

Representative Kevin S. Garn proposes the following substitute bill:

**DISTRIBUTION OF OLYMPIC SPECIAL REVENUE
FUND MONIES AND SALES AND USE TAXES**

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Michael G. Waddoups

This act modifies the Utah Sports Authority Act and the Sales and Use Tax Act. The act modifies disbursement from the Olympic Special Revenue Fund. The act diverts certain sales and use taxes to the Centennial Highway Fund to offset costs associated with the Legacy Parkway delay, for mass transit development, and for environmental mitigation.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

59-12-204, as last amended by Chapters 2 and 253, Laws of Utah 2000

59-12-205, as last amended by Chapters 2, 253 and 318, Laws of Utah 2000

63A-7-113, as last amended by Chapter 115, Laws of Utah 2000

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

Section 1. Section **59-12-204** is amended to read:

59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of tax revenues.

(1) The tax ordinance adopted pursuant to this part shall impose a tax upon those transactions listed in Subsection 59-12-103(1).

(2) (a) Except as provided in Subsections (2)(b) and (c), (6)(b) and (c), and 59-12-205(2), such tax ordinance shall include a provision imposing a tax upon every transaction listed in Subsection 59-12-103(1) made within a county, including areas contained within the cities and towns thereof at the rate of 3/4% or any fractional part of such 3/4% of the purchase price paid or charged.



26 (b) (i) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2) shall
27 include a provision prohibiting a county, city, or town from imposing a tax under this section on:

28 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses are
29 exempt from taxation under Section 59-12-104; and

30 (B) subject to Subsection (2)(b)(ii), any amounts paid or charged by a vendor that collects
31 a tax under Subsection 59-12-107(1)(b) unless all of the counties, cities, and towns in the state
32 impose the tax under this section.

33 (ii) Notwithstanding Subsection (2)(a), if a county, city, or town imposes a tax under
34 Subsection (2)(b)(i)(B), the tax ordinance under this Subsection (2) shall include a provision that
35 the tax rate is equal to the lowest tax rate imposed by a county, city, or town under this section.

36 (c) (i) Notwithstanding Section 59-12-205, a tax ordinance under this Subsection (2) shall
37 include a provision prohibiting a county, city, or town from imposing a tax under Section
38 59-12-205 on:

39 (A) the sales and uses described in Section 59-12-104 to the extent the sales and uses are
40 exempt from taxation under Section 59-12-104; and

41 (B) subject to Subsection (2)(c)(ii), any amounts paid or charged by a vendor that collects
42 a tax under Subsection 59-12-107(1)(b) unless all of the counties, cities, and towns in the state
43 impose the tax under Section 59-12-205.

44 (ii) Notwithstanding Section 59-12-205, if a county, city, or town imposes a tax under
45 Subsection (2)(c)(i)(B), the tax ordinance under this Subsection (2) shall include a provision that
46 the tax rate is equal to the lowest tax rate imposed by a county, city, or town under Section
47 59-12-205.

48 (3) Such tax ordinance shall include provisions substantially the same as those contained
49 in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the name of the
50 county as the taxing agency shall be substituted for that of the state where necessary for the
51 purpose of this part and that an additional license is not required if one has been or is issued under
52 Section 59-12-106.

53 (4) Such tax ordinance shall include a provision that the county shall contract, prior to the
54 effective date of the ordinance, with the commission to perform all functions incident to the
55 administration or operation of the ordinance.

56 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other

57 consumption of tangible personal property, the purchase price or the cost of which has been subject
58 to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any
59 county, city, or town in any other county in this state, shall be exempt from the tax due under this
60 ordinance.

61 (6) Such tax ordinance shall include a provision that any person subject to the provisions
62 of a city or town sales and use tax shall be exempt from the county sales and use tax if the city or
63 town sales and use tax is levied under an ordinance including provisions in substance as follows:

64 (a) a provision imposing a tax upon every transaction listed in Section 59-12-103 made
65 within the city or town at the rate imposed by the county in which it is situated pursuant to
66 Subsection (2);

67 (b) (i) notwithstanding Subsection (2)(a), and subject to Subsection (6)(b)(ii), a provision
68 prohibiting the city or town from imposing a tax under this section on any amounts paid or charged
69 by a vendor that collects a tax under Subsection 59-12-107(1)(b) unless all of the counties, cities,
70 and towns in the state impose a tax under this section; and

71 (ii) notwithstanding Subsection (2)(a), if a city or town imposes a tax under Subsection
72 (6)(b)(i), a provision that the tax rate is equal to the lowest tax rate imposed by a county, city, or
73 town under this section;

74 (c) (i) notwithstanding Section 59-12-205 and subject to Subsection (6)(c)(ii), a provision
75 prohibiting the city or town from imposing a tax under Section 59-12-205 on any amounts paid
76 or charged by a vendor that collects a tax under Subsection 59-12-107(1)(b) unless all of the
77 counties, cities, and towns in the state impose a tax under Section 59-12-205; and

78 (ii) notwithstanding Section 59-12-205, if a city or town imposes a tax under Subsection
79 (6)(c)(i), a provision that the tax rate is equal to the lowest tax rate imposed by a county, city, or
80 town under Section 59-12-205;

81 (d) provisions substantially the same as those contained in Part 1, Tax Collection, insofar
82 as they relate to sales and use taxes, except that the name of the city or town as the taxing agency
83 shall be substituted for that of the state where necessary for the purposes of this part;

84 (e) a provision that the city or town shall contract prior to the effective date of the city or
85 town sales and use tax ordinance with the commission to perform all functions incident to the
86 administration or operation of the sales and use tax ordinance of the city or town;

87 (f) a provision that the sale, storage, use, or other consumption of tangible personal

88 property, the gross receipts from the sale of or the cost of which has been subject to sales or use
89 tax under a sales and use tax ordinance enacted in accordance with this part by any county other
90 than the county in which the city or town is located, or city or town in this state, shall be exempt
91 from the tax; and

92 (g) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not be
93 included as a part of the purchase price paid or charged for a taxable item.

94 (7) (a) Notwithstanding any other provision of this section, from January 1, 1990, through
95 June 30, 1999, the commission shall determine and retain the amount of revenue generated by a
96 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in
97 Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A,
98 Chapter 7, Utah Sports Authority Act.

99 (b) Except for sales and use taxes deposited under Subsections (7)(c) and (d), beginning
100 on July 1, 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (7)(a)
101 shall be retained by the county, city, or town levying a tax under this section.

102 (c) Notwithstanding any other provision of this section, beginning on July 1, 1999, the
103 commission shall:

104 (i) determine and retain the portion of the sales and use tax imposed under this section:

105 (A) by a city or town that will have constructed within its boundaries the Airport to
106 University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub.
107 L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

108 (B) that is equal to the revenues generated by a 1/64% tax rate; and

109 (ii) deposit the revenues described in Subsection (7)(c)(i) in the Airport to University of
110 Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes described in
111 Section 17A-2-1064.

112 (d) Notwithstanding any other provision of this section, beginning July 1, 2000, the
113 commission shall:

114 (i) determine and retain the portion of sales and use tax imposed under this section:

115 (A) by each county and by each city and town within that county whose legislative body
116 consents by resolution to the commission's retaining and depositing sales and use tax revenues as
117 provided in this Subsection (7)(d); and

118 (B) that is equal to the revenues generated by a 1/64% tax rate;

119 (ii) deposit the revenues described in Subsection (7)(d)(i) into a special fund of the county,
120 or a city, town, or other political subdivision of the state located within that county, that has issued
121 bonds to finance sports or recreational facilities or that is leasing sports or recreational facilities,
122 in order to repay those bonds or to pay the lease payments; and

123 (iii) continue to deposit those revenues into the special fund only as long as the bonds or
124 leases are outstanding.

125 (e) Notwithstanding any other provision of this section, beginning on July 1, 2002, the
126 commission shall:

127 (i) determine and retain the portion of the sales and use tax imposed under this section:

128 (A) by a city with a population in excess of 150,000; and

129 (B) that is equal to the revenues generated by a 1/64% tax rate; and

130 (ii) deposit the revenues described in Subsection (7)(e)(i) in the Centennial Highway Fund
131 created in Section 72-2-118, to be used to offset the costs associated with the delay in construction
132 of the Legacy Parkway, for mass transit development, and for environmental mitigation.

133 (8) If a county, city, or town imposes a tax under this section on any amounts paid or
134 charged by a vendor that collects a tax under Subsection 59-12-107(1)(b), the revenues generated
135 by the tax shall be distributed as provided in Subsection 59-12-103(3)(c).

136 Section 2. Section **59-12-205** is amended to read:

137 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of tax**
138 **revenues.**

139 (1) Each county, city, and town, in order to maintain in effect sales and use tax ordinances
140 adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of any applicable
141 provisions of Part 1, Tax Collection, adopt amendments of their respective sales and use tax
142 ordinances to conform with the amendments to Part 1, Tax Collection, insofar as they relate to
143 sales and use taxes.

144 (2) (a) Any county, city, or town may distribute its sales or use tax revenues by means
145 other than point of sale or use by notifying the commission in writing of such decision, no later
146 than 30 days before commencement of the next tax accrual period.

147 (b) Except as provided in Subsections 59-12-204(2)(b) and (c) and (6)(b) and (c), after
148 such notice is given, beginning on January 1, 1990 a county, city, or town may increase the tax
149 authorized by this part to a total of 1% of the purchase price paid or charged.

150 (c) Except as provided in Subsections (2)(d), (3), and (4):

151 (i) 50% of each dollar collected from the sales and use tax authorized by this part shall be
152 paid to each county, city, and town providing notice under this section, based upon the percentage
153 that the population of the county, city, or town bears to the total population of all such entities
154 providing notice under this section; and

155 (ii) 50% of each dollar collected from the sales and use tax authorized by this part shall
156 be paid to each county, city, and town providing notice under this section, based upon the point
157 of sale or use of the transaction.

158 (d) Notwithstanding Subsection (2)(c), if a county, city, or town imposes a tax under this
159 section on any amounts paid or charged by a vendor that collects a tax under Subsection
160 59-12-107(1)(b), the revenues generated by the tax shall be distributed as provided in Subsection
161 59-12-103(3)(c).

162 (3) (a) Notwithstanding any provision of Subsection (2), a county, city, or town that has
163 given notice under this section may not receive a tax revenue distribution less than 3/4 of 1% of
164 the taxable sales within its boundaries.

165 (b) The commission shall proportionally reduce quarterly distributions to any county, city,
166 or town, which, but for the reduction, would receive a distribution in excess of 1% beginning
167 January 1, 1990, of the sales and use tax revenue collected within its boundaries.

168 (4) (a) Notwithstanding any other provision of this section, from January 1, 1990, through
169 June 30, 1999, the commission shall determine and retain the amount of revenue generated by a
170 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in
171 Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A,
172 Chapter 7, Utah Sports Authority Act.

173 (b) Except for sales and use taxes deposited under Subsections (4)(c) and (d), beginning
174 on July 1, 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (4)(a)
175 shall be distributed to each county, city, and town as provided in this section.

176 (c) Notwithstanding any other provision of this section, beginning on July 1, 1999, the
177 commission shall:

178 (i) determine and retain the portion of the sales and use tax imposed under this section:

179 (A) by a city or town that will have constructed within its boundaries the Airport to
180 University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub.

181 L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

182 (B) that is equal to the revenues generated by a 1/64% tax rate; and

183 (ii) deposit the revenues described in Subsection (4)(c)(i) in the Airport to University of
184 Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes described in
185 Section 17A-2-1064.

186 (d) Notwithstanding any other provision of this section, beginning July 1, 2000, the
187 commission shall:

188 (i) determine and retain the portion of sales and use tax imposed under this section:

189 (A) by each county and by each city and town within that county whose legislative body
190 consents by resolution to the commission's retaining and depositing sales and use tax revenues as
191 provided in this Subsection (4)(d); and

192 (B) that is equal to the revenues generated by a 1/64% tax rate;

193 (ii) deposit the revenues described in Subsection (4)(d)(i) into a special fund of the county,
194 or a city, town, or other political subdivision of the state located within that county, that has issued
195 bonds to finance sports or recreational facilities or that is leasing sports or recreational facilities,
196 in order to repay those bonds or to pay the lease payments; and

197 (iii) continue to deposit those revenues into the special fund only as long as the bonds or
198 leases are outstanding.

199 (e) Notwithstanding any other provision of this section, beginning on July 1, 2002, the
200 commission shall:

201 (i) determine and retain the portion of the sales and use tax imposed under this section:

202 (A) by a city with a population in excess of 150,000; and

203 (B) that is equal to the revenues generated by a 1/64% tax rate; and

204 (ii) deposit the revenues described in Subsection (4)(e)(i) in the Centennial Highway Fund
205 created in Section 72-2-118, to be used to offset the costs associated with the delay in construction
206 of the Legacy Parkway, for mass transit development, and for environmental mitigation.

207 (5) (a) Population figures for purposes of this section shall be based on the most recent
208 official census or census estimate of the United States Census Bureau.

209 (b) If a needed population estimate is not available from the United States Census Bureau,
210 population figures shall be derived from the estimate from the Utah Population Estimates
211 Committee created by executive order of the governor.

212 (6) The population of a county for purposes of this section shall be determined solely from
213 the unincorporated area of the county.

214 Section 3. Section **63A-7-113** is amended to read:

215 **63A-7-113. Disbursement of the Olympic Special Revenue Fund.**

216 (1) As used in this section:

217 (a) "Base sales and use tax amount" means the first \$59,000,000 deposited in the Olympic
218 Special Revenue Fund under Subsection 59-12-103(4);

219 (b) "Olympics Special Revenue Fund" means the fund or funds created under Subsection
220 59-12-103(4); and

221 (c) "Proportionate share" means the percentage of the total sales and use taxes deposited
222 under Subsection 59-12-103(4) that are generated by a county or municipality.

223 (2) [~~Beginning~~] Except as provided in Subsection (3), on August 30, 1999, the monies in
224 the Olympic Special Revenue Fund shall be distributed as follows:

225 (a) on or before August 30, 1999, each county or municipality described in Subsections
226 (2)(b) and (c) shall receive the county's or municipality's proportionate share of:

227 (i) the sales and use taxes in excess of the base sales and use tax amount; and

228 (ii) interest on the amounts described in Subsection (2)(a)(i) for the period beginning on
229 the day on which the sales and use taxes deposited into the Olympic Special Revenue Fund equal
230 the base amount and ending on the day on which the disbursement is made to the county or
231 municipality;

232 (b) on or before March 15, 2002, each county or municipality other than a county or
233 municipality described in Subsection (2)(c) shall receive the county's or municipality's
234 proportionate share of amounts deposited into the Olympic Special Revenue Fund by a public
235 sports entity as reimbursement of sales and use taxes deposited under Subsection 59-12-103(4);
236 and

237 (c) by no later than May 5, 2003, there may be distributed to any county or municipality
238 that has entered into an indemnification agreement with the state regarding risks related to the
239 Winter Olympic Games of 2002:

240 (i) the proportionate share of amounts deposited into the Olympic Special Revenue Fund
241 by a public sports entity as reimbursement of sales and use taxes deposited under Subsection
242 59-12-103(4); and

243 (ii) interest on the amounts described in Subsection (2)(c)(i) for the period beginning on
244 March 15, 2002, and ending on the day on which the disbursement is made to the county or
245 municipality; and

246 (d) any monies in the Olympic Special Revenue Fund after the disbursement under
247 Subsection (2)(c) shall be deposited in the General Fund.

248 (3) Notwithstanding the provisions of Subsection (2), all monies which would otherwise
249 be disbursed to cities with a population in excess of 150,000 under the provisions of Subsection
250 (2) shall instead be deposited in the Centennial Highway Fund created in Section 72-2-118, to be
251 used to offset the costs associated with the delay in the construction of the Legacy Parkway, for
252 mass transit development, and for environmental mitigation.