

**AIRPORT TO UNIVERSITY OF UTAH LIGHT
RAIL RESTRICTED ACCOUNT AMENDMENTS**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: David Ure

This act modifies the Utah Public Transit District Act and the Sales and Use Tax Act to end the deposit of certain local sales and use tax revenues in the Airport to University of Utah Light Rail Restricted Account. The act requires the Division of Finance to distribute any revenues in the Airport to University of Utah Light Rail Restricted Account to each city or town that has constructed within the boundaries of the city or town any portion of the Airport to University of Utah Light Rail. The act makes technical changes.

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

AMENDS:

17A-2-1064, as last amended by Chapter 253, Laws of Utah 2000

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

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

Section 1. Section **17A-2-1064** is amended to read:

**17A-2-1064. Airport to University of Utah Light Rail Restricted Account --
Creation -- Use of revenues -- Distribution of revenues.**

(1) There is created within the General Fund a restricted account known as the "Airport to University of Utah Light Rail Restricted Account."

(2) The account shall be funded from the portion of the sales and use tax under Sections 59-12-204 and 59-12-205 that is:

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

(b) equal to the revenues generated by a 1/64% tax rate on the taxable transactions

under Subsection 59-12-103(1).

(3) The Utah State Tax Commission shall deposit the revenues described in Subsection (2) into the account.

(4) The account shall earn interest which shall be deposited into the account.

(5) (a) [~~A~~] Except as provided in Subsection (6), a district may use the revenues in the account for a purpose described in Subsection (5)(b) if:

(i) more than 200,000 people reside within the district boundaries; and

(ii) the district receives a grant or a loan under 49 U.S.C. Sec. 5309:

(A) for the Airport to University of Utah Light Rail project described in the Transportation Equity Act for the 21st Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

(B) before the construction of the Airport to University of Utah Light Rail project described in Subsection (5)(a)(ii)(A) is completed.

(b) Subsection (5)(a) applies to:

(i) maintaining the Airport to University of Utah Light Rail described in Subsection (5)(a)(ii)(A); or

(ii) operating the Airport to University of Utah Light Rail described in Subsection (5)(a)(ii)(A).

(6) Notwithstanding Subsection (5), on or before June 30, 2003, the Division of Finance shall distribute any revenues in the Airport to University of Utah Light Rail Restricted Account to each city or town that has constructed within its boundaries any portion of the Airport to University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107.

Section 2. 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.

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

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

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

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

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

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

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

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

(3) Such tax ordinance shall include provisions substantially the same as those contained

in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the name of the county as the taxing agency shall be substituted for that of the state where necessary for the purpose of this part and that an additional license is not required if one has been or is issued under Section 59-12-106.

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

(5) Such tax ordinance shall include a provision that the sale, storage, use, or other consumption of tangible personal property, the purchase price or the cost of which has been subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any county, city, or town in any other county in this state, shall be exempt from the tax due under this ordinance.

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

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

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

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

(c) (i) notwithstanding Section 59-12-205 and subject to Subsection (6)(c)(ii), a provision prohibiting the city or town from imposing a tax under Section 59-12-205 on any amounts paid or charged by a vendor that collects a tax under Subsection 59-12-107(1)(b) unless

all of the counties, cities, and towns in the state impose a tax under Section 59-12-205; and

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

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

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

(f) a provision that the sale, storage, use, or other consumption of tangible personal property, the gross receipts from the sale of or the cost of which has been subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this part by any county other than the county in which the city or town is located, or city or town in this state, shall be exempt from the tax; and

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

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

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

(c) Notwithstanding any other provision of this section, beginning on July 1, 1999, through May 5, 2003, the commission shall:

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

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

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

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

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

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

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

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

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

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

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

Section 3. Section **59-12-205** is amended to read:

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

(1) Each county, city, and town, in order to maintain in effect sales and use tax ordinances adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of

any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as they relate to sales and use taxes.

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

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

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

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

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

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

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

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

(4) (a) Notwithstanding any other provision of this section, from January 1, 1990,

through June 30, 1999, the commission shall determine and retain the amount of revenue generated by a 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds provided for in Subsection 59-12-103(4) for the purposes of the Utah Sports Authority described in Title 63A, Chapter 7, Utah Sports Authority Act.

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

(c) Notwithstanding any other provision of this section, beginning on July 1, 1999, through May 5, 2003, the commission shall:

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

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

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

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

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

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

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

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

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

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

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

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

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