

**WATER FUNDING REVISIONS**

2016 GENERAL SESSION

STATE OF UTAH

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**LONG TITLE****General Description:**

This bill modifies provisions relating to water funding.

**Highlighted Provisions:**

This bill:

- ▶ provides that certain sales and use tax revenue that was deposited in the Transportation Fund shall be deposited in the Water Infrastructure Restricted Account; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-103**, as last amended by Laws of Utah 2015, Chapter 283

**72-2-107**, as last amended by Laws of Utah 2010, Chapter 391

**73-10g-103**, as enacted by Laws of Utah 2015, Chapter 458

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

Section 1. Section **59-12-103** is amended to read:

**59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.**

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

- (a) retail sales of tangible personal property made within the state;
- (b) amounts paid for:
  - (i) telecommunications service, other than mobile telecommunications service, that

33 originates and terminates within the boundaries of this state;

34 (ii) mobile telecommunications service that originates and terminates within the

35 boundaries of one state only to the extent permitted by the Mobile Telecommunications

36 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

37 (iii) an ancillary service associated with a:

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

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

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

41 (i) gas;

42 (ii) electricity;

43 (iii) heat;

44 (iv) coal;

45 (v) fuel oil; or

46 (vi) other fuels;

47 (d) sales of the following for residential use:

48 (i) gas;

49 (ii) electricity;

50 (iii) heat;

51 (iv) coal;

52 (v) fuel oil; or

53 (vi) other fuels;

54 (e) sales of prepared food;

55 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or

56 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,

57 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

58 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit

59 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf

60 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,

61 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,

62 horseback rides, sports activities, or any other amusement, entertainment, recreation,

63 exhibition, cultural, or athletic activity;

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

66 (i) the tangible personal property; and

67 (ii) parts used in the repairs or renovations of the tangible personal property described  
68 in Subsection (1)(g)(i), regardless of whether:

69 (A) any parts are actually used in the repairs or renovations of that tangible personal  
70 property; or

71 (B) the particular parts used in the repairs or renovations of that tangible personal  
72 property are exempt from a tax under this chapter;

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

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

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

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

80 (i) stored;

81 (ii) used; or

82 (iii) otherwise consumed;

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

85 (i) stored;

86 (ii) used; or

87 (iii) consumed; and

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

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

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

91 (ii) regardless of whether the sale provides:

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

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

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

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

96 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
97 is imposed on a transaction described in Subsection (1) equal to the sum of:

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

99 (A) 4.70%; and

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

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

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

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

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

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

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

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

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

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

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

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

126 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
127 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
128 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
129 Additional State Sales and Use Tax Act; and

130 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
131 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
132 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
133 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

157 (II) state or federal law provides otherwise.

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

161 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
162 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
163 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
164 of tangible personal property, other property, a product, or a service that is not subject to  
165 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
166 the seller, at the time of the transaction:

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

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

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

173 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
174 the transaction that is not subject to taxation under this chapter was not separately stated on an  
175 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
176 ignorance of the law; and

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

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

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

187 (A) separately states the items subject to taxation under this chapter at each of the

188 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

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

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

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

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

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

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

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

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

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

205 (B) Subsection (2)(b)(i);

206 (C) Subsection (2)(c)(i); or

207 (D) Subsection (2)(d)(i)(A)(I).

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

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

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

- 219 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 220 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
- 221 (A) Subsection (2)(a)(i)(A);
- 222 (B) Subsection (2)(b)(i);
- 223 (C) Subsection (2)(c)(i); or
- 224 (D) Subsection (2)(d)(i)(A)(I).
- 225 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 226 the commission may by rule define the term "catalogue sale."
- 227 (3) (a) The following state taxes shall be deposited into the General Fund:
- 228 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 229 (ii) the tax imposed by Subsection (2)(b)(i);
- 230 (iii) the tax imposed by Subsection (2)(c)(i); or
- 231 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 232 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 233 in this chapter:
- 234 (i) the tax imposed by Subsection (2)(a)(ii);
- 235 (ii) the tax imposed by Subsection (2)(b)(ii);
- 236 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 237 (iv) the tax imposed by Subsection (2)(d)(i)(B).
- 238 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 239 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
- 240 through (g):
- 241 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 242 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 243 (B) for the fiscal year; or
- 244 (ii) \$17,500,000.
- 245 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 246 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
- 247 Department of Natural Resources to:
- 248 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
- 249 protect sensitive plant and animal species; or

250 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
251 act, to political subdivisions of the state to implement the measures described in Subsections  
252 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

253 (ii) Money transferred to the Department of Natural Resources under Subsection  
254 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
255 person to list or attempt to have listed a species as threatened or endangered under the  
256 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

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

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

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

264 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
265 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
266 created in Section 4-18-106.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

301 (iii) develop surface water sources.

302 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
303 2006, the difference between the following amounts shall be expended as provided in this  
304 Subsection (5), if that difference is greater than \$1:

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

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

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

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

311 (B) expended by the Department of Natural Resources for watershed rehabilitation or

312 restoration.

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

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

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

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

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

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

329 (i) preconstruction costs:

330 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
331 26, Bear River Development Act; and

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

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

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

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

340 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
341 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be  
342 transferred each year as dedicated credits to the Division of Water Rights to cover the costs

343 incurred for employing additional technical staff for the administration of water rights.

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

347 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
348 ~~[2003]~~ 2016, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a  
349 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be  
350 deposited in the ~~[Transportation Fund created by Section 72-2-102]~~ Water Infrastructure  
351 Restricted Account created in Section 73-10g-103.

352 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
353 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section  
354 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
355 by a 1/64% tax rate on the taxable transactions under Subsection (1).

356 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
357 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,  
358 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
359 created by Section 72-2-124:

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

- 364 (A) the tax imposed by Subsection (2)(a)(i)(A);  
365 (B) the tax imposed by Subsection (2)(b)(i);  
366 (C) the tax imposed by Subsection (2)(c)(i); and  
367 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

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

372 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of  
373 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total

374 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)  
375 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
376 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
377 (8)(a) equal to the product of:

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

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

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

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

392 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
393 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of  
394 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under  
395 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section  
396 72-2-124.

397 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
398 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
399 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

400 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),  
401 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July  
402 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
403 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the  
404 transactions described in Subsection (1).

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

410 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection  
411 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the  
412 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a  
413 .025% tax rate on the transactions described in Subsection (1) to be expended to address  
414 chokepoints in construction management.

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

420 (13) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
421 fiscal year during which the Division of Finance receives notice under Subsection  
422 63N-2-510(3) that construction on a qualified hotel, as defined in Section 63N-2-502, has  
423 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit  
424 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel  
425 Impact Mitigation Fund, created in Section 63N-2-512.

426 (14) Notwithstanding Subsections (4) through (13), an amount required to be expended  
427 or deposited in accordance with Subsections (4) through (13) may not include an amount the  
428 Division of Finance deposits in accordance with Section 59-12-103.2.

429 Section 2. Section **72-2-107** is amended to read:

430 **72-2-107. Appropriation from Transportation Fund -- Deposit in class B and**  
431 **class C roads account.**

432 (1) There is appropriated to the department from the Transportation Fund annually an  
433 amount equal to 30% of an amount which the director of finance shall compute in the  
434 following manner: The total revenue deposited into the Transportation Fund during the fiscal  
435 year from state highway-user taxes and fees, minus[~~-(a)~~] those amounts appropriated or

436 transferred from the Transportation Fund during the same fiscal year to:

437       ~~[(i)]~~ (a) the Department of Public Safety;

438       ~~[(ii)]~~ (b) the State Tax Commission;

439       ~~[(iii)]~~ (c) the Division of Finance;

440       ~~[(iv)]~~ (d) the Utah Travel Council; and

441       ~~[(v)]~~ (e) any other amounts appropriated or transferred for any other state agencies not

442 a part of the department~~;~~ ~~and (b) the amount of sales and use tax revenue deposited in the~~

443 ~~Transportation Fund in accordance with Section 59-12-103].~~

444       (2) (a) Except as provided in Subsection (2)(b), all of this money shall be placed in an  
445 account to be known as the class B and class C roads account to be used as provided in this  
446 title.

447       (b) The director of finance shall annually transfer \$500,000 of the amount calculated  
448 under Subsection (1) to the department as dedicated credits for the State Park Access Highways  
449 Improvement Program created in Section 72-3-207.

450       (3) Each quarter of every year the director of finance shall make the necessary  
451 accounting entries to transfer the money appropriated under this section to the class B and class  
452 C roads account.

453       (4) The funds in the class B and class C roads account shall be expended under the  
454 direction of the department as the Legislature shall provide.

455       Section 3. Section **73-10g-103** is amended to read:

456       **73-10g-103. Creation of the Water Infrastructure Restricted Account.**

457       (1) (a) There is created a restricted account in the General Fund known as the "Water  
458 Infrastructure Restricted Account."

459       (b) The restricted account shall earn interest.

460       (2) The restricted account consists of money generated from the following sources:

461       ~~(a) the sales and use tax revenue deposited into the fund in accordance with Section~~  
462 59-12-103;

463       ~~[(a)]~~ (b) voluntary contributions made to the division for the construction, operation, or  
464 maintenance of state water projects;

465       ~~[(b)]~~ (c) appropriations made to the fund by the Legislature; and

466       ~~[(c)]~~ (d) interest earned on the restricted account.

467           (3) Subject to appropriation, the division and the board shall manage the restricted  
468 account created in Subsection (1) in accordance with this chapter.

469           Section 4. **Effective date.**

470           This bill takes effect on July 1, 2016.