

678 (1) (a) (i) Subject to Subsections (2) through (6), and in addition to any other tax
679 authorized by this chapter, a county may impose by ordinance a county option sales and use tax
680 of .25% upon the transactions described in Subsection 59-12-103(1).

681 (ii) Notwithstanding Subsection (1)(a)(i), a county may not impose a tax under this
682 section on the sales and uses described in Section 59-12-104 to the extent the sales and uses are
683 exempt from taxation under Section 59-12-104.

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

686 (c) The county option sales and use tax under this section shall be imposed:

687 (i) upon transactions that are located within the county, including transactions that are
688 located within municipalities in the county; and

689 (ii) except as provided in Subsection (1)(d) or (5), beginning on the first day of
690 January:

691 (A) of the next calendar year after adoption of the ordinance imposing the tax if the
692 ordinance is adopted on or before May 25; or

693 (B) of the second calendar year after adoption of the ordinance imposing the tax if the
694 ordinance is adopted after May 25.

695 (d) The county option sales and use tax under this section shall be imposed:

696 (i) beginning January 1, 1998, if an ordinance adopting the tax imposed on or before
697 September 4, 1997; or

698 (ii) beginning January 1, 1999, if an ordinance adopting the tax is imposed during 1997
699 but after September 4, 1997.

700 (2) (a) Before imposing a county option sales and use tax under Subsection (1), a
701 county shall hold two public hearings on separate days in geographically diverse locations in

702 the county.

703 (b) (i) At least one of the hearings required by Subsection (2)(a) shall have a starting
704 time of no earlier than 6 p.m.

705 (ii) The earlier of the hearings required by Subsection (2)(a) shall be no less than seven
706 days after the day the first advertisement required by Subsection (2)(c) is published.

707 (c) (i) Before holding the public hearings required by Subsection (2)(a), the county
708 shall advertise:

709 (A) its intent to adopt a county option sales and use tax;

710 (B) the date, time, and location of each public hearing; and

711 (C) a statement that the purpose of each public hearing is to obtain public comments
712 regarding the proposed tax.

713 (ii) The advertisement shall be published:

714 (A) in a newspaper of general circulation in the county once each week for the two
715 weeks preceding the earlier of the two public hearings; and

716 (B) on the Utah Public Notice Website created in Section [63F-1-701](#), for two weeks
717 preceding the earlier of the two public hearings.

718 (iii) The advertisement described in Subsection (2)(c)(ii)(A) shall be no less than 1/8
719 page in size, and the type used shall be no smaller than 18 point and surrounded by a 1/4-inch
720 border.

721 (iv) The advertisement described in Subsection (2)(c)(ii)(A) may not be placed in that
722 portion of the newspaper where legal notices and classified advertisements appear.

723 (v) In accordance with Subsection (2)(c)(ii)(A), whenever possible:

724 (A) the advertisement shall appear in a newspaper that is published at least five days a
725 week, unless the only newspaper in the county is published less than five days a week; and

726 (B) the newspaper selected shall be one of general interest and readership in the
727 community, and not one of limited subject matter.

728 (d) The adoption of an ordinance imposing a county option sales and use tax is subject
729 to a local referendum election and shall be conducted as provided in Title 20A, Chapter 7, Part

730 6, Local Referenda - Procedures.

731 (3) (a) Subject to Subsection (5), if the aggregate population of the counties imposing a
732 county option sales and use tax under Subsection (1) is less than 75% of the state population,
733 the tax levied under Subsection (1) shall be distributed to the county in which the tax was
734 collected.

735 (b) Subject to Subsection (5), if the aggregate population of the counties imposing a
736 county option sales and use tax under Subsection (1) is greater than or equal to 75% of the state
737 population:

738 (i) 50% of the tax collected under Subsection (1) in each county shall be distributed to
739 the county in which the tax was collected; and

740 (ii) except as provided in Subsection (3)(c), 50% of the tax collected under Subsection
741 (1) in each county shall be distributed proportionately among all counties imposing the tax,
742 based on the total population of each county.

743 (c) Except as provided in Subsection (5), the amount to be distributed annually to a
744 county under Subsection (3)(b)(ii), when combined with the amount distributed to the county
745 under Subsection (3)(b)(i), does not equal at least \$75,000, then:

746 (i) the amount to be distributed annually to that county under Subsection (3)(b)(ii) shall
747 be increased so that, when combined with the amount distributed to the county under
748 Subsection (3)(b)(i), the amount distributed annually to the county is \$75,000; and

749 (ii) the amount to be distributed annually to all other counties under Subsection
750 (3)(b)(ii) shall be reduced proportionately to offset the additional amount distributed under
751 Subsection (3)(c)(i).

752 (d) The commission shall establish rules to implement the distribution of the tax under
753 Subsections (3)(a), (b), and (c).

754 (4) (a) Except as provided in Subsection (4)(b) or (c), a tax authorized under this part
755 shall be administered, collected, and enforced in accordance with:

756 (i) the same procedures used to administer, collect, and enforce the tax under:

757 (A) Part 1, Tax Collection; or

758 (B) Part 2, Local Sales and Use Tax Act; and
759 (ii) Chapter 1, General Taxation Policies.
760 (b) A tax under this part is not subject to Subsections 59-12-205(2) through [(7)] (5).
761 (c) (i) Subject to Subsection (4)(c)(ii), the commission shall retain and deposit an
762 administrative charge in accordance with Section 59-1-306 from the revenue the commission
763 collects from a tax under this part.
764 (ii) Notwithstanding Section 59-1-306, the administrative charge described in
765 Subsection (4)(c)(i) shall be calculated by taking a percentage described in Section 59-1-306 of
766 the distribution amounts resulting after:
767 (A) the applicable distribution calculations under Subsection (3) have been made; and
768 (B) the commission retains the amount required by Subsection (5).
769 (5) (a) Beginning on July 1, 2009, the commission shall calculate and retain a portion
770 of the sales and use tax collected under this part as provided in this Subsection (5).
771 (b) For a county that imposes a tax under this part, the commission shall calculate a
772 percentage each month by dividing the sales and use tax collected under this part for that
773 month within the boundaries of that county by the total sales and use tax collected under this
774 part for that month within the boundaries of all of the counties that impose a tax under this part.
775 (c) For a county that imposes a tax under this part, the commission shall retain each
776 month an amount equal to the product of:
777 (i) the percentage the commission determines for the month under Subsection (5)(b)
778 for the county; and
779 (ii) \$6,354.
780 (d) The commission shall deposit an amount the commission retains in accordance
781 with this Subsection (5) into the Qualified Emergency Food Agencies Fund created by Section
782 35A-8-1009.
783 (e) An amount the commission deposits into the Qualified Emergency Food Agencies
784 Fund shall be expended as provided in Section 35A-8-1009.
785 (6) (a) For purposes of this Subsection (6):

786 (i) "Annexation" means an annexation to a county under Title 17, Chapter 2, County
787 Consolidations and Annexations.

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

789 (b) (i) Except as provided in Subsection (6)(c) or (d), if, on or after July 1, 2004, a
790 county enacts or repeals a tax under this part:

791 (A) (I) the enactment shall take effect as provided in Subsection (1)(c); or

792 (II) the repeal shall take effect on the first day of a calendar quarter; and

793 (B) after a 90-day period beginning on the date the commission receives notice meeting
794 the requirements of Subsection (6)(b)(ii) from the county.

795 (ii) The notice described in Subsection (6)(b)(i)(B) shall state:

796 (A) that the county will enact or repeal a tax under this part;

797 (B) the statutory authority for the tax described in Subsection (6)(b)(ii)(A);

798 (C) the effective date of the tax described in Subsection (6)(b)(ii)(A); and

799 (D) if the county enacts the tax described in Subsection (6)(b)(ii)(A), the rate of the
800 tax.

801 (c) (i) If the billing period for a transaction begins before the effective date of the
802 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
803 of the first billing period that begins on or after the effective date of the enactment of the tax.

804 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
805 period is produced on or after the effective date of the repeal of the tax imposed under
806 Subsection (1).

807 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
808 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
809 Subsection (6)(b)(i) takes effect:

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

811 (B) beginning 60 days after the effective date of the enactment or repeal under
812 Subsection (6)(b)(i).

813 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

814 commission may by rule define the term "catalogue sale."

815 (e) (i) Except as provided in Subsection (6)(f) or (g), if, for an annexation that occurs
816 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
817 part for an annexing area, the enactment or repeal shall take effect:

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

819 (B) after a 90-day period beginning on the date the commission receives notice meeting
820 the requirements of Subsection (6)(e)(ii) from the county that annexes the annexing area.

821 (ii) The notice described in Subsection (6)(e)(i)(B) shall state:

822 (A) that the annexation described in Subsection (6)(e)(i) will result in an enactment or
823 repeal of a tax under this part for the annexing area;

824 (B) the statutory authority for the tax described in Subsection (6)(e)(ii)(A);

825 (C) the effective date of the tax described in Subsection (6)(e)(ii)(A); and

826 (D) the rate of the tax described in Subsection (6)(e)(ii)(A).

827 (f) (i) If the billing period for a transaction begins before the effective date of the
828 enactment of the tax under Subsection (1), the enactment of the tax takes effect on the first day
829 of the first billing period that begins on or after the effective date of the enactment of the tax.

830 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
831 period is produced on or after the effective date of the repeal of the tax imposed under
832 Subsection (1).

833 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
834 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
835 Subsection (6)(e)(i) takes effect:

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

837 (B) beginning 60 days after the effective date of the enactment or repeal under
838 Subsection (6)(e)(i).

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

841 Section 10. Section **59-12-1302** is amended to read:

842 **59-12-1302. Imposition of tax -- Base -- Rate -- Enactment or repeal of tax -- Tax**
843 **rate change -- Effective date -- Notice requirements -- Administration, collection, and**
844 **enforcement of tax -- Administrative charge.**

845 (1) Beginning on or after January 1, 1998, the governing body of a town may impose a
846 tax as provided in this part in an amount that does not exceed 1%.

847 (2) A town may impose a tax as provided in this part if the town imposed a license fee
848 or tax on businesses based on gross receipts under Section 10-1-203 on or before January 1,
849 1996.

850 (3) A town imposing a tax under this section shall:

851 (a) except as provided in Subsection (4), impose the tax on the transactions described
852 in Subsection 59-12-103(1) located within the town; and

853 (b) provide an effective date for the tax as provided in Subsection (5).

854 (4) (a) A town may not impose a tax under this section on:

855 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
856 are exempt from taxation under Section 59-12-104; and

857 (ii) except as provided in Subsection (4)(c), amounts paid or charged for food and food
858 ingredients.

859 (b) For purposes of this Subsection (4), the location of a transaction shall be
860 determined in accordance with Sections 59-12-211 through 59-12-215.

861 (c) A town imposing a tax under this section shall impose the tax on the purchase price
862 or sales price for amounts paid or charged for food and food ingredients if the food and food
863 ingredients are sold as part of a bundled transaction attributable to food and food ingredients
864 and tangible personal property other than food and food ingredients.

865 (5) (a) For purposes of this Subsection (5):

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

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

869 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a

870 town enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal,
871 or change shall take effect:

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

873 (B) after a 90-day period beginning on the date the commission receives notice meeting
874 the requirements of Subsection (5)(b)(ii) from the town.

875 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

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

877 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

878 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

879 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
880 (5)(b)(ii)(A), the rate of the tax.

881 (c) (i) If the billing period for the transaction begins before the effective date of the
882 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
883 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
884 on or after the effective date of the enactment of the tax or the tax rate increase.

885 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
886 statement for the billing period is produced on or after the effective date of the repeal of the tax
887 or the tax rate decrease imposed under Subsection (1).

888 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
889 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
890 a tax described in Subsection (5)(b)(i) takes effect:

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

892 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
893 rate of the tax under Subsection (5)(b)(i).

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

896 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
897 on or after July 1, 2004, the annexation will result in the enactment, repeal, or change in the

898 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
899 effect:

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

901 (B) after a 90-day period beginning on the date the commission receives notice meeting
902 the requirements of Subsection (5)(e)(ii) from the town that annexes the annexing area.

903 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

904 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment,
905 repeal, or change in the rate of a tax under this part for the annexing area;

906 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

907 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

908 (D) if the town enacts the tax or changes the rate of the tax described in Subsection
909 (5)(e)(ii)(A), the rate of the tax.

910 (f) (i) If the billing period for a transaction begins before the effective date of the
911 enactment of the tax or the tax rate increase imposed under Subsection (1), the enactment of
912 the tax or the tax rate increase takes effect on the first day of the first billing period that begins
913 on or after the effective date of the enactment of the tax or the tax rate increase.

914 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
915 statement for the billing period is produced on or after the effective date of the repeal of the tax
916 or the tax rate decrease imposed under Subsection (1).

917 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
918 sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of
919 a tax described in Subsection (5)(e)(i) takes effect:

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

921 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
922 rate of the tax under Subsection (5)(e)(i).

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

925 (6) The commission shall:

926 (a) distribute the revenue generated by the tax under this section to the town imposing
927 the tax; and

928 (b) except as provided in Subsection (8), administer, collect, and enforce the tax
929 authorized under this section in accordance with:

930 (i) the same procedures used to administer, collect, and enforce the tax under:

931 (A) Part 1, Tax Collection; or

932 (B) Part 2, Local Sales and Use Tax Act; and

933 (ii) Chapter 1, General Taxation Policies.

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

936 (8) A tax under this section is not subject to Subsections 59-12-205(2) through [(7)]
937 (5).

938 Section 11. Section 59-12-1402 is amended to read:

939 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax --**
940 **Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice**
941 **requirements.**

942 (1) (a) Subject to the other provisions of this section, a city or town legislative body
943 subject to this part may submit an opinion question to the residents of that city or town, by
944 majority vote of all members of the legislative body, so that each resident of the city or town
945 has an opportunity to express the resident's opinion on the imposition of a local sales and use
946 tax of .1% on the transactions described in Subsection 59-12-103(1) located within the city or
947 town, to:

948 (i) fund cultural facilities, recreational facilities, and zoological facilities and botanical
949 organizations, cultural organizations, and zoological organizations in that city or town; or

950 (ii) provide funding for a botanical organization, cultural organization, or zoological
951 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
952 furtherance of the botanical organization's, cultural organization's, or zoological organization's
953 primary purpose.

954 (b) The opinion question required by this section shall state:

955 "Shall (insert the name of the city or town), Utah, be authorized to impose a .1% sales
956 and use tax for (list the purposes for which the revenue collected from the sales and use tax
957 shall be expended)?"

958 (c) A city or town legislative body may not impose a tax under this section:

959 (i) if the county in which the city or town is located imposes a tax under Part 7, County
960 Option Funding for Botanical, Cultural, Recreational, and Zoological Organizations or
961 Facilities;

962 (ii) on the sales and uses described in Section 59-12-104 to the extent the sales and
963 uses are exempt from taxation under Section 59-12-104; and

964 (iii) except as provided in Subsection (1)(e), on amounts paid or charged for food and
965 food ingredients.

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

968 (e) A city or town legislative body imposing a tax under this section shall impose the
969 tax on the purchase price or sales price for amounts paid or charged for food and food
970 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
971 to food and food ingredients and tangible personal property other than food and food
972 ingredients.

973 (f) Except as provided in Subsection (6), the election shall be held at a regular general
974 election or a municipal general election, as those terms are defined in Section 20A-1-102, and
975 shall follow the procedures outlined in Title 11, Chapter 14, Local Government Bonding Act.

976 (2) If the city or town legislative body determines that a majority of the city's or town's
977 registered voters voting on the imposition of the tax have voted in favor of the imposition of
978 the tax as prescribed in Subsection (1), the city or town legislative body may impose the tax by
979 a majority vote of all members of the legislative body.

980 (3) Subject to Section 59-12-1403, revenue collected from a tax imposed under
981 Subsection (2) shall be expended:

982 (a) to finance cultural facilities, recreational facilities, and zoological facilities within
983 the city or town or within the geographic area of entities that are parties to an interlocal
984 agreement, to which the city or town is a party, providing for cultural facilities, recreational
985 facilities, or zoological facilities;

986 (b) to finance ongoing operating expenses of:

987 (i) recreational facilities described in Subsection (3)(a) within the city or town or
988 within the geographic area of entities that are parties to an interlocal agreement, to which the
989 city or town is a party, providing for recreational facilities; or

990 (ii) botanical organizations, cultural organizations, and zoological organizations within
991 the city or town or within the geographic area of entities that are parties to an interlocal
992 agreement, to which the city or town is a party, providing for the support of botanical
993 organizations, cultural organizations, or zoological organizations; and

994 (c) as stated in the opinion question described in Subsection (1).

995 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall
996 be:

997 (i) administered, collected, and enforced in accordance with:

998 (A) the same procedures used to administer, collect, and enforce the tax under:

999 (I) Part 1, Tax Collection; or

1000 (II) Part 2, Local Sales and Use Tax Act; and

1001 (B) Chapter 1, General Taxation Policies; and

1002 (ii) (A) levied for a period of eight years; and

1003 (B) may be reauthorized at the end of the eight-year period in accordance with this
1004 section.

1005 (b) (i) If a tax under this part is imposed for the first time on or after July 1, 2011, the
1006 tax shall be levied for a period of 10 years.

1007 (ii) If a tax under this part is reauthorized in accordance with Subsection (4)(a) on or
1008 after July 1, 2011, the tax shall be reauthorized for a ten-year period.

1009 (c) A tax under this section is not subject to Subsections 59-12-205(2) through [(7)]

1010 (5).

1011 (5) (a) For purposes of this Subsection (5):

1012 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
1013 4, Annexation.

1014 (ii) "Annexing area" means an area that is annexed into a city or town.

1015 (b) (i) Except as provided in Subsection (5)(c) or (d), if, on or after July 1, 2004, a city
1016 or town enacts or repeals a tax under this part, the enactment or repeal shall take effect:

1017 (A) on the first day of a calendar quarter; and

1018 (B) after a 90-day period beginning on the date the commission receives notice meeting
1019 the requirements of Subsection (5)(b)(ii) from the city or town.

1020 (ii) The notice described in Subsection (5)(b)(i)(B) shall state:

1021 (A) that the city or town will enact or repeal a tax under this part;

1022 (B) the statutory authority for the tax described in Subsection (5)(b)(ii)(A);

1023 (C) the effective date of the tax described in Subsection (5)(b)(ii)(A); and

1024 (D) if the city or town enacts the tax described in Subsection (5)(b)(ii)(A), the rate of
1025 the tax.

1026 (c) (i) If the billing period for a transaction begins before the effective date of the
1027 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
1028 the first billing period that begins on or after the effective date of the enactment of the tax.

1029 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
1030 period is produced on or after the effective date of the repeal of the tax imposed under this
1031 section.

1032 (d) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1033 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1034 Subsection (5)(b)(i) takes effect:

1035 (A) on the first day of a calendar quarter; and

1036 (B) beginning 60 days after the effective date of the enactment or repeal under
1037 Subsection (5)(b)(i).

1038 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1039 commission may by rule define the term "catalogue sale."

1040 (e) (i) Except as provided in Subsection (5)(f) or (g), if, for an annexation that occurs
1041 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this
1042 part for an annexing area, the enactment or repeal shall take effect:

1043 (A) on the first day of a calendar quarter; and

1044 (B) after a 90-day period beginning on the date the commission receives notice meeting
1045 the requirements of Subsection (5)(e)(ii) from the city or town that annexes the annexing area.

1046 (ii) The notice described in Subsection (5)(e)(i)(B) shall state:

1047 (A) that the annexation described in Subsection (5)(e)(i) will result in an enactment or
1048 repeal a tax under this part for the annexing area;

1049 (B) the statutory authority for the tax described in Subsection (5)(e)(ii)(A);

1050 (C) the effective date of the tax described in Subsection (5)(e)(ii)(A); and

1051 (D) the rate of the tax described in Subsection (5)(e)(ii)(A).

1052 (f) (i) If the billing period for a transaction begins before the effective date of the
1053 enactment of the tax under this section, the enactment of the tax takes effect on the first day of
1054 the first billing period that begins on or after the effective date of the enactment of the tax.

1055 (ii) The repeal of a tax applies to a billing period if the billing statement for the billing
1056 period is produced on or after the effective date of the repeal of the tax imposed under this
1057 section.

1058 (g) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of
1059 sales and use tax rates published in the catalogue, an enactment or repeal of a tax described in
1060 Subsection (5)(e)(i) takes effect:

1061 (A) on the first day of a calendar quarter; and

1062 (B) beginning 60 days after the effective date of the enactment or repeal under
1063 Subsection (5)(e)(i).

1064 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1065 commission may by rule define the term "catalogue sale."

1066 (6) (a) Before a city or town legislative body submits an opinion question to the
1067 residents of the city or town under Subsection (1), the city or town legislative body shall:

1068 (i) submit to the county legislative body in which the city or town is located a written
1069 notice of the intent to submit the opinion question to the residents of the city or town; and

1070 (ii) receive from the county legislative body:

1071 (A) a written resolution passed by the county legislative body stating that the county
1072 legislative body is not seeking to impose a tax under Part 7, County Option Funding for
1073 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; or

1074 (B) a written statement that in accordance with Subsection (6)(b) the results of a county
1075 opinion question submitted to the residents of the county under Part 7, County Option Funding
1076 for Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, permit the city
1077 or town legislative body to submit the opinion question to the residents of the city or town in
1078 accordance with this part.

1079 (b) (i) Within 60 days after the day the county legislative body receives from a city or
1080 town legislative body described in Subsection (6)(a) the notice of the intent to submit an
1081 opinion question to the residents of the city or town, the county legislative body shall provide
1082 the city or town legislative body:

1083 (A) the written resolution described in Subsection (6)(a)(ii)(A); or

1084 (B) written notice that the county legislative body will submit an opinion question to
1085 the residents of the county under Part 7, County Option Funding for Botanical, Cultural,
1086 Recreational, and Zoological Organizations or Facilities, for the county to impose a tax under
1087 that part.

1088 (ii) If the county legislative body provides the city or town legislative body the written
1089 notice that the county legislative body will submit an opinion question as provided in
1090 Subsection (6)(b)(i)(B), the county legislative body shall submit the opinion question by no
1091 later than, from the date the county legislative body sends the written notice, the later of:

1092 (A) a 12-month period;

1093 (B) the next regular primary election; or

1094 (C) the next regular general election.

1095 (iii) Within 30 days of the date of the canvass of the election at which the opinion
1096 question under Subsection (6)(b)(ii) is voted on, the county legislative body shall provide the
1097 city or town legislative body described in Subsection (6)(a) written results of the opinion
1098 question submitted by the county legislative body under Part 7, County Option Funding for
1099 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, indicating that:

1100 (A) (I) the city or town legislative body may not impose a tax under this part because a
1101 majority of the county's registered voters voted in favor of the county imposing the tax and the
1102 county legislative body by a majority vote approved the imposition of the tax; or

1103 (II) for at least 12 months from the date the written results are submitted to the city or
1104 town legislative body, the city or town legislative body may not submit to the county legislative
1105 body a written notice of the intent to submit an opinion question under this part because a
1106 majority of the county's registered voters voted against the county imposing the tax and the
1107 majority of the registered voters who are residents of the city or town described in Subsection
1108 (6)(a) voted against the imposition of the county tax; or

1109 (B) the city or town legislative body may submit the opinion question to the residents
1110 of the city or town in accordance with this part because although a majority of the county's
1111 registered voters voted against the county imposing the tax, the majority of the registered voters
1112 who are residents of the city or town voted for the imposition of the county tax.

1113 (c) Notwithstanding Subsection (6)(b), at any time a county legislative body may
1114 provide a city or town legislative body described in Subsection (6)(a) a written resolution
1115 passed by the county legislative body stating that the county legislative body is not seeking to
1116 impose a tax under Part 7, County Option Funding for Botanical, Cultural, Recreational, and
1117 Zoological Organizations or Facilities, which permits the city or town legislative body to
1118 submit under Subsection (1) an opinion question to the city's or town's residents.

1119 Section 12. Section **59-12-2103** is amended to read:

1120 **59-12-2103. Imposition of tax -- Base -- Rate -- Expenditure of revenue collected**
1121 **from the tax -- Administration, collection, and enforcement of tax by commission --**

1122 **Administrative charge -- Enactment or repeal of tax -- Annexation -- Notice.**

1123 (1) (a) As used in this section, "eligible city or town" means a city or town that
 1124 imposed a tax under this part on July 1, 2016.

1125 ~~[(1)(a)] (b)~~ Subject to the other provisions of this section and except as provided in
 1126 Subsection (2) or (3), ~~[beginning on January 1, 2009 and ending on June 30, 2016, if a city or~~
 1127 ~~town receives a distribution for the 12 consecutive months of fiscal year 2005-06 because the~~
 1128 ~~city or town would have received a tax revenue distribution of less than .75% of the taxable~~
 1129 ~~sales within the boundaries of the city or town but for Subsection 59-12-205(4)(a), the city or~~
 1130 ~~town]~~ the legislative body of an eligible city or town may impose a sales and use tax of up to
 1131 .20% on the transactions:

1132 (i) described in Subsection 59-12-103(1); and

1133 (ii) within the city or town.

1134 ~~[(b)] (c)~~ A city or town legislative body that imposes a tax under Subsection (1)~~[(a)](b)~~
 1135 shall expend the revenue collected from the tax for the same purposes for which the city or
 1136 town may expend the city's or town's general fund revenue.

1137 ~~[(c)] (d)~~ For purposes of this Subsection (1), the location of a transaction shall be
 1138 determined in accordance with Sections 59-12-211 through 59-12-215.

1139 (2) (a) A city or town legislative body may not impose a tax under this section on:

1140 (i) the sales and uses described in Section 59-12-104 to the extent the sales and uses
 1141 are exempt from taxation under Section 59-12-104; and

1142 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and food
 1143 ingredients.

1144 (b) A city or town legislative body imposing a tax under this section shall impose the
 1145 tax on the purchase price or sales price for amounts paid or charged for food and food
 1146 ingredients if the food and food ingredients are sold as part of a bundled transaction attributable
 1147 to food and food ingredients and tangible personal property other than food and food
 1148 ingredients.

1149 ~~[(3)(a) Beginning on January 1, 2009, and ending on June 30, 2016, to impose a tax~~

1150 under this part, a city or town legislative body shall obtain approval from a majority of the
1151 members of the city or town legislative body.]

1152 [(b) If, on June 30, 2016, a city or town is not imposing a tax under this part, the city or
1153 town legislative body may not impose a tax under this part beginning on or after July 1, 2016.]

1154 [(c) (i) If, on June 30, 2016, a city or town imposes a tax under this part, the city or
1155 town shall repeal the tax on July 1, 2016, unless, on or after July 1, 2012, but on or before
1156 March 31, 2016, the city or town legislative body obtains approval from a majority vote of the
1157 members of the city or town legislative body to continue to impose the tax.]

1158 [(ii) If a city or town obtains approval under Subsection (3)(c)(i) from a majority vote
1159 of the members of the city or town legislative body to continue to impose a tax under this part
1160 on or after July 1, 2016, the]

1161 (3) An eligible city or town may impose [the] a tax under this part until no later than
1162 June 30, 2030.

1163 (4) The commission shall transmit revenue collected within a city or town from a tax
1164 under this part:

1165 (a) to the city or town legislative body;

1166 (b) monthly; and

1167 (c) by electronic funds transfer.

1168 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,
1169 collect, and enforce a tax under this part in accordance with:

1170 (i) the same procedures used to administer, collect, and enforce the tax under:

1171 (A) Part 1, Tax Collection; or

1172 (B) Part 2, Local Sales and Use Tax Act; and

1173 (ii) Chapter 1, General Taxation Policies.

1174 (b) A tax under this part is not subject to Subsections 59-12-205(2) through [(7)] (5).

1175 (6) The commission shall retain and deposit an administrative charge in accordance
1176 with Section 59-1-306 from the revenue the commission collects from a tax under this part.

1177 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1, 2009,

1178 a city or town enacts or repeals a tax or changes the rate of a tax under this part, the enactment,
1179 repeal, or change shall take effect:

1180 (A) on the first day of a calendar quarter; and

1181 (B) after a 90-day period beginning on the date the commission receives notice meeting
1182 the requirements of Subsection (7)(a)(i) from the city or town.

1183 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:

1184 (A) that the city or town will enact or repeal a tax or change the rate of the tax under
1185 this part;

1186 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);

1187 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and

1188 (D) if the city or town enacts the tax or changes the rate of the tax described in
1189 Subsection (7)(a)(ii)(A), the rate of the tax.

1190 (b) (i) If the billing period for a transaction begins before the enactment of the tax or
1191 the tax rate increase under Subsection (1), the enactment of the tax or the tax rate increase takes
1192 effect on the first day of the first billing period that begins on or after the effective date of the
1193 enactment of the tax or the tax rate increase.

1194 (ii) If the billing period for a transaction begins before the effective date of the repeal
1195 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
1196 rate decrease applies to a billing period if the billing statement for the billing period is rendered
1197 on or after the effective date of the repeal of the tax or the tax rate decrease.

1198 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
1199 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
1200 described in Subsection (7)(a)(i) takes effect:

1201 (A) on the first day of a calendar quarter; and

1202 (B) beginning 60 days after the effective date of the enactment, repeal, or change in the
1203 rate of the tax under Subsection (7)(a)(i).

1204 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1205 commission may by rule define the term "catalogue sale."

1206 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs
1207 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in the
1208 rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take
1209 effect:

1210 (A) on the first day of a calendar quarter; and

1211 (B) after a 90-day period beginning on the date the commission receives notice meeting
1212 the requirements of Subsection (7)(d)(ii) from the city or town that annexes the annexing area.

1213 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

1214 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in the
1215 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

1216 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

1217 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

1218 (D) if the city or town enacts the tax or changes the rate of the tax described in
1219 Subsection (7)(d)(ii)(A), the rate of the tax.

1220 (e) (i) If the billing period for a transaction begins before the effective date of the
1221 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax
1222 rate increase takes effect on the first day of the first billing period that begins on or after the
1223 effective date of the enactment of the tax or the tax rate increase.

1224 (ii) If the billing period for a transaction begins before the effective date of the repeal
1225 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of the tax or the tax
1226 rate decrease applies to a billing period if the billing statement for the billing period is rendered
1227 on or after the effective date of the repeal of the tax or the tax rate decrease.

1228 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales
1229 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax
1230 described in Subsection (7)(d)(i) takes effect:

1231 (A) on the first day of a calendar quarter; and

1232 (B) beginning 60 days after the effective date of the enactment, repeal, or change under
1233 Subsection (7)(d)(i).

1234 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1235 commission may by rule define the term "catalogue sale."

1236 Section 13. Section **59-12-2206** is amended to read:

1237 **59-12-2206. Administration, collection, and enforcement of a sales and use tax**
1238 **under this part -- Transmission of revenue monthly by electronic funds transfer --**
1239 **Transfer of revenue to a public transit district or eligible political subdivision.**

1240 (1) Except as provided in Subsection (2), the commission shall administer, collect, and
1241 enforce a sales and use tax imposed under this part.

1242 (2) The commission shall administer, collect, and enforce a sales and use tax imposed
1243 under this part in accordance with:

1244 (a) the same procedures used to administer, collect, and enforce a tax under:

1245 (i) Part 1, Tax Collection; or

1246 (ii) Part 2, Local Sales and Use Tax Act; and

1247 (b) Chapter 1, General Taxation Policies.

1248 (3) A sales and use tax under this part is not subject to Subsections **59-12-205**(2)
1249 through ~~(7)~~ (5).

1250 (4) Subject to Section **59-12-2207** and except as provided in Subsection (5) or another
1251 provision of this part, the state treasurer shall transmit revenue collected within a county, city,
1252 or town from a sales and use tax under this part to the county, city, or town legislative body
1253 monthly by electronic funds transfer.

1254 (5) (a) Subject to Section **59-12-2207**, and except as provided in Subsection (5)(b), the
1255 state treasurer shall transfer revenue collected within a county, city, or town from a sales and
1256 use tax under this part directly to a public transit district organized under Title 17B, Chapter 2a,
1257 Part 8, Public Transit District Act, or an eligible political subdivision as defined in Section
1258 **59-12-2219**, if the county, city, or town legislative body:

1259 (i) provides written notice to the commission and the state treasurer requesting the
1260 transfer; and

1261 (ii) designates the public transit district or eligible political subdivision to which the

1262 county, city, or town legislative body requests the state treasurer to transfer the revenue.

1263 (b) The commission shall transmit a portion of the revenue collected within a county,
1264 city, or town from a sales and use tax under this part that would be transferred to a public
1265 transit district or an eligible political subdivision under Subsection (5)(a) to the county, city, or
1266 town to fund public transit fixed guideway safety oversight under Section [72-1-214](#) if the
1267 county, city, or town legislative body:

1268 (i) provides written notice to the commission and the state treasurer requesting the
1269 transfer; and

1270 (ii) specifies the amount of revenue required to be transmitted to the county, city, or
1271 town.