

**VIRGIN TOWN**  
ORDINANCE NO. 2026-XX



AN ORDINANCE AMENDING TITLE 4 (GENERAL REVENUE) OF THE VIRGIN TOWN MUNICIPAL CODE TO ADD CHAPTER 2 (MUNICIPAL TELECOMMUNICATIONS LICENSE TAX) THEREBY ESTABLISHING A TAX ON THE GROSS RECEIPTS OF TELECOMMUNICATIONS SERVICE PROVIDERS, SETTING THE RATE FOR SUCH TAX AND ESTABLISHING THE EFFECTIVE DATE OF THE TAX

**RECITALS**

**WHEREAS** pursuant to Utah Code Ann. § 10-1-201 Virgin Town (“the Town”) is a Utah municipal corporations and political subdivision of the State of Utah.

**WHEREAS** pursuant to Utah Code Ann. § 10-3b-401 the Virgin Town Council (“the Town Council”) is the legislative and governing body of the Town.

**WHEREAS** pursuant to Utah Code Ann. § 10-1-401 *et seq.* the State of Utah has adopted an act of legislation entitled the Municipal Telecommunications License Tax Act (“the Act”) whereby municipalities within the State may levy a license tax on Telecommunication Providers’ gross receipts from Telecommunications Service that is provided or utilized within the Town (“Telecommunications Tax”).

**WHEREAS** after careful consideration, the Town Council finds that establishing a Telecommunications Tax authorized by the Act would generate additional revenue for the Town that would better allow it to provide basic municipal services to the residents, property owners, and businesses of the Town.

**WHEREAS** based upon the aforementioned reasons, the Town Council finds that the establishment and levy of a Telecommunications Tax would serve the health, safety and general welfare of the Town and its residents.

**ORDINANCE**

**NOW THEREFORE**, be it hereby ordained and decreed by the Town Council of Virgin Town, State of Utah, as follows:

1. Addition of Chapter 02 to Title 4 Virgin Municipal Code. Title 4 (General Revenue) of the Virgin Municipal Code is hereby amended to include Chapter 02 (Municipal Telecommunications License Tax), which shall read as follows:

*Chapter 4.02 Municipal Telecommunications License Tax*

***4.02.010 – Definitions***

*All words and phrases in this chapter shall have the same meaning given to them in the Municipal Telecommunications License Tax Act (Utah Code Ann. § 10-1-401, et seq.) (“the Act”), specifically Utah Code Ann. § 10-1-402 - with the*

*condition that the term “Municipality” (Utah Code Ann. § 10-1-402(6)) shall mean “Virgin Town” or “the Town”.*

#### **4.02.020 - Levy of Telecommunications Tax**

*A Telecommunications Tax is hereby levied on the gross receipts from Telecommunications Services attributed to the City in accordance with Utah Code Ann. § 10-1-407(1) and subject to the requirements of Utah Code Ann. § 10-1-403.*

#### **4.02.030 – Rate, Rate Increases**

*The rate of the Telecommunications Tax levy shall be 3.5% of the telecommunication provider’s gross receipts from telecommunications services that are attributed to the City in accordance with and subject to the requirements of Utah Code Ann. § 10-1-407.*

#### **4.02.040 - Rate Limitation, Future Increases**

*The Act limits the rate of the Telecommunications Tax a municipality can levy against the Telecommunication Provider’s gross receipts from Telecommunication Service attributed to the Town (“Maximum Rate”). Should the Maximum Rate set forth in the Act increase, the rate of the tax levy set forth in the preceding Section shall automatically increase by the same amount effective the first day of the next calendar quarter thereafter so long as notice is given by the Town to the Utah State Tax Commission (“the Commission”) of the same in compliance with Utah Code Ann. §10-1-403(3)(b)(ii).*

#### **4.02.050 - Interlocal Agreement for Collection of the Tax**

*Prior to the commencement of the Town’s levy of the Telecommunications Tax, the Town shall enter into a Uniform Interlocal Agreement complying with Utah Code Ann. § 10-1-405, under which the Commission collects, enforces, and administers the Telecommunications Tax.*

#### **4.02.060 - Other Taxes and Fees**

*Nothing in this chapter shall be interpreted to repeal any ordinance or fee that provides that the Town may recover from a Telecommunications Provider the management costs of the Town caused by the activities of the Telecommunications Provider in the rights of way of the City if the fee is imposed in accordance with Utah Code section 72-7-102 and is not related to the Town's loss of use of a highway as a result of the activities of the Telecommunications Provider in a right of way, or increased deterioration of a highway as a result of the activities of the Telecommunications Provider in a right of way, nor does this chapter limit the Town's right to charge fees or taxes on persons that are not subject to the Telecommunications Tax under this chapter and locate telecommunications facilities, as defined in Utah Code section 72-7-108, in the Town.*

***4.02.070 - Commencement Date of Tax Levy***

*The Telecommunications Tax shall commence to be levied starting April 1, 2026.*

2. Severability. If any section, clause or portion of this Ordinance is declared invalid by a court of competent jurisdiction, the remainder shall not be affected thereby and shall remain in full force and effect.
3. Conflicts/Repealer. This Ordinance repeals and supersedes the provisions of any prior Town ordinance in conflict herewith.
4. Effective Date. This Ordinance shall become effective immediately upon adoption by the Town Council and execution by the Mayor.

ADOPTED AND APPROVED BY THE VIRGIN TOWN COUNCIL this \_\_\_\_ day of \_\_\_\_\_, 2026 based upon the following vote:

Council Person:

Valerie Wenz	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
April McKeon	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
Paul Luwe	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
James Kietzman	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____
Jean Krause <i>Mayor</i>	AYE	_____	NAE	_____	ABSTAIN	_____	ABSENT	_____

VIRGIN TOWN  
a Utah municipal corporation

ATTEST:

\_\_\_\_\_  
Jean Krause, Mayor

\_\_\_\_\_  
Krystal Percival, Town Clerk