

Representative Rebecca D. Lockhart proposes the following substitute bill:

TRANSPORTATION INVESTMENT ACT

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Rebecca D. Lockhart

LONG TITLE

General Description:

This bill modifies the Motor Vehicles Code, the Sales and Use Tax Act, the Motor and Special Fuel Tax Act, the State Appropriations and Tax Limitation Act, and the Transportation Code by amending provisions to increase funding for transportation.

Highlighted Provisions:

This bill:

- ▶ creates the Transportation Investment Fund of 2005 to pay the costs of maintenance, construction, reconstruction, or renovation to state and federal highways and directs sales and use taxes to the fund;
- ▶ redesignates the Centennial Highway Fund as a restricted account within the Transportation Investment Fund of 2005;
- ▶ transfers the Centennial Highway Fund revenue sources to the Transportation Investment Fund of 2005 when the highway general obligation bonds for the Centennial Highway Fund have been paid off;
- ▶ provides that a certain amount of sales and use tax revenue shall be transferred annually to the Centennial Highway Fund;
- ▶ provides that a certain amount of sales and use tax revenue shall be transferred annually to the Transportation Investment Fund of 2005;
- ▶ provides that ~~H→~~ [\$70,000,000] \$90,000,000 ~~←H~~ of the revenues deposited in the Transportation



26 Investment Fund of 2005 shall annually be transferred to the Centennial Highway Fund
27 Restricted Account ~~H~~→ until the highway general obligation bonds for the Centennial Highway
27a Fund have been paid off ←~~H~~ ;

- 28 ▶ exempts the Transportation Investment Fund of 2005 from spending limit
- 29 provisions; and
- 30 ▶ makes technical changes.

31 **Monies Appropriated in this Bill:**

32 ~~H~~→ [~~None~~] This bill appropriates:

- 32a • (\$179,594,700) from the General Fund to the Centennial Highway Program; and
- 32b • \$30,000,000 from the General Fund to the Transportation Investment Fund of 2005,
- 32c for fiscal year 2005-06 only. ←~~H~~

33 **Other Special Clauses:**

34 This bill takes effect on July 1, 2005.

35 **Utah Code Sections Affected:**

36 AMENDS:

- 37 **41-1a-1201**, as last amended by Chapters 1 and 212, Laws of Utah 2003
- 38 **59-12-103 (Effective 07/01/05)**, as last amended by Chapter 1, Laws of Utah 2004,
- 39 Third Special Session
- 40 **59-13-304**, as last amended by Chapter 7, Laws of Utah 2003
- 41 **63-38c-103**, as last amended by Chapter 318, Laws of Utah 2004
- 42 **72-2-118**, as last amended by Chapter 147, Laws of Utah 2000

43 ENACTS:

44 **72-2-124**, Utah Code Annotated 1953



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

47 Section 1. Section **41-1a-1201** is amended to read:

48 **41-1a-1201. Disposition of fees.**

49 (1) All fees received and collected under this part shall be transmitted daily to the state
50 treasurer.

51 (2) Except as provided in Subsections (3), (4), and (6), and Sections 41-1a-422,
52 41-1a-1220, and 41-1a-1221, all fees collected under this part shall be deposited in the
53 Transportation Fund.

54 (3) (a) Funds generated under Subsections 41-1a-1211(1)(a), (6)(a), and (7) and
55 Section 41-1a-1212 may be used by the commission as a dedicated credit to cover the costs

56 incurred in issuing license plates under Part 4, License Plates and Registration Indicia.

57 (b) Fees for statehood centennial license plates shall be collected and deposited in the
58 Transportation Fund, less production and administrative costs incurred by the commission.

59 (4) All funds available to the commission for purchase and distribution of license
60 plates and decals are nonlapsing.

61 (5) Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of the
62 commission in enforcing and administering this part shall be provided for by legislative
63 appropriation from the revenues of the Transportation Fund.

64 (6) ~~(a)~~ Except as provided in Subsection (6)(b), the following portions of the
65 registration fees imposed under Section 41-1a-1206 for each vehicle shall be deposited in the
66 Centennial Highway Fund Restricted Account created under Section 72-2-118:

67 ~~(a)~~ (i) \$10 of the registration fees imposed under Subsections 41-1a-1206(1)(a),
68 (1)(b), (2), and (5);

69 ~~(b)~~ (ii) \$1 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i),
70 (1)(c)(ii), and (1)(d)(ii);

71 ~~(c)~~ (iii) \$2 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

72 ~~(d)~~ (iv) \$3 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i); and

73 ~~(e)~~ (v) \$4.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i).

74 (b) When the highway general obligation bonds issued under Title 63B, Chapters 6
75 through 13 have been paid off, the portions of the registration fees deposited under Subsection
76 (6)(a) for each vehicle shall be deposited in the Transportation Investment Fund of 2005
77 created by Section 72-2-124.

78 Section 2. Section **59-12-103 (Effective 07/01/05)** is amended to read:

79 **59-12-103 (Effective 07/01/05). Sales and use tax base -- Rates -- Effective dates --**
80 **Use of sales and use tax revenues.**

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

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

84 (b) amounts paid:

85 (i) (A) to a common carrier; or

86 (B) whether the following are municipally or privately owned, to a:

87 (I) telephone service provider; or

- 88 (II) telegraph corporation as defined in Section 54-2-1; and
- 89 (ii) for:
 - 90 (A) all transportation;
 - 91 (B) telephone service, other than mobile telecommunications service, that originates
 - 92 and terminates within the boundaries of this state;
 - 93 (C) mobile telecommunications service that originates and terminates within the
 - 94 boundaries of one state only to the extent permitted by the Mobile Telecommunications
 - 95 Sourcing Act, 4 U.S.C. Sec.116 et seq.; or
 - 96 (D) telegraph service;
- 97 (c) sales of the following for commercial use:
 - 98 (i) gas;
 - 99 (ii) electricity;
 - 100 (iii) heat;
 - 101 (iv) coal;
 - 102 (v) fuel oil; or
 - 103 (vi) other fuels;
- 104 (d) sales of the following for residential use:
 - 105 (i) gas;
 - 106 (ii) electricity;
 - 107 (iii) heat;
 - 108 (iv) coal;
 - 109 (v) fuel oil; or
 - 110 (vi) other fuels;
- 111 (e) sales of prepared food;
- 112 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 113 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 114 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 115 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 116 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 117 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 118 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,

119 horseback rides, sports activities, or any other amusement, entertainment, recreation,
120 exhibition, cultural, or athletic activity;

121 (g) amounts paid or charged for services:

122 (i) for repairs or renovations of tangible personal property, unless Section 59-12-104
123 provides for an exemption from sales and use tax for:

124 (A) the tangible personal property; and

125 (B) parts used in the repairs or renovations of the tangible personal property described
126 in Subsection (1)(g)(i)(A), whether or not any parts are actually used in the repairs or
127 renovations of that tangible personal property; or

128 (ii) to install tangible personal property in connection with other tangible personal
129 property, unless the tangible personal property being installed is exempt from sales and use tax
130 under Section 59-12-104;

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

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

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

136 (k) amounts paid or charged for leases or rentals of tangible personal property if:

137 (i) the tangible personal property's situs is in this state;

138 (ii) the lessee took possession of the tangible personal property in this state; or

139 (iii) within this state the tangible personal property is:

140 (A) stored;

141 (B) used; or

142 (C) otherwise consumed;

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

145 (i) stored;

146 (ii) used; or

147 (iii) consumed; and

148 (m) amounts paid or charged for prepaid telephone calling cards.

149 (2) (a) Except as provided in Subsection (2)(b), beginning on July 1, 2001, a state tax

150 and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:

151 (i) a state tax imposed on the transaction at a rate of 4.75%; and

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

154 (b) Notwithstanding Subsection (2)(a), beginning on July 1, 2001, a state tax and a
155 local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:

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

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

159 (c) Subject to Subsections (2)(d) and (e), a tax rate repeal or tax rate change for a tax
160 rate imposed under the following shall take effect on the first day of a calendar quarter:

161 (i) Subsection (2)(a)(i); or

162 (ii) Subsection (2)(b)(i).

163 (d) (i) For a transaction described in Subsection (2)(d)(iii), a tax rate increase shall take
164 effect on the first day of the first billing period:

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

166 (B) if the billing period for the transaction begins before the effective date of a tax rate
167 increase imposed under:

168 (I) Subsection (2)(a)(i); or

169 (II) Subsection (2)(b)(i).

170 (ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate
171 decrease shall take effect on the first day of the last billing period:

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

173 and

174 (B) if the billing period for the transaction begins before the effective date of the repeal
175 of the tax or the tax rate decrease imposed under:

176 (I) Subsection (2)(a)(i); or

177 (II) Subsection (2)(b)(i).

178 (iii) Subsections (2)(d)(i) and (ii) apply to transactions subject to a tax under:

179 (A) Subsection (1)(b);

180 (B) Subsection (1)(c);

- 181 (C) Subsection (1)(d);
- 182 (D) Subsection (1)(e);
- 183 (E) Subsection (1)(f);
- 184 (F) Subsection (1)(g);
- 185 (G) Subsection (1)(h);
- 186 (H) Subsection (1)(i);
- 187 (I) Subsection (1)(j); or
- 188 (J) Subsection (1)(k).

189 (e) (i) If a tax due under Subsection (2)(a)(i) on a catalogue sale is computed on the
190 basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax
191 rate imposed under Subsection (2)(a)(i) takes effect:

- 192 (A) on the first day of a calendar quarter; and
- 193 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change
194 under Subsection (2)(a)(i).

195 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
196 the commission may by rule define the term "catalogue sale."

197 (3) (a) Except as provided in Subsections (4) through [~~7~~] 9, the following state
198 taxes shall be deposited into the General Fund:

- 199 (i) the tax imposed by Subsection (2)(a)(i); or
- 200 (ii) the tax imposed by Subsection (2)(b)(i).

201 (b) The local taxes described in Subsections (2)(a)(ii) and (2)(b)(ii) shall be distributed
202 to a county, city, or town as provided in this chapter.

203 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
204 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
205 through (g):

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

- 207 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 208 (B) for the fiscal year; or

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

210 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
211 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the

212 Department of Natural Resources to:

213 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
214 protect sensitive plant and animal species; or

215 (B) award grants, up to the amount authorized by the Legislature in an appropriations
216 act, to political subdivisions of the state to implement the measures described in Subsections
217 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

249 (A) provide a portion of the local cost share, not to exceed in any fiscal year 50% of the
250 funds made available to the Division of Water Resources under this section, of potential project
251 features of the Central Utah Project;

252 (B) conduct hydrologic and geotechnical investigations by the Department of Natural
253 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
254 quantifying surface and ground water resources and describing the hydrologic systems of an
255 area in sufficient detail so as to enable local and state resource managers to plan for and
256 accommodate growth in water use without jeopardizing the resource;

257 (C) fund state required dam safety improvements; and

258 (D) protect the state's interest in interstate water compact allocations, including the
259 hiring of technical and legal staff.

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

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

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

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

269 (iii) develop surface water sources.

270 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
271 2003, the lesser of the following amounts shall be used as provided in Subsections (5)(b)
272 through (d):

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

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

275 (B) for the fiscal year; or

276 (ii) \$18,743,000.

277 (b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described
278 in Subsection (5)(a) shall be deposited each year in the Transportation Corridor Preservation
279 Revolving Loan Fund created in Section 72-2-117.

280 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation
281 Revolving Loan Fund under Subsection (5)(b)(i) shall be used to fund loan applications made
282 by the Department of Transportation at the request of local governments.

283 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
284 Subsection (5)(a) shall be transferred each year as nonlapsing dedicated credits to the
285 Department of Transportation for the State Park Access Highways Improvement Program
286 created in Section 72-3-207.

287 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in
288 Subsection (5)(a) shall be deposited in the class B and class C roads account to be expended as
289 provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C
290 roads.

291 (6) (a) Notwithstanding Subsection (3)(a) and until Subsection (6)(b) applies,
292 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
293 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
294 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
295 transactions under Subsection (1).

296 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
297 issued under Title 63B, Chapters 6 through 13 have been paid off, the Division of Finance shall
298 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion
299 of the taxes listed under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate
300 on the taxable transactions under Subsection (1).

301 (7) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal
302 year 2004-05, the commission shall each year on or before the September 30 immediately
303 following the last day of the fiscal year deposit the difference described in Subsection (7)(b)
304 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is

305 greater than \$0.

306 (b) The difference described in Subsection (7)(a) is equal to the difference between:

307 (i) the total amount of the following revenues the commission received from sellers
308 collecting a tax in accordance with Subsection 59-12-107(1)(b) for the fiscal year immediately
309 preceding the September 30 described in Subsection (7)(a):

310 (A) revenues under Subsection (2)(a)(i); and

311 (B) revenues under Subsection (2)(b)(i); and

312 (ii) \$7,279,673.

313 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
314 Subsection (6)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
315 July 1, 2005, the Division of Finance shall deposit ~~H→ [\$60,000,000]~~ \$59,594,700 ←H
315a of the revenues generated by
316 the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the Centennial Highway Fund
317 Restricted Account created by Section 72-2-118.

318 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
319 Subsections (6)(b) and (9), when the highway general obligation bonds issued under Title 63B,
320 Chapters 6 through 13 have been paid off, the Division of Finance shall deposit ~~H→ [\$60,000,000]~~
320a \$59,594,700 ←H of
321 the revenues generated by the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the
322 Transportation Investment Fund of 2005 created by Section 72-2-124.

323 (9) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
324 2005, the Division of Finance shall deposit ~~H→ [\$70,000,000]~~ \$90,000,000 ←H of the revenues
324a generated by the taxes
325 described in Subsections (2)(a)(i) and (2)(b)(i) into the Transportation Investment Fund of
326 2005 created by Section 72-2-124.

327 (b) Notwithstanding Subsection (3)(a), for the fiscal year 2007 only, the Division of
328 Finance may, subject to legislative appropriation, deposit into the Transportation Investment
329 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
330 equal to the revenues generated by a ~~H→ [.23%]~~ .36% ←H tax rate on the taxable transactions
330a under Subsection

331 (1) including the ~~H→ [amount]~~ amounts ←H deposited under ~~H→ [Subsection]~~ Subsections (8)
331a and ←H (9)(a), which represents a portion of the
332 amount of revenue generated by the sales and use tax on vehicles and vehicle-related products.

333 (c) Notwithstanding Subsection (3)(a) and in addition to ~~H→ [amounts]~~ any amount ←H
333a deposited under
334 ~~H→ [Subsections]~~ Subsection ←H (6)(b) ~~H→ [and (8)(b)] ←H~~, for a fiscal year beginning on or
334a after July 1, 2007, the Division
335 of Finance may, subject to legislative appropriation, deposit into the Transportation Investment

336 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
 337 equal to the revenues generated by a .56% tax rate on the taxable transactions under Subsection
 338 (1) including the ~~H~~→ [amount] amounts ←~~H~~ deposited under ~~H~~→ [Subsection] Subsections (8)
 338a and ←~~H~~ (9)(a), which represents a portion of the
 339 amount of revenue generated by the sales and use tax on vehicles and vehicle-related products.

340 Section 3. Section **59-13-304** is amended to read:

341 **59-13-304. Exemptions from Special Fuel Tax -- Clean Special Fuel Tax --**
 342 **Certificate required -- Fees for certificates -- Inspection of vehicles -- Exemptions.**

343 (1) (a) Except as provided in Subsection (4), a user of special fuel who owns a vehicle
 344 powered by a clean special fuel as defined under Section 59-13-102 shall pay a clean special
 345 fuel tax as provided under this section for use of clean special fuel.

346 (b) A user of special fuel who qualifies for the clean special fuel tax shall annually
 347 purchase from the commission a clean special fuel tax certificate for each vehicle owned or
 348 leased that is powered by a clean special fuel.

349 (c) Clean special fuel tax certificates are provided to encourage the use of clean fuels to
 350 reduce air pollution.

351 (2) (a) The fee for a clean special fuel tax certificate is:

352 (i) 70/.19 of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up
 353 to the nearest dollar, for qualified motor vehicles as defined under Section 59-13-102; and

354 (ii) 36/.19 of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up
 355 to the nearest dollar, for other vehicles.

356 (b) The commission may require each vehicle to be inspected for safe operation before
 357 issuing the certificate.

358 (c) Each vehicle shall be equipped with an approved and properly installed carburetion
 359 system if it is powered by a fuel that is gaseous at standard atmospheric conditions.

360 (3) (a) Beginning January 1, 2001 through December 31, 2005, there is imposed a
 361 surcharge of \$35 on each clean special fuel tax certificate issued under this section.

362 (b) Surcharges imposed under Subsection (3)(a) shall be deposited into the Centennial
 363 Highway Fund Restricted Account created under Section 72-2-118.

364 (4) A governmental entity identified in Subsection 59-13-301(9) that owns or leases a
 365 vehicle powered by a special fuel that qualifies as a clean special fuel is exempt from the clean
 366 special fuel tax imposed under this section.

367 Section 4. Section **63-38c-103** is amended to read:

368 **63-38c-103. Definitions.**

369 As used in this chapter:

370 (1) (a) "Appropriations" means actual unrestricted capital and operating appropriations
371 from unrestricted General Fund sources and from non-Uniform School Fund income tax
372 revenues as presented in the governor's executive budgets.

373 (b) "Appropriation" includes appropriations that are contingent upon available
374 surpluses in the General Fund.

375 (c) "Appropriations" does not mean:

376 (i) debt service expenditures;

377 (ii) emergency expenditures;

378 (iii) expenditures from all other fund or subfund sources presented in the executive
379 budgets;

380 (iv) transfers into, or appropriations made to, the General Fund Budget Reserve
381 Account established in Section 63-38-2.5;

382 (v) transfers into, or appropriations made to, the Education Budget Reserve Account
383 established in Section 63-38-2.6;

384 (vi) monies appropriated to fund the total one-time project costs for the construction of
385 capital developments as defined in Section 63A-5-104; [or]

386 (vii) appropriations made to the Centennial Highway Fund Restricted Account created
387 by Section 72-2-118[?]; or

388 (viii) appropriations made to the Transportation Investment Fund of 2005 created by
389 Section 72-2-124.

390 (2) "Base year real per capita appropriations" means the result obtained for the state by
391 dividing the fiscal year 1985 actual appropriations of the state less debt monies by:

392 (a) the state's July 1, 1983 population; and

393 (b) the fiscal year 1983 inflation index divided by 100.

394 (3) "Calendar year" means the time period beginning on January 1 of any given year
395 and ending on December 31 of the same year.

396 (4) "Fiscal emergency" means an extraordinary occurrence requiring immediate
397 expenditures and includes the settlement under Chapter 4, Laws of Utah 1988, Fourth Special

398 Session.

399 (5) "Fiscal year" means the time period beginning on July 1 of any given year and
400 ending on June 30 of the subsequent year.

401 (6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual
402 capital and operations appropriations from General Fund and non-Uniform School Fund
403 income tax revenue sources, less debt monies.

404 (7) "Inflation index" means the change in the general price level of goods and services
405 as measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic
406 Analysis, U.S. Department of Commerce calculated as provided in Section 63-38c-202.

407 (8) (a) "Maximum allowable appropriations limit" means the appropriations that could
408 be, or could have been, spent in any given year under the limitations of this chapter.

409 (b) "Maximum allowable appropriations limit" does not mean actual appropriations
410 spent or actual expenditures.

411 (9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two
412 fiscal years previous to the fiscal year for which the maximum allowable inflation and
413 population appropriations limit is being computed under this chapter.

414 (10) "Most recent fiscal year's population" means the fiscal year population two fiscal
415 years previous to the fiscal year for which the maximum allowable inflation and population
416 appropriations limit is being computed under this chapter.

417 (11) "Population" means the number of residents of the state as of July 1 of each year
418 as calculated by the Governor's Office of Planning and Budget according to the procedures and
419 requirements of Section 63-38c-202.

420 (12) "Revenues" means the revenues of the state from every tax, penalty, receipt, and
421 other monetary exaction and interest connected with it that are recorded as unrestricted revenue
422 of the General Fund and from non-Uniform School Fund income tax revenues, except as
423 specifically exempted by this chapter.

424 (13) "Security" means any bond, note, warrant, or other evidence of indebtedness,
425 whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an
426 "indebtedness" within the meaning of any provision of the constitution or laws of this state.

427 Section 5. Section **72-2-118** is amended to read:

428 **72-2-118. Centennial Highway Fund Restricted Account.**

429 (1) There is created ~~[a special revenue fund]~~ within the Transportation Investment
430 Fund of 2005 created by Section 72-2-124 a restricted account entitled the Centennial Highway
431 Fund Restricted Account.

432 (2) The ~~[fund]~~ account consists of monies generated from the following revenue
433 sources:

434 (a) any voluntary contributions received for the construction, major reconstruction, or
435 major renovation of state or federal highways;

436 (b) appropriations made to the fund by the Legislature;

437 (c) registration fees designated under Subsection 41-1a-1201(6)(a); and

438 (d) the sales and use tax amounts provided for in Section 59-12-103.

439 (3) (a) The ~~[fund]~~ account shall earn interest.

440 (b) All interest earned on ~~[fund]~~ account monies shall be deposited into the ~~[fund]~~
441 account.

442 (4) The executive director may use ~~[fund]~~ account monies, as prioritized by the
443 Transportation Commission, only to pay the costs of construction, major reconstruction, or
444 major renovation to state and federal highways.

445 (5) When the highway general obligation bonds issued under Title 63B, Chapters 6
446 through 13 have been paid off, the Division of Finance shall transfer any existing balance in the
447 account into the Transportation Investment Fund of 2005 created by Section 72-2-124.

448 Section 6. Section **72-2-124** is enacted to read:

449 **72-2-124. Transportation Investment Fund of 2005.**

450 (1) There is created a special revenue fund entitled the Transportation Investment Fund
451 of 2005.

452 (2) The fund consists of monies generated from the following revenue sources:

453 (a) any voluntary contributions received for the maintenance, construction,
454 reconstruction, or renovation of state or federal highways;

455 (b) appropriations made to the fund by the Legislature; and

456 (c) the sales and use tax amounts provided for in Subsection 59-12-103(9).

457 (3) When the highway general obligation bonds issued under Title 63B, Chapters 6
458 through 13 have been paid off, the fund shall also consist of monies generated from the
459 following sources:

460 (a) registration fees designated under Subsection 41-1a-1201(6)(a);
 461 (b) the clean special fuel tax certificate surcharge under Section 59-13-304(3); and
 462 (c) the sales and use tax amounts provided for in Section 59-12-103(6)(b), (8)(b), and
 463 (9).

464 (4) (a) The fund shall earn interest.

465 (b) All interest earned on fund monies shall be deposited into the fund.

466 (5) ~~H~~→ [The] (a) Except as provided in Subsection (5)(b), the ~~H~~ executive director
 466a may use fund monies only to pay the costs of maintenance,
 467 construction, reconstruction, or renovation to state and federal highways prioritized by the
 468 Transportation Commission under a prioritization process for new transportation capacity
 469 projects.

469a **~~H~~→ (b) The executive director may use fund monies deposited into the fund in fiscal year 2006**
 469b **only to pay the costs of maintenance, construction, reconstruction, or renovation to state and**
 469c **federal highways prioritized by the Transportation Commission. ~~H~~**

470 (6) On July 1 of each year ~~H~~→ until the highway general obligations bonds issued
 470a under Title 36, Chapters 6 through 13 have been paid off ~~H~~ , the Division of Finance shall
 470b transfer ~~H~~→ [~~\$70,000,000~~] \$90,000,000 ~~H~~ of the
 471 revenues deposited in the Transportation Investment Fund of 2005 created by this section to the
 472 Centennial Highway Fund Restricted Account within the Transportation ~~H~~→ Investment ~~H~~
 472a Fund of 2005 created
 473 by Section 72-2-118.

473a **~~H~~→ Section 7. Appropriation.**

473b **Under the terms and conditions of Section 63-38-3, the following sums of money are**
 473c **appropriated from resources not otherwise appropriated, or reduced from amounts previously**
 473d **appropriated, out of the funds or fund accounts indicated for the use and support of the**
 473e **government of the State of Utah for the fiscal year beginning July 1, 2005 and ending June 30,**
 473f **2006. This is an addition to or a subtraction from amounts previously appropriated for fiscal**
 473g **year 2006.**

473h **To Department of Transportation - Centennial Highway Program**

473i **From General Fund** **(\$149,594,700)**

473j **From General Fund, One-time** **(\$30,000,000)**

473k **Schedule of Programs:**

473l **Centennial Highway Program** **(\$179,594,700)**

473m **To Department of Transportation - Transportation Investment Fund of 2005**

473n **From General Fund, One-time** **\$30,000,000**

473o **Schedule of Programs:**

473p **Transportation Investment Fund of 2005** **\$30,000,000 ~~H~~**

474 Section **~~H~~→ [7] 8 ~~H~~** . Effective date.

475 This bill takes effect on July 1, 2005.