

1                   **SALES AND USE TAX ALLOCATIONS FOR WATER**

2                                   **RESOURCES FUNDING**

3   2013 GENERAL SESSION

4   STATE OF UTAH

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6 **LONG TITLE**

7 **General Description:**

8           This bill allocates certain sales and use tax revenues to the Water Resources  
9           Conservation and Development Fund.

10 **Highlighted Provisions:**

- 11           This bill:
- 12           ▶ allocates certain sales and use tax revenues to the Water Resources Conservation  
13           and Development Fund;
  - 14           ▶ modifies the funding sources for the Water Resources Conservation and  
15           Development Fund to include the sales and use tax allocations; and
  - 16           ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18           None

19 **Other Special Clauses:**

20           This bill takes effect on July 1, 2014.

21 **Utah Code Sections Affected:**

22 AMENDS:

23           **59-12-103 (Effective 07/01/14)**, as last amended by Laws of Utah 2012, Chapters 207,  
24           212, 254, 255, and 424

25           **59-12-1201**, as last amended by Laws of Utah 2012, Chapter 121

26           **73-10-25**, as last amended by Laws of Utah 1991, First Special Session, Chapter 4

27           **73-10-31**, as enacted by Laws of Utah 1996, Chapter 199

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

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

31           **59-12-103 (Effective 07/01/14). Sales and use tax base -- Rates -- Effective dates --**

32 **Use of sales and use tax revenues.**

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

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

36 (b) amounts paid for:

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

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

42 (iii) an ancillary service associated with a:

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

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

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

46 (i) gas;

47 (ii) electricity;

48 (iii) heat;

49 (iv) coal;

50 (v) fuel oil; or

51 (vi) other fuels;

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

53 (i) gas;

54 (ii) electricity;

55 (iii) heat;

56 (iv) coal;

57 (v) fuel oil; or

58 (vi) other fuels;

59 (e) sales of prepared food;

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

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

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

63 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
64 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
65 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
66 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
67 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
68 exhibition, cultural, or athletic activity;

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

71 (i) the tangible personal property; and

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

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

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

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

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

82 (i) stored;

83 (ii) used; or

84 (iii) otherwise consumed;

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

87 (i) stored;

88 (ii) used; or

89 (iii) consumed; and

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

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

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

93 (ii) regardless of whether the sale provides:

- 94 (A) a right of permanent use of the product; or
- 95 (B) a right to use the product that is less than a permanent use, including a right:
- 96 (I) for a definite or specified length of time; and
- 97 (II) that terminates upon the occurrence of a condition.
- 98 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 99 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 100 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 101 (A) 4.70%; and
- 102 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 103 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 104 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
- 105 State Sales and Use Tax Act; and
- 106 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 107 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 108 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
- 109 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 110 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 111 transaction under this chapter other than this part.
- 112 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 113 on a transaction described in Subsection (1)(d) equal to the sum of:
- 114 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 115 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 116 transaction under this chapter other than this part.
- 117 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 118 on amounts paid or charged for food and food ingredients equal to the sum of:
- 119 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
- 120 a tax rate of 1.75%; and
- 121 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 122 amounts paid or charged for food and food ingredients under this chapter other than this part.
- 123 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
- 124 tangible personal property other than food and food ingredients, a state tax and a local tax is

125 imposed on the entire bundled transaction equal to the sum of:

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

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

128 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
129 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
130 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
131 Additional State Sales and Use Tax Act; and

132 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
133 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
134 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
135 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

159 (II) state or federal law provides otherwise.

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

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

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

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

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

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

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

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

185 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible  
186 personal property, products, or services that are subject to taxation under this chapter at

187 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
188 unless the seller, at the time of the transaction:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

217 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is

218 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or  
219 change in a tax rate takes effect:

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

221 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

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

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

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

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

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

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

229 (3) (a) The following state taxes shall be deposited into the General Fund:

230 (i) the tax imposed by Subsection (2)(a)(i)(A);

231 (ii) the tax imposed by Subsection (2)(b)(i);

232 (iii) the tax imposed by Subsection (2)(c)(i); or

233 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

234 (b) The following local taxes shall be distributed to a county, city, or town as provided  
235 in this chapter:

236 (i) the tax imposed by Subsection (2)(a)(ii);

237 (ii) the tax imposed by Subsection (2)(b)(ii);

238 (iii) the tax imposed by Subsection (2)(c)(ii); and

239 (iv) the tax imposed by Subsection (2)(d)(i)(B).

240 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
241 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
242 through (g):

243 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

244 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

245 (B) for the fiscal year; or

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

247 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

248 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the



249 Department of Natural Resources to:

250 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
251 protect sensitive plant and animal species; or

252 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
253 act, to political subdivisions of the state to implement the measures described in Subsections  
254 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

303 (iii) develop surface water sources.

304 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
305 2006, the difference between the following amounts shall be expended as provided in this  
306 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

331 (i) preconstruction costs:

332 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
333 26, Bear River Development Act; and

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

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

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

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

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

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

349 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
350 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
351 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
352 the Transportation Fund created by Section 72-2-102.

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

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

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

365 (A) the tax imposed by Subsection (2)(a)(i)(A);

366 (B) the tax imposed by Subsection (2)(b)(i);

367 (C) the tax imposed by Subsection (2)(c)(i); and

368 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

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

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

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

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

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

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

393 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
394 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of  
395 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under  
396 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section  
397 72-2-124.

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

401 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),  
402 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July  
403 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005

404 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the  
405 transactions described in Subsection (1).

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

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

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

421 (13) Notwithstanding Subsection (3)(a), beginning on July 1, 2016, the Division of  
422 Finance shall annually deposit a portion of the taxes listed in Subsection (3)(a) into the Water  
423 Resources Conservation and Development Fund created in Section 73-10-24 in an amount  
424 equal to 15% of the growth in the amount of revenues collected in the current fiscal year from  
425 the sales and use taxes described in Subsection (3)(a) that exceeds the revenues collected from  
426 the sales and use taxes described in Subsection (3)(a) in fiscal year 2010-11.

427 Section 2. Section **59-12-1201** is amended to read:

428 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
429 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

430 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all  
431 short-term leases and rentals of motor vehicles not exceeding 30 days.

432 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
433 fees and taxes imposed on rentals of motor vehicles.

434 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax

435 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

436 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
437 take effect on the first day of the first billing period:

438 (A) that begins after the effective date of the tax rate increase; and

439 (B) if the billing period for the transaction begins before the effective date of a tax rate  
440 increase imposed under Subsection (1).

441 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
442 rate decrease shall take effect on the first day of the last billing period:

443 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
444 and

445 (B) if the billing period for the transaction begins before the effective date of the repeal  
446 of the tax or the tax rate decrease imposed under Subsection (1).

447 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

448 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

449 (b) the motor vehicle is rented as a personal household goods moving van; or

450 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
451 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
452 insurance agreement.

453 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
454 enforced in accordance with:

455 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
456 Tax Collection; and

457 (B) Chapter 1, General Taxation Policies.

458 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
459 Subsections 59-12-103(4) through ~~[(12)]~~ (13) or Section 59-12-107.1 or 59-12-123.

460 (b) The commission shall retain and deposit an administrative charge in accordance  
461 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

462 (c) Except as provided under Subsection (4)(b), all revenue received by the  
463 commission under this section shall be deposited daily with the state treasurer and credited  
464 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

465 Section 3. Section **73-10-25** is amended to read:

466 **73-10-25. Contents of fund -- Investment -- Contributions.**

467 (1) The Water Resources Conservation and Development Fund consists of:

468 (a) money appropriated to it by the Legislature;

469 (b) money deposited in accordance with Section 59-12-103;

470 [~~(b)~~] (c) money received from the sale of project water and power, less operating and  
471 maintenance costs;

472 [~~(c)~~] (d) annual payments on contracts for projects constructed under Section 73-10-24  
473 or the State Water Conservation Program; and

474 [~~(d)~~] (e) other money or tax revenues designated by the Legislature to be credited to the  
475 Water Resources Conservation and Development Fund.

476 (2) All money deposited into the Water Resources Conservation and Development  
477 Fund shall be invested by the state treasurer with interest accruing to the Water Resources  
478 Conservation and Development Fund, except for payments, if any, necessary to comply with  
479 Section 148(f), Internal Revenue Code of 1986.

480 (3) Contributions of money, property, or equipment may be received from any political  
481 subdivision of the state, federal agency, water users' association, person, or corporation for use  
482 in carrying out the purposes of Section 73-10-24.

483 Section 4. Section **73-10-31** is amended to read:

484 **73-10-31. Allocation of funds for credit enhancement and interest buy-down**  
485 **agreements.**

486 (1) Of the combined expenditures from the Water Resources Cities Water Loan Fund  
487 and Water Resources Conservation and Development Fund authorized by the Board of Water  
488 Resources each year, at least 10% shall be allocated for credit enhancement and interest  
489 buy-down agreements.

490 (2) The requirement specified in Subsection (1) shall apply only so long as sales and  
491 use tax is transferred to the Water Resources Conservation and Development Fund as provided  
492 in [~~Section~~] Subsections 59-12-103(4) and (5).

493 Section 5. **Effective date.**

494 This bill takes effect on July 1, 2014.