

Senator Todd D. Weiler proposes the following substitute bill:

SALES TAX MODIFICATIONS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd D. Weiler

House Sponsor: Calvin R. Musselman

LONG TITLE

General Description:

This bill makes modifications to sales and use tax provisions.

Highlighted Provisions:

This bill:

▶ allows a city, town, or county to put to vote an authorization for funding for botanical, cultural, recreational, and zoological organizations or facilities that allows the tax collection period to be extended to run simultaneously with the repayment of a bond.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

59-12-1402, as last amended by Laws of Utah 2017, Chapter 422

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



26 Section 1. Section 59-12-703 is amended to read:

27 **59-12-703. Opinion question election -- Base -- Rate -- Imposition of tax --**
28 **Expenditure of revenues -- Administration -- Enactment or repeal of tax -- Effective date**
29 **-- Notice requirements.**

30 (1) (a) Subject to the other provisions of this section, a county legislative body may
31 submit an opinion question to the residents of that county, by majority vote of all members of
32 the legislative body, so that each resident of the county, except residents in municipalities that
33 have already imposed a sales and use tax under Part 14, City or Town Option Funding for
34 Botanical, Cultural, Recreational, and Zoological Organizations or Facilities, has an
35 opportunity to express the resident's opinion on the imposition of a local sales and use tax of
36 .1% on the transactions described in Subsection 59-12-103(1) located within the county, to:

37 (i) fund cultural facilities, recreational facilities, and zoological facilities, botanical
38 organizations, cultural organizations, and zoological organizations, and rural radio stations, in
39 that county; [or]

40 (ii) provide funding for a botanical organization, cultural organization, or zoological
41 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
42 furtherance of the botanical organization's, cultural organization's, or zoological organization's
43 primary purpose[-]; or

44 (iii) provide for repayment of a municipal bond issued on or after July 1, 2023, to
45 provide funding for a purpose, facility, or organization described in Subsections (1)(a)(i) or (ii),
46 if the length of the repayment term is included in the opinion question.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

85 (b) to fund ongoing operating expenses of:

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

87 (ii) botanical organizations, cultural organizations, and zoological organizations within

88 the county; and

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

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

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

92 (i) except as provided in Subsection (4)(b) or (4)(c), administered, collected, and
93 enforced in accordance with:

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

95 (I) Part 1, Tax Collection; or

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

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

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

100 (b) If a tax under this part is imposed for repayment of a municipal bond described in
101 Subsection (1)(a)(iii):

102 (i) the tax shall be levied for a term that is equivalent to the bond repayment term
103 specified in the opinion question, up to 20 years; and

104 (ii) the tax may only be reauthorized for a period of 10 years.

105 [~~(b)~~] (c) A tax under this part is not subject to Subsections 59-12-205(2) through (6).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

161 Section 2. Section **59-12-1402** is amended to read:

162 **59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax --**
163 **Expenditure of revenue -- Enactment or repeal of tax -- Effective date -- Notice**
164 **requirements.**

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

171 (i) fund cultural facilities, recreational facilities, and zoological facilities and botanical
172 organizations, cultural organizations, and zoological organizations in that city or town; ~~or~~

173 (ii) provide funding for a botanical organization, cultural organization, or zoological
174 organization to pay for use of a bus or facility rental if that use of the bus or facility rental is in
175 furtherance of the botanical organization's, cultural organization's, or zoological organization's
176 primary purpose~~[-]; or~~

177 (iii) provide for repayment of a municipal bond issued on or after July 1, 2023, to
178 provide funding for a purpose, facility, or organization described in Subsections (1)(a)(i) or (ii),
179 if the length of the repayment term is included in the opinion question.

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

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

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

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

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

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

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

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

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

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

206 (b) The city or town legislative body may revise city or town ordinances to reflect
207 statutory changes to eligible recipients of revenue generated from a tax imposed under
208 Subsection (2)(a) without submitting an opinion question to residents of the city or town.

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

211 (a) to finance cultural facilities, recreational facilities, and zoological facilities within

212 the city or town or within the geographic area of entities that are parties to an interlocal
213 agreement, to which the city or town is a party, providing for cultural facilities, recreational
214 facilities, or zoological facilities;

215 (b) to finance ongoing operating expenses of:

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

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

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

224 (4) (a) Except as provided in ~~[Subsection]~~ Subsections (4)(b) and (c), a tax authorized
225 under this part shall be:

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

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

228 (I) Part 1, Tax Collection; or

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

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

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

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

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

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

238 (c) If a tax under this part is imposed for repayment of a municipal bond described in
239 Subsection (1)(a)(iii):

240 (i) the tax shall be levied for a term that is equivalent to the bond repayment term
241 specified in the opinion question, up to 20 years; and

242 (ii) the tax may only be reauthorized for a period of 10 years.

243 [~~(e)~~] (d) A tax under this section is not subject to Subsections 59-12-205(2) through
244 (6).

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

246 (i) "Annexation" means an annexation to a city or town under Title 10, Chapter 2, Part
247 4, Annexation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

304 (ii) receive from the county legislative body:

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

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

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

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

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

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

326 (A) a 12-month period;

327 (B) the next regular primary election; or

328 (C) the next regular general election.

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

334 (A) (I) the city or town legislative body may not impose a tax under this part because a
335 majority of the county's registered voters voted in favor of the county imposing the tax and the

336 county legislative body by a majority vote approved the imposition of the tax; or

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

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

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

353 Section 3. **Effective date.**

354 This bill takes effect on July 1, 2023.