**EMIGRATION CANYON**

ORDINANCE NO. 2025-O-~~XXX~~ 15 DATE: October 28, 2025

**AN ORDINANCE ADOPTING TITLE 3 CHAPTER 13, MUNICIPAL ENERGY USE TAX CODE**

WHEREAS, the Emigration Canyon City Council ("Council") enacted and invoked a municipal energy use tax on September 23, 2025; and

WHEREAS, Utah Code 10-1-3 *et seq* requires municipalities to adopt code language with specific provisions.

NOW THEREFORE, BE IT ORDAINED BY THE EMIGRATION CANYON CITY COUNCIL AS FOLLOWS:

Section 1: Emigration Canyon hereby adopts and enacts the following Title 3, Chapter 13, as outlined in Exhibit A.

Section 2: This Ordinance's Effective Date shall be its date of publication.

[Execution on Following Page]

Exhibit A:

## MUNICIPAL ENERGY SALES AND USE TAX

### 3.13.010 Title of Provisions

The ordinance codified in this chapter shall be known as the "Municipal Energy Sales and Use Tax"

### 3.13.015 DEFINITIONS.

A. "Consumer" means a person who acquires taxable energy for any use that is subject to the municipal energy sales and use tax.

B. "Contractual franchise fee" means:

1. A fee:

   a. Provided for in a franchise agreement; and

   b. That is consideration for the franchise agreement; or

2. A fee similar to subsection (B)(1)(a) of this section; or

3. Any combination of subsection (B)(1)(a) or (B)(1)(b) of this section.

C. "Delivered value" means the fair market value of the taxable energy delivered for sale or use in the municipality and includes:

   a. The value of the energy itself; and

   b. Any transportation, freight, customer demand charges, service charges, or other costs typically incurred in providing taxable energy in usable form to each class of customer in the municipality.

"Delivered value" does not include the amount of a tax paid under Title 59, Chapter 12, Part 1, Tax Collection, Part 2, Local Sales and Use Tax Act, Utah Code Annotated 1953, or this chapter.

D. "De minimis amount" means an amount of taxable energy that does not exceed the greater of:

1. Five percent of the energy supplier's estimated total Utah gross receipts from sales of property or services; or

2. Ten thousand dollars.

E. "Energy supplier" means a person supplying taxable energy, except for persons supplying a de minimis amount of taxable energy, if such persons are excluded by rule promulgated by the State Tax Commission.

F. "Franchise agreement" means a franchise or an ordinance, contract, or agreement

4. Sales or use of taxable energy to a person, if the primary use of the taxable energy is for use in compounding or producing taxable energy or a fuel subject to taxation under Title 59, Chapter 13, Utah Code Annotated 1953;

5. Taxable energy brought into the state by a nonresident for the nonresident's own personal use or enjoyment while within the state, except taxable energy purchased for use in the state by a nonresident living or working in the state at the time of purchase;

6. The sale or use of taxable energy for any purpose other than as a fuel or energy; and

7. The sale of taxable energy for use outside the boundaries of the City.

C. The sale, storage, use, or other consumption of taxable energy is exempt from the municipal energy sales and use tax levied by this chapter, provided:

1. The delivered value of the taxable energy has been subject to a municipal energy sales or use tax levied by another municipality within the state authorized by Title 59, Chapter 12, Part 3, Utah Code Annotated 1953; and

2. The City is paid the difference between the tax paid to the other municipality and the tax that would otherwise be due under this chapter, if the tax due under this chapter exceeds the tax paid to the other municipality.

**3.13.040 No effect upon existing franchises – Credit for franchise fees.**

A. This chapter shall not alter any existing franchise agreements between the City and energy suppliers.

B. There is a credit against the tax due from any consumer in the amount of a contractual franchise fee paid if:

1. The energy supplier pays the contractual franchise fee to the City pursuant to a franchise agreement in effect on July 1, 1997;

2. The contractual franchise fee is passed through by the energy supplier to a consumer as a separately itemized charge; and

3. The energy supplier has accepted the franchise.

**3.13.050 TAX COLLECTION CONTRACT WITH STATE TAX COMMISSION.**

On or before the effective date of the ordinance codified in this chapter, the City shall contract with the State Tax Commission to perform all functions incident to the administration and collection of the municipal energy sales and use tax, in accordance with this chapter, except for functions relating to taxes collected by the City as the energy supplier as provided in Section 10-1-307(3), Utah Code Annotated 1953, as amended 1996. The mayor, with the approval of the functions incident to the administration or operation of this chapter.

D. Any amendments to the provisions of Title 59, Chapter 12, Part 1, Tax Collection, Utah Code Annotated 1953, that relate to levying or collecting a municipal energy sales and use tax and that would be applicable to Emigration Canyon for the purposes of carrying out this chapter are hereby adopted and incorporated herein by reference and shall be effective upon the date that they are effective as a Utah statute.

**3.13.080 NO ADDITIONAL LICENSE TO COLLECT THE MUNICIPAL ENERGY SALES AND USE TAX REQUIRED – NO ADDITIONAL LICENSE OR REPORTING REQUIREMENTS.**

No additional license to collect or report the municipal energy sales and use tax levied by this chapter is required, provided the energy supplier collecting the tax has a license issued under Section 59-12-106, Utah Code Annotated 1953.