

PUBLIC TRANSIT FUNDING AMENDMENTS

2013 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Joel K. Briscoe

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies and enacts provisions relating to public transit funding.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ increases the authorization amount that a county, city, or town may impose for a local option sales and use tax to fund a system for public transit;
- ▶ provides that \$90,000,000 of the state sales and use tax revenue shall annually be deposited into the Community Clean Air Public Transit Fund rather than the Transportation Investment Fund of 2005;
- ▶ creates the Community Clean Air Public Transit Fund to provide loans or grants to public transit districts for public transit facilities or services that may impact, directly or indirectly, the air quality in the state;
- ▶ creates the Community Clean Air Public Transit Fund Board to prioritize requests for loans or grants for public transit facilities or services that may impact, directly or indirectly, the air quality in the state;
- ▶ grants the Community Clean Air Public Transit Fund Board rulemaking authority for the administration of the Community Clean Air Public Transit Fund;
- ▶ requires the Department of Transportation to make loans or grants from the Community Clean Air Public Transit Fund as prioritized by the Community Clean



28 Air Public Transit Fund Board;

29 ▶ requires the Department of Transportation to make an annual report to the

30 Legislature concerning the number and type of loans and grants made as well as a

31 list of the public transit districts that received this assistance; and

32 ▶ makes technical corrections.

33 **Money Appropriated in this Bill:**

34 None

35 **Other Special Clauses:**

36 This bill provides an effective date.

37 **Utah Code Sections Affected:**

38 AMENDS:

39 **59-12-103 (Superseded 07/01/14)**, as last amended by Laws of Utah 2012, Chapters

40 207, 212, 254, and 255

41 **59-12-103 (Effective 07/01/14)**, as last amended by Laws of Utah 2012, Chapters 207,

42 212, 254, 255, and 424

43 **59-12-2213**, as last amended by Laws of Utah 2011, Chapter 223

44 ENACTS:

45 **72-2-301**, Utah Code Annotated 1953

46 **72-2-302**, Utah Code Annotated 1953

47 **72-2-303**, Utah Code Annotated 1953

48 **72-2-304**, Utah Code Annotated 1953

49 **72-2-305**, Utah Code Annotated 1953



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

52 Section 1. Section **59-12-103 (Superseded 07/01/14)** is amended to read:

53 **59-12-103 (Superseded 07/01/14). Sales and use tax base -- Rates -- Effective dates**

54 **-- Use of sales and use tax revenues.**

55 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or

56 charged for the following transactions:

- 57 (a) retail sales of tangible personal property made within the state;
- 58 (b) amounts paid for:

- 59 (i) telecommunications service, other than mobile telecommunications service, that
- 60 originates and terminates within the boundaries of this state;
- 61 (ii) mobile telecommunications service that originates and terminates within the
- 62 boundaries of one state only to the extent permitted by the Mobile Telecommunications
- 63 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
- 64 (iii) an ancillary service associated with a:
 - 65 (A) telecommunications service described in Subsection (1)(b)(i); or
 - 66 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 67 (c) sales of the following for commercial use:
 - 68 (i) gas;
 - 69 (ii) electricity;
 - 70 (iii) heat;
 - 71 (iv) coal;
 - 72 (v) fuel oil; or
 - 73 (vi) other fuels;
- 74 (d) sales of the following for residential use:
 - 75 (i) gas;
 - 76 (ii) electricity;
 - 77 (iii) heat;
 - 78 (iv) coal;
 - 79 (v) fuel oil; or
 - 80 (vi) other fuels;
- 81 (e) sales of prepared food;
- 82 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 83 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 84 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 85 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 86 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 87 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 88 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 89 horseback rides, sports activities, or any other amusement, entertainment, recreation,

90 exhibition, cultural, or athletic activity;

91 (g) amounts paid or charged for services for repairs or renovations of tangible personal
92 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

93 (i) the tangible personal property; and

94 (ii) parts used in the repairs or renovations of the tangible personal property described
95 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
96 of that tangible personal property;

97 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
98 assisted cleaning or washing of tangible personal property;

99 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
100 accommodations and services that are regularly rented for less than 30 consecutive days;

101 (j) amounts paid or charged for laundry or dry cleaning services;

102 (k) amounts paid or charged for leases or rentals of tangible personal property if within
103 this state the tangible personal property is:

104 (i) stored;

105 (ii) used; or

106 (iii) otherwise consumed;

107 (l) amounts paid or charged for tangible personal property if within this state the
108 tangible personal property is:

109 (i) stored;

110 (ii) used; or

111 (iii) consumed; and

112 (m) amounts paid or charged for a sale:

113 (i) (A) of a product transferred electronically; or

114 (B) of a repair or renovation of a product transferred electronically; and

115 (ii) regardless of whether the sale provides:

116 (A) a right of permanent use of the product; or

117 (B) a right to use the product that is less than a permanent use, including a right:

118 (I) for a definite or specified length of time; and

119 (II) that terminates upon the occurrence of a condition.

120 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax

121 is imposed on a transaction described in Subsection (1) equal to the sum of:

122 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

123 (A) 4.70%; and

124 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
125 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
126 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
127 State Sales and Use Tax Act; and

128 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
129 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
130 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
131 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

132 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
133 transaction under this chapter other than this part.

134 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
135 on a transaction described in Subsection (1)(d) equal to the sum of:

136 (i) a state tax imposed on the transaction at a tax rate of 2%; and

137 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
138 transaction under this chapter other than this part.

139 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
140 on amounts paid or charged for food and food ingredients equal to the sum of:

141 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
142 a tax rate of 1.75%; and

143 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
144 amounts paid or charged for food and food ingredients under this chapter other than this part.

145 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
146 tangible personal property other than food and food ingredients, a state tax and a local tax is
147 imposed on the entire bundled transaction equal to the sum of:

148 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

149 (I) the tax rate described in Subsection (2)(a)(i)(A); and

150 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
151 Sales and Use Tax Act, if the location of the transaction as determined under Sections

152 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
153 Additional State Sales and Use Tax Act; and

154 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
155 Sales and Use Tax Act, if the location of the transaction as determined under Sections
156 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
157 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

158 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
159 described in Subsection (2)(a)(ii).

160 (ii) If an optional computer software maintenance contract is a bundled transaction that
161 consists of taxable and nontaxable products that are not separately itemized on an invoice or
162 similar billing document, the purchase of the optional computer software maintenance contract
163 is 40% taxable under this chapter and 60% nontaxable under this chapter.

164 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
165 transaction described in Subsection (2)(d)(i) or (ii):

166 (A) if the sales price of the bundled transaction is attributable to tangible personal
167 property, a product, or a service that is subject to taxation under this chapter and tangible
168 personal property, a product, or service that is not subject to taxation under this chapter, the
169 entire bundled transaction is subject to taxation under this chapter unless:

170 (I) the seller is able to identify by reasonable and verifiable standards the tangible
171 personal property, product, or service that is not subject to taxation under this chapter from the
172 books and records the seller keeps in the seller's regular course of business; or

173 (II) state or federal law provides otherwise; or

174 (B) if the sales price of a bundled transaction is attributable to two or more items of
175 tangible personal property, products, or services that are subject to taxation under this chapter
176 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
177 higher tax rate unless:

178 (I) the seller is able to identify by reasonable and verifiable standards the tangible
179 personal property, product, or service that is subject to taxation under this chapter at the lower
180 tax rate from the books and records the seller keeps in the seller's regular course of business; or

181 (II) state or federal law provides otherwise.

182 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the

183 seller's regular course of business includes books and records the seller keeps in the regular
184 course of business for nontax purposes.

185 (e) Subject to Subsections (2)(f) and (g), a tax rate repeal or tax rate change for a tax
186 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 187 (i) Subsection (2)(a)(i)(A);
- 188 (ii) Subsection (2)(b)(i);
- 189 (iii) Subsection (2)(c)(i); or
- 190 (iv) Subsection (2)(d)(i)(A)(I).

191 (f) (i) A tax rate increase takes effect on the first day of the first billing period that
192 begins on or after the effective date of the tax rate increase if the billing period for the
193 transaction begins before the effective date of a tax rate increase imposed under:

- 194 (A) Subsection (2)(a)(i)(A);
- 195 (B) Subsection (2)(b)(i);
- 196 (C) Subsection (2)(c)(i); or
- 197 (D) Subsection (2)(d)(i)(A)(I).

198 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
199 statement for the billing period is rendered on or after the effective date of the repeal of the tax
200 or the tax rate decrease imposed under:

- 201 (A) Subsection (2)(a)(i)(A);
- 202 (B) Subsection (2)(b)(i);
- 203 (C) Subsection (2)(c)(i); or
- 204 (D) Subsection (2)(d)(i)(A)(I).

205 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale
206 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
207 or change in a tax rate takes effect:

- 208 (A) on the first day of a calendar quarter; and
- 209 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

210 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:

- 211 (A) Subsection (2)(a)(i)(A);
- 212 (B) Subsection (2)(b)(i);
- 213 (C) Subsection (2)(c)(i); or

214 (D) Subsection (2)(d)(i)(A)(I).
215 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
216 the commission may by rule define the term "catalogue sale."
217 (3) (a) The following state taxes shall be deposited into the General Fund:
218 (i) the tax imposed by Subsection (2)(a)(i)(A);
219 (ii) the tax imposed by Subsection (2)(b)(i);
220 (iii) the tax imposed by Subsection (2)(c)(i); or
221 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
222 (b) The following local taxes shall be distributed to a county, city, or town as provided
223 in this chapter:
224 (i) the tax imposed by Subsection (2)(a)(ii);
225 (ii) the tax imposed by Subsection (2)(b)(ii);
226 (iii) the tax imposed by Subsection (2)(c)(ii); and
227 (iv) the tax imposed by Subsection (2)(d)(i)(B).
228 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
229 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
230 through (g):
231 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
232 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
233 (B) for the fiscal year; or
234 (ii) \$17,500,000.
235 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
236 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
237 Department of Natural Resources to:
238 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
239 protect sensitive plant and animal species; or
240 (B) award grants, up to the amount authorized by the Legislature in an appropriations
241 act, to political subdivisions of the state to implement the measures described in Subsections
242 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
243 (ii) Money transferred to the Department of Natural Resources under Subsection
244 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

245 person to list or attempt to have listed a species as threatened or endangered under the
246 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

247 (iii) At the end of each fiscal year:

248 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
249 Conservation and Development Fund created in Section 73-10-24;

250 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
251 Program Subaccount created in Section 73-10c-5; and

252 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
253 Program Subaccount created in Section 73-10c-5.

254 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
255 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
256 created in Section 4-18-6.

257 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
258 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
259 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
260 water rights.

261 (ii) At the end of each fiscal year:

262 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
263 Conservation and Development Fund created in Section 73-10-24;

264 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
265 Program Subaccount created in Section 73-10c-5; and

266 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
267 Program Subaccount created in Section 73-10c-5.

268 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
269 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
270 Fund created in Section 73-10-24 for use by the Division of Water Resources.

271 (ii) In addition to the uses allowed of the Water Resources Conservation and
272 Development Fund under Section 73-10-24, the Water Resources Conservation and
273 Development Fund may also be used to:

274 (A) conduct hydrologic and geotechnical investigations by the Division of Water
275 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

276 quantifying surface and ground water resources and describing the hydrologic systems of an
277 area in sufficient detail so as to enable local and state resource managers to plan for and
278 accommodate growth in water use without jeopardizing the resource;

279 (B) fund state required dam safety improvements; and

280 (C) protect the state's interest in interstate water compact allocations, including the
281 hiring of technical and legal staff.

282 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
283 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
284 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

285 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
286 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
287 created in Section 73-10c-5 for use by the Division of Drinking Water to:

288 (i) provide for the installation and repair of collection, treatment, storage, and
289 distribution facilities for any public water system, as defined in Section 19-4-102;

290 (ii) develop underground sources of water, including springs and wells; and

291 (iii) develop surface water sources.

292 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
293 2006, the difference between the following amounts shall be expended as provided in this
294 Subsection (5), if that difference is greater than \$1:

295 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
296 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

297 (ii) \$17,500,000.

298 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

299 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
300 credits; and

301 (B) expended by the Department of Natural Resources for watershed rehabilitation or
302 restoration.

303 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
304 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
305 created in Section 73-10-24.

306 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the

307 remaining difference described in Subsection (5)(a) shall be:

308 (A) transferred each fiscal year to the Division of Water Resources as dedicated
309 credits; and

310 (B) expended by the Division of Water Resources for cloud-seeding projects
311 authorized by Title 73, Chapter 15, Modification of Weather.

312 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
313 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
314 created in Section 73-10-24.

315 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
316 remaining difference described in Subsection (5)(a) shall be deposited into the Water
317 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
318 Division of Water Resources for:

319 (i) preconstruction costs:

320 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
321 26, Bear River Development Act; and

322 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
323 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

324 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
325 Chapter 26, Bear River Development Act;

326 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
327 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

328 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
329 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

330 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
331 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be
332 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
333 incurred for employing additional technical staff for the administration of water rights.

334 (f) At the end of each fiscal year, any unexpended dedicated credits described in
335 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
336 Fund created in Section 73-10-24.

337 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

338 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
339 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
340 the Transportation Fund created by Section 72-2-102.

341 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
342 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section
343 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
344 by a 1/64% tax rate on the taxable transactions under Subsection (1).

345 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
346 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,
347 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
348 created by Section 72-2-124:

349 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
350 the revenues collected from the following taxes, which represents a portion of the
351 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
352 on vehicles and vehicle-related products:

- 353 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 354 (B) the tax imposed by Subsection (2)(b)(i);
- 355 (C) the tax imposed by Subsection (2)(c)(i); and
- 356 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

357 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
358 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through
359 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
360 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

361 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of
362 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total
363 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)
364 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
365 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
366 (8)(a) equal to the product of:

- 367 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the
368 previous fiscal year; and

369 (B) the total sales and use tax revenue generated by the taxes described in Subsections
370 (8)(a)(i)(A) through (D) in the current fiscal year.

371 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
372 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes
373 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of
374 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
375 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

376 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
377 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited
378 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues
379 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the
380 current fiscal year under Subsection (8)(a).

381 (9) Notwithstanding Subsection (3)(a), ~~[and in addition to the amounts deposited under~~
382 ~~Subsections (7) and (8);]~~ for a fiscal year beginning on or after July 1, ~~[2012]~~ 2013, the
383 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes
384 listed under Subsection (3)(a) into the ~~[Transportation Investment Fund of 2005 created by~~
385 ~~Section 72-2-124]~~ Community Clean Air Public Transit Fund created in Section 72-2-303.

386 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
387 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
388 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

389 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
390 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
391 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
392 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
393 transactions described in Subsection (1).

394 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
395 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
396 charged for food and food ingredients, except for tax revenue generated by a bundled
397 transaction attributable to food and food ingredients and tangible personal property other than
398 food and food ingredients described in Subsection (2)(d).

399 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection

400 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
401 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
402 .025% tax rate on the transactions described in Subsection (1) to be expended to address
403 chokepoints in construction management.

404 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
405 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
406 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
407 and food ingredients and tangible personal property other than food and food ingredients
408 described in Subsection (2)(d).

409 Section 2. Section **59-12-103 (Effective 07/01/14)** is amended to read:

410 **59-12-103 (Effective 07/01/14). Sales and use tax base -- Rates -- Effective dates --**
411 **Use of sales and use tax revenues.**

412 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
413 charged for the following transactions:

414 (a) retail sales of tangible personal property made within the state;

415 (b) amounts paid for:

416 (i) telecommunications service, other than mobile telecommunications service, that
417 originates and terminates within the boundaries of this state;

418 (ii) mobile telecommunications service that originates and terminates within the
419 boundaries of one state only to the extent permitted by the Mobile Telecommunications
420 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

421 (iii) an ancillary service associated with a:

422 (A) telecommunications service described in Subsection (1)(b)(i); or

423 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

424 (c) sales of the following for commercial use:

425 (i) gas;

426 (ii) electricity;

427 (iii) heat;

428 (iv) coal;

429 (v) fuel oil; or

430 (vi) other fuels;

- 431 (d) sales of the following for residential use:
- 432 (i) gas;
- 433 (ii) electricity;
- 434 (iii) heat;
- 435 (iv) coal;
- 436 (v) fuel oil; or
- 437 (vi) other fuels;
- 438 (e) sales of prepared food;
- 439 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 440 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 441 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 442 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 443 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 444 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 445 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 446 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 447 exhibition, cultural, or athletic activity;
- 448 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 449 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 450 (i) the tangible personal property; and
- 451 (ii) parts used in the repairs or renovations of the tangible personal property described
- 452 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 453 of that tangible personal property;
- 454 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 455 assisted cleaning or washing of tangible personal property;
- 456 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 457 accommodations and services that are regularly rented for less than 30 consecutive days;
- 458 (j) amounts paid or charged for laundry or dry cleaning services;
- 459 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 460 this state the tangible personal property is:
- 461 (i) stored;

462 (ii) used; or
463 (iii) otherwise consumed;
464 (l) amounts paid or charged for tangible personal property if within this state the
465 tangible personal property is:
466 (i) stored;
467 (ii) used; or
468 (iii) consumed; and
469 (m) amounts paid or charged for a sale:
470 (i) (A) of a product transferred electronically; or
471 (B) of a repair or renovation of a product transferred electronically; and
472 (ii) regardless of whether the sale provides:
473 (A) a right of permanent use of the product; or
474 (B) a right to use the product that is less than a permanent use, including a right:
475 (I) for a definite or specified length of time; and
476 (II) that terminates upon the occurrence of a condition.
477 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
478 is imposed on a transaction described in Subsection (1) equal to the sum of:
479 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
480 (A) 4.70%; and
481 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
482 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
483 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
484 State Sales and Use Tax Act; and
485 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
486 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
487 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
488 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
489 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
490 transaction under this chapter other than this part.
491 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
492 on a transaction described in Subsection (1)(d) equal to the sum of:

- 493 (i) a state tax imposed on the transaction at a tax rate of 2%; and
494 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
495 transaction under this chapter other than this part.
- 496 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
497 on amounts paid or charged for food and food ingredients equal to the sum of:
- 498 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
499 a tax rate of 1.75%; and
- 500 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
501 amounts paid or charged for food and food ingredients under this chapter other than this part.
- 502 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
503 tangible personal property other than food and food ingredients, a state tax and a local tax is
504 imposed on the entire bundled transaction equal to the sum of:
- 505 (A) a state tax imposed on the entire bundled transaction equal to the sum of:
- 506 (I) the tax rate described in Subsection (2)(a)(i)(A); and
507 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
508 Sales and Use Tax Act, if the location of the transaction as determined under Sections
509 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
510 Additional State Sales and Use Tax Act; and
- 511 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
512 Sales and Use Tax Act, if the location of the transaction as determined under Sections
513 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
514 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 515 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
516 described in Subsection (2)(a)(ii).
- 517 (ii) If an optional computer software maintenance contract is a bundled transaction that
518 consists of taxable and nontaxable products that are not separately itemized on an invoice or
519 similar billing document, the purchase of the optional computer software maintenance contract
520 is 40% taxable under this chapter and 60% nontaxable under this chapter.
- 521 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
522 transaction described in Subsection (2)(d)(i) or (ii):
- 523 (A) if the sales price of the bundled transaction is attributable to tangible personal

524 property, a product, or a service that is subject to taxation under this chapter and tangible
525 personal property, a product, or service that is not subject to taxation under this chapter, the
526 entire bundled transaction is subject to taxation under this chapter unless:

527 (I) the seller is able to identify by reasonable and verifiable standards the tangible
528 personal property, product, or service that is not subject to taxation under this chapter from the
529 books and records the seller keeps in the seller's regular course of business; or

530 (II) state or federal law provides otherwise; or

531 (B) if the sales price of a bundled transaction is attributable to two or more items of
532 tangible personal property, products, or services that are subject to taxation under this chapter
533 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
534 higher tax rate unless:

535 (I) the seller is able to identify by reasonable and verifiable standards the tangible
536 personal property, product, or service that is subject to taxation under this chapter at the lower
537 tax rate from the books and records the seller keeps in the seller's regular course of business; or

538 (II) state or federal law provides otherwise.

539 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
540 seller's regular course of business includes books and records the seller keeps in the regular
541 course of business for nontax purposes.

542 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
543 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
544 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
545 of tangible personal property, other property, a product, or a service that is not subject to
546 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
547 the seller, at the time of the transaction:

548 (A) separately states the portion of the transaction that is not subject to taxation under
549 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

550 (B) is able to identify by reasonable and verifiable standards, from the books and
551 records the seller keeps in the seller's regular course of business, the portion of the transaction
552 that is not subject to taxation under this chapter.

553 (ii) A purchaser and a seller may correct the taxability of a transaction if:

554 (A) after the transaction occurs, the purchaser and the seller discover that the portion of

555 the transaction that is not subject to taxation under this chapter was not separately stated on an
556 invoice, bill of sale, or similar document provided to the purchaser because of an error or
557 ignorance of the law; and

558 (B) the seller is able to identify by reasonable and verifiable standards, from the books
559 and records the seller keeps in the seller's regular course of business, the portion of the
560 transaction that is not subject to taxation under this chapter.

561 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
562 in the seller's regular course of business includes books and records the seller keeps in the
563 regular course of business for nontax purposes.

564 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
565 personal property, products, or services that are subject to taxation under this chapter at
566 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
567 unless the seller, at the time of the transaction:

568 (A) separately states the items subject to taxation under this chapter at each of the
569 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

570 (B) is able to identify by reasonable and verifiable standards the tangible personal
571 property, product, or service that is subject to taxation under this chapter at the lower tax rate
572 from the books and records the seller keeps in the seller's regular course of business.

573 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
574 seller's regular course of business includes books and records the seller keeps in the regular
575 course of business for nontax purposes.

576 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
577 rate imposed under the following shall take effect on the first day of a calendar quarter:

578 (i) Subsection (2)(a)(i)(A);

579 (ii) Subsection (2)(b)(i);

580 (iii) Subsection (2)(c)(i); or

581 (iv) Subsection (2)(d)(i)(A)(I).

582 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
583 begins on or after the effective date of the tax rate increase if the billing period for the
584 transaction begins before the effective date of a tax rate increase imposed under:

585 (A) Subsection (2)(a)(i)(A);

- 586 (B) Subsection (2)(b)(i);
- 587 (C) Subsection (2)(c)(i); or
- 588 (D) Subsection (2)(d)(i)(A)(I).
- 589 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 590 statement for the billing period is rendered on or after the effective date of the repeal of the tax
- 591 or the tax rate decrease imposed under:
 - 592 (A) Subsection (2)(a)(i)(A);
 - 593 (B) Subsection (2)(b)(i);
 - 594 (C) Subsection (2)(c)(i); or
 - 595 (D) Subsection (2)(d)(i)(A)(I).
- 596 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
- 597 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
- 598 change in a tax rate takes effect:
 - 599 (A) on the first day of a calendar quarter; and
 - 600 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 601 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
 - 602 (A) Subsection (2)(a)(i)(A);
 - 603 (B) Subsection (2)(b)(i);
 - 604 (C) Subsection (2)(c)(i); or
 - 605 (D) Subsection (2)(d)(i)(A)(I).
- 606 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 607 the commission may by rule define the term "catalogue sale."
- 608 (3) (a) The following state taxes shall be deposited into the General Fund:
 - 609 (i) the tax imposed by Subsection (2)(a)(i)(A);
 - 610 (ii) the tax imposed by Subsection (2)(b)(i);
 - 611 (iii) the tax imposed by Subsection (2)(c)(i); or
 - 612 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 613 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 614 in this chapter:
 - 615 (i) the tax imposed by Subsection (2)(a)(ii);
 - 616 (ii) the tax imposed by Subsection (2)(b)(ii);

617 (iii) the tax imposed by Subsection (2)(c)(ii); and
618 (iv) the tax imposed by Subsection (2)(d)(i)(B).
619 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
620 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
621 through (g):
622 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
623 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
624 (B) for the fiscal year; or
625 (ii) \$17,500,000.
626 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
627 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
628 Department of Natural Resources to:
629 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
630 protect sensitive plant and animal species; or
631 (B) award grants, up to the amount authorized by the Legislature in an appropriations
632 act, to political subdivisions of the state to implement the measures described in Subsections
633 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
634 (ii) Money transferred to the Department of Natural Resources under Subsection
635 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
636 person to list or attempt to have listed a species as threatened or endangered under the
637 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
638 (iii) At the end of each fiscal year:
639 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
640 Conservation and Development Fund created in Section 73-10-24;
641 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
642 Program Subaccount created in Section 73-10c-5; and
643 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
644 Program Subaccount created in Section 73-10c-5.
645 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
646 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
647 created in Section 4-18-6.

648 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
649 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
650 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
651 water rights.

652 (ii) At the end of each fiscal year:

653 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
654 Conservation and Development Fund created in Section 73-10-24;

655 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
656 Program Subaccount created in Section 73-10c-5; and

657 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
658 Program Subaccount created in Section 73-10c-5.

659 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
660 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
661 Fund created in Section 73-10-24 for use by the Division of Water Resources.

662 (ii) In addition to the uses allowed of the Water Resources Conservation and
663 Development Fund under Section 73-10-24, the Water Resources Conservation and
664 Development Fund may also be used to:

665 (A) conduct hydrologic and geotechnical investigations by the Division of Water
666 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
667 quantifying surface and ground water resources and describing the hydrologic systems of an
668 area in sufficient detail so as to enable local and state resource managers to plan for and
669 accommodate growth in water use without jeopardizing the resource;

670 (B) fund state required dam safety improvements; and

671 (C) protect the state's interest in interstate water compact allocations, including the
672 hiring of technical and legal staff.

673 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
674 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
675 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

676 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
677 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
678 created in Section 73-10c-5 for use by the Division of Drinking Water to:

679 (i) provide for the installation and repair of collection, treatment, storage, and
680 distribution facilities for any public water system, as defined in Section 19-4-102;
681 (ii) develop underground sources of water, including springs and wells; and
682 (iii) develop surface water sources.

683 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
684 2006, the difference between the following amounts shall be expended as provided in this
685 Subsection (5), if that difference is greater than \$1:

686 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
687 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
688 (ii) \$17,500,000.

689 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

690 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
691 credits; and
692 (B) expended by the Department of Natural Resources for watershed rehabilitation or
693 restoration.

694 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
695 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
696 created in Section 73-10-24.

697 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
698 remaining difference described in Subsection (5)(a) shall be:

699 (A) transferred each fiscal year to the Division of Water Resources as dedicated
700 credits; and
701 (B) expended by the Division of Water Resources for cloud-seeding projects
702 authorized by Title 73, Chapter 15, Modification of Weather.

703 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
704 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
705 created in Section 73-10-24.

706 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
707 remaining difference described in Subsection (5)(a) shall be deposited into the Water
708 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
709 Division of Water Resources for:

- 710 (i) preconstruction costs:
- 711 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
- 712 26, Bear River Development Act; and
- 713 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
- 714 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 715 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
- 716 Chapter 26, Bear River Development Act;
- 717 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
- 718 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
- 719 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
- 720 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).
- 721 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
- 722 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be
- 723 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
- 724 incurred for employing additional technical staff for the administration of water rights.
- 725 (f) At the end of each fiscal year, any unexpended dedicated credits described in
- 726 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
- 727 Fund created in Section 73-10-24.
- 728 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 729 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
- 730 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
- 731 the Transportation Fund created by Section 72-2-102.
- 732 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
- 733 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section
- 734 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
- 735 by a 1/64% tax rate on the taxable transactions under Subsection (1).
- 736 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
- 737 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,
- 738 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
- 739 created by Section 72-2-124:
- 740 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of

741 the revenues collected from the following taxes, which represents a portion of the
742 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
743 on vehicles and vehicle-related products:

- 744 (A) the tax imposed by Subsection (2)(a)(i)(A);
 - 745 (B) the tax imposed by Subsection (2)(b)(i);
 - 746 (C) the tax imposed by Subsection (2)(c)(i); and
 - 747 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus
- 748 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
749 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through
750 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
751 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

752 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of
753 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total
754 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)
755 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
756 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
757 (8)(a) equal to the product of:

758 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the
759 previous fiscal year; and

760 (B) the total sales and use tax revenue generated by the taxes described in Subsections
761 (8)(a)(i)(A) through (D) in the current fiscal year.

762 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
763 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes
764 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of
765 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
766 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

767 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
768 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited
769 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues
770 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the
771 current fiscal year under Subsection (8)(a).

772 (9) Notwithstanding Subsection (3)(a), ~~[and in addition to the amounts deposited under~~
773 ~~Subsections (7) and (8);]~~ for a fiscal year beginning on or after July 1, ~~[2012]~~ 2013, the
774 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes
775 listed under Subsection (3)(a) into the ~~[Transportation Investment Fund of 2005 created by~~
776 ~~Section 72-2-124]~~ Community Clean Air Public Transit Fund created in Section 72-2-303.

777 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
778 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
779 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

780 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
781 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
782 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
783 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
784 transactions described in Subsection (1).

785 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
786 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
787 charged for food and food ingredients, except for tax revenue generated by a bundled
788 transaction attributable to food and food ingredients and tangible personal property other than
789 food and food ingredients described in Subsection (2)(d).

790 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
791 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
792 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
793 .025% tax rate on the transactions described in Subsection (1) to be expended to address
794 chokepoints in construction management.

795 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
796 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
797 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
798 and food ingredients and tangible personal property other than food and food ingredients
799 described in Subsection (2)(d).

800 Section 3. Section **59-12-2213** is amended to read:

801 **59-12-2213. County, city, or town option sales and use tax to fund a system for**
802 **public transit -- Base -- Rate.**

803 (1) Subject to the other provisions of this part, a county, city, or town may impose a
804 sales and use tax under this section of up to:

805 (a) for a county, city, or town other than a county, city, or town described in Subsection
806 (1)(b), [~~.25%~~] .45% on the transactions described in Subsection 59-12-103(1) located within
807 the county, city, or town to fund a system for public transit; or

808 (b) for a county, city, or town within which a tax is not imposed under Section
809 59-12-2216, [~~.30%~~] .50% on the transactions described in Subsection 59-12-103(1) located
810 within the county, city, or town, to fund a system for public transit.

811 (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
812 required to submit an opinion question to the county's, city's, or town's registered voters in
813 accordance with Section 59-12-2208 to impose a sales and use tax under this section if the
814 county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July
815 1, 2011.

816 Section 4. Section **72-2-301** is enacted to read:

817 **Part 3. Community Clean Air Public Transit Fund Act**

818 **72-2-301. Title.**

819 This part is known as the "Community Clean Air Public Transit Fund Act."

820 Section 5. Section **72-2-302** is enacted to read:

821 **72-2-302. Definitions.**

822 As used in this section:

823 (1) "Transit Fund" means the Community Clean Air Public Transit Fund created in
824 Section 72-2-303.

825 (2) "Board" means the Community Clean Air Public Transit Fund Board created in
826 Section 72-2-304.

827 (3) "Public transit district" means a public transit district created in Title 17B, Chapter
828 2a, Part 8, Public Transit District Act.

829 Section 6. Section **72-2-303** is enacted to read:

830 **72-2-303. Community Clean Air Public Transit Fund.**

831 (1) There is created an enterprise fund entitled the "Community Clean Air Public
832 Transit Fund."

833 (2) The fund shall consist of:

- 834 (a) all amounts transferred into the transit fund under Section 59-12-103;
- 835 (b) all amounts received for the repayment of loans made by the department under this
- 836 part;
- 837 (c) all other money appropriated or otherwise made available to the transit fund by the
- 838 Legislature;
- 839 (d) federal money and grants that are deposited into the fund; and
- 840 (e) contributions or grants from any other private or public sources for deposit into the
- 841 fund.

- 842 (3) The state treasurer shall:
- 843 (a) invest the money in the transit fund by following the procedures and requirements
- 844 of Title 51, Chapter 7, State Money Management Act; and
- 845 (b) deposit all interest or other earnings derived from those investments into the transit
- 846 fund.
- 847 (4) The amounts in the transit fund available for loans, grants, administrative costs, or
- 848 other purposes of this part shall be limited to that which the Legislature appropriates for these
- 849 purposes.

- 850 (5) Money in the transit fund shall be used by the department, as prioritized by the
- 851 board, only to:
- 852 (a) provide public transit district loans or grants for public transit facilities or services
- 853 that may impact, directly or indirectly, the air quality in the state; and
- 854 (b) pay the department for the costs of administering the transit fund, providing loans
- 855 or grants in accordance with this part, and obtaining repayments of loans.
- 856 (6) The money described in this section shall be used for loans or grants to public
- 857 transit districts in accordance with the requirements of this part.

858 Section 7. Section **72-2-304** is enacted to read:
859 **72-2-304. Community Clean Air Public Transit Fund Board created -- Members**
860 **-- Terms -- Chair -- Expenses.**

- 861 (1) There is created within the department the Community Clean Air Public Transit
- 862 Fund Board composed of 15 members as follows:
- 863 (a) the chair of a public transit district board with more than 200,000 people residing
- 864 within the public transit district's boundaries, or the chair's designee;

865 (b) the executive director, or the executive director's designee, of each of the following:

866 (i) the Wasatch Front Regional Council;

867 (ii) the Mountainland Association of Governments;

868 (iii) the Bear River Association of Governments;

869 (iv) the Utah League of Cities and Towns; and

870 (v) the Utah Association of Counties;

871 (c) one representative from a rural association of governments, appointed by the
872 governor;

873 (d) one representative from an environmental organization, appointed by the governor;

874 (e) one representative from the general public, appointed by the governor;

875 (f) three senators, appointed by the president of the Senate, with at least one senator
876 from the minority party; and

877 (g) three representatives, appointed by the speaker of the House of Representatives,
878 with at least one representative from the minority party.

879 (2) (a) The members appointed under Subsection (1) shall be appointed for a four-year
880 term of office.

881 (b) When a vacancy occurs in the membership for any reason, the replacement shall be
882 appointed for the unexpired term.

883 (3) The chair of a public transit district board described in Subsection (1)(a) is the chair
884 of the board.

885 (4) The department shall provide staff support to the board.

886 (5) (a) A majority of the members of the board constitutes a quorum.

887 (b) Action by a majority vote of a quorum of the board constitutes action by the board.

888 (6) A member may not receive compensation or benefits for the member's service, but
889 may receive per diem and travel expenses in accordance with:

890 (a) Section 63A-3-106;

891 (b) Section 63A-3-107; and

892 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
893 63A-3-107.

894 Section 8. Section **72-2-305** is enacted to read:

895 **72-2-305. Board duties -- Loans and grants.**

- 896 (1) The board shall:
- 897 (a) prioritize requests for grants and loans from public transit districts for public transit
898 facilities or services that may impact, directly or indirectly, the air quality in the state for:
- 899 (i) planning;
- 900 (ii) construction and maintenance of public transit facilities; and
- 901 (iii) provision of public transit services;
- 902 (b) establish the criteria by which the loans and grants will be made;
- 903 (c) determine the order in which projects will be funded;
- 904 (d) in conjunction with other agencies of the state, subdivisions, or interlocal agencies,
905 conduct studies, investigations, and research into the effects of proposed public transit projects
906 upon air pollution within local communities;
- 907 (e) apply for, accept, and administer grants, gifts, loans, or other funds from:
- 908 (i) the federal government; and
- 909 (ii) other sources, public or private;
- 910 (f) establish criteria for determining eligibility for assistance under this part; and
- 911 (g) consider recommendations from the commission, metropolitan planning
912 organizations as defined in Section 72-1-208.5, and the Air Quality Board created in Section
913 19-2-103 when awarding grants or loans under this part.
- 914 (2) In order to receive assistance under this part, a public transit district shall submit a
915 formal application containing the information that the board requires.
- 916 (3) In determining eligibility for loans and grants under this part, the board shall
917 consider the following:
- 918 (a) the public transit district's existing facilities and existing public transit routes;
- 919 (b) the feasibility of the public transit facility or service to be provided and the impact
920 that the proposed public transit facility or service will have on a community's air pollution,
921 directly or indirectly;
- 922 (c) current taxes being paid by the public transit district's residents;
- 923 (d) the borrowing capacity of the public transit district, including:
- 924 (i) its ability and willingness to sell bonds or other securities in the open market; and
- 925 (ii) its current and authorized indebtedness;
- 926 (e) all possible additional sources of state and local revenue, including current local

927 option sales and use tax revenues and fares imposed by public transit districts;
928 (f) the availability of federal assistance funds; and
929 (g) probable growth of population within the public transit district boundaries.
930 (4) The board shall:
931 (a) review the proposed uses of the public transit fund for loans or grants before
932 approving them and may condition its approval on whatever assurances the board considers
933 necessary to ensure that proceeds of the loan or grant will be used in accordance with this part;
934 and
935 (b) ensure that each loan specifies the terms for repayment and is evidenced by general
936 obligation, special assessment, or revenue bonds, notes, or other obligations of the appropriate
937 public transit district issued to the board under whatever authority for the issuance of those
938 bonds, notes, or obligations exists at the time of the loan.
939 (5) The board shall allocate from the transit fund to the department those funds that are
940 appropriated by the Legislature for the administration of the public transit fund, but this amount
941 may not exceed .5% of the annual receipts to the public transit fund.
942 (6) The board shall make rules under Title 63G, Chapter 3, Utah Administrative
943 Rulemaking Act, it considers necessary to perform its responsibilities under this part.
944 (7) The department shall make an annual report to the Legislature concerning the
945 number and type of loans and grants made as well as a list of the public transit districts that
946 received this assistance.
947 **Section 9. Effective date.**
948 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2013.
949 (2) The actions affecting Section 59-12-103 (Effective 07/01/14) take effect on July 1,
950 2014.

Legislative Review Note
as of 3-6-13 10:33 AM

Office of Legislative Research and General Counsel