



Memorandum

To: Mayor, Town Council
From: Rick Wixom
Date: June 5, 2013
Re: **June 11, 2014 Town Council Meeting**
RAP Tax Interlocal Agreement

There has been an effort by the Washington County Arts Council to put on the ballot an opinion question about whether or not to implement a 0.1% sales tax for funding recreational and cultural organizations and facilities (RAP tax).

The opinion question will appear on the November general election ballot. If the opinion question is successful and passed by the voters, the County Commission may implement the tax throughout the County.

The County has prepared and sent out for review and approval an interlocal agreement that provides for the distribution of funds if the RAP tax passes. The tax would implement a 0.1% tax on all taxable sales.

Paragraph 1 of the agreement specifies the distribution formula:

Fifteen percent (15%) shall be distributed to cultural organizations based on recommendations from a seven-member advisory board. The County Commission will be ultimately responsible for distributing these funds.

The remaining eighty five percent (85%) would be distributed $\frac{2}{3}$ rd (67%) based on population and $\frac{1}{3}$ rd (33%) based on point of sale.

Mark and I have briefly analyzed the impact of the tax on Springdale taxable sales. In fiscal year 2013, the Town experienced approximately \$60.6 million in taxable sales. This was calculated based on the sales tax generated by the local option sales tax.

A 0.1% sales tax on \$60.6 million would generate approximately \$60,600 in new tax revenue. The 15% set aside would be about \$9,090, leaving \$51,510 to be split based on population and point of sale. The 33% POS split would result in about \$16,900 in revenue for recreation and cultural organizations and facilities in Springdale. The population based portion of the tax would generate a much smaller amount as Springdale's population is about 0.42% of the County's 125,000 or so population. Depending on the total sales in the County, the population based portion might generate a few hundred dollars.

The agreement will take effect when it is executed by the County and one municipality. I've been told that St. George will approve the agreement, but not when they will do so. The

agreement shall continue until December 31, 2025 when the tax will expire unless renewed by a ballot measure.

It's a matter of speculation whether or not the ballot measure this fall will be approved by the voters. If the voters in the County do not approve the tax, municipalities in the County may submit the question to the voters in the municipality to implement the tax for sales within the Town. I have included pertinent sections of the State code related to submitting the tax to the voters, both in the County and the Town.

Possible Actions

The Council could take action on the agreement at this time, or the Council could wait for another municipality to act. In either situation, the agreement will be ultimately be binding on the County and the Town, and distribution of the tax (if approved) will follow the terms of the agreement.

INTERLOCAL COOPERATION AGREEMENT

THIS AGREEMENT (“Agreement”) is made and entered into by and between Washington County, a political subdivision of the State of Utah (the “County”) and the City of St. George, a Utah municipal corporation (“St. George”), the City of Washington, a Utah municipal corporation (“Washington”), the City of Hurricane, a Utah municipal corporation (“Hurricane”), the City of Santa Clara, a Utah municipal corporation (“Santa Clara”), the City of Ivins, a Utah municipal corporation (“Ivins”), the City of Enterprise, a Utah municipal corporation (“Enterprise”), the City of Toquerville, a Utah municipal corporation (“Toquerville”), the City of LaVerkin, a Utah municipal corporation (“LaVerkin”), the City of Springdale, a Utah municipal corporation (“Springdale”), the Town of Leeds, , a Utah municipal corporation (“Enterprise”), the City of Leeds, a Utah municipal corporation (“Leeds”), the Town of Virgin, a Utah municipal corporation (“Virgin”), the Town of Rockville, a Utah municipal corporation (“Rockville”), the Town of Apple Valley a Utah municipal corporation (“Apple Valley”)the Town of Hildale a Utah municipal corporation (“Hildale”)and the Town of New Harmony a Utah municipal corporation (“New Harmony”). The municipalities shall collectively be referred to as “Municipalities,” and the parties shall collectively be referred to as the “Parties.” The purpose of the Agreement is to establish binding funding distribution guidelines for any revenue derived from a county-wide sales and use tax for funding recreational and cultural organizations and facilities.

RECITALS

- A. A number of Washington County residents have expressed the desire to seek voter approval of a county-wide sales and use tax for funding recreational and cultural organizations and facilities (“RAP tax”) in accordance with Utah Code Section 59-12-701 et seq.;
- B. Determining how such funds would be distributed will allow voters to make an informed decision of whether to approve the proposed RAP tax;
- C. The Parties are authorized under the Utah Interlocal Cooperation Act, Utah Code Section 11-13-215, to enter into this Agreement regarding the sharing of tax revenue;
- D. An interlocal agreement stating how RAP tax funds will be distributed is necessary in order for municipalities to use the revenue to secure funding for recreational and arts projects; and
- E. This distribution of funds described in this Agreement is fair to county residents and will ensure that the cities and county work together to improve recreation, arts, and parks throughout Washington County.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and covenants hereinafter contained, the parties agree as follows:

1. **Distribution of funds.** The distribution of the total revenue collected annually in accordance with Utah Code Section 59-12-701 et seq. (“the Act”) shall be as follows:

(a) Fifteen percent (15%) shall be appropriated for cultural organizations and shall be further distributed by the County as described in Section 3 below; and

(b) The remaining eighty-five percent (85%) shall be distributed to the Parties as described in Section 2 below, for use in accordance with the Act.

2. **Distribution to Parties.** The distribution of the eighty-five percent (85%) under Section 1(b) to the Parties shall be divided as follows:

(a) Sixty-seven percent (67%) (of the eighty-five percent (85%)) shall be divided among the Parties based on the population as determined from the most recent U.S. Census; Washington County's portion shall be based on the population of the unincorporated area of the county;

(b) Thirty-three percent (33%) (of the eighty-five percent (85%)) shall be divided among the Parties based on "point of sale," or in other words based on where the sales and use tax was collected; Washington County's portion shall be based on sales that take place in the unincorporated area of the county.

3. **Distribution to cultural organizations.** The funds appropriated for cultural organizations shall be distributed by the County Commission after it receives recommendations and input from an advisory board. The advisory board shall be comprised of seven-members, appointed by the County Commission,

4. **Term.**

(a) This agreement shall take effect when it is executed by Washington County and one municipality. The term of the Agreement shall end on December 31, 2025, which is when the tax will expire unless renewed through a ballot measure (UCA § 59-12-703(4)(a)(ii)) However, the Agreement will terminate immediately if the RAP tax ballot proposition of 2014 fails.

(b) The Parties intend that the allocations herein of revenues provide a funding source for the projects a party may undertake that will continue throughout the term of any debt obligations issued to finance such project. This Agreement shall be irrevocable and shall continue unmodified through December 31, 2025, unless changed by mutual agreement in writing by each Party.

5. **Governmental Immunity.** The Parties are governmental entities and subject to the Governmental Immunity Act of Utah, Utah Code Ann. § 63G-7-101, et seq. ("Immunity Act"). The Parties agree that they shall only be liable within the parameters of the Immunity Act. Nothing in this Agreement shall be deemed a waiver of any rights, statutory limitations on liability, or defenses applicable to the Parties under the Immunity Act.

6. **Legal Compliance.** The Parties, as part of the consideration herein, shall comply with all applicable federal, state and county laws, and shall indemnify, defend, and hold one another harmless from and against any respective claims, actions, proceedings, damages or losses resulting from or arising as a result of any such failure of compliance.

7. **Interlocal Agreement.** In satisfaction of the requirements of the Interlocal Cooperation Act, Utah Code Ann. § 11-13-101, et seq. (“Interlocal Act”), in connection with this Agreement, the District and the County (for purposes of this section, each a “party” and collectively the “parties”) agree as follows:

(a) This Agreement shall be approved by each party, pursuant to § 11-13-202.5 of the Interlocal Act;

(b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each party, pursuant to § 11-13-202.5 of the Interlocal Act;

(c) A duly executed original counterpart of the Agreement shall be filed with the keeper of records of each party, pursuant to § 11-13-209 of the Interlocal Act;

(d) Each party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs; and

(e) No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be administered by the County Commission and mayors of signatory municipalities acting as a joint board. No real or personal property shall be acquired jointly by the parties as a result of this Agreement. To the extent that a party acquires, holds, and disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such party shall do so in the same manner that it deals with other property of such party.

8. **Counterparts.** This Agreement may be executed in counterparts.

9. **Governing Law.** This Agreement shall be governed by the laws of the State of Utah both as to interpretation and performance.

10. **Integration.** This Agreement embodies the entire agreement between the Parties and shall not be altered except in writing signed by both parties.

[Signatures follow]

CITY OF HURRICANE

John Bramall, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

CITY OF HILDALE

Phillip Barlow, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

CITY OF IVINS

Chris Hart, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

CITY OF LAVERKIN

Kerry Gubler, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

CITY OF SANTA CLARA

Rick Rosenberg, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

CITY OF WASHINGTON

Kenneth Neilson, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

TOWN OF APPLE VALLEY

Richard Moser, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

TOWN OF LEEDS

Wayne Peterson, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

TOWN OF NEW HARMONY

Joel Webster, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

TOWN OF ROCKVILLE

Tracy N. Dutson, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

TOWN OF SPRINGDALE

Stan Smith, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

TOWN OF TOQUERVILLE

Darrin LeFevre, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

TOWN OF VIRGIN

Bruce Densley, Mayor

Date

Approved as to form:

City Attorney

Date

Attorney Printed Name

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

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

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

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

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

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

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

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

(ii) sales and uses within municipalities that have already imposed a sales and use tax under Part 14, City or Town Option Funding For Botanical, Cultural, Recreational, and Zoological Organizations or Facilities; and

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

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

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

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

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

(i) described in Subsection (1); and

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

(b) A county legislative body may revise county ordinances to reflect statutory changes to the distribution formula or eligible recipients of revenues generated from a tax imposed under Subsection (2)(a):

(i) after the county legislative body submits an opinion question to residents of the county in accordance with Subsection (1) giving them the opportunity to express their opinion on the proposed revisions to county ordinances; and

(ii) if the county legislative body determines that a majority of those voting on the opinion question have voted in favor of the revisions.

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

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

(b) to fund ongoing operating expenses of:

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

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

(iii) rural radio stations within the county; and

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

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

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

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

(I) Part 1, Tax Collection; or

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

(B) Chapter 1, General Taxation Policies; and

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) (i) The enactment of a tax takes effect on the first day of the first billing period:

(A) that begins on or after the effective date of the enactment of the tax; and

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax under this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) (i) The enactment of a tax takes effect on the first day of the first billing period:

(A) that begins on or after the effective date of the enactment of the tax; and

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax under this section.

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

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

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

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

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

Amended by Chapter 254, 2012 General Session

59-12-1402. Opinion question election -- Base -- Rate -- Imposition of tax -- Expenditure of revenues -- Enactment or repeal of tax -- Effective date -- Notice requirements.

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

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

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

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

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

(c) Notwithstanding Subsection (1)(a), a city or town legislative body may not impose a tax under this section:

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

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

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

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

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

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

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

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

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

(b) to finance ongoing operating expenses of:

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

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

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

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

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

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

(I) Part 1, Tax Collection; or

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

(B) Chapter 1, General Taxation Policies; and

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

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

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

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

(c) A tax under this section is not subject to Subsections 59-12-205(2) through (6).

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

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

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

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

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

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

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

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

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

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

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

(c) (i) The enactment of a tax takes effect on the first day of the first billing period:

(A) that begins on or after the effective date of the enactment of the tax; and

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax under this section.

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

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

- (A) on the first day of a calendar quarter; and
- (B) beginning 60 days after the effective date of the enactment or repeal under Subsection (5)(b)(i).

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

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

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

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

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

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

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

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

(f) (i) The enactment of a tax takes effect on the first day of the first billing period:

(A) that begins on or after the effective date of the enactment of the tax; and

(B) if the billing period for the transaction begins before the effective date of the enactment of the tax under this section.

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

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

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

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

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

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

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

(ii) receive from the county legislative body:

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

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

(b) (i) Within 60 days after the day the county legislative body receives from a city or town legislative body described in Subsection (6)(a) the notice of the intent to submit an opinion

question to the residents of the city or town, the county legislative body shall provide the city or town legislative body:

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

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

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

(A) a 12-month period;

(B) the next regular primary election; or

(C) the next regular general election.

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

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

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

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

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

Amended by Chapter 254, 2012 General Session