

**Representative Wayne A. Harper** proposes the following substitute bill:

**SALES AND USE TAX AMENDMENTS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Sales and Use Tax Act, the Transportation Finances Act, and related provisions.

**Highlighted Provisions:**

This bill:

- ▶ enacts the Botanical, Cultural, Recreational, and Zoological Organizations or Facilities Fund Act and provides for deposits of certain state sales and use tax revenues into that fund;
- ▶ requires adjustments to the property tax certified tax rate under certain circumstances if a county, city, or town imposes a local option sales and use tax for transportation for the first time on or after January 1, 2008;
- ▶ enacts and modifies definitions;
- ▶ modifies state and local sales and use taxes and tax rates, including reducing the state sales and use tax rate;
- ▶ addresses the sales and use taxation of amounts paid or charged for food and food ingredients;
- ▶ modifies the distribution of revenues collected from certain local option sales and use taxes;



- 26           ▶ provides that food and food ingredients are not subject to certain state and local  
27 sales and use taxes, except with respect to certain bundled transactions;
- 28           ▶ addresses the amount of the refund allowed to a qualified emergency food agency;
- 29           ▶ modifies notice requirements for enacting or repealing certain local option sales and  
30 use taxes for transportation;
- 31           ▶ repeals certain local option sales and use taxes;
- 32           ▶ enacts an additional state sales and use tax and a supplemental state sales and use  
33 tax and provides that the revenues collected from the taxes shall be deposited into  
34 the General Fund;
- 35           ▶ enacts a state sales and use tax for transportation and provides that the revenues  
36 collected from the taxes shall be deposited into the:
- 37           • Public Transportation System Tax Highway Fund;
- 38           • Transportation Corridor Preservation Fund for Counties of the First or Second  
39 Class;
- 40           • Transportation Debt Service Fund for Transit Districts Operating in a County of  
41 the First Class; and
- 42           • Transportation Investment Fund of 2005;
- 43           ▶ modifies the sales and use tax revenues required to be deposited into the:
- 44           • Local Transportation Corridor Preservation Fund;
- 45           • Public Transportation System Tax Highway Fund; or
- 46           • Transportation Investment Fund of 2005;
- 47           ▶ provides for the distribution of revenues and interest in the State Projects Within  
48 Counties Fund and provides for the repeal of that fund;
- 49           ▶ creates the Transportation Corridor Preservation Fund for Counties of the First or  
50 Second Class and provides for the expenditure of revenues deposited into that fund;
- 51           ▶ creates the Transportation Debt Service Fund for Transit Districts Operating in a  
52 County of the First Class and provides for the expenditure of revenues deposited  
53 into that fund;
- 54           ▶ grants rulemaking authority to the Transportation Commission;
- 55           ▶ repeals obsolete language; and
- 56           ▶ makes technical changes.

57 **Monies Appropriated in this Bill:**

58 None

59 **Other Special Clauses:**

60 This bill provides an effective date.

61 This bill provides revisor instructions.

62 **Utah Code Sections Affected:**

63 AMENDS:

64 **10-1-405**, as last amended by Chapter 253, Laws of Utah 2006

65 **11-41-102**, as last amended by Chapter 282, Laws of Utah 2006

66 **17-34-3**, as last amended by Chapter 9, Laws of Utah 2005, First Special Session

67 **17-50-322**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session

68 **17C-1-403**, as renumbered and amended by Chapter 359, Laws of Utah 2006

69 **17C-1-406**, as enacted by Chapter 359, Laws of Utah 2006

70 **59-2-924**, as last amended by Chapters 26, 105 and 359, Laws of Utah 2006

71 **59-12-102**, as last amended by Chapter 1, Laws of Utah 2006, Fourth Special Session

72 **59-12-103**, as last amended by Chapter 9, Laws of Utah 2006, Third Special Session

73 **59-12-104.3**, as last amended by Chapter 253, Laws of Utah 2006

74 **59-12-108**, as last amended by Chapters 253 and 282, Laws of Utah 2006

75 **59-12-205**, as last amended by Chapters 222 and 253, Laws of Utah 2006

76 **59-12-501**, as last amended by Chapter 253, Laws of Utah 2006

77 **59-12-502**, as last amended by Chapters 253 and 329, Laws of Utah 2006

78 **59-12-503**, as enacted by Chapter 131, Laws of Utah 1997

79 **59-12-504**, as last amended by Chapter 253, Laws of Utah 2006

80 **59-12-902**, as last amended by Chapter 18, Laws of Utah 2004

81 **63-55b-172**, as last amended by Chapter 1, Laws of Utah 2005, Second Special Session

82 **72-2-117.5**, as last amended by Chapter 1, Laws of Utah 2006, Fourth Special Session

83 **72-2-121**, as last amended by Chapter 1, Laws of Utah 2006, Fourth Special Session

84 **72-2-121.1**, as enacted by Chapter 282, Laws of Utah 2003

85 **72-2-124**, as last amended by Chapters 11 and 135, Laws of Utah 2006

86 ENACTS:

87 **9-17-101**, Utah Code Annotated 1953

- 88           **9-17-102**, Utah Code Annotated 1953
- 89           **9-17-103**, Utah Code Annotated 1953
- 90           **59-12-1801**, Utah Code Annotated 1953
- 91           **59-12-1802**, Utah Code Annotated 1953
- 92           **59-12-1803**, Utah Code Annotated 1953
- 93           **59-12-1901**, Utah Code Annotated 1953
- 94           **59-12-1902**, Utah Code Annotated 1953
- 95           **59-12-1903**, Utah Code Annotated 1953
- 96           **59-12-2001**, Utah Code Annotated 1953
- 97           **59-12-2002**, Utah Code Annotated 1953
- 98           **59-12-2003**, Utah Code Annotated 1953
- 99           **72-2-125**, Utah Code Annotated 1953
- 100          **72-2-126**, Utah Code Annotated 1953
- 101    REPEALS:
- 102          **59-12-701**, as last amended by Chapter 296, Laws of Utah 2003
- 103          **59-12-702**, as last amended by Chapter 186, Laws of Utah 2004
- 104          **59-12-703**, as last amended by Chapter 253, Laws of Utah 2006
- 105          **59-12-704**, as last amended by Chapter 296, Laws of Utah 2003
- 106          **59-12-705**, as enacted by Chapter 284, Laws of Utah 1996
- 107          **59-12-1001**, as last amended by Chapter 253, Laws of Utah 2006
- 108          **59-12-1002**, as last amended by Chapter 253, Laws of Utah 2006
- 109          **59-12-1301**, as enacted by Chapter 243, Laws of Utah 1998
- 110          **59-12-1302**, as last amended by Chapter 253, Laws of Utah 2006
- 111          **59-12-1401**, as last amended by Chapter 317, Laws of Utah 2004
- 112          **59-12-1402**, as last amended by Chapter 253, Laws of Utah 2006
- 113          **59-12-1403**, as enacted by Chapter 192, Laws of Utah 2001
- 114          **59-12-1501**, as enacted by Chapter 282, Laws of Utah 2003
- 115          **59-12-1502**, as enacted by Chapter 282, Laws of Utah 2003
- 116          **59-12-1503**, as last amended by Chapter 253, Laws of Utah 2006
- 117          **59-12-1701**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session
- 118          **59-12-1702**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session

119           **59-12-1703**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session  
 120           **59-12-1704**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session  
 121           **59-12-1705**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session

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

124           Section 1. Section **9-17-101** is enacted to read:

125           **CHAPTER 17. BOTANICAL, CULTURAL, RECREATIONAL, AND ZOOLOGICAL**  
 126                                   **ORGANIZATIONS OR FACILITIES FUND ACT**

127   **Part 1. General Provisions**

128           **9-17-101. Title.**

129           This chapter is known as the "Botanical, Cultural, Recreational, and Zoological  
 130 Organizations or Facilities Fund Act."

131           Section 2. Section **9-17-102** is enacted to read:

132           **9-17-102. Definitions.**

133           As used in this chapter:

134           (1) "Administrative unit" means a division of a private nonprofit organization or  
 135 institution that:

136           (a) would, if it were a separate entity, be a botanical organization or cultural  
 137 organization; and

138           (b) consistently maintains books and records separate from those of its parent  
 139 organization.

140           (2) "Botanical organization" means:

141           (a) a private nonprofit organization or institution having as its primary purpose the  
 142 advancement and preservation of plant science through horticultural display, botanical  
 143 research, and community education; and

144           (b) an administrative unit.

145           (3) "Cultural facility" is as defined in Section 59-12-602.

146           (4) (a) "Cultural organization":

147           (i) means:

148           (A) a private nonprofit organization or institution having as its primary purpose the  
 149 advancement and preservation of:

150           (I) natural history;  
151           (II) art;  
152           (III) music;  
153           (IV) theater; or  
154           (V) dance; and  
155           (B) an administrative unit; and  
156           (ii) includes:  
157           (A) a private nonprofit organization or institution having as its primary purpose the  
158 advancement and preservation of history; or  
159           (B) a municipal or county cultural council having as its primary purpose the  
160 advancement and preservation of:  
161           (I) history;  
162           (II) natural history;  
163           (III) art;  
164           (IV) music;  
165           (V) theater; or  
166           (VI) dance.  
167           (b) "Cultural organization" does not include:  
168           (i) any agency of the state;  
169           (ii) except as provided in Subsection (4)(a)(ii)(B), any political subdivision of the state;  
170           (iii) any educational institution whose annual revenues are directly derived more than  
171 50% from state funds; or  
172           (iv) in a county of the first or second class, any radio or television broadcasting  
173 network or station, cable communications system, newspaper, or magazine.  
174           (5) "Fiscal year" means a one-year period beginning on July 1 of each year.  
175           (6) "Fund" means the Botanical, Cultural, Recreational, and Zoological Organizations  
176 or Facilities Fund created by Section 9-17-103.  
177           (7) "Institution" means any of the institutions listed in Subsections 53B-1-102 (1)(b)  
178 through (l).  
179           (8) "Recreational facility" means any publicly owned or operated park, campground,  
180 marina, dock, golf course, playground, athletic field, gymnasium, swimming pool, trail system,

181 cultural facility, or other facility used for recreational purposes.

182 (9) "Rural radio station" means a nonprofit radio station based in a county of the third,  
183 fourth, fifth, or sixth class.

184 (10) In a county of the first class, "zoological facilities" means any public,  
185 public-private partnership, or private nonprofit buildings, exhibits, utilities and infrastructure,  
186 walkways, pathways, roadways, offices, administration facilities, public service facilities,  
187 educational facilities, enclosures, public viewing areas, animal barriers, animal housing, animal  
188 care facilities, and veterinary and hospital facilities related to the advancement, exhibition, or  
189 preservation of mammals, birds, reptiles, or amphibians.

190 (11) (a) (i) Except as provided in Subsection (11)(a)(ii), "zoological organization"  
191 means a public, public-private partnership, or private nonprofit organization having as its  
192 primary purpose the advancement and preservation of zoology.

193 (ii) In a county of the first class, "zoological organization" means a nonprofit  
194 organization having as its primary purpose the advancement and exhibition of mammals, birds,  
195 reptiles, or amphibians to an audience of 75,000 or more persons annually.

196 (b) "Zoological organization" does not include any agency of the state, educational  
197 institution, radio or television broadcasting network or station, cable communications system,  
198 newspaper, or magazine.

199 Section 3. Section **9-17-103** is enacted to read:

200 **9-17-103. Botanical, Cultural, Recreational, and Zoological Organizations or**  
201 **Facilities Fund -- Source of revenues -- Interest -- Distribution of revenues -- Expenditure**  
202 **of revenues -- Governor's Office of Planning and Budget shall provide amounts of**  
203 **distributions -- Unexpended revenues lapse into General Fund.**

204 (1) There is created a restricted special revenue fund known as the Botanical, Cultural,  
205 Recreational, and Zoological Organizations or Facilities Fund.

206 (2) (a) The fund shall be funded by the sales and use tax revenues described in  
207 Subsection 59-12-103(10).

208 (b) Any interest earned on the fund shall be deposited into the General Fund.

209 (3) Subject to Subsection (4), the executive director shall for a fiscal year distribute  
210 monies deposited into the fund to each county, city, or town:

211 (a) that, on December 31, 2007, imposes a tax:

212 (i) for a county, to fund:  
213 (A) recreational and zoological facilities located within the county or a city or town  
214 located in the county, except a city or town that, on December 31, 2007, imposes a tax to  
215 finance an organization or facility described in Subsection (3)(a)(ii); and  
216 (B) ongoing operating expenses of:  
217 (I) recreational facilities described in Subsection (3)(a)(i)(A);  
218 (II) botanical, cultural, and zoological organizations within the county; and  
219 (III) rural radio stations within the county; or  
220 (ii) for a city or town, to finance:  
221 (A) recreational and zoological facilities within the city or town or within the  
222 geographic area of entities that are parties to an interlocal agreement, to which the city or town  
223 is a party, providing for recreational or zoological facilities; and  
224 (B) ongoing operating expenses of botanical, cultural, and zoological organizations  
225 within the city or town or within the geographic area of entities that are parties to an interlocal  
226 agreement, to which the city or town is a party, providing for the support of botanical, cultural,  
227 or zoological organizations;  
228 (b) for which the county's, city's, or town's authority to impose a tax described in  
229 Subsection (3)(a) is repealed by this bill; and  
230 (c) that pays debt service for that fiscal year on a bond or other indebtedness, if that  
231 bond or other indebtedness is secured by revenues generated by a tax described in Subsection  
232 (3)(a).  
233 (4) (a) Except as provided in Subsection (4)(b), each county, city, or town described in  
234 Subsection (3) shall receive a distribution required by Subsection (3) in the amount:  
235 (i) for the period beginning January 1, 2008, and ending June 30, 2008, required for the  
236 county, city, or town to pay 1/2 of the debt service described in Subsection (3)(c) for that  
237 period; and  
238 (ii) for fiscal years beginning with fiscal year 2008-09, required for the county, city, or  
239 town to pay the debt service described in Subsection (3)(c) for that fiscal year.  
240 (b) If the monies deposited into the fund are insufficient to make the distributions  
241 required by Subsection (4)(a), the monies deposited into the fund for a fiscal year shall be  
242 distributed to each county, city, or town described in Subsection (3) in an amount equal to the

243 product of:

244 (i) for the period beginning January 1, 2008, and ending June 30, 2008:

245 (A) the amount deposited into the fund in accordance with Subsection 59-12-103(10)

246 for that fiscal year; and

247 (B) a percentage calculated by determining the proportion of debt service described in

248 Subsection (3)(c) that the county, city, or town is required to pay for the period beginning

249 January 1, 2008, and ending June 30, 2008 as compared to the total amount of debt service

250 described in Subsection (3)(c) that all counties, cities, and towns described in Subsection (3)

251 are required to pay for that period; and

252 (ii) for fiscal years beginning with fiscal year 2008-09:

253 (A) the amount deposited into the fund in accordance with Subsection 59-12-103(10)

254 for that fiscal year; and

255 (B) a percentage calculated by determining the proportion of debt service described in

256 Subsection (3)(c) that the county, city, or town is required to pay for that fiscal year as

257 compared to the total amount of debt service described in Subsection (3)(c) that all counties,

258 cities, and towns described in Subsection (3) are required to pay for that fiscal year.

259 (5) A county, city, or town that receives a distribution in accordance with Subsections

260 (3) and (4) shall expend the distribution to pay the debt service described in Subsection (3)(c)

261 for the fiscal year for which the county, city, or town receives the distribution.

262 (6) Subject to Subsections (7) and (8), if, after the executive director makes the

263 distributions required by Subsections (3) and (4) there are monies remaining in the fund for a

264 fiscal year, the executive director shall for that fiscal year distribute those remaining monies to

265 each county, city, or town:

266 (a) that, on December 31, 2007, imposes a tax:

267 (i) for a county, to fund:

268 (A) recreational and zoological facilities located within the county or a city or town

269 located in the county, except a city or town that, on December 31, 2007, imposes a tax to

270 finance an organization or facility described in Subsection (6)(a)(ii); and

271 (B) ongoing operating expenses of:

272 (I) recreational facilities described in Subsection (6)(a)(i)(A);

273 (II) botanical, cultural, and zoological organizations within the county; and

274 (III) rural radio stations within the county; or  
275 (ii) for a city or town, to finance:  
276 (A) recreational and zoological facilities within the city or town or within the  
277 geographic area of entities that are parties to an interlocal agreement, to which the city or town  
278 is a party, providing for recreational or zoological facilities; and  
279 (B) ongoing operating expenses of botanical, cultural, and zoological organizations  
280 within the city or town or within the geographic area of entities that are parties to an interlocal  
281 agreement, to which the city or town is a party, providing for the support of botanical, cultural,  
282 or zoological organizations; and  
283 (b) for which the county's, city's, or town's authority to impose a tax described in  
284 Subsection (6)(a) is repealed by this bill.  
285 (7) (a) Except as provided in Subsections (7)(b) through (d), each county, city, or town  
286 described in Subsection (6) shall receive a distribution required by Subsection (6) in the  
287 amount equal to the revenues that the State Tax Commission distributed for fiscal year 2005-06  
288 to the county, city, or town that are collected from a tax:  
289 (i) imposed:  
290 (A) for a county, to fund:  
291 (I) recreational and zoological facilities located within the county or a city or town  
292 located in the county, except a city or town that, on December 31, 2007, imposes a tax to  
293 finance an organization or facility described in Subsection (7)(a)(i)(B); and  
294 (II) ongoing operating expenses of:  
295 (Aa) recreational facilities described in Subsection (7)(a)(i)(A)(I);  
296 (Bb) botanical, cultural, and zoological organizations within the county; and  
297 (Cc) rural radio stations within the county; or  
298 (B) for a city or town, to finance:  
299 (I) recreational and zoological facilities within the city or town or within the  
300 geographic area of entities that are parties to an interlocal agreement, to which the city or town  
301 is a party, providing for recreational or zoological facilities; and  
302 (II) ongoing operating expenses of botanical, cultural, and zoological organizations  
303 within the city or town or within the geographic area of entities that are parties to an interlocal  
304 agreement, to which the city or town is a party, providing for the support of botanical, cultural,

305 or zoological organizations; and

306 (ii) for which the county's, city's, or town's authority to impose a tax described in  
307 Subsection (7)(a)(i) is repealed by this bill.

308 (b) If the monies deposited into the fund are insufficient to make the distributions  
309 required by Subsection (7)(a), the monies deposited into the fund for a fiscal year shall be  
310 distributed to each county, city, or town described in Subsection (6) in an amount equal to the  
311 product of:

312 (i) the amount remaining in the fund for that fiscal year after the executive director  
313 makes the distributions required by Subsections (3) and (4); and

314 (ii) a percentage calculated by determining the proportion of revenues described in  
315 Subsection (7)(a) that the State Tax Commission distributed for fiscal year 2005-06 to the  
316 county, city, or town as compared to the total revenues described in Subsection (7)(a) that the  
317 State Tax Commission distributed for fiscal year 2005-06 to all counties, cities, and towns.

318 (c) For purposes of this Subsection (7), if a county, city, or town described in  
319 Subsection (6) imposes a tax described in Subsection (7)(a)(i) for the first time on or after July  
320 1, 2006:

321 (i) the distribution required by this Subsection (7) shall be an amount equal to the  
322 estimated amount that the State Tax Commission would have distributed to the county, city, or  
323 town for fiscal year 2005-06 if the county, city, or town had imposed the tax on July 1, 2005;  
324 and

325 (ii) the Governor's Office of Planning and Budget shall estimate the amount that the  
326 State Tax Commission would have distributed to the county, city, or town for fiscal year  
327 2005-06 if the county, city, or town had imposed the tax on July 1, 2005.

328 (d) A county, city, or town may receive a distribution under this Subsection (7) only for  
329 the remaining time period that the county, city, or town would have been authorized to impose  
330 a tax described in Subsection (7)(a)(i) if the county's, city's, or town's authority to impose the  
331 tax described in Subsection (7)(a)(i) had not been repealed by this bill.

332 (8) A county, city, or town that receives a distribution in accordance with Subsections  
333 (6) and (7) shall expend the distribution:

334 (a) for a county, to fund for the fiscal year for which the county receives the  
335 distribution:

336 (i) recreational and zoological facilities located within the county or a city or town  
337 located in the county, except a city or town that, on December 31, 2007, imposes a tax to  
338 finance an organization or facility described in Subsection (8)(b); and

339 (ii) ongoing operating expenses of:

340 (A) recreational facilities described in Subsection (8)(a)(i);

341 (B) botanical, cultural, and zoological organizations within the county; and

342 (C) rural radio stations within the county; or

343 (b) for a city or town, to finance for the fiscal year for which the city or town receives  
344 the distribution:

345 (i) recreational and zoological facilities within the city or town or within the  
346 geographic area of entities that are parties to an interlocal agreement, to which the city or town  
347 is a party, providing for recreational or zoological facilities; and

348 (ii) ongoing operating expenses of botanical, cultural, and zoological organizations  
349 within the city or town or within the geographic area of entities that are parties to an interlocal  
350 agreement, to which the city or town is a party, providing for the support of botanical, cultural,  
351 or zoological organizations.

352 (9) On or before April 1 of each year, the Governor's Office of Planning and Budget  
353 shall provide the executive director with:

354 (a) the estimate required by Subsection (7)(c); and

355 (b) the amounts of the distributions required by this section.

356 (10) Any monies remaining in the fund at the end of a fiscal year after making the  
357 distributions required by this section shall lapse into the General Fund.

358 Section 4. Section **10-1-405** is amended to read:

359 **10-1-405. Collection of taxes by commission -- Uniform interlocal agreement --**  
360 **Rulemaking authority -- Charge for services.**

361 (1) Subject to the other provisions of this section, the commission shall collect,  
362 enforce, and administer any municipal telecommunications license tax imposed under this part  
363 pursuant to:

364 (a) the same procedures used in the administration, collection, and enforcement of the  
365 state sales and use tax under:

366 (i) Title 59, Chapter 1, General Taxation Policies; and

- 367 (ii) Title 59, Chapter 12, Part 1, Tax Collection:
- 368 (A) except for:
- 369 (I) Subsection 59-12-103(2)~~(e)~~(h);
- 370 (II) Section 59-12-104;
- 371 (III) Section 59-12-104.1;
- 372 (IV) Section 59-12-104.2; and
- 373 (V) Section 59-12-107.1; and
- 374 (B) except that for purposes of Section 59-12-110, the term "taxpayer" may include a
- 375 customer from whom a municipal telecommunications license tax is recovered in accordance
- 376 with Subsection 10-1-403(2); and
- 377 (b) a uniform interlocal agreement:
- 378 (i) between:
- 379 (A) the municipality that imposes the municipal telecommunications license tax; and
- 380 (B) the commission;
- 381 (ii) that is executed under Title 11, Chapter 13, Interlocal Cooperation Act;
- 382 (iii) that complies with Subsection (2)(a); and
- 383 (iv) that is developed by rule in accordance with Subsection (2)(b).
- 384 (2) (a) The uniform interlocal agreement described in Subsection (1) shall provide that
- 385 the commission shall:
- 386 (i) transmit monies collected under this part:
- 387 (A) monthly; and
- 388 (B) by electronic funds transfer by the commission to the municipality;
- 389 (ii) conduct audits of the municipal telecommunications license tax;
- 390 (iii) charge the municipality for the commission's services under this section in an
- 391 amount:
- 392 (A) sufficient to reimburse the commission for the cost to the commission in rendering
- 393 the services; and
- 394 (B) that may not exceed an amount equal to 1.5% of the municipal telecommunications
- 395 license tax imposed by the ordinance of the municipality; and
- 396 (iv) collect, enforce, and administer the municipal telecommunications license tax
- 397 authorized under this part pursuant to the same procedures used in the administration,

398 collection, and enforcement of the state sales and use tax as provided in Subsection (1)(a).

399 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
400 commission shall develop a uniform interlocal agreement that meets the requirements of this  
401 section.

402 (3) The administrative fee charged under Subsection (2)(a) shall be:

403 (a) deposited in the Sales and Use Tax Administrative Fees Account; and

404 (b) used for administration of municipal telecommunications license taxes under this  
405 part.

406 Section 5. Section **11-41-102** is amended to read:

407 **11-41-102. Definitions.**

408 As used in this chapter:

409 (1) "Agreement" means an oral or written agreement between a:

410 (a) (i) county; or

411 (ii) municipality; and

412 (b) person.

413 (2) "Municipality" means a:

414 (a) city; or

415 (b) town.

416 (3) "Payment" includes:

417 (a) a payment;

418 (b) a rebate;

419 (c) a refund; or

420 (d) an amount similar to Subsections (3)(a) through (c).

421 (4) "Regional retail business" means a:

422 (a) retail business that occupies a floor area of more than 80,000 square feet;

423 (b) dealer as defined in Section 41-1a-102;

424 (c) retail shopping facility that has at least two anchor tenants if the total number of  
425 anchor tenants in the shopping facility occupy a total floor area of more than 150,000 square  
426 feet; or

427 (d) grocery store that occupies a floor area of more than 30,000 square feet.

428 (5) (a) "Sales and use tax" means a tax:

429 (i) imposed on transactions within a:

430 (A) county; or

431 (B) municipality; and

432 (ii) except as provided in Subsection (5)(b), authorized under Title 59, Chapter 12,

433 Sales and Use Tax Act.

434 (b) Notwithstanding Subsection (5)(a)(ii), "sales and use tax" does not include a tax

435 authorized under:

436 (i) Subsection 59-12-103(2)(a)(i);

437 (ii) Subsection 59-12-103(2)(b)(i)~~[(A)]~~;

438 (iii) Subsection 59-12-103(2)~~[(b)(iii)(A)]~~(c)(i);

439 (iv) Subsection 59-12-103(2)(d)(i);

440 (v) Subsection 59-12-103(2)(e)(ii)(A);

441 (vi) Subsection 59-12-103(2)(e)(iii)(A);

442 ~~[(iv)]~~ (vii) Section 59-12-301;

443 ~~[(v)]~~ (viii) Section 59-12-352;

444 ~~[(vi)]~~ (ix) Section 59-12-353;

445 ~~[(vii)]~~ (x) Section 59-12-603; or

446 ~~[(viii)]~~ (xi) Section 59-12-1201.

447 (6) (a) "Sales and use tax incentive payment" means a payment of revenues:

448 (i) to a person;

449 (ii) by a:

450 (A) county; or

451 (B) municipality;

452 (iii) to induce the person to locate or relocate a regional retail business within the:

453 (A) county; or

454 (B) municipality; and

455 (iv) that are derived from a sales and use tax.

456 (b) "Sales and use tax incentive payment" does not include funding for public

457 infrastructure.

458 Section 6. Section **17-34-3** is amended to read:

459 **17-34-3. Taxes or service charges.**

460 (1) (a) If a county furnishes the municipal-type services and functions described in  
461 Section 17-34-1 to areas of the county outside the limits of incorporated cities or towns, the  
462 entire cost of the services or functions so furnished shall be defrayed from funds that the county  
463 has derived from:

464 (i) taxes that the county may lawfully levy or impose outside the limits of incorporated  
465 towns or cities;

466 (ii) service charges or fees the county may impose upon the persons benefited in any  
467 way by the services or functions; or

468 (iii) a combination of these sources.

469 (b) As the taxes or service charges or fees are levied and collected, they shall be placed  
470 in a special revenue fund of the county and shall be disbursed only for the rendering of the  
471 services or functions established in Section 17-34-1 within the unincorporated areas of the  
472 county or as provided in Subsection 10-2-121(2).

473 (2) For the purpose of levying taxes, service charges, or fees provided in this section,  
474 the county legislative body may establish a district or districts in the unincorporated areas of  
475 the county.

476 (3) Nothing contained in this chapter may be construed to authorize counties to impose  
477 or levy taxes not otherwise allowed by law.

478 (4) (a) A county required under Subsection 17-34-1(4) to provide advanced life support  
479 and paramedic services to the unincorporated area of the county and that previously paid for  
480 those services through a countywide levy may increase its levy under Subsection (1)(a)(i) to  
481 generate in the unincorporated area of the county the same amount of revenue as the county  
482 loses from that area due to the required decrease in the countywide certified tax rate under  
483 Subsection 59-2-924(2)~~(k)~~ (f)(i).

484 (b) An increase in tax rate under Subsection (4)(a) is exempt from the notice and  
485 hearing requirements of Sections 59-2-918 and 59-2-919.

486 (5) Notwithstanding any other provision of this chapter, a county providing fire,  
487 paramedic, and police protection services in a designated recreational area, as provided in  
488 Subsection 17-34-1(5), may fund those services from the county general fund with revenues  
489 derived from both inside and outside the limits of cities and towns, and the funding of those  
490 services is not limited to unincorporated area revenues.

491 Section 7. Section **17-50-322** is amended to read:

492 **17-50-322. County funding for a fixed guideway.**

493 (1) For purposes of this section, "fixed guideway" means a public transit facility that  
494 uses and occupies:

495 (a) rail for the use of public transit; or

496 (b) a separate right-of-way for the use of public transit.

497 (2) (a) Except as provided in Subsection (2)(b), a county legislative body may not levy  
498 a property tax or expend revenues from uniform fees or any tax or fee imposed in lieu of a  
499 property tax, to purchase, erect, repair, rebuild, maintain, or otherwise fund a fixed guideway.

500 (b) Subsection (2)(a) does not apply to a property tax levy imposed by a county for the  
501 purpose of paying for bonds if[-(†)] before January 1, 2007, the bonds were issued or approved  
502 by voters for issuance to fund a fixed guideway[; and].

503 [~~(ii) the county does not impose a sales and use tax authorized by Section 59-12-1703;~~]

504 Section 8. Section **17C-1-403** is amended to read:

505 **17C-1-403. Tax increment under a pre-July 1, 1993 project area plan.**

506 (1) This section applies to tax increment under a pre-July 1, 1993 project area plan  
507 only.

508 (2) (a) Beginning with the first tax year after April 1, 1983 for which an agency accepts  
509 tax increment, an agency may be paid:

510 (i) (A) for the first through the fifth tax years, 100% of tax increment;

511 (B) for the sixth through the tenth tax years, 80% of tax increment;

512 (C) for the eleventh through the fifteenth tax years, 75% of tax increment;

513 (D) for the sixteenth through the twentieth tax years, 70% of tax increment; and

514 (E) for the twenty-first through the twenty-fifth tax years, 60% of tax increment; or

515 (ii) for an agency that has caused a taxing entity committee to be created under  
516 Subsection 17C-1-402(1), any percentage of tax increment up to 100% and for any length of  
517 time that the taxing entity committee approves.

518 (b) Notwithstanding any other provision of this section:

519 (i) an agency may be paid 100% of tax increment from a project area for 32 years after  
520 April 1, 1983 to pay principal and interest on agency indebtedness incurred before April 1,  
521 1983, even though the size of the project area from which tax increment is paid to the agency

522 exceeds 100 acres of privately owned property under a project area plan adopted on or before  
523 April 1, 1983; and

524 (ii) for up to 32 years after April 1, 1983, an agency debt incurred before April 1, 1983  
525 may be refinanced and paid from 100% of tax increment if the principal amount of the debt is  
526 not increased in the refinancing.

527 (3) (a) For purposes of this Subsection (3), "additional tax increment" means the  
528 difference between 100% of tax increment for a tax year and the amount of tax increment an  
529 agency is paid for that tax year under the percentages and time periods specified in Subsection  
530 (2)(a).

531 (b) Notwithstanding the tax increment percentages and time periods in Subsection  
532 (2)(a), an agency may be paid additional tax increment for a period ending 32 years after the  
533 first tax year after April 1, 1983 for which the agency receives tax increment from the project  
534 area if:

535 (i) (A) the additional tax increment is used solely to pay all or part of the value of the  
536 land for and the cost of the installation and construction of a publicly or privately owned  
537 convention center or sports complex or any building, facility, structure, or other improvement  
538 related to the convention center or sports complex, including parking and infrastructure  
539 improvements;

540 (B) construction of the convention center or sports complex or related building,  
541 facility, structure, or other improvement is commenced on or before June 30, 2002;

542 (C) the additional tax increment is pledged to pay all or part of the value of the land for  
543 and the cost of the installation and construction of the convention center or sports complex or  
544 related building, facility, structure, or other improvement; and

545 (D) the agency board and the community legislative body have determined by  
546 resolution that the convention center or sports complex is:

547 (I) within and a benefit to a project area;

548 (II) not within but still a benefit to a project area; or

549 (III) within a project area in which substantially all of the land is publicly owned and a  
550 benefit to the community; or

551 (ii) (A) the additional tax increment is used to pay some or all of the cost of the land  
552 for and installation and construction of a recreational facility[, as defined in Section

553 59-12-702,] or a cultural facility, including parking and infrastructure improvements related to  
554 the recreational or cultural facility, whether or not the facility is located within a project area;

555 (B) construction of the recreational or cultural facility is commenced on or before  
556 December 31, 2005; and

557 (C) the additional tax increment is pledged on or before July 1, 2005, to pay all or part  
558 of the cost of the land for and the installation and construction of the recreational or cultural  
559 facility, including parking and infrastructure improvements related to the recreational or  
560 cultural facility.

561 (c) Notwithstanding Subsection (3)(b)(ii), a school district may not, without its  
562 consent, be paid less tax increment because of application of Subsection (3)(b)(ii) than it would  
563 have been paid without that Subsection.

564 (4) Notwithstanding any other provision of this section, an agency may use tax  
565 increment received under Subsection (2) for any of the uses indicated in Subsection (3).

566 Section 9. Section **17C-1-406** is amended to read:

567 **17C-1-406. Additional tax increment under certain post-June 30, 1993 project**  
568 **area plans.**

569 (1) This section applies to a post-June 30, 1993 project area plan adopted before May  
570 1, 2006.

571 (2) An agency may, without the approval of the taxing entity committee, elect to be  
572 paid 100% of annual tax increment for each year beyond the periods specified in Subsection  
573 17C-1-404(2) to a maximum of 25 years, including the years the agency is paid tax increment  
574 under Subsection 17C-1-404(2), if:

575 (a) for an agency in a city in which is located all or a portion of an interchange on I-15  
576 or that would directly benefit from an interchange on I-15:

577 (i) the tax increment paid to the agency during the additional years is used to pay some  
578 or all of the cost of the installation, construction, or reconstruction of:

579 (A) an interchange on I-15, whether or not the interchange is located within a project  
580 area; or

581 (B) frontage and other roads connecting to the interchange, as determined by the  
582 Department of Transportation created under Section 72-1-201 and the Transportation  
583 Commission created under Section 72-1-301, whether or not the frontage or other road is

584 located within a project area; and

585 (ii) the installation, construction, or reconstruction of the interchange or frontage and  
586 other roads has begun on or before June 30, 2002; or

587 (b) for an agency in a city of the first or second class:

588 (i) the tax increment paid to the agency during the additional years is used to pay some  
589 or all of the cost of the land for and installation and construction of a recreational facility[~~as~~  
590 ~~defined in Section 59-12-702;~~] or a cultural facility, including parking and infrastructure  
591 improvements related to the recreational or cultural facility, whether or not the facility is  
592 located within a project area; and

593 (ii) the installation or construction of the recreational or cultural facility has begun on  
594 or before June 30, 2002.

595 (3) Notwithstanding any other provision of this section, an agency may use tax  
596 increment received under Subsection 17C-1-404(2) for any of the uses indicated in this section.

597 (4) Notwithstanding Subsection (2), a school district may not, without its consent,  
598 receive less tax increment because of application of Subsection (2) than it would have received  
599 without that Subsection.

600 Section 10. Section **59-2-924** is amended to read:

601 **59-2-924. Report of valuation of property to county auditor and commission --**  
602 **Transmittal by auditor to governing bodies -- Certified tax rate -- Calculation of certified**  
603 **tax rate -- Rulemaking authority -- Adoption of tentative budget.**

604 (1) (a) Before June 1 of each year, the county assessor of each county shall deliver to  
605 the county auditor and the commission the following statements:

606 (i) a statement containing the aggregate valuation of all taxable property in each taxing  
607 entity; and

608 (ii) a statement containing the taxable value of any additional personal property  
609 estimated by the county assessor to be subject to taxation in the current year.

610 (b) The county auditor shall, on or before June 8, transmit to the governing body of  
611 each taxing entity:

612 (i) the statements described in Subsections (1)(a)(i) and (ii);

613 (ii) an estimate of the revenue from personal property;

614 (iii) the certified tax rate; and

615 (iv) all forms necessary to submit a tax levy request.

616 (2) (a) (i) The "certified tax rate" means a tax rate that will provide the same ad  
617 valorem property tax revenues for a taxing entity as were budgeted by that taxing entity for the  
618 prior year.

619 (ii) For purposes of this Subsection (2), "ad valorem property tax revenues" do not  
620 include:

621 (A) collections from redemptions;

622 (B) interest; and

623 (C) penalties.

624 (iii) (A) Except as provided in Subsection (2)(a)(v), the certified tax rate shall be  
625 calculated by dividing the ad valorem property tax revenues budgeted for the prior year by the  
626 taxing entity by the amount calculated under Subsection (2)(a)(iii)(B).

627 (B) For purposes of Subsection (2)(a)(iii)(A), the legislative body of a taxing entity  
628 shall calculate an amount as follows:

629 (I) calculate for the taxing entity the difference between:

630 (Aa) the aggregate taxable value of all property taxed; and

631 (Bb) any redevelopment adjustments for the current calendar year;

632 (II) after making the calculation required by Subsection (2)(a)(iii)(B)(I), calculate an  
633 amount determined by increasing or decreasing the amount calculated under Subsection  
634 (2)(a)(iii)(B)(I) by the average of the percentage net change in the value of taxable property for  
635 the equalization period for the three calendar years immediately preceding the current calendar  
636 year;

637 (III) after making the calculation required by Subsection (2)(a)(iii)(B)(II), calculate the  
638 product of:

639 (Aa) the amount calculated under Subsection (2)(a)(iii)(B)(II); and

640 (Bb) the percentage of property taxes collected for the five calendar years immediately  
641 preceding the current calendar year; and

642 (IV) after making the calculation required by Subsection (2)(a)(iii)(B)(III), calculate an  
643 amount determined by subtracting from the amount calculated under Subsection  
644 (2)(a)(iii)(B)(III) any new growth as defined in this section:

645 (Aa) within the taxing entity; and

646 (Bb) for the current calendar year.

647 (C) For purposes of Subsection (2)(a)(iii)(B)(I), the aggregate taxable value of all  
648 property taxed includes:

649 (I) the total taxable value of the real and personal property contained on the tax rolls;  
650 and

651 (II) the taxable value of any additional personal property estimated by the county  
652 assessor to be subject to taxation in the current year.

653 (D) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
654 the commission may prescribe rules for calculating redevelopment adjustments for a calendar  
655 year.

656 (iv) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking  
657 Act, the commission shall make rules determining the calculation of ad valorem property tax  
658 revenues budgeted by a taxing entity.

659 (B) For purposes of Subsection (2)(a)(iv)(A), ad valorem property tax revenues  
660 budgeted by a taxing entity shall be calculated in the same manner as budgeted property tax  
661 revenues are calculated for purposes of Section 59-2-913.

662 (v) The certified tax rates for the taxing entities described in this Subsection (2)(a)(v)  
663 shall be calculated as follows:

664 (A) except as provided in Subsection (2)(a)(v)(B), for new taxing entities the certified  
665 tax rate is zero;

666 (B) for each municipality incorporated on or after July 1, 1996, the certified tax rate is:

667 (I) in a county of the first, second, or third class, the levy imposed for municipal-type  
668 services under Sections 17-34-1 and 17-36-9; and

669 (II) in a county of the fourth, fifth, or sixth class, the levy imposed for general county  
670 purposes and such other levies imposed solely for the municipal-type services identified in  
671 Section 17-34-1 and Subsection 17-36-3(22); and

672 (C) for debt service voted on by the public, the certified tax rate shall be the actual levy  
673 imposed by that section, except that the certified tax rates for the following levies shall be  
674 calculated in accordance with Section 59-2-913 and this section:

675 (I) school leeways provided for under Sections 11-2-7, 53A-16-110, 53A-17a-125,  
676 53A-17a-127, 53A-17a-133, 53A-17a-134, 53A-17a-143, 53A-17a-145, and 53A-21-103; and

677 (II) levies to pay for the costs of state legislative mandates or judicial or administrative  
678 orders under Section 59-2-906.3.

679 (vi) (A) A judgment levy imposed under Section 59-2-1328 or 59-2-1330 shall be  
680 established at that rate which is sufficient to generate only the revenue required to satisfy one  
681 or more eligible judgments, as defined in Section 59-2-102.

682 (B) The ad valorem property tax revenue generated by the judgment levy shall not be  
683 considered in establishing the taxing entity's aggregate certified tax rate.

684 (b) (i) For the purpose of calculating the certified tax rate, the county auditor shall use  
685 the taxable value of property on the assessment roll.

686 (ii) For purposes of Subsection (2)(b)(i), the taxable value of property on the  
687 assessment roll does not include new growth as defined in Subsection (2)(b)(iii).

688 (iii) "New growth" means:

689 (A) the difference between the increase in taxable value of the taxing entity from the  
690 previous calendar year to the current year; minus

691 (B) the amount of an increase in taxable value described in Subsection (2)(b)(iv).

692 (iv) Subsection (2)(b)(iii)(B) applies to the following increases in taxable value:

693 (A) the amount of increase to locally assessed real property taxable values resulting  
694 from factoring, reappraisal, or any other adjustments; or

695 (B) the amount of an increase in the taxable value of property assessed by the  
696 commission under Section 59-2-201 resulting from a change in the method of apportioning the  
697 taxable value prescribed by:

698 (I) the Legislature;

699 (II) a court;

700 (III) the commission in an administrative rule; or

701 (IV) the commission in an administrative order.

702 (c) (i) Beginning January 1, 1997, if a taxing entity receives increased revenues from  
703 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
704 59-2-405.2, or 59-2-405.3 as a result of any county imposing a sales and use tax under Chapter  
705 12, Part 11, County Option Sales and Use Tax, the taxing entity shall decrease its certified tax  
706 rate to offset the increased revenues.

707 (ii) (A) Except as provided in Subsection (2)(c)(ii)(B), for a tax imposed for the first

708 time in accordance with Section 59-12-502 on or after January 1, 2008, if a taxing entity  
709 receives increased revenues from uniform fees on tangible personal property under Section  
710 59-2-404, 59-2-405, 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of any county, city, or  
711 town imposing a sales and use tax under Section 59-12-502 for the first time, the taxing entity  
712 shall decrease its certified tax rate to offset the increased revenues.

713 (B) The requirement of Subsection (2)(c)(ii)(A) for a taxing entity to decrease its  
714 certified tax rate does not apply to a taxing entity within a county if that county:

715 (I) on December 31, 2007, imposes a tax under Chapter 12, Part 15, County Option  
716 Sales and Use Tax for Highways, Fixed Guideways, or Systems for Public Transit; and

717 (II) imposes a tax for the first time in accordance with Section 59-12-502 on January 1,  
718 2008.

719 (d) (i) [Beginning] Subject to Subsection (2)(d)(iii), beginning on July 1, 1997, if a  
720 county has imposed a sales and use tax under Chapter 12, Part 11, County Option Sales and  
721 Use Tax, the county's certified tax rate shall be:

722 (A) decreased on a one-time basis by the amount of the estimated sales and use tax  
723 revenue to be distributed to the county under Subsection 59-12-1102(3); and

724 (B) increased by the amount necessary to offset the county's reduction in revenue from  
725 uniform fees on tangible personal property under Section 59-2-404, 59-2-405, 59-2-405.1,  
726 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under Subsection  
727 (2)(d)(i)(A).

728 ~~[(ii) The commission shall determine estimates of sales and use tax distributions for~~  
729 ~~purposes of Subsection (2)(d)(i):]~~

730 (ii) (A) Except as provided in Subsection (2)(d)(ii)(B) and subject to Subsections  
731 (2)(d)(iii) and (iv), if a county, city, or town imposes a sales and use tax for the first time in  
732 accordance with Section 59-12-502 on or after January 1, 2008, the county's, city's, or town's  
733 certified tax rate shall be:

734 (I) decreased on a one-time basis by the amount of the estimated sales and use tax  
735 revenue under Section 59-12-502 to be distributed to the county, city, or town for the first year  
736 that the county, city, or town imposes the tax; and

737 (II) increased by the amount necessary to offset the county's, city's, or town's reduction  
738 in revenue from uniform fees on tangible personal property under Section 59-2-404, 59-2-405,

739 59-2-405.1, 59-2-405.2, or 59-2-405.3 as a result of the decrease in the certified tax rate under  
740 Subsection (2)(d)(ii)(A)(I).

741 (B) The requirement of Subsection (2)(d)(ii)(A) for a county's, city's, or town's certified  
742 tax rate to be increased or decreased does not apply to a city, town, or unincorporated area  
743 within a county if that county:

744 (I) on December 31, 2007, imposes a tax under Chapter 12, Part 15, County Option  
745 Sales and Use Tax for Highways, Fixed Guideways, or Systems for Public Transit; and

746 (II) imposes a tax for the first time in accordance with Section 59-12-502 on January 1,  
747 2008.

748 (iii) The commission shall determine estimates of sales and use tax distributions for  
749 purposes of Subsections (2)(d)(i)(A) and (2)(d)(ii)(A)(I).

750 (iv) A certified tax rate increase or decrease required by Subsection (2)(d)(ii) shall be  
751 made:

752 (A) for the calendar year beginning on the January 1 of the year in which the sales and  
753 use tax is imposed that requires the certified tax rate to be increased or decreased in accordance  
754 with Subsection (2)(d)(ii) if that sales and use tax is imposed for the first time on January 1 or  
755 April 1; or

756 (B) for the calendar year beginning on the January 1 of the year immediately following  
757 the year in which the sales and use tax is imposed that requires the certified tax rate to be  
758 increased or decreased in accordance with Subsection (2)(d)(ii) if that sales and use tax is  
759 imposed for the first time on July 1 or October 1.

760 (e) Beginning January 1, 1998, if a municipality has imposed an additional resort  
761 communities sales tax under Section 59-12-402, the municipality's certified tax rate shall be  
762 decreased on a one-time basis by the amount necessary to offset the first 12 months of  
763 estimated revenue from the additional resort communities sales and use tax imposed under  
764 Section 59-12-402.

765 ~~[(f) For the calendar year beginning on January 1, 1999, and ending on December 31,~~  
766 ~~1999, a taxing entity's certified tax rate shall be adjusted by the amount necessary to offset the~~  
767 ~~adjustment in revenues from uniform fees on tangible personal property under Section~~  
768 ~~59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under~~  
769 ~~Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.]~~

770 ~~[(g) For purposes of Subsections (2)(h) through (j):]~~  
771 ~~[(i) "1998 actual collections" means the amount of revenues a taxing entity actually~~  
772 ~~collected for the calendar year beginning on January 1, 1998, under Section 59-2-405 for:]~~  
773 ~~[(A) motor vehicles required to be registered with the state that weigh 12,000 pounds~~  
774 ~~or less; and]~~  
775 ~~[(B) state-assessed commercial vehicles required to be registered with the state that~~  
776 ~~weigh 12,000 pounds or less.]~~  
777 ~~[(ii) "1999 actual collections" means the amount of revenues a taxing entity actually~~  
778 ~~collected for the calendar year beginning on January 1, 1999, under Section 59-2-405.1.]~~  
779 ~~[(h) For the calendar year beginning on January 1, 2000, the commission shall make~~  
780 ~~the following adjustments:]~~  
781 ~~[(i) the commission shall make the adjustment described in Subsection (2)(i)(i) if, for~~  
782 ~~the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were~~  
783 ~~greater than the sum of:]~~  
784 ~~[(A) the taxing entity's 1999 actual collections; and]~~  
785 ~~[(B) any adjustments the commission made under Subsection (2)(f);]~~  
786 ~~[(ii) the commission shall make the adjustment described in Subsection (2)(i)(ii) if, for~~  
787 ~~the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections were~~  
788 ~~greater than the taxing entity's 1999 actual collections, but the taxing entity's 1998 actual~~  
789 ~~collections were less than the sum of:]~~  
790 ~~[(A) the taxing entity's 1999 actual collections; and]~~  
791 ~~[(B) any adjustments the commission made under Subsection (2)(f); and]~~  
792 ~~[(iii) the commission shall make the adjustment described in Subsection (2)(i)(iii) if,~~  
793 ~~for the calendar year beginning on January 1, 1999, a taxing entity's 1998 actual collections~~  
794 ~~were less than the taxing entity's 1999 actual collections.]~~  
795 ~~[(i) (i) For purposes of Subsection (2)(h)(i), the commission shall increase a taxing~~  
796 ~~entity's certified tax rate under this section and a taxing entity's certified revenue levy under~~  
797 ~~Section 59-2-906.1 by the amount necessary to offset the difference between:]~~  
798 ~~[(A) the taxing entity's 1998 actual collections; and]~~  
799 ~~[(B) the sum of:]~~  
800 ~~[(f) the taxing entity's 1999 actual collections; and]~~

801 ~~[(H) any adjustments the commission made under Subsection (2)(f).]~~  
802 ~~[(ii) For purposes of Subsection (2)(h)(ii), the commission shall decrease a taxing~~  
803 ~~entity's certified tax rate under this section and a taxing entity's certified revenue levy under~~  
804 ~~Section 59-2-906.1 by the amount necessary to offset the difference between:]~~  
805 ~~[(A) the sum of:]~~  
806 ~~[(f) the taxing entity's 1999 actual collections; and]~~  
807 ~~[(H) any adjustments the commission made under Subsection (2)(f); and]~~  
808 ~~[(B) the taxing entity's 1998 actual collections.]~~  
809 ~~[(iii) For purposes of Subsection (2)(h)(iii), the commission shall decrease a taxing~~  
810 ~~entity's certified tax rate under this section and a taxing entity's certified revenue levy under~~  
811 ~~Section 59-2-906.1 by the amount of any adjustments the commission made under Subsection~~  
812 ~~(2)(f).]~~  
813 ~~[(j) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,~~  
814 ~~for purposes of Subsections (2)(f) through (i), the commission may make rules establishing the~~  
815 ~~method for determining a taxing entity's 1998 actual collections and 1999 actual collections.]~~  
816 ~~[(k) (f) (i) (A) For fiscal year 2000, the certified tax rate of each county required under~~  
817 ~~Subsection 17-34-1(4)(a) to provide advanced life support and paramedic services to the~~  
818 ~~unincorporated area of the county shall be decreased by the amount necessary to reduce~~  
819 ~~revenues in that fiscal year by an amount equal to the difference between the amount the county~~  
820 ~~budgeted in its 2000 fiscal year budget for advanced life support and paramedic services~~  
821 ~~countywide and the amount the county spent during fiscal year 2000 for those services,~~  
822 ~~excluding amounts spent from a municipal services fund for those services.~~  
823 ~~(B) For fiscal year 2001, the certified tax rate of each county to which Subsection~~  
824 ~~(2)[(k)] (f)(i)(A) applies shall be decreased by the amount necessary to reduce revenues in that~~  
825 ~~fiscal year by the amount that the county spent during fiscal year 2000 for advanced life~~  
826 ~~support and paramedic services countywide, excluding amounts spent from a municipal~~  
827 ~~services fund for those services.~~  
828 ~~(ii) (A) A city or town located within a county of the first class to which Subsection~~  
829 ~~(2)[(k)] (f)(i) applies may increase its certified tax rate by the amount necessary to generate~~  
830 ~~within the city or town the same amount of revenues as the county would collect from that city~~  
831 ~~or town if the decrease under Subsection (2)[(k)] (f)(i) did not occur.~~

832 (B) An increase under Subsection (2)[~~(f)~~] (f)(ii)(A), whether occurring in a single  
833 fiscal year or spread over multiple fiscal years, is not subject to the notice and hearing  
834 requirements of Sections 59-2-918 and 59-2-919.

835 [~~(f)~~] (g) (i) The certified tax rate of each county required under Subsection  
836 17-34-1(4)(b) to provide detective investigative services to the unincorporated area of the  
837 county shall be decreased:

838 (A) in fiscal year 2001 by the amount necessary to reduce revenues in that fiscal year  
839 by at least \$4,400,000; and

840 (B) in fiscal year 2002 by the amount necessary to reduce revenues in that fiscal year  
841 by an amount equal to the difference between \$9,258,412 and the amount of the reduction in  
842 revenues under Subsection (2)[~~(f)~~] (g)(i)(A).

843 (ii) (A) (I) Beginning with municipal fiscal year 2002, a city or town located within a  
844 county to which Subsection (2)[~~(f)~~] (g)(i) applies may increase its certified tax rate to generate  
845 within the city or town the same amount of revenue as the county would have collected during  
846 county fiscal year 2001 from within the city or town except for Subsection (2)[~~(f)~~] (g)(i)(A).

847 (II) Beginning with municipal fiscal year 2003, a city or town located within a county  
848 to which Subsection (2)[~~(f)~~] (g)(i) applies may increase its certified tax rate to generate within  
849 the city or town the same amount of revenue as the county would have collected during county  
850 fiscal year 2002 from within the city or town except for Subsection (2)[~~(f)~~] (g)(i)(B).

851 (B) (I) Except as provided in Subsection (2)[~~(f)~~] (g)(ii)(B)(II), an increase in the city or  
852 town's certified tax rate under Subsection (2)[~~(f)~~] (g)(ii)(A), whether occurring in a single fiscal  
853 year or spread over multiple fiscal years, is subject to the notice and hearing requirements of  
854 Sections 59-2-918 and 59-2-919.

855 (II) For an increase under this Subsection (2)[~~(f)~~] (g)(ii) that generates revenue that  
856 does not exceed the same amount of revenue as the county would have collected except for  
857 Subsection (2)[~~(f)~~] (g)(i), the requirements of Sections 59-2-918 and 59-2-919 do not apply if  
858 the city or town:

859 (Aa) publishes a notice that meets the size, type, placement, and frequency  
860 requirements of Section 59-2-919, reflects that the increase is a shift of a tax from one imposed  
861 by the county to one imposed by the city or town, and explains how the revenues from the tax  
862 increase will be used; and

863 (Bb) holds a public hearing on the tax shift that may be held in conjunction with the  
864 city or town's regular budget hearing.

865 ~~(m)~~ (h) (i) This Subsection (2)~~(m)~~ (h) applies to each county that:

866 (A) establishes a countywide special service district under Title 17A, Chapter 2, Part  
867 13, Utah Special Service District Act, to provide jail service, as provided in Subsection  
868 17A-2-1304(1)(a)(x); and

869 (B) levies a property tax on behalf of the special service district under Section  
870 17A-2-1322.

871 (ii) (A) The certified tax rate of each county to which this Subsection (2)~~(m)~~ (h)  
872 applies shall be decreased by the amount necessary to reduce county revenues by the same  
873 amount of revenues that will be generated by the property tax imposed on behalf of the special  
874 service district.

875 (B) Each decrease under Subsection (2)~~(m)~~ (h)(ii)(A) shall occur contemporaneously  
876 with the levy on behalf of the special service district under Section 17A-2-1322.

877 ~~(m)~~ (i) (i) As used in this Subsection (2)~~(m)~~ (i):

878 (A) "Annexing county" means a county whose unincorporated area is included within a  
879 fire district by annexation.

880 (B) "Annexing municipality" means a municipality whose area is included within a fire  
881 district by annexation.

882 (C) "Equalized fire protection tax rate" means the tax rate that results from:

883 (I) calculating, for each participating county and each participating municipality, the  
884 property tax revenue necessary to cover all of the costs associated with providing fire  
885 protection, paramedic, and emergency services:

886 (Aa) for a participating county, in the unincorporated area of the county; and

887 (Bb) for a participating municipality, in the municipality; and

888 (II) adding all the amounts calculated under Subsection (2)~~(m)~~ (i)(i)(C)(I) for all  
889 participating counties and all participating municipalities and then dividing that sum by the  
890 aggregate taxable value of the property, as adjusted in accordance with Section 59-2-913:

891 (Aa) for participating counties, in the unincorporated area of all participating counties;  
892 and

893 (Bb) for participating municipalities, in all the participating municipalities.

894 (D) "Fire district" means a county service area under Title 17A, Chapter 2, Part 4,  
895 County Service Area Act, in the creation of which an election was not required under  
896 Subsection 17B-2-214(3)(c).

897 (E) "Fire protection tax rate" means:

898 (I) for an annexing county, the property tax rate that, when applied to taxable property  
899 in the unincorporated area of the county, generates enough property tax revenue to cover all the  
900 costs associated with providing fire protection, paramedic, and emergency services in the  
901 unincorporated area of the county; and

902 (II) for an annexing municipality, the property tax rate that generates enough property  
903 tax revenue in the municipality to cover all the costs associated with providing fire protection,  
904 paramedic, and emergency services in the municipality.

905 (F) "Participating county" means a county whose unincorporated area is included  
906 within a fire district at the time of the creation of the fire district.

907 (G) "Participating municipality" means a municipality whose area is included within a  
908 fire district at the time of the creation of the fire district.

909 (ii) In the first year following creation of a fire district, the certified tax rate of each  
910 participating county and each participating municipality shall be decreased by the amount of  
911 the equalized fire protection tax rate.

912 (iii) In the first year following annexation to a fire district, the certified tax rate of each  
913 annexing county and each annexing municipality shall be decreased by the fire protection tax  
914 rate.

915 (iv) Each tax levied under this section by a fire district shall be considered to be levied  
916 by:

917 (A) each participating county and each annexing county for purposes of the county's  
918 tax limitation under Section 59-2-908; and

919 (B) each participating municipality and each annexing municipality for purposes of the  
920 municipality's tax limitation under Section 10-5-112, for a town, or Section 10-6-133, for a  
921 city.

922 (3) (a) On or before June 22, each taxing entity shall annually adopt a tentative budget.

923 (b) If the taxing entity intends to exceed the certified tax rate, it shall notify the county  
924 auditor of:

925 (i) its intent to exceed the certified tax rate; and  
926 (ii) the amount by which it proposes to exceed the certified tax rate.  
927 (c) The county auditor shall notify all property owners of any intent to exceed the  
928 certified tax rate in accordance with Subsection 59-2-919(2).  
929 (4) (a) The taxable value for the base year under Subsection 17C-1-102(6) shall be  
930 reduced for any year to the extent necessary to provide a community development and renewal  
931 agency established under Title 17C, Limited Purpose Local Government Entities - Community  
932 Development and Renewal Agencies, with approximately the same amount of money the  
933 agency would have received without a reduction in the county's certified tax rate if:  
934 (i) in that year there is a decrease in the certified tax rate under Subsection (2)(c) or  
935 (2)(d)(i);  
936 (ii) the amount of the decrease is more than 20% of the county's certified tax rate of the  
937 previous year; and  
938 (iii) the decrease results in a reduction of the amount to be paid to the agency under  
939 Section 17C-1-403 or 17C-1-404.  
940 (b) The base taxable value under Subsection 17C-1-102(6) shall be increased in any  
941 year to the extent necessary to provide a community development and renewal agency with  
942 approximately the same amount of money as the agency would have received without an  
943 increase in the certified tax rate that year if:  
944 (i) in that year the base taxable value under Subsection 17C-1-102(6) is reduced due to  
945 a decrease in the certified tax rate under Subsection (2)(c) or (2)(d)(i); and  
946 (ii) The certified tax rate of a city, school district, or special district increases  
947 independent of the adjustment to the taxable value of the base year.  
948 (c) Notwithstanding a decrease in the certified tax rate under Subsection (2)(c) or  
949 (2)(d)(i), the amount of money allocated and, when collected, paid each year to a community  
950 development and renewal agency established under Title 17C, Limited Purpose Local  
951 Government Entities - Community Development and Renewal Agencies, for the payment of  
952 bonds or other contract indebtedness, but not for administrative costs, may not be less than that  
953 amount would have been without a decrease in the certified tax rate under Subsection (2)(c) or  
954 (2)(d)(i).  
955 Section 11. Section **59-12-102** is amended to read:

956 **59-12-102. Definitions.**

957 As used in this chapter:

958 (1) (a) "Admission or user fees" includes season passes.

959 (b) "Admission or user fees" does not include annual membership dues to private  
960 organizations.

961 (2) "Agreement" means the Streamlined Sales and Use Tax Agreement described in  
962 Section 59-12-102.1.

963 (3) "Agreement combined tax rate" means the sum of the tax rates:

964 (a) listed under Subsection (4); and

965 (b) that are imposed within a local taxing jurisdiction.

966 (4) "Agreement sales and use tax" means a tax imposed under:

967 (a) Subsection 59-12-103(2)(a)(i) [~~or (2)(b)(iii)(A)~~];

968 (b) Subsection 59-12-103(2)(b)(i);

969 (c) Subsection 59-12-103(2)(c)(i);

970 (d) Subsection 59-12-103(2)(d)(i);

971 (e) Subsection 59-12-103(2)(e)(ii)(A);

972 (f) Subsection 59-12-103(2)(e)(iii)(A);

973 [~~(b)~~] (g) Section 59-12-204;

974 [~~(c)~~] (h) Section 59-12-401;

975 [~~(d)~~] (i) Section 59-12-402;

976 [~~(e)~~] (j) Section 59-12-501;

977 [~~(f)~~] (k) Section 59-12-502;

978 [~~(g)~~] Section 59-12-703;

979 [~~(h)~~] (l) Section 59-12-802;

980 [~~(i)~~] (m) Section 59-12-804;

981 [~~(j)~~] Section 59-12-1001;

982 [~~(k)~~] (n) Section 59-12-1102;

983 [~~(l)~~] Section 59-12-1302;

984 [~~(m)~~] Section 59-12-1402; or

985 [~~(n)~~] Section 59-12-1503;

986 (o) Section 59-12-1802;

987            (p) Section 59-12-1902; or

988            (q) Section 59-12-2002.

989            (5) "Aircraft" is as defined in Section 72-10-102.

990            (6) "Alcoholic beverage" means a beverage that:

991            (a) is suitable for human consumption; and

992            (b) contains .5% or more alcohol by volume.

993            (7) "Area agency on aging" is as defined in Section 62A-3-101.

994            (8) "Assisted amusement device" means an amusement device, skill device, or ride

995 device that is started and stopped by an individual:

996            (a) who is not the purchaser or renter of the right to use or operate the amusement

997 device, skill device, or ride device; and

998            (b) at the direction of the seller of the right to use the amusement device, skill device,

999 or ride device.

1000            (9) "Assisted cleaning or washing of tangible personal property" means cleaning or

1001 washing of tangible personal property if the cleaning or washing labor is primarily performed

1002 by an individual:

1003            (a) who is not the purchaser of the cleaning or washing of the tangible personal

1004 property; and

1005            (b) at the direction of the seller of the cleaning or washing of the tangible personal

1006 property.

1007            (10) "Authorized carrier" means:

1008            (a) in the case of vehicles operated over public highways, the holder of credentials

1009 indicating that the vehicle is or will be operated pursuant to both the International Registration

1010 Plan and the International Fuel Tax Agreement;

1011            (b) in the case of aircraft, the holder of a Federal Aviation Administration operating

1012 certificate or air carrier's operating certificate; or

1013            (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling

1014 stock, the holder of a certificate issued by the United States Surface Transportation Board.

1015            (11) (a) Except as provided in Subsection (11)(b), "biomass energy" means any of the

1016 following that is used as the primary source of energy to produce fuel or electricity:

1017            (i) material from a plant or tree; or

- 1018 (ii) other organic matter that is available on a renewable basis, including:
- 1019 (A) slash and brush from forests and woodlands;
- 1020 (B) animal waste;
- 1021 (C) methane produced:
- 1022 (I) at landfills; or
- 1023 (II) as a byproduct of the treatment of wastewater residuals;
- 1024 (D) aquatic plants; and
- 1025 (E) agricultural products.
- 1026 (b) "Biomass energy" does not include:
- 1027 (i) black liquor;
- 1028 (ii) treated woods; or
- 1029 (iii) biomass from municipal solid waste other than methane produced:
- 1030 (A) at landfills; or
- 1031 (B) as a byproduct of the treatment of wastewater residuals.
- 1032 (12) (a) "Bundled transaction" means the sale of two or more items of tangible personal
- 1033 property if:
- 1034 (i) one or more of the items of tangible personal property is food and food ingredients;
- 1035 and
- 1036 (ii) the items of tangible personal property are:
- 1037 (A) distinct and identifiable; and
- 1038 (B) sold for one price that is not itemized.
- 1039 (b) "Bundled transaction" does not include the sale of tangible personal property if the
- 1040 sales price varies, or is negotiable, on the basis of the selection by the purchaser of the items of
- 1041 tangible personal property included in the transaction.
- 1042 (c) For purposes of Subsection (12)(a)(ii)(A), tangible personal property that is distinct
- 1043 and identifiable does not include:
- 1044 (i) packaging that:
- 1045 (A) accompanies the sale of the tangible personal property; and
- 1046 (B) is incidental or immaterial to the sale of the tangible personal property;
- 1047 (ii) tangible personal property provided free of charge with the purchase of another
- 1048 item of tangible personal property; or

1049 (iii) an item of tangible personal property included in the definition of "purchase  
1050 price."

1051 (d) For purposes of Subsection (12)(c)(ii), an item of tangible personal property is  
1052 provided free of charge with the purchase of another item of tangible personal property if the  
1053 sales price of the purchased item of tangible personal property does not vary depending on the  
1054 inclusion of the tangible personal property provided free of charge.

1055 (13) "Certified automated system" means software certified by the governing board of  
1056 the agreement in accordance with Section 59-12-102.1 that:

1057 (a) calculates the agreement sales and use tax imposed within a local taxing  
1058 jurisdiction:

1059 (i) on a transaction; and

1060 (ii) in the states that are members of the agreement;

1061 (b) determines the amount of agreement sales and use tax to remit to a state that is a  
1062 member of the agreement; and

1063 (c) maintains a record of the transaction described in Subsection (13)(a)(i).

1064 (14) "Certified service provider" means an agent certified:

1065 (a) by the governing board of the agreement in accordance with Section 59-12-102.1;  
1066 and

1067 (b) to perform all of a seller's sales and use tax functions for an agreement sales and  
1068 use tax other than the seller's obligation under Section 59-12-107.4 to remit a tax on the seller's  
1069 own purchases.

1070 (15) (a) Subject to Subsection (15)(b), "clothing" means all human wearing apparel  
1071 suitable for general use.

1072 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
1073 commission shall make rules:

1074 (i) listing the items that constitute "clothing"; and

1075 (ii) that are consistent with the list of items that constitute "clothing" under the  
1076 agreement.

1077 (16) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.

1078 (17) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other  
1079 fuels that does not constitute industrial use under Subsection (39) or residential use under

1080 Subsection (76).

1081 (18) (a) "Common carrier" means a person engaged in or transacting the business of  
1082 transporting passengers, freight, merchandise, or other property for hire within this state.

1083 (b) (i) "Common carrier" does not include a person who, at the time the person is  
1084 traveling to or from that person's place of employment, transports a passenger to or from the  
1085 passenger's place of employment.

1086 (ii) For purposes of Subsection (18)(b)(i), in accordance with Title 63, Chapter 46a,  
1087 Utah Administrative Rulemaking Act, the commission may make rules defining what  
1088 constitutes a person's place of employment.

1089 (19) "Component part" includes:

1090 (a) poultry, dairy, and other livestock feed, and their components;

1091 (b) baling ties and twine used in the baling of hay and straw;

1092 (c) fuel used for providing temperature control of orchards and commercial  
1093 greenhouses doing a majority of their business in wholesale sales, and for providing power for  
1094 off-highway type farm machinery; and

1095 (d) feed, seeds, and seedlings.

1096 (20) "Computer" means an electronic device that accepts information:

1097 (a) (i) in digital form; or

1098 (ii) in a form similar to digital form; and

1099 (b) manipulates that information for a result based on a sequence of instructions.

1100 (21) "Computer software" means a set of coded instructions designed to cause:

1101 (a) a computer to perform a task; or

1102 (b) automatic data processing equipment to perform a task.

1103 (22) "Construction materials" means any tangible personal property that will be  
1104 converted into real property.

1105 (23) "Delivered electronically" means delivered to a purchaser by means other than  
1106 tangible storage media.

1107 (24) (a) "Delivery charge" means a charge:

1108 (i) by a seller of:

1109 (A) tangible personal property; or

1110 (B) services; and

1111 (ii) for preparation and delivery of the tangible personal property or services described  
1112 in Subsection (24)(a)(i) to a location designated by the purchaser.

1113 (b) "Delivery charge" includes a charge for the following:

1114 (i) transportation;

1115 (ii) shipping;

1116 (iii) postage;

1117 (iv) handling;

1118 (v) crating; or

1119 (vi) packing.

1120 (25) "Dietary supplement" means a product, other than tobacco, that:

1121 (a) is intended to supplement the diet;

1122 (b) contains one or more of the following dietary ingredients:

1123 (i) a vitamin;

1124 (ii) a mineral;

1125 (iii) an herb or other botanical;

1126 (iv) an amino acid;

1127 (v) a dietary substance for use by humans to supplement the diet by increasing the total  
1128 dietary intake; or

1129 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient  
1130 described in Subsections (25)(b)(i) through (v);

1131 (c) (i) except as provided in Subsection (25)(c)(ii), is intended for ingestion in:

1132 (A) tablet form;

1133 (B) capsule form;

1134 (C) powder form;

1135 (D) softgel form;

1136 (E) gelcap form; or

1137 (F) liquid form; or

1138 (ii) notwithstanding Subsection (25)(c)(i), if the product is not intended for ingestion in  
1139 a form described in Subsections (25)(c)(i)(A) through (F), is not represented:

1140 (A) as conventional food; and

1141 (B) for use as a sole item of:

- 1142 (I) a meal; or  
1143 (II) the diet; and  
1144 (d) is required to be labeled as a dietary supplement:  
1145 (i) identifiable by the "Supplemental Facts" box found on the label; and  
1146 (ii) as required by 21 C.F.R. Sec. 101.36.
- 1147 (26) (a) "Direct mail" means printed material delivered or distributed by United States  
1148 mail or other delivery service:  
1149 (i) to:  
1150 (A) a mass audience; or  
1151 (B) addressees on a mailing list provided by a purchaser of the mailing list; and  
1152 (ii) if the cost of the printed material is not billed directly to the recipients.  
1153 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a  
1154 purchaser to a seller of direct mail for inclusion in a package containing the printed material.  
1155 (c) "Direct mail" does not include multiple items of printed material delivered to a  
1156 single address.
- 1157 (27) (a) "Drug" means a compound, substance, or preparation, or a component of a  
1158 compound, substance, or preparation that is:  
1159 (i) recognized in:  
1160 (A) the official United States Pharmacopoeia;  
1161 (B) the official Homeopathic Pharmacopoeia of the United States;  
1162 (C) the official National Formulary; or  
1163 (D) a supplement to a publication listed in Subsections (27)(a)(i)(A) through (C);  
1164 (ii) intended for use in the:  
1165 (A) diagnosis of disease;  
1166 (B) cure of disease;  
1167 (C) mitigation of disease;  
1168 (D) treatment of disease; or  
1169 (E) prevention of disease; or  
1170 (iii) intended to affect:  
1171 (A) the structure of the body; or  
1172 (B) any function of the body.

- 1173 (b) "Drug" does not include:  
1174 (i) food and food ingredients;  
1175 (ii) a dietary supplement;  
1176 (iii) an alcoholic beverage; or  
1177 (iv) a prosthetic device.
- 1178 (28) (a) Except as provided in Subsection (28)(c), "durable medical equipment" means  
1179 equipment that:  
1180 (i) can withstand repeated use;  
1181 (ii) is primarily and customarily used to serve a medical purpose;  
1182 (iii) generally is not useful to a person in the absence of illness or injury; and  
1183 (iv) is not worn in or on the body.
- 1184 (b) "Durable medical equipment" includes parts used in the repair or replacement of the  
1185 equipment described in Subsection (28)(a).
- 1186 (c) Notwithstanding Subsection (28)(a), "durable medical equipment" does not include  
1187 mobility enhancing equipment.
- 1188 (29) "Electronic" means:  
1189 (a) relating to technology; and  
1190 (b) having:  
1191 (i) electrical capabilities;  
1192 (ii) digital capabilities;  
1193 (iii) magnetic capabilities;  
1194 (iv) wireless capabilities;  
1195 (v) optical capabilities;  
1196 (vi) electromagnetic capabilities; or  
1197 (vii) capabilities similar to Subsections (29)(b)(i) through (vi).
- 1198 (30) "Employee" is as defined in Section 59-10-401.
- 1199 (31) "Fixed guideway" means a public transit facility that uses and occupies:  
1200 (a) rail for the use of public transit; or  
1201 (b) a separate right-of-way for the use of public transit.
- 1202 (32) (a) "Food and food ingredients" means substances:  
1203 (i) regardless of whether the substances are in:

- 1204 (A) liquid form;
- 1205 (B) concentrated form;
- 1206 (C) solid form;
- 1207 (D) frozen form;
- 1208 (E) dried form; or
- 1209 (F) dehydrated form; and
- 1210 (ii) that are:
- 1211 (A) sold for:
- 1212 (I) ingestion by humans; or
- 1213 (II) chewing by humans; and
- 1214 (B) consumed for the substance's:
- 1215 (I) taste; or
- 1216 (II) nutritional value.
- 1217 (b) "Food and food ingredients" includes an item described in Subsection (63)(b)(iii).
- 1218 (c) "Food and food ingredients" does not include:
- 1219 (i) an alcoholic beverage;
- 1220 (ii) tobacco; or
- 1221 (iii) prepared food.
- 1222 (33) (a) "Fundraising sales" means sales:
- 1223 (i) (A) made by a school; or
- 1224 (B) made by a school student;
- 1225 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 1226 materials, or provide transportation; and
- 1227 (iii) that are part of an officially sanctioned school activity.
- 1228 (b) For purposes of Subsection (33)(a)(iii), "officially sanctioned school activity"
- 1229 means a school activity:
- 1230 (i) that is conducted in accordance with a formal policy adopted by the school or school
- 1231 district governing the authorization and supervision of fundraising activities;
- 1232 (ii) that does not directly or indirectly compensate an individual teacher or other
- 1233 educational personnel by direct payment, commissions, or payment in kind; and
- 1234 (iii) the net or gross revenues from which are deposited in a dedicated account

1235 controlled by the school or school district.

1236 (34) "Geothermal energy" means energy contained in heat that continuously flows  
1237 outward from the earth that is used as the sole source of energy to produce electricity.

1238 (35) "Governing board of the agreement" means the governing board of the agreement  
1239 that is:

1240 (a) authorized to administer the agreement; and

1241 (b) established in accordance with the agreement.

1242 (36) (a) "Hearing aid" means:

1243 (i) an instrument or device having an electronic component that is designed to:

1244 (A) (I) improve impaired human hearing; or

1245 (II) correct impaired human hearing; and

1246 (B) (I) be worn in the human ear; or

1247 (II) affixed behind the human ear;

1248 (ii) an instrument or device that is surgically implanted into the cochlea; or

1249 (iii) a telephone amplifying device.

1250 (b) "Hearing aid" does not include:

1251 (i) except as provided in Subsection (36)(a)(i)(B) or (36)(a)(ii), an instrument or device  
1252 having an electronic component that is designed to be worn on the body;

1253 (ii) except as provided in Subsection (36)(a)(iii), an assistive listening device or system  
1254 designed to be used by one individual, including:

1255 (A) a personal amplifying system;

1256 (B) a personal FM system;

1257 (C) a television listening system; or

1258 (D) a device or system similar to a device or system described in Subsections

1259 (36)(b)(ii)(A) through (C); or

1260 (iii) an assistive listening device or system designed to be used by more than one  
1261 individual, including:

1262 (A) a device or system installed in:

1263 (I) an auditorium;

1264 (II) a church;

1265 (III) a conference room;

- 1266 (IV) a synagogue; or
- 1267 (V) a theater; or
- 1268 (B) a device or system similar to a device or system described in Subsections
- 1269 (36)(b)(iii)(A)(I) through (V).
- 1270 (37) (a) "Hearing aid accessory" means a hearing aid:
- 1271 (i) component;
- 1272 (ii) attachment; or
- 1273 (iii) accessory.
- 1274 (b) "Hearing aid accessory" includes:
- 1275 (i) a hearing aid neck loop;
- 1276 (ii) a hearing aid cord;
- 1277 (iii) a hearing aid ear mold;
- 1278 (iv) hearing aid tubing;
- 1279 (v) a hearing aid ear hook; or
- 1280 (vi) a hearing aid remote control.
- 1281 (c) "Hearing aid accessory" does not include:
- 1282 (i) a component, attachment, or accessory designed to be used only with an:
- 1283 (A) instrument or device described in Subsection (36)(b)(i); or
- 1284 (B) assistive listening device or system described in Subsection (36)(b)(ii) or (iii); or
- 1285 (ii) a hearing aid battery.
- 1286 (38) "Hydroelectric energy" means water used as the sole source of energy to produce
- 1287 electricity.
- 1288 (39) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
- 1289 other fuels:
- 1290 (a) in mining or extraction of minerals;
- 1291 (b) in agricultural operations to produce an agricultural product up to the time of
- 1292 harvest or placing the agricultural product into a storage facility, including:
- 1293 (i) commercial greenhouses;
- 1294 (ii) irrigation pumps;
- 1295 (iii) farm machinery;
- 1296 (iv) implements of husbandry as defined in Subsection 41-1a-102(23) that are not

1297 registered under Title 41, Chapter 1a, Part 2, Registration; and  
1298 (v) other farming activities;  
1299 (c) in manufacturing tangible personal property at an establishment described in SIC  
1300 Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal  
1301 Executive Office of the President, Office of Management and Budget;  
1302 (d) by a scrap recycler if:  
1303 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process  
1304 one or more of the following items into prepared grades of processed materials for use in new  
1305 products:  
1306 (A) iron;  
1307 (B) steel;  
1308 (C) nonferrous metal;  
1309 (D) paper;  
1310 (E) glass;  
1311 (F) plastic;  
1312 (G) textile; or  
1313 (H) rubber; and  
1314 (ii) the new products under Subsection (39)(d)(i) would otherwise be made with  
1315 nonrecycled materials; or  
1316 (e) in producing a form of energy or steam described in Subsection 54-2-1(2)(a) by a  
1317 cogeneration facility as defined in Section 54-2-1.  
1318 (40) (a) Except as provided in Subsection (40)(b), "installation charge" means a charge  
1319 for installing tangible personal property.  
1320 (b) Notwithstanding Subsection (40)(a), "installation charge" does not include a charge  
1321 for repairs or renovations of tangible personal property.  
1322 (41) (a) "Lease" or "rental" means a transfer of possession or control of tangible  
1323 personal property for:  
1324 (i) (A) a fixed term; or  
1325 (B) an indeterminate term; and  
1326 (ii) consideration.  
1327 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the

1328 amount of consideration may be increased or decreased by reference to the amount realized  
1329 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue  
1330 Code.

1331 (c) "Lease" or "rental" does not include:

1332 (i) a transfer of possession or control of property under a security agreement or  
1333 deferred payment plan that requires the transfer of title upon completion of the required  
1334 payments;

1335 (ii) a transfer of possession or control of property under an agreement that requires the  
1336 transfer of title:

1337 (A) upon completion of required payments; and

1338 (B) if the payment of an option price does not exceed the greater of:

1339 (I) \$100; or

1340 (II) 1% of the total required payments; or

1341 (iii) providing tangible personal property along with an operator for a fixed period of  
1342 time or an indeterminate period of time if the operator is necessary for equipment to perform as  
1343 designed.

1344 (d) For purposes of Subsection (41)(c)(iii), an operator is necessary for equipment to  
1345 perform as designed if the operator's duties exceed the:

1346 (i) set-up of tangible personal property;

1347 (ii) maintenance of tangible personal property; or

1348 (iii) inspection of tangible personal property.

1349 (42) "Load and leave" means delivery to a purchaser by use of a tangible storage media  
1350 if the tangible storage media is not physically transferred to the purchaser.

1351 (43) "Local taxing jurisdiction" means a:

1352 (a) county that is authorized to impose an agreement sales and use tax;

1353 (b) city that is authorized to impose an agreement sales and use tax; or

1354 (c) town that is authorized to impose an agreement sales and use tax.

1355 (44) "Manufactured home" is as defined in Section 58-56-3.

1356 (45) For purposes of Section 59-12-104, "manufacturing facility" means:

1357 (a) an establishment described in SIC Codes 2000 to 3999 of the 1987 Standard

1358 Industrial Classification Manual of the federal Executive Office of the President, Office of

- 1359 Management and Budget;
- 1360 (b) a scrap recycler if:
- 1361 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
- 1362 one or more of the following items into prepared grades of processed materials for use in new
- 1363 products:
- 1364 (A) iron;
- 1365 (B) steel;
- 1366 (C) nonferrous metal;
- 1367 (D) paper;
- 1368 (E) glass;
- 1369 (F) plastic;
- 1370 (G) textile; or
- 1371 (H) rubber; and
- 1372 (ii) the new products under Subsection (45)(b)(i) would otherwise be made with
- 1373 nonrecycled materials; or
- 1374 (c) a cogeneration facility as defined in Section 54-2-1.
- 1375 (46) "Member of the immediate family of the producer" means a person who is related
- 1376 to a producer described in Subsection 59-12-104(20)(a) as a:
- 1377 (a) child or stepchild, regardless of whether the child or stepchild is:
- 1378 (i) an adopted child or adopted stepchild; or
- 1379 (ii) a foster child or foster stepchild;
- 1380 (b) grandchild or stepgrandchild;
- 1381 (c) grandparent or stepgrandparent;
- 1382 (d) nephew or stepnephew;
- 1383 (e) niece or stepniece;
- 1384 (f) parent or stepparent;
- 1385 (g) sibling or stepsibling;
- 1386 (h) spouse;
- 1387 (i) person who is the spouse of a person described in Subsections (46)(a) through (g);
- 1388 or
- 1389 (j) person similar to a person described in Subsections (46)(a) through (i) as

1390 determined by the commission by rule made in accordance with Title 63, Chapter 46a, Utah  
1391 Administrative Rulemaking Act.

1392 (47) "Mobile home" is as defined in Section 58-56-3.

1393 (48) "Mobile telecommunications service" is as defined in the Mobile  
1394 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

1395 (49) (a) Except as provided in Subsection (49)(c), "mobility enhancing equipment"  
1396 means equipment that is:

1397 (i) primarily and customarily used to provide or increase the ability to move from one  
1398 place to another;

1399 (ii) appropriate for use in a:

1400 (A) home; or

1401 (B) motor vehicle; and

1402 (iii) not generally used by persons with normal mobility.

1403 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of  
1404 the equipment described in Subsection (49)(a).

1405 (c) Notwithstanding Subsection (49)(a), "mobility enhancing equipment" does not  
1406 include:

1407 (i) a motor vehicle;

1408 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor  
1409 vehicle manufacturer;

1410 (iii) durable medical equipment; or

1411 (iv) a prosthetic device.

1412 (50) "Model 1 seller" means a seller that has selected a certified service provider as the  
1413 seller's agent to perform all of the seller's sales and use tax functions for agreement sales and  
1414 use taxes other than the seller's obligation under Section 59-12-107.4 to remit a tax on the  
1415 seller's own purchases.

1416 (51) "Model 2 seller" means a seller that:

1417 (a) except as provided in Subsection (51)(b), has selected a certified automated system  
1418 to perform the seller's sales tax functions for agreement sales and use taxes; and

1419 (b) notwithstanding Subsection (51)(a), retains responsibility for remitting all of the  
1420 sales tax:

- 1421 (i) collected by the seller; and
- 1422 (ii) to the appropriate local taxing jurisdiction.
- 1423 (52) (a) Subject to Subsection (52)(b), "model 3 seller" means a seller that has:
- 1424 (i) sales in at least five states that are members of the agreement;
- 1425 (ii) total annual sales revenues of at least \$500,000,000;
- 1426 (iii) a proprietary system that calculates the amount of tax:
- 1427 (A) for an agreement sales and use tax; and
- 1428 (B) due to each local taxing jurisdiction; and
- 1429 (iv) entered into a performance agreement with the governing board of the agreement.
- 1430 (b) For purposes of Subsection (52)(a), "model 3 seller" includes an affiliated group of
- 1431 sellers using the same proprietary system.
- 1432 (53) "Modular home" means a modular unit as defined in Section 58-56-3.
- 1433 (54) "Motor vehicle" is as defined in Section 41-1a-102.
- 1434 (55) "Oil shale" means a group of fine black to dark brown shales containing
- 1435 bituminous material that yields petroleum upon distillation.
- 1436 (56) (a) "Other fuels" means products that burn independently to produce heat or
- 1437 energy.
- 1438 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
- 1439 personal property.
- 1440 (57) "Pawnbroker" is as defined in Section 13-32a-102.
- 1441 (58) "Pawn transaction" is as defined in Section 13-32a-102.
- 1442 (59) (a) "Permanently attached to real property" means that for tangible personal
- 1443 property attached to real property:
- 1444 (i) the attachment of the tangible personal property to the real property:
- 1445 (A) is essential to the use of the tangible personal property; and
- 1446 (B) suggests that the tangible personal property will remain attached to the real
- 1447 property in the same place over the useful life of the tangible personal property; or
- 1448 (ii) if the tangible personal property is detached from the real property, the detachment
- 1449 would:
- 1450 (A) cause substantial damage to the tangible personal property; or
- 1451 (B) require substantial alteration or repair of the real property to which the tangible

1452 personal property is attached.

1453 (b) "Permanently attached to real property" includes:

1454 (i) the attachment of an accessory to the tangible personal property if the accessory is:

1455 (A) essential to the operation of the tangible personal property; and

1456 (B) attached only to facilitate the operation of the tangible personal property;

1457 (ii) a temporary detachment of tangible personal property from real property for a

1458 repair or renovation if the repair or renovation is performed where the tangible personal

1459 property and real property are located; or

1460 (iii) an attachment of the following tangible personal property to real property,

1461 regardless of whether the attachment to real property is only through a line that supplies water,

1462 electricity, gas, telephone, cable, or supplies a similar item as determined by the commission by

1463 rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act:

1464 (A) property attached to oil, gas, or water pipelines, other than the property listed in

1465 Subsection (59)(c)(iii);

1466 (B) a hot water heater;

1467 (C) a water softener system; or

1468 (D) a water filtration system, other than a water filtration system manufactured as part

1469 of a refrigerator.

1470 (c) "Permanently attached to real property" does not include:

1471 (i) the attachment of portable or movable tangible personal property to real property if

1472 that portable or movable tangible personal property is attached to real property only for:

1473 (A) convenience;

1474 (B) stability; or

1475 (C) for an obvious temporary purpose;

1476 (ii) the detachment of tangible personal property from real property other than the

1477 detachment described in Subsection (59)(b)(ii); or

1478 (iii) an attachment of the following tangible personal property to real property if the

1479 attachment to real property is only through a line that supplies water, electricity, gas, telephone,

1480 cable, or supplies a similar item as determined by the commission by rule made in accordance

1481 with Title 63, Chapter 46a, Utah Administrative Rulemaking Act:

1482 (A) a refrigerator;

1483 (B) a washer;  
1484 (C) a dryer;  
1485 (D) a stove;  
1486 (E) a television;  
1487 (F) a computer;  
1488 (G) a telephone; or  
1489 (H) tangible personal property similar to Subsections (59)(c)(iii)(A) through (G) as  
1490 determined by the commission by rule made in accordance with Title 63, Chapter 46a, Utah  
1491 Administrative Rulemaking Act.

1492 (60) "Person" includes any individual, firm, partnership, joint venture, association,  
1493 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,  
1494 municipality, district, or other local governmental entity of the state, or any group or  
1495 combination acting as a unit.

1496 (61) "Place of primary use":

1497 (a) for telephone service other than mobile telecommunications service, means the  
1498 street address representative of where the purchaser's use of the telephone service primarily  
1499 occurs, which shall be:

1500 (i) the residential street address of the purchaser; or

1501 (ii) the primary business street address of the purchaser; or

1502 (b) for mobile telecommunications service, is as defined in the Mobile  
1503 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

1504 (62) "Postproduction" means an activity related to the finishing or duplication of a  
1505 medium described in Subsection 59-12-104(56)(a).

1506 (63) (a) "Prepared food" means:

1507 (i) food:

1508 (A) sold in a heated state; or

1509 (B) heated by a seller;

1510 (ii) two or more food ingredients mixed or combined by the seller for sale as a single  
1511 item; or

1512 (iii) except as provided in Subsection (63)(c), food sold with an eating utensil provided  
1513 by the seller, including a:

- 1514 (A) plate;
- 1515 (B) knife;
- 1516 (C) fork;
- 1517 (D) spoon;
- 1518 (E) glass;
- 1519 (F) cup;
- 1520 (G) napkin; or
- 1521 (H) straw.
- 1522 (b) "Prepared food" does not include:
- 1523 (i) food that a seller only:
- 1524 (A) cuts;
- 1525 (B) repackages; or
- 1526 (C) pasteurizes; or
- 1527 (ii) (A) the following:
- 1528 (I) raw egg;
- 1529 (II) raw fish;
- 1530 (III) raw meat;
- 1531 (IV) raw poultry; or
- 1532 (V) a food containing an item described in Subsections (63)(b)(ii)(A)(I) through (IV);
- 1533 and
- 1534 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
- 1535 Food and Drug Administration's Food Code that a consumer cook the items described in
- 1536 Subsection (63)(b)(ii)(A) to prevent food borne illness; or
- 1537 (iii) the following if sold without eating utensils provided by the seller:
- 1538 (A) food and food ingredients sold by a seller if the seller's proper primary
- 1539 classification under the 2002 North American Industry Classification System of the federal
- 1540 Executive Office of the President, Office of Management and Budget, is manufacturing in
- 1541 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla
- 1542 Manufacturing;
- 1543 (B) food and food ingredients sold in an unheated state:
- 1544 (I) by weight or volume; and

- 1545 (II) as a single item; or
- 1546 (C) a bakery item, including:
- 1547 (I) a bagel;
- 1548 (II) a bar;
- 1549 (III) a biscuit;
- 1550 (IV) bread;
- 1551 (V) a bun;
- 1552 (VI) a cake;
- 1553 (VII) a cookie;
- 1554 (VIII) a croissant;
- 1555 (IX) a danish;
- 1556 (X) a donut;
- 1557 (XI) a muffin;
- 1558 (XII) a pastry;
- 1559 (XIII) a pie;
- 1560 (XIV) a roll;
- 1561 (XV) a tart;
- 1562 (XVI) a torte; or
- 1563 (XVII) a tortilla.
- 1564 (c) Notwithstanding Subsection (63)(a)(iii), an eating utensil provided by the seller
- 1565 does not include the following used to transport the food:
- 1566 (i) a container; or
- 1567 (ii) packaging.
- 1568 (64) "Prescription" means an order, formula, or recipe that is issued:
- 1569 (a) (i) orally;
- 1570 (ii) in writing;
- 1571 (iii) electronically; or
- 1572 (iv) by any other manner of transmission; and
- 1573 (b) by a licensed practitioner authorized by the laws of a state.
- 1574 (65) (a) Except as provided in Subsection (65)(b)(ii) or (iii), "prewritten computer
- 1575 software" means computer software that is not designed and developed:

- 1576 (i) by the author or other creator of the computer software; and  
1577 (ii) to the specifications of a specific purchaser.
- 1578 (b) "Prewritten computer software" includes:  
1579 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer  
1580 software is not designed and developed:  
1581 (A) by the author or other creator of the computer software; and  
1582 (B) to the specifications of a specific purchaser;  
1583 (ii) notwithstanding Subsection (65)(a), computer software designed and developed by  
1584 the author or other creator of the computer software to the specifications of a specific purchaser  
1585 if the computer software is sold to a person other than the purchaser; or  
1586 (iii) notwithstanding Subsection (65)(a) and except as provided in Subsection (65)(c),  
1587 prewritten computer software or a prewritten portion of prewritten computer software:  
1588 (A) that is modified or enhanced to any degree; and  
1589 (B) if the modification or enhancement described in Subsection (65)(b)(iii)(A) is  
1590 designed and developed to the specifications of a specific purchaser.
- 1591 (c) Notwithstanding Subsection (65)(b)(iii), "prewritten computer software" does not  
1592 include a modification or enhancement described in Subsection (65)(b)(iii) if the charges for  
1593 the modification or enhancement are:  
1594 (i) reasonable; and  
1595 (ii) separately stated on the invoice or other statement of price provided to the  
1596 purchaser.
- 1597 (66) (a) "Prosthetic device" means a device that is worn on or in the body to:  
1598 (i) artificially replace a missing portion of the body;  
1599 (ii) prevent or correct a physical deformity or physical malfunction; or  
1600 (iii) support a weak or deformed portion of the body.
- 1601 (b) "Prosthetic device" includes:  
1602 (i) parts used in the repairs or renovation of a prosthetic device; or  
1603 (ii) replacement parts for a prosthetic device.
- 1604 (c) "Prosthetic device" does not include:  
1605 (i) corrective eyeglasses;  
1606 (ii) contact lenses;

- 1607 (iii) hearing aids; or
- 1608 (iv) dental prostheses.
- 1609 (67) (a) "Protective equipment" means an item:
- 1610 (i) for human wear; and
- 1611 (ii) that is:
- 1612 (A) designed as protection:
- 1613 (I) to the wearer against injury or disease; or
- 1614 (II) against damage or injury of other persons or property; and
- 1615 (B) not suitable for general use.
- 1616 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1617 commission shall make rules:
- 1618 (i) listing the items that constitute "protective equipment"; and
- 1619 (ii) that are consistent with the list of items that constitute "protective equipment"
- 1620 under the agreement.
- 1621 (68) (a) "Purchase price" and "sales price" mean the total amount of consideration:
- 1622 (i) valued in money; and
- 1623 (ii) for which tangible personal property or services are:
- 1624 (A) sold;
- 1625 (B) leased; or
- 1626 (C) rented.
- 1627 (b) "Purchase price" and "sales price" include:
- 1628 (i) the seller's cost of the tangible personal property or services sold;
- 1629 (ii) expenses of the seller, including:
- 1630 (A) the cost of materials used;
- 1631 (B) a labor cost;
- 1632 (C) a service cost;
- 1633 (D) interest;
- 1634 (E) a loss;
- 1635 (F) the cost of transportation to the seller; or
- 1636 (G) a tax imposed on the seller; or
- 1637 (iii) a charge by the seller for any service necessary to complete the sale.

- 1638 (c) "Purchase price" and "sales price" do not include:
- 1639 (i) a discount:
- 1640 (A) in a form including:
- 1641 (I) cash;
- 1642 (II) term; or
- 1643 (III) coupon;
- 1644 (B) that is allowed by a seller;
- 1645 (C) taken by a purchaser on a sale; and
- 1646 (D) that is not reimbursed by a third party; or
- 1647 (ii) the following if separately stated on an invoice, bill of sale, or similar document
- 1648 provided to the purchaser:
- 1649 (A) the amount of a trade-in;
- 1650 (B) the following from credit extended on the sale of tangible personal property or
- 1651 services:
- 1652 (I) interest charges;
- 1653 (II) financing charges; or
- 1654 (III) carrying charges;
- 1655 (C) a tax or fee legally imposed directly on the consumer;
- 1656 (D) a delivery charge; or
- 1657 (E) an installation charge.
- 1658 (69) "Purchaser" means a person to whom:
- 1659 (a) a sale of tangible personal property is made; or
- 1660 (b) a service is furnished.
- 1661 (70) "Regularly rented" means:
- 1662 (a) rented to a guest for value three or more times during a calendar year; or
- 1663 (b) advertised or held out to the public as a place that is regularly rented to guests for
- 1664 value.
- 1665 (71) "Renewable energy" means:
- 1666 (a) biomass energy;
- 1667 (b) hydroelectric energy;
- 1668 (c) geothermal energy;

1669 (d) solar energy; or

1670 (e) wind energy.

1671 (72) (a) "Renewable energy production facility" means a facility that:

1672 (i) uses renewable energy to produce electricity; and

1673 (ii) has a production capacity of 20 kilowatts or greater.

1674 (b) A facility is a renewable energy production facility regardless of whether the  
1675 facility is:

1676 (i) connected to an electric grid; or

1677 (ii) located on the premises of an electricity consumer.

1678 (73) "Rental" is as defined in Subsection (41).

1679 (74) "Repairs or renovations of tangible personal property" means:

1680 (a) a repair or renovation of tangible personal property that is not permanently attached  
1681 to real property; or

1682 (b) attaching tangible personal property to other tangible personal property if the other  
1683 tangible personal property to which the tangible personal property is attached is not  
1684 permanently attached to real property.

1685 (75) "Research and development" means the process of inquiry or experimentation  
1686 aimed at the discovery of facts, devices, technologies, or applications and the process of  
1687 preparing those devices, technologies, or applications for marketing.

1688 (76) "Residential use" means the use in or around a home, apartment building, sleeping  
1689 quarters, and similar facilities or accommodations.

1690 (77) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other  
1691 than:

1692 (a) resale;

1693 (b) sublease; or

1694 (c) subrent.

1695 (78) (a) "Retailer" means any person engaged in a regularly organized business in  
1696 tangible personal property or any other taxable transaction under Subsection 59-12-103(1), and  
1697 who is selling to the user or consumer and not for resale.

1698 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly  
1699 engaged in the business of selling to users or consumers within the state.

1700 (79) (a) "Sale" means any transfer of title, exchange, or barter, conditional or  
1701 otherwise, in any manner, of tangible personal property or any other taxable transaction under  
1702 Subsection 59-12-103(1), for consideration.

1703 (b) "Sale" includes:

1704 (i) installment and credit sales;

1705 (ii) any closed transaction constituting a sale;

1706 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this  
1707 chapter;

1708 (iv) any transaction if the possession of property is transferred but the seller retains the  
1709 title as security for the payment of the price; and

1710 (v) any transaction under which right to possession, operation, or use of any article of  
1711 tangible personal property is granted under a lease or contract and the transfer of possession  
1712 would be taxable if an outright sale were made.

1713 (80) "Sale at retail" is as defined in Subsection (77).

1714 (81) "Sale-leaseback transaction" means a transaction by which title to tangible  
1715 personal property that is subject to a tax under this chapter is transferred:

1716 (a) by a purchaser-lessee;

1717 (b) to a lessor;

1718 (c) for consideration; and

1719 (d) if:

1720 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase  
1721 of the tangible personal property;

1722 (ii) the sale of the tangible personal property to the lessor is intended as a form of  
1723 financing:

1724 (A) for the property; and

1725 (B) to the purchaser-lessee; and

1726 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee  
1727 is required to:

1728 (A) capitalize the property for financial reporting purposes; and

1729 (B) account for the lease payments as payments made under a financing arrangement.

1730 (82) "Sales price" is as defined in Subsection (68).

1731 (83) (a) "Sales relating to schools" means the following sales by, amounts paid to, or  
1732 amounts charged by a school:

1733 (i) sales that are directly related to the school's educational functions or activities  
1734 including:

1735 (A) the sale of:

1736 (I) textbooks;

1737 (II) textbook fees;

1738 (III) laboratory fees;

1739 (IV) laboratory supplies; or

1740 (V) safety equipment;

1741 (B) the sale of a uniform, protective equipment, or sports or recreational equipment

1742 that:

1743 (I) a student is specifically required to wear as a condition of participation in a  
1744 school-related event or school-related activity; and

1745 (II) is not readily adaptable to general or continued usage to the extent that it takes the  
1746 place of ordinary clothing;

1747 (C) sales of the following if the net or gross revenues generated by the sales are  
1748 deposited into a school district fund or school fund dedicated to school meals:

1749 (I) food and food ingredients; or

1750 (II) prepared food; or

1751 (D) transportation charges for official school activities; or

1752 (ii) amounts paid to or amounts charged by a school for admission to a school-related  
1753 event or school-related activity.

1754 (b) "Sales relating to schools" does not include:

1755 (i) bookstore sales of items that are not educational materials or supplies;

1756 (ii) except as provided in Subsection (83)(a)(i)(B):

1757 (A) clothing;

1758 (B) clothing accessories or equipment;

1759 (C) protective equipment; or

1760 (D) sports or recreational equipment; or

1761 (iii) amounts paid to or amounts charged by a school for admission to a school-related

1762 event or school-related activity if the amounts paid or charged are passed through to a person:

1763 (A) other than a:

1764 (I) school;

1765 (II) nonprofit organization authorized by a school board or a governing body of a

1766 private school to organize and direct a competitive secondary school activity; or

1767 (III) nonprofit association authorized by a school board or a governing body of a

1768 private school to organize and direct a competitive secondary school activity; and

1769 (B) that is required to collect sales and use taxes under this chapter.

1770 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

1771 commission may make rules defining the term "passed through."

1772 (84) For purposes of this section and Section 59-12-104, "school" means:

1773 (a) an elementary school or a secondary school that:

1774 (i) is a:

1775 (A) public school; or

1776 (B) private school; and

1777 (ii) provides instruction for one or more grades kindergarten through 12; or

1778 (b) a public school district.

1779 (85) "Seller" means a person that makes a sale, lease, or rental of:

1780 (a) tangible personal property; or

1781 (b) a service.

1782 (86) (a) "Semiconductor fabricating, processing, research, or development materials"

1783 means tangible personal property:

1784 (i) used primarily in the process of:

1785 (A) (I) manufacturing a semiconductor;

1786 (II) fabricating a semiconductor; or

1787 (III) research or development of a:

1788 (Aa) semiconductor; or

1789 (Bb) semiconductor manufacturing process; or

1790 (B) maintaining an environment suitable for a semiconductor; or

1791 (ii) consumed primarily in the process of:

1792 (A) (I) manufacturing a semiconductor;

- 1793 (II) fabricating a semiconductor; or
- 1794 (III) research or development of a:
- 1795 (Aa) semiconductor; or
- 1796 (Bb) semiconductor manufacturing process; or
- 1797 (B) maintaining an environment suitable for a semiconductor.
- 1798 (b) "Semiconductor fabricating, processing, research, or development materials"
- 1799 includes:
- 1800 (i) parts used in the repairs or renovations of tangible personal property described in
- 1801 Subsection (86)(a); or
- 1802 (ii) a chemical, catalyst, or other material used to:
- 1803 (A) produce or induce in a semiconductor a:
- 1804 (I) chemical change; or
- 1805 (II) physical change;
- 1806 (B) remove impurities from a semiconductor; or
- 1807 (C) improve the marketable condition of a semiconductor.
- 1808 (87) "Senior citizen center" means a facility having the primary purpose of providing
- 1809 services to the aged as defined in Section 62A-3-101.
- 1810 (88) "Simplified electronic return" means the electronic return:
- 1811 (a) described in Section 318(C) of the agreement; and
- 1812 (b) approved by the governing board of the agreement.
- 1813 (89) "Solar energy" means the sun used as the sole source of energy for producing
- 1814 electricity.
- 1815 (90) (a) "Sports or recreational equipment" means an item:
- 1816 (i) designed for human use; and
- 1817 (ii) that is:
- 1818 (A) worn in conjunction with:
- 1819 (I) an athletic activity; or
- 1820 (II) a recreational activity; and
- 1821 (B) not suitable for general use.
- 1822 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1823 commission shall make rules:

- 1824 (i) listing the items that constitute "sports or recreational equipment"; and  
1825 (ii) that are consistent with the list of items that constitute "sports or recreational  
1826 equipment" under the agreement.
- 1827 (91) "State" means the state of Utah, its departments, and agencies.
- 1828 (92) "Storage" means any keeping or retention of tangible personal property or any  
1829 other taxable transaction under Subsection 59-12-103(1), in this state for any purpose except  
1830 sale in the regular course of business.
- 1831 (93) (a) "Tangible personal property" means personal property that:  
1832 (i) may be:  
1833 (A) seen;  
1834 (B) weighed;  
1835 (C) measured;  
1836 (D) felt; or  
1837 (E) touched; or  
1838 (ii) is in any manner perceptible to the senses.
- 1839 (b) "Tangible personal property" includes:  
1840 (i) electricity;  
1841 (ii) water;  
1842 (iii) gas;  
1843 (iv) steam; or  
1844 (v) prewritten computer software.
- 1845 (94) "Tar sands" means impregnated sands that yield mixtures of liquid hydrocarbon  
1846 and require further processing other than mechanical blending before becoming finished  
1847 petroleum products.
- 1848 (95) (a) "Telecommunications enabling or facilitating equipment, machinery, or  
1849 software" means an item listed in Subsection (95)(b) if that item is purchased or leased  
1850 primarily to enable or facilitate one or more of the following to function:  
1851 (i) telecommunications switching or routing equipment, machinery, or software; or  
1852 (ii) telecommunications transmission equipment, machinery, or software.
- 1853 (b) The following apply to Subsection (95)(a):  
1854 (i) a pole;

- 1855 (ii) software;
- 1856 (iii) a supplementary power supply;
- 1857 (iv) temperature or environmental equipment or machinery;
- 1858 (v) test equipment;
- 1859 (vi) a tower; or
- 1860 (vii) equipment, machinery, or software that functions similarly to an item listed in
- 1861 Subsections (95)(b)(i) through (vi) as determined by the commission by rule made in
- 1862 accordance with Subsection (95)(c).

1863 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

1864 commission may by rule define what constitutes equipment, machinery, or software that

1865 functions similarly to an item listed in Subsections (95)(b)(i) through (vi).

1866 (96) "Telecommunications equipment, machinery, or software required for 911

1867 service" means equipment, machinery, or software that is required to comply with 47 C.F.R.

1868 Sec. 20.18.

1869 (97) "Telecommunications maintenance or repair equipment, machinery, or software"

1870 means equipment, machinery, or software purchased or leased primarily to maintain or repair

1871 one or more of the following, regardless of whether the equipment, machinery, or software is

1872 purchased or leased as a spare part or as an upgrade or modification to one or more of the

1873 following:

- 1874 (a) telecommunications enabling or facilitating equipment, machinery, or software;
- 1875 (b) telecommunications switching or routing equipment, machinery, or software; or
- 1876 (c) telecommunications transmission equipment, machinery, or software.

1877 (98) (a) "Telecommunications switching or routing equipment, machinery, or software"

1878 means an item listed in Subsection (98)(b) if that item is purchased or leased primarily for

1879 switching or routing:

- 1880 (i) voice communications;
  - 1881 (ii) data communications; or
  - 1882 (iii) telephone service.
- 1883 (b) The following apply to Subsection (98)(a):
- 1884 (i) a bridge;
  - 1885 (ii) a computer;

- 1886 (iii) a cross connect;
- 1887 (iv) a modem;
- 1888 (v) a multiplexer;
- 1889 (vi) plug in circuitry;
- 1890 (vii) a router;
- 1891 (viii) software;
- 1892 (ix) a switch; or
- 1893 (x) equipment, machinery, or software that functions similarly to an item listed in
- 1894 Subsections (98)(b)(i) through (ix) as determined by the commission by rule made in
- 1895 accordance with Subsection (98)(c).
- 1896 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
- 1897 commission may by rule define what constitutes equipment, machinery, or software that
- 1898 functions similarly to an item listed in Subsections (98)(b)(i) through (ix).
- 1899 (99) (a) "Telecommunications transmission equipment, machinery, or software" means
- 1900 an item listed in Subsection (99)(b) if that item is purchased or leased primarily for sending,
- 1901 receiving, or transporting:
- 1902 (i) voice communications;
- 1903 (ii) data communications; or
- 1904 (iii) telephone service.
- 1905 (b) The following apply to Subsection (99)(a):
- 1906 (i) an amplifier;
- 1907 (ii) a cable;
- 1908 (iii) a closure;
- 1909 (iv) a conduit;
- 1910 (v) a controller;
- 1911 (vi) a duplexer;
- 1912 (vii) a filter;
- 1913 (viii) an input device;
- 1914 (ix) an input/output device;
- 1915 (x) an insulator;
- 1916 (xi) microwave machinery or equipment;

- 1917 (xii) an oscillator;
- 1918 (xiii) an output device;
- 1919 (xiv) a pedestal;
- 1920 (xv) a power converter;
- 1921 (xvi) a power supply;
- 1922 (xvii) a radio channel;
- 1923 (xviii) a radio receiver;
- 1924 (xix) a radio transmitter;
- 1925 (xx) a repeater;
- 1926 (xxi) software;
- 1927 (xxii) a terminal;
- 1928 (xxiii) a timing unit;
- 1929 (xxiv) a transformer;
- 1930 (xxv) a wire; or
- 1931 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
- 1932 Subsections (99)(b)(i) through (xxv) as determined by the commission by rule made in
- 1933 accordance with Subsection (99)(c).

1934 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the

1935 commission may by rule define what constitutes equipment, machinery, or software that

1936 functions similarly to an item listed in Subsections (99)(b)(i) through (xxv).

- 1937 (100) (a) "Telephone service" means a two-way transmission:
- 1938 (i) by:
  - 1939 (A) wire;
  - 1940 (B) radio;
  - 1941 (C) lightwave; or
  - 1942 (D) other electromagnetic means; and
  - 1943 (ii) of one or more of the following:
  - 1944 (A) a sign;
  - 1945 (B) a signal;
  - 1946 (C) writing;
  - 1947 (D) an image;

- 1948 (E) sound;
- 1949 (F) a message;
- 1950 (G) data; or
- 1951 (H) other information of any nature.
- 1952 (b) "Telephone service" includes:
- 1953 (i) mobile telecommunications service;
- 1954 (ii) private communications service; or
- 1955 (iii) automated digital telephone answering service.
- 1956 (c) "Telephone service" does not include a service or a transaction that a state or a
- 1957 political subdivision of a state is prohibited from taxing as of July 1, 2001, under the Internet
- 1958 Tax Freedom Act, Pub. L. No. 105-277.
- 1959 (101) Notwithstanding where a call is billed or paid, "telephone service address"
- 1960 means:
- 1961 (a) if the location described in this Subsection (101)(a) is known, the location of the
- 1962 telephone service equipment:
- 1963 (i) to which a call is charged; and
- 1964 (ii) from which the call originates or terminates;
- 1965 (b) if the location described in Subsection (101)(a) is not known but the location
- 1966 described in this Subsection (101)(b) is known, the location of the origination point of the
- 1967 signal of the telephone service first identified by:
- 1968 (i) the telecommunications system of the seller; or
- 1969 (ii) if the system used to transport the signal is not that of the seller, information
- 1970 received by the seller from its service provider; or
- 1971 (c) if the locations described in Subsection (101)(a) or (b) are not known, the location
- 1972 of a purchaser's primary place of use.
- 1973 (102) (a) "Telephone service provider" means a person that:
- 1974 (i) owns, controls, operates, or manages a telephone service; and
- 1975 (ii) engages in an activity described in Subsection (102)(a)(i) for the shared use with or
- 1976 resale to any person of the telephone service.
- 1977 (b) A person described in Subsection (102)(a) is a telephone service provider whether
- 1978 or not the Public Service Commission of Utah regulates:

- 1979 (i) that person; or
- 1980 (ii) the telephone service that the person owns, controls, operates, or manages.
- 1981 (103) "Tobacco" means:
- 1982 (a) a cigarette;
- 1983 (b) a cigar;
- 1984 (c) chewing tobacco;
- 1985 (d) pipe tobacco; or
- 1986 (e) any other item that contains tobacco.
- 1987 (104) "Unassisted amusement device" means an amusement device, skill device, or
- 1988 ride device that is started and stopped by the purchaser or renter of the right to use or operate
- 1989 the amusement device, skill device, or ride device.
- 1990 (105) (a) "Use" means the exercise of any right or power over tangible personal
- 1991 property under Subsection 59-12-103(1), incident to the ownership or the leasing of that
- 1992 property, item, or service.
- 1993 (b) "Use" does not include the sale, display, demonstration, or trial of that property in
- 1994 the regular course of business and held for resale.
- 1995 (106) (a) Subject to Subsection (106)(b), "vehicle" means the following that are
- 1996 required to be titled, registered, or titled and registered:
- 1997 (i) an aircraft as defined in Section 72-10-102;
- 1998 (ii) a vehicle as defined in Section 41-1a-102;
- 1999 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 2000 (iv) a vessel as defined in Section 41-1a-102.
- 2001 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:
- 2002 (i) a vehicle described in Subsection (106)(a); or
- 2003 (ii) (A) a locomotive;
- 2004 (B) a freight car;
- 2005 (C) railroad work equipment; or
- 2006 (D) other railroad rolling stock.
- 2007 (107) "Vehicle dealer" means a person engaged in the business of buying, selling, or
- 2008 exchanging a vehicle as defined in Subsection (106).
- 2009 (108) (a) Except as provided in Subsection (108)(b), "waste energy facility" means a

2010 facility that generates electricity:

2011 (i) using as the primary source of energy waste materials that would be placed in a  
2012 landfill or refuse pit if it were not used to generate electricity, including:

2013 (A) tires;

2014 (B) waste coal; or

2015 (C) oil shale; and

2016 (ii) in amounts greater than actually required for the operation of the facility.

2017 (b) "Waste energy facility" does not include a facility that incinerates:

2018 (i) municipal solid waste;

2019 (ii) hospital waste as defined in 40 C.F.R. 60.51c; or

2020 (iii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

2021 (109) "Watercraft" means a vessel as defined in Section 73-18-2.

2022 (110) "Wind energy" means wind used as the sole source of energy to produce  
2023 electricity.

2024 (111) "ZIP Code" means a Zoning Improvement Plan Code assigned to a geographic  
2025 location by the United States Postal Service.

2026 Section 12. Section **59-12-103** is amended to read:

2027 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
2028 **tax revenues.**

2029 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or  
2030 charged for the following transactions:

2031 (a) retail sales of tangible personal property made within the state;

2032 (b) amounts paid:

2033 (i) (A) to a common carrier; or

2034 (B) whether the following are municipally or privately owned, to a:

2035 (I) telephone service provider; or

2036 (II) telegraph corporation as defined in Section 54-2-1; and

2037 (ii) for:

2038 (A) telephone service, other than mobile telecommunications service, that originates  
2039 and terminates within the boundaries of this state;

2040 (B) mobile telecommunications service that originates and terminates within the

2041 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
2042 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or  
2043 (C) telegraph service;  
2044 (c) sales of the following for commercial use:  
2045 (i) gas;  
2046 (ii) electricity;  
2047 (iii) heat;  
2048 (iv) coal;  
2049 (v) fuel oil; or  
2050 (vi) other fuels;  
2051 (d) sales of the following for residential use:  
2052 (i) gas;  
2053 (ii) electricity;  
2054 (iii) heat;  
2055 (iv) coal;  
2056 (v) fuel oil; or  
2057 (vi) other fuels;  
2058 (e) sales of prepared food;  
2059 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or  
2060 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,  
2061 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,  
2062 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
2063 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
2064 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
2065 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
2066 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
2067 exhibition, cultural, or athletic activity;  
2068 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
2069 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:  
2070 (i) the tangible personal property; and  
2071 (ii) parts used in the repairs or renovations of the tangible personal property described

2072 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations  
2073 of that tangible personal property;

2074 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for  
2075 assisted cleaning or washing of tangible personal property;

2076 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court  
2077 accommodations and services that are regularly rented for less than 30 consecutive days;

2078 (j) amounts paid or charged for laundry or dry cleaning services;

2079 (k) amounts paid or charged for leases or rentals of tangible personal property if within  
2080 this state the tangible personal property is:

2081 (i) stored;

2082 (ii) used; or

2083 (iii) otherwise consumed;

2084 (l) amounts paid or charged for tangible personal property if within this state the  
2085 tangible personal property is:

2086 (i) stored;

2087 (ii) used; or

2088 (iii) consumed; and

2089 (m) amounts paid or charged for prepaid telephone calling cards.

2090 (2) (a) Except as provided in ~~[Subsection]~~ Subsections (2)(b) [or (f);] through (e), a  
2091 state tax and a local tax is imposed on a transaction described in Subsection (1) equal to the  
2092 sum of the following tax rates:

2093 (i) a state tax imposed on the transaction at a tax rate [of 4.75%; and] equal to the sum  
2094 of the following tax rates:

2095 (A) (I) beginning on January 1, 2008, and ending on June 30, 2016, 4.56%; and

2096 (II) beginning on July 1, 2016, 4.5%;

2097 (B) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
2098 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,  
2099 as determined under Section 59-12-207, the state imposes the tax under Part 18, Additional  
2100 State Sales and Use Tax Act;

2101 (C) the tax rate the state imposes in accordance with Part 19, State Sales and Use Tax  
2102 for Transportation Act; and

2103 (D) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
 2104 and Use Tax Act, if within the county in which the transaction is consummated, as determined  
 2105 under Section 59-12-207, the state imposes the tax under Part 20, Supplemental State Sales and  
 2106 Use Tax Act; and

2107 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
 2108 transaction under this chapter other than this part.

2109 (b) ~~[(i) A]~~ Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is  
 2110 imposed on a transaction described in Subsection (1)(d) equal to the sum of:

2111 ~~[(A)]~~ (i) a state tax imposed on the transaction at a tax rate of 2%; and

2112 ~~[(B)]~~ (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on  
 2113 the transaction under this chapter other than this part~~[- or]~~.

2114 (c) Except as provided in Subsection (2)(d) or (e), beginning on January 1, 2007, a  
 2115 state tax and a local tax is imposed on amounts paid or charged for food and food ingredients  
 2116 equal to the sum of:

2117 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
 2118 a tax rate of 2.75%; and

2119 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
 2120 amounts paid or charged for food and food ingredients under this chapter other than this part.

2121 ~~[(ii) if]~~ (d) Except as provided in Subsection (2)(e), if a seller collects a tax in  
 2122 accordance with Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a  
 2123 state tax and a local tax is imposed on the transaction equal to the sum of:

2124 ~~[(A)]~~ (i) a state tax imposed on the transaction at a tax rate of:

2125 ~~[(f) 4.75% for a transaction other than a transaction described in Subsection (1)(d); or]~~

2126 (A) for a transaction other than a transaction described in Subsection (2)(d)(i)(B) or  
 2127 (2)(d)(i)(C), the sum of the following tax rates:

2128 (I) (Aa) beginning on January 1, 2008, and ending on June 30, 2016, 4.56%; and

2129 (Bb) beginning on July 1, 2016, 4.5%;

2130 (II) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
 2131 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,  
 2132 as determined under Section 59-12-207, the state imposes the tax under Part 18, Additional  
 2133 State Sales and Use Tax Act;

2134 (III) the tax rate the state imposes in accordance with Part 19, State Sales and Use Tax  
2135 for Transportation Act; and

2136 (IV) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
2137 and Use Tax Act, if within the county in which the transaction is consummated, as determined  
2138 under Section 59-12-207, the state imposes the tax under Part 20, Supplemental State Sales and  
2139 Use Tax Act;

2140 [~~(H)~~] (B) 2% for a transaction described in Subsection (1)(d); [and] or  
2141 (C) beginning on January 1, 2007, 2.75% on the amounts paid or charged for food and  
2142 food ingredients; and

2143 [~~(B)~~] (ii) a local tax imposed on the transaction at a tax rate equal to the sum of the  
2144 following tax rates:

2145 (A) for a transaction other than a transaction described in Subsection (2)(d)(i)(B) or  
2146 (2)(d)(i)(C), the sum of the following tax rates:

2147 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,  
2148 and towns in the state impose the tax [under] authorized by Section 59-12-204; [and]

2149 (II) the tax rate authorized by Section 59-12-501 if within the county, city, or town in  
2150 which the transaction is consummated, as determined under Section 59-12-207, that county,  
2151 city, or town imposes the tax authorized by Section 59-12-501;

2152 (III) the tax rate authorized by Section 59-12-502 if within the county, city, or town in  
2153 which the transaction is consummated, as determined under Section 59-12-207, that county,  
2154 city, or town imposes the tax authorized by Section 59-12-502; and

2155 [~~(H)~~] (IV) the tax rate authorized by Section 59-12-1102[~~, but only if all of the counties~~  
2156 in the state impose the tax under] if within the county in which the transaction is consummated,  
2157 as determined under Section 59-12-207, that county imposes the tax authorized by Section  
2158 59-12-1102[~~;~~]; or

2159 (B) for a transaction described in Subsection (2)(d)(i)(B) or (2)(d)(i)(C), the sum of the  
2160 following tax rates:

2161 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,  
2162 and towns in the state impose the tax authorized by Section 59-12-204; and

2163 (II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the  
2164 state impose the tax authorized by Section 59-12-1102.

2165 ~~[(iii) Except as provided in Subsection (2)(f), beginning on January 1, 2007, a state tax~~  
2166 ~~and a local tax is imposed on amounts paid or charged for food and food ingredients equal to~~  
2167 ~~the sum of:]~~

2168 ~~[(A) a state tax imposed on the amounts paid or charged for food and food ingredients~~  
2169 ~~at a rate of 2.75%; and]~~

2170 ~~[(B) a local tax equal to the sum of the tax rates a county, city, or town imposes on the~~  
2171 ~~amounts paid or charged for food and food ingredients under this chapter other than this part.]~~

2172 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as  
2173 provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food  
2174 ingredients and tangible personal property other than food and food ingredients.

2175 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a  
2176 seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),  
2177 beginning on January 1, 2008, a state tax and a local tax is imposed on the entire bundled  
2178 transaction equal to the sum of:

2179 (A) a state tax imposed on the entire bundled transaction equal to the sum of the  
2180 following tax rates:

2181 (I) (Aa) beginning on January 1, 2008, and ending on June 30, 2016, the tax rate  
2182 described in Subsection (2)(a)(i)(A)(I); and

2183 (Bb) beginning on July 1, 2016, the tax rate described in Subsection (2)(a)(i)(A)(II);

2184 (II) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
2185 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,  
2186 as determined under Section 59-12-207, the state imposes the tax under Part 18, Additional  
2187 State Sales and Use Tax Act;

2188 (III) the tax rate the state imposes in accordance with Part 19, State Sales and Use Tax  
2189 for Transportation Act; and

2190 (IV) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
2191 and Use Tax Act, if within the county in which the transaction is consummated, as determined  
2192 under Section 59-12-207, the state imposes the tax under Part 20, Supplemental State Sales and  
2193 Use Tax Act; and

2194 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates  
2195 described in Subsection (2)(a)(ii).

2196 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by  
2197 a seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2008, a state  
2198 tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

2199 (A) a state tax imposed on the entire bundled transaction equal to the sum of the  
2200 following tax rates:

2201 (I) (Aa) beginning on January 1, 2008, and ending on June 30, 2016, the tax rate  
2202 described in Subsection (2)(d)(i)(A)(I)(Aa); and

2203 (Bb) beginning on July 1, 2016, the tax rate described in Subsection  
2204 (2)(d)(i)(A)(I)(Bb);

2205 (II) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
2206 and Use Tax Act, if within the county, city, or town in which the transaction is consummated,  
2207 as determined under Section 59-12-207, the state imposes the tax under Part 18, Additional  
2208 State Sales and Use Tax Act;

2209 (III) the tax rate the state imposes in accordance with Part 19, State Sales and Use Tax  
2210 for Transportation Act; and

2211 (IV) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
2212 and Use Tax Act, if within the county in which the transaction is consummated, as determined  
2213 under Section 59-12-207, the state imposes the tax under Part 20, Supplemental State Sales and  
2214 Use Tax Act; and

2215 (B) a local tax imposed on the entire bundled transaction at a tax rate equal to the sum  
2216 of the following tax rates:

2217 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,  
2218 and towns in the state impose the tax authorized by Section 59-12-204;

2219 (II) the tax rate authorized by Section 59-12-501 if within the county, city, or town in  
2220 which the transaction is consummated, as determined under Section 59-12-207, that county,  
2221 city, or town imposes the tax authorized by Section 59-12-501;

2222 (III) the tax rate authorized by Section 59-12-502 if within the county, city, or town in  
2223 which the transaction is consummated, as determined under Section 59-12-207, that county,  
2224 city, or town imposes the tax authorized by Section 59-12-502; and

2225 (IV) the tax rate authorized by Section 59-12-1102, if within the county in which the  
2226 transaction is consummated, as determined under Section 59-12-207, that county imposes the

2227 tax authorized by Section 59-12-1102.

2228 [~~(e)~~] (f) Subject to Subsections (2)[~~(d)~~](g) and [~~(e)~~] (h), a tax rate repeal or tax rate  
2229 change for a tax rate imposed under the following shall take effect on the first day of a calendar  
2230 quarter:

2231 (i) Subsection (2)(a)(i);

2232 (ii) Subsection (2)(b)(i)[~~(A)~~];

2233 (iii) Subsection (2)[~~(b)(ii)(A)~~]((c)(i)); [~~or~~]

2234 (iv) Subsection (2)[~~(b)(iii)(A)~~]((d)(i));

2235 (v) Subsection (2)(e)(ii)(A); or

2236 (vi) Subsection (2)(e)(iii)(A).

2237 [~~(d)~~] (g) (i) For a transaction described in Subsection (2)[~~(d)~~](g)(iii), a tax rate increase  
2238 shall take effect on the first day of the first billing period[~~-(A)~~] that begins after the effective  
2239 date of the tax rate increase[~~-, and (B)~~] if the billing period for the transaction begins before the  
2240 effective date of a tax rate increase imposed under:

2241 [~~(F)~~] (A) Subsection (2)(a)(i);

2242 [~~(H)~~] (B) Subsection (2)(b)(i)[~~(A)~~]; [~~or~~]

2243 [~~(H)~~] (C) Subsection (2)[~~(b)(ii)(A)~~]((c)(i));

2244 (D) Subsection (2)(d)(i);

2245 (E) Subsection (2)(e)(ii)(A); or

2246 (F) Subsection (2)(e)(iii)(A).

2247 (ii) For a transaction described in Subsection (2)[~~(d)~~](g)(iii), the repeal of a tax or a tax  
2248 rate decrease shall take effect on the first day of the last billing period[~~-(A)~~] that began before  
2249 the effective date of the repeal of the tax or the tax rate decrease[~~-, and (B)~~] if the billing period  
2250 for the transaction begins before the effective date of the repeal of the tax or the tax rate  
2251 decrease imposed under:

2252 [~~(F)~~] (A) Subsection (2)(a)(i);

2253 [~~(H)~~] (B) Subsection (2)(b)(i)[~~(A)~~]; [~~or~~]

2254 [~~(H)~~] (C) Subsection (2)[~~(b)(ii)(A)~~]((c)(i));

2255 (D) Subsection (2)(d)(i);

2256 (E) Subsection (2)(e)(ii)(A); or

2257 (F) Subsection (2)(e)(iii)(A).

2258 (iii) Subsections (2)~~[(f)]~~(g)(i) and (ii) apply to transactions subject to a tax under:

2259 (A) Subsection (1)(b);

2260 (B) Subsection (1)(c);

2261 (C) Subsection (1)(d);

2262 (D) Subsection (1)(e);

2263 (E) Subsection (1)(f);

2264 (F) Subsection (1)(g);

2265 (G) Subsection (1)(h);

2266 (H) Subsection (1)(i);

2267 (I) Subsection (1)(j); or

2268 (J) Subsection (1)(k).

2269 ~~[(e) (i) If a tax due under Subsection (2)(a)(i) or (2)(b)(ii)(A)]~~

2270 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale

2271 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal

2272 or change in a tax rate ~~[imposed under Subsection (2)(a)(i) or (2)(b)(ii)(A)]~~ takes effect:

2273 (A) on the first day of a calendar quarter; and

2274 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change

2275 ~~[under Subsection (2)(a)(i) or (2)(b)(ii)(A)].~~

2276 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:

2277 (A) Subsection (2)(a)(i);

2278 (B) Subsection (2)(b)(i);

2279 (C) Subsection (2)(c)(i);

2280 (D) Subsection (2)(d)(i);

2281 (E) Subsection (2)(e)(ii)(A); or

2282 (F) Subsection (2)(e)(iii)(A).

2283 ~~[(ii)]~~ (iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking

2284 Act, the commission may by rule define the term "catalogue sale."

2285 ~~[(f) If the price of a bundled transaction is attributable to food and food ingredients and~~

2286 tangible personal property other than food and food ingredients, the tax imposed on the entire

2287 ~~bundled transaction is the sum of the tax rates described in Subsection (2)(a).]~~

2288 (3) (a) Except as provided in Subsections (4) through (9), the following state taxes

2289 shall be deposited into the General Fund:

2290 (i) the tax imposed by Subsection (2)(a)(i);

2291 (ii) the tax imposed by Subsection (2)(b)(i)~~[(A)]~~;

2292 (iii) the tax imposed by Subsection (2)~~[(b)(ii)(A)]~~(c)(i); ~~[or]~~

2293 (iv) the tax imposed by Subsection (2)~~[(b)(iii)(A)]~~ (d)(i);

2294 (v) the tax imposed by Subsection (2)(e)(ii)(A); and

2295 (vi) the tax imposed by Subsection (2)(e)(iii)(A).

2296 (b) The following local taxes ~~[described in Subsections (2)(a)(ii), (2)(b)(i)(B), and~~

2297 ~~(2)(b)(iii)(B)]~~ shall be distributed to a county, city, or town as provided in this chapter~~[-]~~:

2298 (i) the tax imposed by Subsection (2)(a)(ii);

2299 (ii) the tax imposed by Subsection (2)(b)(ii);

2300 (iii) the tax imposed by Subsection (2)(c)(ii); and

2301 (iv) the tax imposed by Subsection (2)(e)(ii)(B).

2302 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the

2303 state shall receive the county's, city's, or town's proportionate share of the revenues generated

2304 by the following local ~~[tax described in Subsection (2)(b)(ii)(B)]~~ taxes as provided in

2305 Subsection (3)(c)(ii)~~[-]~~:

2306 (A) the local tax described in Subsection (2)(d)(ii); and

2307 (B) the local tax described in Subsection (2)(e)(iii)(B).

2308 (ii) ~~[The]~~ For revenues generated by a tax described in Subsection (3)(c)(i), the

2309 commission shall determine a county's, city's, or town's proportionate share of the revenues

2310 ~~[under Subsection (3)(c)(i)]~~ by:

2311 (A) calculating an amount equal to the population of the unincorporated area of the

2312 county, city, or town divided by the total population of the state; and

2313 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total

2314 amount of revenues generated by the ~~[local tax under Subsection (2)(b)(ii)(B)]~~ taxes described

2315 in Subsection (3)(c)(i) for all counties, cities, and towns.

2316 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for

2317 purposes of this section shall be derived from the most recent official census or census estimate

2318 of the United States Census Bureau.

2319 (B) If a needed population estimate is not available from the United States Census

2320 Bureau, population figures shall be derived from the estimate from the Utah Population  
2321 Estimates Committee created by executive order of the governor.

2322 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
2323 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
2324 through (g):

2325 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

2326 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

2327 (B) for the fiscal year; or

2328 (ii) \$17,500,000.

2329 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
2330 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the  
2331 Department of Natural Resources to:

2332 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to  
2333 protect sensitive plant and animal species; or

2334 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
2335 act, to political subdivisions of the state to implement the measures described in Subsections  
2336 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

2337 (ii) Money transferred to the Department of Natural Resources under Subsection  
2338 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
2339 person to list or attempt to have listed a species as threatened or endangered under the  
2340 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2341 (iii) At the end of each fiscal year:

2342 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
2343 Conservation and Development Fund created in Section 73-10-24;

2344 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
2345 Program Subaccount created in Section 73-10c-5; and

2346 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
2347 Program Subaccount created in Section 73-10c-5.

2348 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
2349 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
2350 created in Section 4-18-6.

2351 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
2352 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
2353 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
2354 water rights.

2355 (ii) At the end of each fiscal year:

2356 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
2357 Conservation and Development Fund created in Section 73-10-24;

2358 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
2359 Program Subaccount created in Section 73-10c-5; and

2360 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
2361 Program Subaccount created in Section 73-10c-5.

2362 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
2363 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development  
2364 Fund created in Section 73-10-24 for use by the Division of Water Resources.

2365 (ii) In addition to the uses allowed of the Water Resources Conservation and  
2366 Development Fund under Section 73-10-24, the Water Resources Conservation and  
2367 Development Fund may also be used to:

2368 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
2369 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
2370 quantifying surface and ground water resources and describing the hydrologic systems of an  
2371 area in sufficient detail so as to enable local and state resource managers to plan for and  
2372 accommodate growth in water use without jeopardizing the resource;

2373 (B) fund state required dam safety improvements; and

2374 (C) protect the state's interest in interstate water compact allocations, including the  
2375 hiring of technical and legal staff.

2376 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
2377 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount  
2378 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2379 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
2380 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount  
2381 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2382 (i) provide for the installation and repair of collection, treatment, storage, and  
2383 distribution facilities for any public water system, as defined in Section 19-4-102;  
2384 (ii) develop underground sources of water, including springs and wells; and  
2385 (iii) develop surface water sources.

2386 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
2387 2006, the difference between the following amounts shall be expended as provided in this  
2388 Subsection (5), if that difference is greater than \$1:

2389 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
2390 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and  
2391 (ii) \$17,500,000.

2392 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

2393 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
2394 credits; and  
2395 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
2396 restoration.

2397 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
2398 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
2399 created in Section 73-10-24.

2400 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
2401 remaining difference described in Subsection (5)(a) shall be:

2402 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
2403 credits; and  
2404 (B) expended by the Division of Water Resources for cloud-seeding projects  
2405 authorized by Title 73, Chapter 15, Modification of Weather.

2406 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
2407 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
2408 created in Section 73-10-24.

2409 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the  
2410 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
2411 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
2412 Division of Water Resources for:

- 2413 (i) preconstruction costs:
- 2414 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
- 2415 26, Bear River Development Act; and
- 2416 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
- 2417 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- 2418 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
- 2419 Chapter 26, Bear River Development Act;
- 2420 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
- 2421 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
- 2422 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
- 2423 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).
- 2424 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
- 2425 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.
- 2426 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to
- 2427 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be
- 2428 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
- 2429 incurred for employing additional technical staff for the administration of water rights.
- 2430 (g) At the end of each fiscal year, any unexpended dedicated credits described in
- 2431 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development
- 2432 Fund created in Section 73-10-24.
- 2433 (6) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 2434 2003, the lesser of the following amounts shall be used as provided in Subsections (6)(b)
- 2435 through (d):
- 2436 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 2437 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 2438 (B) for the fiscal year; or
- 2439 (ii) \$18,743,000.
- 2440 (b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described
- 2441 in Subsection (6)(a) shall be deposited each year in the Transportation Corridor Preservation
- 2442 Revolving Loan Fund created in Section 72-2-117.
- 2443 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation

2444 Revolving Loan Fund under Subsection (6)(b)(i) shall be used to fund loan applications made  
2445 by the Department of Transportation at the request of local governments.

2446 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
2447 Subsection (6)(a) shall be transferred each year as nonlapsing dedicated credits to the  
2448 Department of Transportation for the State Park Access Highways Improvement Program  
2449 created in Section 72-3-207.

2450 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in  
2451 Subsection (6)(a) shall be deposited in the class B and class C roads account to be expended as  
2452 provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C  
2453 roads.

2454 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,  
2455 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial  
2456 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed  
2457 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable  
2458 transactions under Subsection (1).

2459 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds  
2460 have been paid off and the highway projects completed that are intended to be paid from  
2461 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the  
2462 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of  
2463 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section  
2464 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
2465 by a 1/64% tax rate on the taxable transactions under Subsection (1).

2466 (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal  
2467 year 2004-05, the commission shall each year on or before the September 30 immediately  
2468 following the last day of the fiscal year deposit the difference described in Subsection (8)(b)  
2469 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is  
2470 greater than \$0.

2471 (b) The difference described in Subsection (8)(a) is equal to the difference between:

2472 (i) the total amount of the revenues [~~under Subsections (2)(b)(ii)(A) and (2)(b)(iii)(A)]~~  
2473 the commission received from sellers collecting [~~a tax in accordance with Subsection~~  
2474 ~~59-12-107(1)(b)] the taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal~~

2475 year immediately preceding the September 30 described in Subsection (8)(a); and  
2476 (ii) \$7,279,673.

2477 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in  
2478 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after  
2479 July 1, [~~2006~~] 2008, the Division of Finance shall deposit into the Centennial Highway Fund  
2480 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection  
2481 (3)(a) equal to 8.3% of the revenues collected from the following taxes [~~described in~~  
2482 ~~Subsections (2)(a)(i), (2)(b)(i)(A), and (2)(b)(iii)(A)~~], which represents a portion of the  
2483 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
2484 on vehicles and vehicle-related products[-]:

2485 (i) the tax imposed by Subsection (2)(a)(i);  
2486 (ii) the tax imposed by Subsection (2)(b)(i);  
2487 (iii) the tax imposed by Subsection (2)(c)(i); and  
2488 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2489 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under  
2490 Subsection (7)(b), when the highway general obligation bonds have been paid off and the  
2491 highway projects completed that are intended to be paid from revenues deposited in the  
2492 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations  
2493 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the  
2494 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes  
2495 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes  
2496 [~~described in Subsections (2)(a)(i), (2)(b)(i)(A), and (2)(b)(iii)(A)~~], which represents a portion  
2497 of the approximately 17% of sales and use tax revenues generated annually by the sales and use  
2498 tax on vehicles and vehicle-related products[-]:

2499 (i) the tax imposed by Subsection (2)(a)(i);  
2500 (ii) the tax imposed by Subsection (2)(b)(i);  
2501 (iii) the tax imposed by Subsection (2)(c)(i); and  
2502 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

2503 (10) Notwithstanding Subsection (3)(a), the following amounts shall be deposited into  
2504 the Botanical, Cultural, Recreational, and Zoological Organizations or Facilities Fund created  
2505 by Section 9-17-103 and expended as provided in Section 9-17-103:

- 2506 (a) for the period beginning on January 1, 2008, and ending on June 30, 2008,
- 2507 \$13,731,050;
- 2508 (b) for each fiscal year beginning with fiscal year 2008-09 and ending with fiscal year
- 2509 2010-11, \$27,462,101;
- 2510 (c) for fiscal year 2011-12 and fiscal year 2012-13, \$26,290,471;
- 2511 (d) for fiscal year 2013-14 only, \$24,806,944;
- 2512 (e) for fiscal year 2014-15 only, \$3,943,627; and
- 2513 (f) for fiscal year 2015-16 only, \$951,505.

2514 Section 13. Section **59-12-104.3** is amended to read:

2515 **59-12-104.3. Credit for certain repossessions of a motor vehicle.**

2516 (1) (a) Subject to Subsections (2) and (3), a seller that collects a tax under this chapter  
2517 on the sale of a motor vehicle may claim a credit for a tax under this chapter for a motor  
2518 vehicle that:

- 2519 (i) has been repossessed; and
- 2520 (ii) that the seller resells.

2521 (b) A seller of a motor vehicle other than the seller that collects a tax under this chapter  
2522 on the sale of that motor vehicle may claim a credit for a tax under this chapter:

2523 (i) for a motor vehicle that the seller:

- 2524 (A) repossessed; and
- 2525 (B) resells; and

2526 (ii) if the seller that collected the tax under this chapter on that motor vehicle:

- 2527 (A) is no longer doing business in this state; and
- 2528 (B) does not owe a tax under this chapter.

2529 (2) The amount of the credit allowed by Subsection (1) is equal to the product of:

2530 (a) the portion of the motor vehicle's purchase price that:

- 2531 (i) was subject to a tax under this chapter; and
- 2532 (ii) remains unpaid after the motor vehicle is resold; and

2533 (b) the sum of the tax [rate] rates imposed:

2534 ~~[(i)(A) for a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),~~  
2535 ~~described in Subsection 59-12-103(2)(b)(ii); or]~~

2536 ~~[(B) for a seller other than a seller described in Subsection (2)(b)(i)(A), described in~~

2537 ~~Subsection 59-12-103(2)(a);]~~

2538 (i) under this chapter;

2539 (ii) ~~[imposed]~~ on the motor vehicle's purchase price; and

2540 (iii) ~~[imposed]~~ on the date the motor vehicle was purchased by the person that owns the  
2541 motor vehicle at the time of the repossession.

2542 (3) If a seller recovers any portion of a motor vehicle's unpaid purchase price that is  
2543 used to calculate a credit allowed by Subsection (1)(b), the seller shall report and remit a tax  
2544 under this chapter to the commission:

2545 (a) on the portion of the motor vehicle's unpaid purchase price that:

2546 (i) the seller recovers; and

2547 (ii) is used to calculate the credit allowed by Subsection (1)(b); and

2548 (b) on a return filed for the time period for which the portion of the motor vehicle's  
2549 unpaid purchase price is recovered.

2550 Section 14. Section **59-12-108** is amended to read:

2551 **59-12-108. Monthly payment -- Penalty -- Amount of tax a seller may retain --**  
2552 **Certain amounts allocated to local taxing jurisdictions.**

2553 (1) (a) Notwithstanding Section 59-12-107, a seller that has a tax liability under this  
2554 chapter of \$50,000 or more for the previous calendar year shall:

2555 (i) file a return with the commission:

2556 (A) monthly on or before the last day of the month immediately following the month  
2557 for which the seller collects a tax under this chapter; and

2558 (B) for the month for which the seller collects a tax under this chapter; and

2559 (ii) remit with the return required by Subsection (1)(a)(i) the amount the person is  
2560 required to remit to the commission for each tax, fee, or charge described in Subsection (1)(b):

2561 (A) if that seller's tax liability under this chapter for the previous calendar year is less  
2562 than \$96,000, by any method permitted by the commission; or

2563 (B) if that seller's tax liability under this chapter for the previous calendar year is  
2564 \$96,000 or more, by electronic funds transfer.

2565 (b) Subsections (1)(a)(i) and (ii) apply to the following taxes, fees, or charges:

2566 (i) a tax under Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

2567 (ii) a fee under Section 19-6-716;

2568 (iii) a fee under Section 19-6-805;  
 2569 (iv) a charge under Section 69-2-5.5; or  
 2570 (v) a tax under this chapter.

2571 (c) Notwithstanding Subsection (1)(a)(ii) and in accordance with Title 63, Chapter 46a,  
 2572 Utah Administrative Rulemaking Act, the commission shall make rules providing for a method  
 2573 for making same-day payments other than by electronic funds transfer if making payments by  
 2574 electronic funds transfer fails.

2575 (d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
 2576 commission shall establish by rule procedures and requirements for determining the amount a  
 2577 seller is required to remit to the commission under this Subsection (1).

2578 (2) (a) Except as provided in Subsection [~~(2)(b)~~] (3), a seller subject to Subsection (1)  
 2579 or a seller described in Subsection [~~(3)~~] (4) may retain each month [~~an~~] the amount [not to  
 2580 exceed:] allowed by this Subsection (2).

2581 [(i)] (b) A seller subject to Subsection (1) or a seller described in Subsection (4) may  
 2582 retain each month 1.31% of any amounts the seller is required to remit to the commission:

2583 [(A)] (i) for a transaction described in Subsection 59-12-103(1) that is subject to [the  
 2584 sum of the tax rates described in Subsection 59-12-103(2)(a)] a state tax and a local tax  
 2585 imposed in accordance with the following, for the month for which the seller is filing a return  
 2586 in accordance with Subsection (1)[~~;~~and]:

2587 (A) Subsection 59-12-103(2)(a);

2588 (B) Subsection 59-12-103(2)(b);

2589 (C) Subsection 59-12-103(2)(d), except for the state tax and the local tax imposed on  
 2590 the amounts paid or charged for food and food ingredients in accordance with Subsections  
 2591 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B); and

2592 (D) Subsection 59-12-103(2)(e); and

2593 [(B)] (ii) for an agreement sales and use tax[~~;~~and].

2594 [(i)] (c) (i) A seller subject to Subsection (1) or a seller described in Subsection (4)  
 2595 may retain each month the amount calculated under Subsection (2)(c)(ii) for a transaction  
 2596 described in Subsection 59-12-103(1) that is subject to [the sum of the tax rates described in  
 2597 Subsection 59-12-103(2)(b)(iii), the sum of:] the state tax and the local tax imposed in  
 2598 accordance with Subsection 59-12-103(2)(c).

2599 (ii) For purposes of Subsection (2)(c)(i), the amount a seller may retain is an amount  
 2600 equal to the sum of:

2601 (A) 1.31% of any amounts the seller is required to remit to the commission [~~in~~  
 2602 ~~accordance with Subsection 59-12-103(2)(b)(iii)] for:~~

2603 (I) the state tax and the local tax imposed in accordance with Subsection  
 2604 59-12-103(2)(c);

2605 [~~(H)~~] (II) the month for which the seller is filing a return in accordance with Subsection  
 2606 (1); and

2607 [~~(H)~~] (III) an agreement sales and use tax; and

2608 (B) 1.31% of the difference between:

2609 (I) the amounts the seller would have been required to remit to the commission:

2610 (Aa) in accordance with Subsection 59-12-103(2)(a) if the transaction had been subject  
 2611 to the [~~sum of the tax rates described in] state tax and the local tax imposed in accordance with  
 2612 Subsection 59-12-103(2)(a);~~

2613 (Bb) for the month for which the seller is filing a return in accordance with Subsection  
 2614 (1); and

2615 (Cc) for an agreement sales and use tax; and

2616 (II) the amounts the seller is required to remit to the commission for:

2617 (Aa) the state tax and the local tax imposed in accordance with Subsection  
 2618 59-12-103(2)[~~(b)(iii)](c);~~

2619 (Bb) [~~for~~] the month for which the seller is filing a return in accordance with  
 2620 Subsection (1); and

2621 (Cc) [~~for~~] an agreement sales and use tax[~~; and~~].

2622 (d) (i) A seller subject to Subsection (1) or a seller described in Subsection (4) may  
 2623 retain each month the amount calculated under Subsection (2)(d)(ii) for a transaction described  
 2624 in Subsection 59-12-103(1) that is subject to the state tax and the local tax imposed on the  
 2625 amounts paid or charged for food and food ingredients in accordance with Subsections  
 2626 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B).

2627 (ii) For purposes of Subsection (2)(d)(i), the amount a seller may retain is an amount  
 2628 equal to the sum of:

2629 (A) 1.31% of any amounts the seller is required to remit to the commission for:

2630 (I) the state tax and the local tax imposed on the amounts paid or charged for food and  
 2631 food ingredients in accordance with Subsections 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B);

2632 (II) the month for which the seller is filing a return in accordance with Subsection (1);  
 2633 and

2634 (III) an agreement sales and use tax; and

2635 (B) 1.31% of the difference between:

2636 (I) the amounts the seller would have been required to remit to the commission:

2637 (Aa) in accordance with Subsection 59-12-103(2)(d)(i)(A)(I)(Aa) or (Bb) and  
 2638 Subsection (2)(d)(ii)(B) if the transaction had been subject to the state tax and the local tax  
 2639 imposed in accordance with Subsection 59-12-103(2)(d)(i)(A)(I)(Aa) or (Bb) and  
 2640 Subsection(2)(d)(ii)(B);

2641 (Bb) for the month for which the seller is filing a return in accordance with Subsection  
 2642 (1); and

2643 (Cc) for an agreement sales and use tax; and

2644 (II) the amounts the seller is required to remit to the commission for:

2645 (Aa) the state tax and the local tax imposed in accordance with Subsections

2646 59-12-103(2)(d)(i)(C) and (2)(d)(ii)(B);

2647 (Bb) the month for which the seller is filing a return in accordance with Subsection (1);  
 2648 and

2649 (Cc) an agreement sales and use tax.

2650 [(iii)] (e) A seller subject to Subsection (1) or a seller described in Subsection (4) may  
 2651 retain each month 1% of any amounts the seller is required to remit to the commission:

2652 [(A)] (i) for the month for which the seller is filing a return in accordance with  
 2653 Subsection (1); and

2654 [(B)] (ii) under:

2655 [(F)] (A) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

2656 [(H)] (B) Subsection 59-12-603(1)(a)(i)(A); or

2657 [(HH)] (C) Subsection 59-12-603(1)(a)(i)(B).

2658 [(b)] (3) A state government entity that is required to remit taxes monthly in  
 2659 accordance with Subsection (1) may not retain any amount under Subsection (2)[(a)].

2660 [(3)] (4) A seller that has a tax liability under this chapter for the previous calendar

2661 year of less than \$50,000 may:

2662 (a) voluntarily meet the requirements of Subsection (1); and

2663 (b) if the seller voluntarily meets the requirements of Subsection (1), retain the  
2664 amounts allowed by Subsection (2)~~(a)~~.

2665 ~~(4)~~ (5) Penalties for late payment shall be as provided in Section 59-1-401.

2666 ~~(5)~~ (6) (a) For any amounts required to be remitted to the commission under this part,  
2667 the commission shall each month calculate an amount equal to the difference between:

2668 (i) the total amount retained for that month by all sellers had the percentages listed  
2669 under ~~Subsection (2)(a)(i) and (ii)~~ Subsections (2)(b), (2)(c)(ii), and (2)(d)(ii) been 1.5%; and

2670 (ii) the total amount retained for that month by all sellers at the percentages listed  
2671 under ~~Subsection (2)(a)(i) and (ii)~~ Subsections (2)(b), (2)(c)(ii), and (2)(d)(ii).

2672 (b) The commission shall each month allocate the amount calculated under Subsection  
2673 ~~(5)~~ (6)(a) to each county, city, and town on the basis of the proportion of agreement sales and  
2674 use tax that the commission distributes to each county, city, and town for that month compared  
2675 to the total agreement sales and use tax that the commission distributes for that month to all  
2676 counties, cities, and towns.

2677 Section 15. Section 59-12-205 is amended to read:

2678 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**  
2679 **tax revenues -- Determination of population.**

2680 (1) Each county, city, and town, in order to maintain in effect sales and use tax  
2681 ordinances adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of  
2682 any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales  
2683 and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as  
2684 they relate to sales and use taxes.

2685 (2) (a) Except as provided in Subsections (3) through (5)~~[:]~~, revenues collected from  
2686 the sales and use tax authorized by this part shall be distributed as provided in this Subsection  
2687 (2).

2688 (b) Before any distributions are made in accordance with Subsections (2)(c) and (d):

2689 (i) a seller may retain the amount allowed by Section 59-12-108; and

2690 (ii) the commission shall retain the charge required by Section 59-12-206.

2691 (c) After the amounts described in Subsection (2)(b) are retained in accordance with

2692 Subsection (2)(b), the commission shall distribute:

2693 (i) for the period beginning January 1, 2008, and ending June 30, 2008, \$16,500 to  
2694 each town that imposed a town option sales and use tax:

2695 (A) on December 31, 2007; and

2696 (B) that is repealed by this bill; and

2697 (ii) for each fiscal year beginning with fiscal year 2008-09, \$33,000 to each town that  
2698 imposed a town option sales and use tax:

2699 (A) on December 31, 2007; and

2700 (B) that is repealed by this bill.

2701 (d) After the distributions required by Subsection (2)(c) are made, the commission  
2702 shall distribute the remaining amount of revenues collected from the sales and use tax  
2703 authorized by this part as follows:

2704 [~~(a)~~] (i) 50% of each dollar collected from the sales and use tax authorized by this part  
2705 shall be paid to each county, city, and town on the basis of the percentage that the population of  
2706 the county, city, or town bears to the total population of all counties, cities, and towns in the  
2707 state; and

2708 [~~(b)~~] (ii) 50% of each dollar collected from the sales and use tax authorized by this part  
2709 shall be paid to each county, city, and town on the basis of the location where the transaction is  
2710 consummated as determined under Section 59-12-207.

2711 (3) (a) For fiscal years beginning with fiscal year 1983-84 and ending with fiscal year  
2712 2005-06, a county, city, or town may not receive a tax revenue distribution less than .75% of  
2713 the taxable sales within the boundaries of the county, city, or town.

2714 (b) The commission shall proportionally reduce monthly distributions to any county,  
2715 city, or town that, but for the reduction, would receive a distribution in excess of 1% of the  
2716 sales and use tax revenue collected within the boundaries of the county, city, or town.

2717 (4) (a) As used in this Subsection (4):

2718 (i) "Eligible county, city, or town" means a county, city, or town that receives \$2,000 or  
2719 more in tax revenue distributions in accordance with Subsection (3) for each of the following  
2720 fiscal years:

2721 (A) fiscal year 2002-03;

2722 (B) fiscal year 2003-04; and

2723 (C) fiscal year 2004-05.

2724 (ii) "Minimum tax revenue distribution" means the total amount of tax revenue  
2725 distributions an eligible county, city, or town receives from a tax imposed in accordance with  
2726 this part for fiscal year 2004-05.

2727 (b) (i) Notwithstanding Subsection (2) and except as provided in Subsection (4)(b)(ii),  
2728 beginning with fiscal year 2006-07 and ending with fiscal year 2012-13, an eligible county,  
2729 city, or town shall receive a tax revenue distribution for a tax imposed in accordance with this  
2730 part equal to the greater of:

2731 (A) the payment required by Subsection (2); or

2732 (B) the minimum tax revenue distribution.

2733 (ii) If the tax revenue distribution required by Subsection (4)(b)(i) for an eligible  
2734 county, city, or town is equal to the amount described in Subsection (4)(b)(i)(A) for three  
2735 consecutive fiscal years, for fiscal years beginning with the fiscal year immediately following  
2736 that three consecutive fiscal year period, the eligible county, city, or town shall receive the tax  
2737 revenue distribution equal to the payment required by Subsection (2).

2738 (c) For a fiscal year beginning with fiscal year 2013-14 and ending with fiscal year  
2739 2015-16, an eligible county, city, or town shall receive the minimum tax revenue distribution  
2740 for that fiscal year if for fiscal year 2012-13 the payment required by Subsection (2) to that  
2741 eligible county, city, or town is less than or equal to the product of:

2742 (i) the minimum tax revenue distribution; and

2743 (ii) .90.

2744 (5) Notwithstanding Subsection (2), if a county, city, or town imposes a tax authorized  
2745 by this part on any amounts paid or charged by a seller that collects a tax in accordance with  
2746 Subsection 59-12-107(1)(b), the revenues generated by the tax shall be distributed as provided  
2747 in Subsection 59-12-103(3)(c).

2748 (6) (a) Population figures for purposes of this section shall be based on the most recent  
2749 official census or census estimate of the United States Census Bureau.

2750 (b) If a needed population estimate is not available from the United States Census  
2751 Bureau, population figures shall be derived from the estimate from the Utah Population  
2752 Estimates Committee created by executive order of the governor.

2753 (7) The population of a county for purposes of this section shall be determined solely

2754 from the unincorporated area of the county.

2755 Section 16. Section **59-12-501** is amended to read:

2756 **59-12-501. Local option sales and use tax for transportation -- Base -- Rate.**

2757 (1) (a) ~~[(f) In addition to other sales and use taxes, any]~~ A county, city, or town ~~[within~~  
2758 ~~a transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District~~  
2759 ~~Act,]~~ may impose a sales and use tax of ~~[up to]~~ .25% on the transactions described in  
2760 Subsection 59-12-103(1) located within the county, city, or town~~[, to fund a public~~  
2761 ~~transportation system.];~~

2762 (i) for the construction and maintenance of highways under the jurisdiction of the  
2763 county, city, or town imposing the tax;

2764 (ii) to fund a system for public transit as defined in Section 17A-2-1004;

2765 (iii) to fund a fixed guideway as defined in Section 72-2-125; or

2766 (iv) for a combination of the purposes described in Subsections (1)(a)(i) through (iii).

2767 ~~[(f)]~~ (b) Notwithstanding Subsection (1)(a)~~[(f)]~~, a county, city, or town may not  
2768 impose a tax under this section on:

2769 ~~[(A)]~~ (i) the sales and uses described in Section 59-12-104 to the extent the sales and  
2770 uses are exempt from taxation under Section 59-12-104; and

2771 ~~[(B) any amounts paid or charged by a seller that collects a tax under Subsection~~  
2772 ~~59-12-107(1)(b).]~~

2773 (ii) except as provided in Subsection (3), amounts paid or charged for food and food  
2774 ingredients.

2775 ~~[(b)]~~ (2) For purposes of ~~[this]~~ Subsection (1), the location of a transaction shall be  
2776 determined in accordance with Section 59-12-207.

2777 ~~[(c) (i) A county, city, or town may impose a tax under this section only if the~~  
2778 ~~governing body of the county, city, or town, by resolution, submits the proposal to all the~~  
2779 ~~qualified voters within the county, city, or town for approval at a general or special election~~  
2780 ~~conducted in the manner provided by statute.]~~

2781 ~~[(ii) An election under Subsection 17B-2-512(3)(a)(ii) approving the annexation of an~~  
2782 ~~area to a public transit district or local district and approving for that annexed area the sales and~~  
2783 ~~use tax authorized by this section satisfies the election requirement of Subsection (1)(c)(i) for~~  
2784 ~~the area to be annexed to the public transit district or local district.]~~

2785 ~~[(2) (a) If only a portion of a county is included within a public transit district, the~~  
 2786 ~~proposal may be submitted only to the qualified voters residing within the boundaries of the~~  
 2787 ~~proposed or existing public transit district.]~~

2788 ~~[(b) Notice of any such election shall be given by the county, city, or town governing~~  
 2789 ~~body 15 days in advance in the manner prescribed by statute.]~~

2790 ~~[(c) If a majority of the voters voting in such election approve the proposal, it shall~~  
 2791 ~~become effective on the date provided by the county, city, or town governing body.]~~

2792 ~~[(3) This section may not be construed to require an election in jurisdictions where~~  
 2793 ~~voters have previously approved a public transit sales or use tax.]~~

2794 (3) A county, city, or town imposing a tax under this section shall impose the tax on  
 2795 amounts paid or charged for food and food ingredients if the food and food ingredients are sold  
 2796 as part of a bundled transaction attributable to food and food ingredients and tangible personal  
 2797 property other than food and food ingredients.

2798 Section 17. Section **59-12-502** is amended to read:

2799 **59-12-502. Additional local option sales and use tax for transportation -- Base --**  
 2800 **Rate.**

2801 (1) (a) ~~[(f) In addition to other sales and use taxes, including the public transit district~~  
 2802 ~~tax authorized by Section 59-12-501, a] A county, city, or town [within a transit district~~  
 2803 ~~organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act,] may impose a~~  
 2804 ~~sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located~~  
 2805 ~~within the county, city, or town[, to fund a fixed guideway and expanded public transportation~~  
 2806 ~~system.];~~

2807 (i) for the construction and maintenance of highways under the jurisdiction of the  
 2808 county, city, or town imposing the tax;

2809 (ii) to fund a system for public transit as defined in Section 17A-2-1004;

2810 (iii) to fund a fixed guideway as defined in Section 72-2-125; or

2811 (iv) for a combination of the purposes described in Subsections (1)(a)(i) through (iii).

2812 ~~[(f)] (b) Notwithstanding Subsection (1)(a)~~[(f)]~~, a county, city, or town may not~~  
 2813 ~~impose a tax under this section on:~~

2814 ~~[(A)] (i) the sales and uses described in Section 59-12-104 to the extent the sales and~~  
 2815 ~~uses are exempt from taxation under Section 59-12-104; and~~

2816 ~~[(B) any amounts paid or charged by a seller that collects a tax under Subsection~~  
2817 ~~59-12-107(1)(b).]~~

2818 (ii) except as provided in Subsection (3), amounts paid or charged for food and food  
2819 ingredients.

2820 ~~[(b)] (2) For purposes of this Subsection (1), the location of a transaction shall be~~  
2821 ~~determined in accordance with Section 59-12-207.~~

2822 ~~[(c) (i) A county, city, or town may impose the tax under this section only if the~~  
2823 ~~governing body of the county, city, or town submits, by resolution, the proposal to all the~~  
2824 ~~qualified voters within the county, city, or town for approval at a general or special election~~  
2825 ~~conducted in the manner provided by statute.]~~

2826 ~~[(ii) Notice of the election under Subsection (1)(c)(i) shall be given by the county, city,~~  
2827 ~~or town governing body 15 days in advance in the manner prescribed by statute.]~~

2828 ~~[(2) If the majority of the voters voting in this election approve the proposal, it shall~~  
2829 ~~become effective on the date provided by the county, city, or town governing body.]~~

2830 ~~[(3) (a) This section may not be construed to require an election in jurisdictions where~~  
2831 ~~voters have previously approved a public transit sales or use tax.]~~

2832 ~~[(b) This section shall be construed to require an election to impose the sales and use~~  
2833 ~~tax authorized by this section, including jurisdictions where the voters have previously~~  
2834 ~~approved the sales and use tax authorized by Section 59-12-501, but this section may not be~~  
2835 ~~construed to affect the sales and use tax authorized by Section 59-12-501.]~~

2836 ~~[(4) No public funds shall be spent to promote the required election.]~~

2837 ~~[(5) (a) Notwithstanding the designated use of revenues in Subsection (1), of the~~  
2838 ~~revenues generated by the tax imposed under this section by any county of the first class:]~~

2839 ~~[(i) 75% shall be allocated to fund a fixed guideway and expanded public~~  
2840 ~~transportation system; and]~~

2841 ~~[(ii) except as provided in Subsection (5)(b), 25% shall be allocated to fund new~~  
2842 ~~construction, major renovations, and improvements to Interstate 15 and state highways within~~  
2843 ~~the county and to pay any debt service and bond issuance costs related to those projects:]~~

2844 ~~[(b) Notwithstanding the designated use of revenues in Subsection (1), beginning on~~  
2845 ~~July 1, 2006, and ending on July 1, 2007, a county of the first class may expend an amount not~~  
2846 ~~to exceed \$3,500,000 of the revenues described in Subsection (5)(a)(ii) for expenses relating to~~

2847 ~~reconfiguring railroad curves within that county to reduce rail congestion.]~~

2848  ~~[(6) A county of the first class may, through an interlocal agreement, authorize the~~  
 2849  ~~deposit or transfer of the portion of the revenues described in Subsection (5)(a)(ii) to the Public~~  
 2850  ~~Transportation System Tax Highway Fund created in Section 72-2-121.]~~

2851 (3) A county, city, or town imposing a tax under this section shall impose the tax on  
 2852  amounts paid or charged for food and food ingredients if the food and food ingredients are sold  
 2853  as part of a bundled transaction attributable to food and food ingredients and tangible personal  
 2854  property other than food and food ingredients.

2855 Section 18. Section **59-12-503** is amended to read:

2856 **59-12-503. Local option direct transfer.**

2857 A county [~~or municipality~~], city, or town may elect, in writing, to have the portion of  
 2858 the monthly funds transfer that is collected [~~as a public transit sales and use~~] from a tax under  
 2859 [~~Sections~~] Section 59-12-501 [and] or 59-12-502 to be transferred directly to a designated  
 2860 public transit district, subject to the same charge [~~as described under~~] required by Section  
 2861 59-12-206.

2862 Section 19. Section **59-12-504** is amended to read:

2863 **59-12-504. Enactment or repeal of tax -- Effective date -- Notice requirements --**  
 2864 **Administration, collection, and enforcement of tax.**

2865 (1) For purposes of this section:

2866 (a) "Annexation" means an annexation to:

2867 (i) a county under Title 17, Chapter 2, Annexation to County; or

2868 (ii) a city or town under Title 10, Chapter 2, Part 4, Annexation.

2869 (b) "Annexing area" means an area that is annexed into a county, city, or town.

2870 (2) (a) Except as provided in Subsection (2)(c) or (d), if, on or after [~~July 1, 2004~~]

2871 April 1, 2008, a county, city, or town enacts or repeals a tax under this part, the enactment or  
 2872 repeal shall take effect:

2873 (i) on the first day of a calendar quarter; and

2874 (ii) after a 90-day period beginning on the date the commission receives notice meeting  
 2875 the requirements of Subsection (2)(b) from the county, city, or town.

2876 (b) The notice described in Subsection (2)(a)(ii) shall state:

2877 (i) that the county, city, or town will enact or repeal a tax under this part;

2878 (ii) the statutory authority for the tax described in Subsection (2)(b)(i);  
2879 (iii) the effective date of the tax described in Subsection (2)(b)(i); and  
2880 (iv) if the county, city, or town enacts the tax described in Subsection (2)(b)(i), the rate  
2881 of the tax.

2882 (c) (i) Notwithstanding Subsection (2)(a), for a transaction described in Subsection  
2883 (2)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

2884 (A) that begins after the effective date of the enactment of the tax; and

2885 (B) if the billing period for the transaction begins before the effective date of the  
2886 enactment of the tax under:

2887 (I) Section 59-12-501; or

2888 (II) Section 59-12-502.

2889 (ii) Notwithstanding Subsection (2)(a), for a transaction described in Subsection  
2890 (2)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2891 (A) that began before the effective date of the repeal of the tax; and

2892 (B) if the billing period for the transaction begins before the effective date of the repeal  
2893 of the tax imposed under:

2894 (I) Section 59-12-501; or

2895 (II) Section 59-12-502.

2896 (iii) Subsections (2)(c)(i) and (ii) apply to transactions subject to a tax under:

2897 (A) Subsection 59-12-103(1)(b);

2898 (B) Subsection 59-12-103(1)(c);

2899 (C) Subsection 59-12-103(1)(d);

2900 (D) Subsection 59-12-103(1)(e);

2901 (E) Subsection 59-12-103(1)(f);

2902 (F) Subsection 59-12-103(1)(g);

2903 (G) Subsection 59-12-103(1)(h);

2904 (H) Subsection 59-12-103(1)(i);

2905 (I) Subsection 59-12-103(1)(j); or

2906 (J) Subsection 59-12-103(1)(k).

2907 (d) (i) Notwithstanding Subsection (2)(a), if a tax due under this chapter on a catalogue  
2908 sale is computed on the basis of sales and use tax rates published in the catalogue, an

2909 enactment or repeal of a tax described in Subsection (2)(a) takes effect:

2910 (A) on the first day of a calendar quarter; and

2911 (B) beginning 60 days after the effective date of the enactment or repeal under  
2912 Subsection (2)(a).

2913 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,  
2914 the commission may by rule define the term "catalogue sale."

2915 (3) (a) Except as provided in Subsection (3)(c) or (d), if, for an annexation that occurs  
2916 on or after July 1, 2004, the annexation will result in the enactment or repeal of a tax under this  
2917 part for an annexing area, the enactment or repeal shall take effect:

2918 (i) on the first day of a calendar quarter; and

2919 (ii) after a 90-day period beginning on the date the commission receives notice meeting  
2920 the requirements of Subsection (3)(b) from the county, city, or town that annexes the annexing  
2921 area.

2922 (b) The notice described in Subsection (3)(a)(ii) shall state:

2923 (i) that the annexation described in Subsection (3)(a) will result in an enactment or  
2924 repeal of a tax under this part for the annexing area;

2925 (ii) the statutory authority for the tax described in Subsection (3)(b)(i);

2926 (iii) the effective date of the tax described in Subsection (3)(b)(i); and

2927 (iv) the rate of the tax described in Subsection (3)(b)(i).

2928 (c) (i) Notwithstanding Subsection (3)(a), for a transaction described in Subsection  
2929 (3)(c)(iii), the enactment of a tax shall take effect on the first day of the first billing period:

2930 (A) that begins after the effective date of the enactment of the tax; and

2931 (B) if the billing period for the transaction begins before the effective date of the  
2932 enactment of the tax under:

2933 (I) Section 59-12-501; or

2934 (II) Section 59-12-502.

2935 (ii) Notwithstanding Subsection (3)(a), for a transaction described in Subsection  
2936 (3)(c)(iii), the repeal of a tax shall take effect on the first day of the last billing period:

2937 (A) that began before the effective date of the repeal of the tax; and

2938 (B) if the billing period for the transaction begins before the effective date of the repeal  
2939 of the tax imposed under:

- 2940 (I) Section 59-12-501; or
- 2941 (II) Section 59-12-502.
- 2942 (iii) Subsections (3)(c)(i) and (ii) apply to transactions subject to a tax under:
- 2943 (A) Subsection 59-12-103(1)(b);
- 2944 (B) Subsection 59-12-103(1)(c);
- 2945 (C) Subsection 59-12-103(1)(d);
- 2946 (D) Subsection 59-12-103(1)(e);
- 2947 (E) Subsection 59-12-103(1)(f);
- 2948 (F) Subsection 59-12-103(1)(g);
- 2949 (G) Subsection 59-12-103(1)(h);
- 2950 (H) Subsection 59-12-103(1)(i);
- 2951 (I) Subsection 59-12-103(1)(j); or
- 2952 (J) Subsection 59-12-103(1)(k).
- 2953 (d) (i) Notwithstanding Subsection (3)(a), if a tax due under this chapter on a catalogue
- 2954 sale is computed on the basis of sales and use tax rates published in the catalogue, an
- 2955 enactment or repeal of a tax described in Subsection (3)(a) takes effect:
- 2956 (A) on the first day of a calendar quarter; and
- 2957 (B) beginning 60 days after the effective date of the enactment or repeal under
- 2958 Subsection (3)(a).
- 2959 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 2960 the commission may by rule define the term "catalogue sale."
- 2961 (4) (a) Except as provided in Subsection (4)(b), a tax authorized under this part shall be
- 2962 administered, collected, and enforced in accordance with:
- 2963 (i) the same procedures used to administer, collect, and enforce the tax under:
- 2964 (A) Part 1, Tax Collection; or
- 2965 (B) Part 2, Local Sales and Use Tax Act; and
- 2966 (ii) Chapter 1, General Taxation Policies.
- 2967 (b) Notwithstanding Subsection (4)(a), a tax under this part is not subject to
- 2968 Subsections 59-12-205(2) through (7).
- 2969 Section 20. Section **59-12-902** is amended to read:
- 2970 **59-12-902. Sales tax refund for qualified emergency food agencies -- Use of**

2971 **amounts received as refund -- Administration -- Rulemaking authority.**

2972 (1) Beginning on January 1, 1998, a qualified emergency food agency may claim a  
2973 sales tax refund as provided in this section on the pounds of food and food ingredients donated  
2974 to the qualified emergency food agency.

2975 (2) (a) Subject to the adjustments provided for in Subsection (2)(b), a qualified  
2976 emergency food agency may claim a refund in an amount equal to the pounds of food and food  
2977 ingredients donated to the qualified emergency food agency multiplied by:

2978 (i) \$1.70; and

2979 (ii) the sum of:

2980 (A) 4.75%; and

2981 (B) the sum of the tax rates provided for in Subsection (2)(b).

2982 (b) Tax rates authorized under the following apply to Subsection (2)(a)(ii)(B):

2983 (i) the tax rate authorized by Section 59-12-204; and

2984 [~~(ii) the tax rate authorized by Section 59-12-501 or Section 59-12-1001, but only if all~~  
2985 ~~of the counties, cities, and towns in the state impose the tax:]~~

2986 [~~(A) under Section 59-12-501; or]~~

2987 [~~(B) under Section 59-12-1001;]~~

2988 [~~(iii) the tax rate authorized by Section 59-12-502, but only if all of the counties, cities,~~  
2989 ~~and towns in the state impose the tax under Section 59-12-502;]~~

2990 [~~(iv) the tax rate authorized by Section 59-12-703, but only if all of the counties in the~~  
2991 ~~state impose the tax under Section 59-12-703; and]~~

2992 [~~(v)~~] (ii) the tax rate authorized by Section 59-12-1102, but only if all of the counties in  
2993 the state impose the tax under Section 59-12-1102.

2994 (c) Beginning on January 1, 1999, the commission shall annually adjust on or before  
2995 the second Monday of February the \$1.70 provided in Subsection (2)(a)(i) by a percentage  
2996 equal to the percentage difference between the food at home category of the Consumer Price  
2997 Index for:

2998 (i) the preceding calendar year; and

2999 (ii) calendar year 1997.

3000 (3) To claim a sales tax refund under this section, a qualified emergency food agency  
3001 shall file an application with the commission.

3002 (4) A qualified emergency food agency may use amounts received as a sales tax refund  
3003 under this section only for a purpose related to:

3004 (a) warehousing and distributing food and food ingredients to other agencies and  
3005 organizations providing food and food ingredients to low-income persons; or

3006 (b) providing food and food ingredients directly to low-income persons.

3007 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
3008 commission may make rules providing procedures for implementing the sales tax refund under  
3009 this section, including:

3010 (a) standards for determining and verifying the amount of the sales tax refund; and

3011 (b) procedures for a qualified emergency food agency to apply for a sales tax refund,  
3012 including the frequency with which a qualified emergency food agency may apply for a sales  
3013 tax refund.

3014 (6) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
3015 Division of Housing and Community Development may establish rules providing for the  
3016 certification of emergency food agencies to claim a refund under this part.

3017 Section 21. Section **59-12-1801** is enacted to read:

3018 **Part 18. Additional State Sales and Use Tax Act**

3019 **59-12-1801. Title.**

3020 This part is known as the "Additional State Sales and Use Tax Act."

3021 Section 22. Section **59-12-1802** is enacted to read:

3022 **59-12-1802. State sales and use tax -- Base -- Rate -- Revenues deposited into**  
3023 **General Fund.**

3024 (1) (a) If a county, city, or town does not impose a tax under the following sections, a  
3025 tax shall be imposed within the county, city, or town under this section by the state on the  
3026 transactions described in Subsection 59-12-103(1) beginning on January 1, 2008, and ending  
3027 on the day on which the county, city, or town imposes a tax under the following sections:

3028 (i) Section 59-12-501; and

3029 (ii) Section 59-12-502.

3030 (b) For purposes of Subsection (1)(a), the rate of the state tax is equal to the difference  
3031 between:

3032 (i) .5%; and

3033 (ii) the sum of the tax rates imposed by the county, city, or town described in  
3034 Subsection (1)(a) under:  
3035 (A) Section 59-12-501; and  
3036 (B) Section 59-12-502.  
3037 (2) Notwithstanding Subsection (1), a tax under this section may not be imposed on:  
3038 (a) a transaction described in Subsection 59-12-103(1)(d);  
3039 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
3040 are exempt from taxation under Section 59-12-104; and  
3041 (c) except as provided in Subsection (4), amounts paid or charged for food and food  
3042 ingredients.  
3043 (3) For purposes of Subsection (1), the location of a transaction shall be determined in  
3044 accordance with Section 59-12-207.  
3045 (4) A tax shall be imposed under this section on amounts paid or charged for food and  
3046 food ingredients if:  
3047 (a) within the county, city, or town in which the transaction is located, the state  
3048 imposes a tax under this section; and  
3049 (b) the food and food ingredients are sold as part of a bundled transaction attributable  
3050 to food and food ingredients and tangible personal property other than food and food  
3051 ingredients.  
3052 (5) Revenues collected from the sales and use tax under this section, after subtracting  
3053 amounts a seller retains in accordance with Section 59-12-108, shall be deposited into the  
3054 General Fund.  
3055 Section 23. Section **59-12-1803** is enacted to read:  
3056 **59-12-1803. Enactment or repeal of tax -- Effective date -- Administration,**  
3057 **collection, and enforcement of tax.**  
3058 (1) Subject to Subsections (2) and (3), a tax rate repeal or a tax rate change for a tax  
3059 imposed under this part shall take effect on the first day of a calendar quarter.  
3060 (2) (a) For a transaction described in Subsection (2)(c), the enactment of a tax shall  
3061 take effect on the first day of the first billing period that begins after the effective date of the  
3062 enactment of the tax if the billing period for the transaction begins before the effective date of  
3063 the enactment of the tax under this part.

3064 (b) For a transaction described in Subsection (2)(c), the repeal of a tax shall take effect  
3065 on the first day of the last billing period that began before the effective date of the repeal of the  
3066 tax if the billing period for the transaction begins before the effective date of the repeal of the  
3067 tax imposed under this part.

3068 (c) Subsections (2)(a) and (b) apply to transactions subject to a tax under:

3069 (i) Subsection 59-12-103(1)(b);

3070 (ii) Subsection 59-12-103(1)(c);

3071 (iii) Subsection 59-12-103(1)(d);

3072 (iv) Subsection 59-12-103(1)(e);

3073 (v) Subsection 59-12-103(1)(f);

3074 (vi) Subsection 59-12-103(1)(g);

3075 (vii) Subsection 59-12-103(1)(h);

3076 (viii) Subsection 59-12-103(1)(i);

3077 (ix) Subsection 59-12-103(1)(j); or

3078 (x) Subsection 59-12-103(1)(k).

3079 (3) (a) If a tax due under this part on a catalogue sale is computed on the basis of sales  
3080 and use tax rates published in the catalogue, an enactment or repeal of a tax under this part  
3081 takes effect:

3082 (i) on the first day of a calendar quarter; and

3083 (ii) beginning 60 days after the effective date of the enactment or repeal of the tax  
3084 under this part.

3085 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
3086 commission may by rule define the term "catalogue sale."

3087 (4) A tax imposed by this part shall be administered, collected, and enforced in  
3088 accordance with:

3089 (a) the same procedures used to administer, collect, and enforce the tax under Part 1,  
3090 Tax Collection; and

3091 (b) Chapter 1, General Taxation Policies.

3092 Section 24. Section **59-12-1901** is enacted to read:

3093 **Part 19. State Sales and Use Tax for Transportation Act**

3094 **59-12-1901. Title.**

3095 This part is known as the "State Sales and Use Tax for Transportation Act."

3096 Section 25. Section **59-12-1902** is enacted to read:

3097 **59-12-1902. State sales and use tax for transportation -- Base -- Rate --**

3098 **Expenditure of revenues.**

3099 (1) Beginning on January 1, 2008, a state tax of .25% is imposed on the transactions  
3100 described in Subsection 59-12-103(1) as provided in this section.

3101 (2) Notwithstanding Subsection (1), a tax under this section may not be imposed on:

3102 (a) a transaction described in Subsection 59-12-103(1)(d);

3103 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
3104 are exempt from taxation under Section 59-12-104; and

3105 (c) except as provided in Subsection (4), amounts paid or charged for food and food  
3106 ingredients.

3107 (3) For purposes of this section, the location of a transaction shall be determined in  
3108 accordance with Section 59-12-207.

3109 (4) A tax shall be imposed under this section on amounts paid or charged for food and  
3110 food ingredients if the food and food ingredients are sold as part of a bundled transaction  
3111 attributable to food and food ingredients and tangible personal property other than food and  
3112 food ingredients.

3113 (5) (a) Revenues collected from the sales and use tax imposed by this section shall be  
3114 distributed and expended as provided in this Subsection (5).

3115 (b) Before any distributions are made in accordance with Subsection (5)(c), a seller  
3116 may retain the amount allowed by Section 59-12-108.

3117 (c) After the amounts described in Subsection (5)(b) are retained in accordance with  
3118 Subsection (5)(b), the remaining revenues collected from the sales and use tax imposed by this  
3119 section shall be distributed and expended as follows:

3120 (i) 25% of the revenues collected from the sales and use tax imposed by this section  
3121 within the boundaries of a county of the first class shall be:

3122 (A) deposited into the Public Transportation System Tax Highway Fund created by  
3123 Section 72-2-121; and

3124 (B) expended as provided in Section 72-2-121;

3125 (ii) 25% of the revenues collected from the sales and use tax imposed by this section

3126 within the boundaries of a county of the first or second class shall be:

3127 (A) deposited into the Transportation Corridor Preservation Fund for Counties of the  
3128 First or Second Class created by Section 72-2-125; and

3129 (B) expended as provided in Section 72-2-125;

3130 (iii) beginning on January 1, 2008, and ending on June 30, 2038, 50% of the revenues  
3131 collected from the sales and use tax imposed by this section within the boundaries of a county  
3132 of the first class shall be:

3133 (A) deposited into the Transportation Debt Service Fund for Transit Districts Operating  
3134 in a County of the First Class Fund created by Section 72-2-126; and

3135 (B) expended as provided in Section 72-2-126; and

3136 (iv) the amount of revenues collected from the sales and use tax imposed by this  
3137 section that remain after the distributions required by Subsections (5)(c)(i) through (iii) are  
3138 made shall be:

3139 (A) deposited into the Transportation Investment Fund of 2005 created by Section  
3140 72-2-124; and

3141 (B) expended as provided in Section 72-2-124.

3142 Section 26. Section **59-12-1903** is enacted to read:

3143 **59-12-1903. Enactment or repeal of tax -- Effective date -- Administration,**  
3144 **collection, and enforcement of tax.**

3145 (1) Subject to Subsections (2) and (3), a tax rate repeal or a tax rate change for a tax  
3146 imposed under this part shall take effect on the first day of a calendar quarter.

3147 (2) (a) For a transaction described in Subsection (2)(c), the enactment of a tax shall  
3148 take effect on the first day of the first billing period that begins after the effective date of the  
3149 enactment of the tax if the billing period for the transaction begins before the effective date of  
3150 the enactment of the tax under this part.

3151 (b) For a transaction described in Subsection (2)(c), the repeal of a tax shall take effect  
3152 on the first day of the last billing period that began before the effective date of the repeal of the  
3153 tax if the billing period for the transaction begins before the effective date of the repeal of the  
3154 tax imposed under this part.

3155 (c) Subsections (2)(a) and (b) apply to transactions subject to a tax under:

3156 (i) Subsection 59-12-103(1)(b);

- 3157 (ii) Subsection 59-12-103(1)(c);
- 3158 (iii) Subsection 59-12-103(1)(d);
- 3159 (iv) Subsection 59-12-103(1)(e);
- 3160 (v) Subsection 59-12-103(1)(f);
- 3161 (vi) Subsection 59-12-103(1)(g);
- 3162 (vii) Subsection 59-12-103(1)(h);
- 3163 (viii) Subsection 59-12-103(1)(i);
- 3164 (ix) Subsection 59-12-103(1)(j); or
- 3165 (x) Subsection 59-12-103(1)(k).

3166 (3) (a) If a tax due under this part on a catalogue sale is computed on the basis of sales  
3167 and use tax rates published in the catalogue, an enactment or repeal of a tax under this part  
3168 takes effect:

- 3169 (i) on the first day of a calendar quarter; and
- 3170 (ii) beginning 60 days after the effective date of the enactment or repeal of the tax  
3171 under this part.

3172 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
3173 commission may by rule define the term "catalogue sale."

3174 (4) A tax imposed by this part shall be administered, collected, and enforced in  
3175 accordance with:

- 3176 (a) the same procedures used to administer, collect, and enforce the tax under Part 1,  
3177 Tax Collection; and
- 3178 (b) Chapter 1, General Taxation Policies.

3179 Section 27. Section **59-12-2001** is enacted to read:

3180 **Part 20. Supplemental State Sales and Use Tax Act**

3181 **59-12-2001. Title.**

3182 This part is known as the "Supplemental State Sales and Use Tax Act."

3183 Section 28. Section **59-12-2002** is enacted to read:

3184 **59-12-2002. State sales and use tax -- Base -- Rate -- Revenues deposited into**  
3185 **General Fund.**

3186 (1) If a county does not impose a tax under Part 11, County Option Sales and Use Tax,  
3187 a tax shall be imposed within the county under this section by the state:

3188 (a) on the transactions described in Subsection 59-12-103(1);  
3189 (b) at a rate of .25%; and  
3190 (c) beginning on January 1, 2008, and ending on the day on which the county imposes  
3191 a tax under Part 11, County Option Sales and Use Tax.

3192 (2) Notwithstanding Subsection (1), a tax under this section may not be imposed on:

3193 (a) a transaction described in Subsection 59-12-103(1)(d);

3194 (b) the sales and uses described in Section 59-12-104 to the extent the sales and uses  
3195 are exempt from taxation under Section 59-12-104; and

3196 (c) except as provided in Subsection (4), amounts paid or charged for food and food  
3197 ingredients.

3198 (3) For purposes of Subsection (1), the location of a transaction shall be determined in  
3199 accordance with Section 59-12-207.

3200 (4) A tax shall be imposed under this section on amounts paid or charged for food and  
3201 food ingredients if:

3202 (a) within the county in which the transaction is located, the state imposes a tax under  
3203 this section; and

3204 (b) the food and food ingredients are sold as part of a bundled transaction attributable  
3205 to food and food ingredients and tangible personal property other than food and food  
3206 ingredients.

3207 (5) Revenues collected from the sales and use tax under this section, after subtracting  
3208 amounts a seller retains in accordance with Section 59-12-108, shall be deposited into the  
3209 General Fund.

3210 Section 29. Section **59-12-2003** is enacted to read:

3211 **59-12-2003. Enactment or repeal of tax -- Effective date -- Administration,**  
3212 **collection, and enforcement of tax.**

3213 (1) Subject to Subsections (2) and (3), a tax rate repeal or a tax rate change for a tax  
3214 imposed under this part shall take effect on the first day of a calendar quarter.

3215 (2) (a) For a transaction described in Subsection (2)(c), the enactment of a tax shall  
3216 take effect on the first day of the first billing period that begins after the effective date of the  
3217 enactment of the tax if the billing period for the transaction begins before the effective date of  
3218 the tax under this part.

3219 (b) For a transaction described in Subsection (2)(c), the repeal of a tax shall take effect  
3220 on the first day of the last billing period that began before the effective date of the repeal of the  
3221 tax if the billing period for the transaction begins before the effective date of the repeal of the  
3222 tax imposed under this part.

3223 (c) Subsections (2)(a) and (b) apply to transactions subject to a tax under:

3224 (i) Subsection 59-12-103(1)(b);

3225 (ii) Subsection 59-12-103(1)(c);

3226 (iii) Subsection 59-12-103(1)(d);

3227 (iv) Subsection 59-12-103(1)(e);

3228 (v) Subsection 59-12-103(1)(f);

3229 (vi) Subsection 59-12-103(1)(g);

3230 (vii) Subsection 59-12-103(1)(h);

3231 (viii) Subsection 59-12-103(1)(i);

3232 (ix) Subsection 59-12-103(1)(j); or

3233 (x) Subsection 59-12-103(1)(k).

3234 (3) (a) If a tax due under this part on a catalogue sale is computed on the basis of sales  
3235 and use tax rates published in the catalogue, an enactment or repeal of a tax under this part  
3236 takes effect:

3237 (i) on the first day of a calendar quarter; and

3238 (ii) beginning 60 days after the effective date of the enactment or repeal of the tax  
3239 under this part.

3240 (b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
3241 commission may by rule define the term "catalogue sale."

3242 (4) A tax imposed by this part shall be administered, collected, and enforced in  
3243 accordance with:

3244 (a) the same procedures used to administer, collect, and enforce the tax under Part 1,  
3245 Tax Collection; and

3246 (b) Chapter 1, General Taxation Policies.

3247 Section 30. Section **63-55b-172** is amended to read:

3248 **63-55b-172. Repeal dates -- Title 72.**

3249 (1) Section 72-3-113 is repealed January 1, 2020.

3250 (2) Section 72-2-121.1 is repealed January 1, 2008.

3251 Section 31. Section **72-2-117.5** is amended to read:

3252 **72-2-117.5. Local Transportation Corridor Preservation Fund -- Distribution.**

3253 (1) As used in this section:

3254 (a) "Council of governments" means a decision-making body in each county composed  
3255 of the county governing body and the mayors of each municipality in the county.

3256 (b) "Metropolitan planning organization" has the same meaning as defined in Section  
3257 72-1-208.5.

3258 (2) There is created the Local Transportation Corridor Preservation Fund within the  
3259 Transportation Fund.

3260 (3) The fund shall be funded from the following sources:

3261 (a) a local option transportation corridor preservation fee imposed under Section  
3262 41-1a-1222;

3263 (b) appropriations made to the fund by the Legislature;

3264 (c) contributions from other public and private sources for deposit into the fund;

3265 (d) interest earnings on cash balances;

3266 (e) all monies collected from rents and sales of real property acquired with fund  
3267 monies; and

3268 (f) proceeds from general obligation bonds, revenue bonds, or other obligations issued  
3269 as authorized by Title 63B, Bonds~~[-and]~~.

3270 [~~(g) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii)~~  
3271 ~~and required by Subsection 59-12-1703(7)(b)(i) to be deposited into the fund.]~~

3272 (4) (a) All monies appropriated to the Local Transportation Corridor Preservation Fund  
3273 are nonlapsing.

3274 (b) The State Tax Commission shall provide the department with sufficient data for the  
3275 department to allocate the revenues~~[-(i)]~~ provided under Subsection (3)(a) to each county  
3276 imposing a local option transportation corridor preservation fee under Section 41-1a-1222~~[-~~  
3277 ~~and]~~.

3278 [~~(ii) provided under Subsection 59-12-1703(4)(a)(ii) to each county imposing a county~~  
3279 ~~option sales and use tax for transportation.]~~

3280 (c) The monies allocated under Subsection (4)(b):

- 3281 (i) shall be used for the purposes provided in this section for each county; and  
3282 (ii) are allocated to each county as provided in this section:  
3283 (A) with the condition that the state will not be charged for any asset purchased with  
3284 the monies allocated under Subsection (4)(b); and  
3285 (B) are considered a local matching contribution for the purposes described under  
3286 Section 72-2-123 if used on a state highway.  
3287 (d) Administrative costs of the department to implement this section shall be paid from  
3288 the fund.  
3289 (5) (a) The department shall authorize the expenditure of fund monies to allow a  
3290 highway authority to acquire real property or any interests in real property for state, county, and  
3291 municipal transportation corridors subject to:  
3292 (i) monies available in the fund to each county under Subsection (4)(b); and  
3293 (ii) the provisions of this section.  
3294 (b) Fund monies may be used to pay interest on debts incurred in accordance with this  
3295 section.  
3296 (c) (i) (A) Fund monies may be used to pay maintenance costs of properties acquired  
3297 under this section but limited to a total of 5% of the purchase price of the property.  
3298 (B) Any additional maintenance cost shall be paid from funds other than under this  
3299 section.  
3300 (C) Revenue generated by any property acquired under this section is excluded from  
3301 the limitations under this Subsection (5)(c)(i).  
3302 (ii) Fund monies may be used to pay direct costs of acquisition of properties acquired  
3303 under this section.  
3304 (d) Fund monies allocated under Subsection (4)(b) may be used by a county highway  
3305 authority for countywide transportation planning if:  
3306 (i) the county is not included in a metropolitan planning organization;  
3307 (ii) the transportation planning is part of the county's continuing, cooperative, and  
3308 comprehensive process for transportation planning, corridor preservation, right-of-way  
3309 acquisition, and project programming;  
3310 (iii) no more than four years allocation every 20 years to each county is used for  
3311 transportation planning under this Subsection (5)(d); and

3312 (iv) the county otherwise qualifies to use the fund monies as provided under this  
3313 section.

3314 (e) (i) Fund monies allocated under Subsection (4)(b) may be used by a county  
3315 highway authority for transportation corridor planning that is part of the corridor elements of an  
3316 ongoing work program of transportation projects.

3317 (ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the  
3318 direction of:

3319 (A) the metropolitan planning organization if the county is within the boundaries of a  
3320 metropolitan planning organization; or

3321 (B) the department if the county is not within the boundaries of a metropolitan  
3322 planning organization.

3323 (6) (a) (i) The Local Transportation Corridor Preservation Fund shall be used to  
3324 preserve transportation corridors, promote long-term statewide transportation planning, save on  
3325 acquisition costs, and promote the best interests of the state in a manner which minimizes  
3326 impact on prime agricultural land.

3327 (ii) The Local Transportation Corridor Preservation Fund may not be used for a  
3328 transportation corridor that is primarily a recreational trail as defined under Section  
3329 63-11a-101.

3330 (b) (i) The department shall develop and implement a program to educate highway  
3331 authorities on the objectives, application process, use, and responsibilities of the Local  
3332 Transportation Corridor Preservation Fund as provided under this section to promote the most  
3333 efficient and effective use of fund monies including priority use on designated high priority  
3334 corridor preservation projects.

3335 (ii) The department shall develop a model transportation corridor property acquisition  
3336 policy or ordinance that meets federal requirements for the benefit of a highway authority to  
3337 acquire real property or any interests in real property under this section.

3338 (c) The department shall authorize the expenditure of fund monies after determining  
3339 that the expenditure is being made in accordance with this section from applications that are:

3340 (i) made by a highway authority; and

3341 (ii) endorsed by the council of governments.

3342 (7) (a) (i) A council of governments may establish a council of governments

3343 endorsement process which includes prioritization and application procedures for use of the  
3344 monies allocated to each county under this section.

3345 (ii) The endorsement process under Subsection (7)(a)(i) may include review or  
3346 endorsement of the preservation project by the:

3347 (A) metropolitan planning organization if the county is within the boundaries of a  
3348 metropolitan planning organization; or

3349 (B) the department if the county is not within the boundaries of a metropolitan  
3350 planning organization.

3351 (b) All fund monies shall be prioritized by each highway authority and council of  
3352 governments based on considerations, including:

3353 (i) areas with rapidly expanding population;

3354 (ii) the willingness of local governments to complete studies and impact statements  
3355 that meet department standards;

3356 (iii) the preservation of corridors by the use of local planning and zoning processes;

3357 (iv) the availability of other public and private matching funds for a project;

3358 (v) the cost-effectiveness of the preservation projects;

3359 (vi) long and short-term maintenance costs for property acquired; and

3360 (vii) whether the transportation corridor is included as part of:

3361 (A) the county and municipal master plan; and

3362 (B) (I) the statewide long range plan; or

3363 (II) the regional transportation plan of the area metropolitan planning organization if  
3364 one exists for the area.

3365 (8) (a) Unless otherwise provided by written agreement with another highway  
3366 authority, the highway authority that holds the deed to the property is responsible for  
3367 maintenance of the property.

3368 (b) The transfer of ownership for property acquired under this section from one  
3369 highway authority to another shall include a recorded deed for the property and a written  
3370 agreement between the highway authorities.

3371 (9) (a) The proceeds from any bonds or other obligations secured by revenues of the  
3372 Local Transportation Corridor Preservation Fund shall be used for the purposes authorized for  
3373 funds under this section.

3374 (b) The highway authority shall pledge the necessary part of the revenues of the Local  
3375 Transportation Corridor Preservation Fund to the payment of principal and interest on the  
3376 bonds or other obligations.

3377 (10) (a) A highway authority may not apply for monies under this section unless the  
3378 highway authority has:

3379 (i) a transportation corridor property acquisition policy or ordinance in effect that  
3380 meets federal requirements for the acquisition of real property or any interests in real property  
3381 under this section; and

3382 (ii) an access management policy or ordinance in effect that meets the requirements  
3383 under Subsection 72-2-117(9).

3384 (b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a  
3385 written agreement with the department for the acquisition of real property or any interests in  
3386 real property under this section.

3387 Section 32. Section **72-2-121** is amended to read:

3388 **72-2-121. Public Transportation System Tax Highway Fund.**

3389 (1) There is created a special revenue fund entitled the Public Transportation System  
3390 Tax Highway Fund.

3391 (2) The fund consists of:

3392 (a) monies generated from ~~[the following revenue sources: (a)]~~ any voluntary  
3393 contributions received for new construction, major renovations, and improvements to Interstate  
3394 15 and state highways within a county of the first class; and

3395 ~~[(b) the portion of the sales and use tax described in Subsection 59-12-502(5)(a)(ii)  
3396 deposited in or transferred to the fund through an interlocal agreement; and]~~

3397 ~~[(c) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii)  
3398 and required by Subsection 59-12-1703(7)(b)(ii) to be deposited in or transferred to the fund.]~~

3399 (b) amounts deposited in accordance with Section 59-12-1902.

3400 (3) (a) The fund shall earn interest.

3401 (b) All interest earned on fund monies shall be deposited into the fund.

3402 (4) The executive director may use fund monies, as prioritized by the Transportation  
3403 Commission~~[- (a) for the portion of the monies generated from the revenue sources described  
3404 in Subsections (2)(a) and (b)],~~ only for new construction, major renovations, and improvements

3405 to Interstate 15 and state highways within a county of the first class and to pay any debt service  
3406 and bond issuance costs related to those projects[~~;-and~~].

3407 ~~[(b) for the portion of the monies generated from the revenue sources described in~~  
3408 ~~Subsection (2)(c), only for state highway corridor preservation for new state highway projects~~  
3409 ~~within a county of the first class, to pay any debt service and bond issuance costs related to~~  
3410 ~~those projects, and shall not supplant monies already designated for state projects.]~~

3411 (5) The additional administrative costs of the department to administer this fund shall  
3412 be paid from the monies in the fund.

3413 Section 33. Section ~~72-2-121.1~~ is amended to read:

3414 **72-2-121.1. State Highway Projects Within Counties Fund -- Accounting for**  
3415 **revenues -- Interest -- Expenditure of revenues.**

3416 (1) There is created a special revenue fund known as the State Highway Projects  
3417 Within Counties Fund.

3418 (2) The State Highway Projects Within Counties Fund shall be funded by revenues  
3419 generated by a tax imposed by a county under Title 59, Chapter 12, Part 15, County Option  
3420 Sales and Use Tax for Highways, Fixed Guideways, or Systems for Public Transit Act, if those  
3421 revenues are allocated:

3422 (a) for a purpose described in Subsection 59-12-1503(2)(a)(iii); and

3423 (b) in accordance with Section 59-12-1503.

3424 (3) The department shall make a separate accounting for:

3425 (a) the revenues described in Subsection (2); and

3426 (b) each county for which revenues are deposited into the State Highway Projects  
3427 Within Counties Fund.

3428 (4) (a) The State Highway Projects Within Counties Fund shall earn interest.

3429 (b) The department shall allocate the interest earned on the State Highway Projects  
3430 Within Counties Fund:

3431 (i) proportionately;

3432 (ii) to each county's balance in the State Highway Projects Within Counties Fund; and

3433 (iii) on the basis of each county's balance in the State Highway Projects Within  
3434 Counties Fund.

3435 (5) The department shall expend the revenues and interest deposited into the State

3436 Highway Projects Within Counties Fund to pay:

3437 (a) for a project:

3438 (i) described in Subsection 59-12-1503(2)(a)(iii)(A); and

3439 (ii) for which the requirements of Subsection 59-12-1503(5) are met;

3440 (b) debt service on a project described in Subsection (5)(a); or

3441 (c) bond issuance costs relating to a project described in Subsection (5)(a).

3442 (6) Any revenues and interest remaining in the State Highway Projects Within

3443 Counties Fund on December 31, 2007, shall be distributed as follows:

3444 (a) the interest earned on the State Highway Projects Within Counties Fund shall be  
3445 distributed to each county proportionately on the basis of the county's balance in the State

3446 Highway Projects Within Counties Fund; and

3447 (b) the revenues deposited into the State Highway Projects Within Counties Fund shall  
3448 be distributed to each county for which revenues are deposited into the State Highway Projects  
3449 Counties Fund equal to the county's balance in the State Highway Projects Within Counties  
3450 Fund on December 31, 2007.

3451 Section 34. Section **72-2-124** is amended to read:

3452 **72-2-124. Transportation Investment Fund of 2005.**

3453 (1) There is created a special revenue fund entitled the Transportation Investment Fund  
3454 of 2005.

3455 (2) The fund consists of monies generated from the following sources:

3456 (a) any voluntary contributions received for the maintenance, construction,  
3457 reconstruction, or renovation of state and federal highways; [~~and~~]

3458 (b) amounts deposited in accordance with Section 59-12-1902; and

3459 [~~(b)~~] (c) appropriations made to the fund by the Legislature.

3460 (3) When the highway general obligation bonds have been paid off and the highway  
3461 projects completed that are intended to be paid from revenues deposited in the Centennial  
3462 Highway Fund Restricted Account as determined by the Executive Appropriations Committee  
3463 under Subsection 72-2-118(6)(d), the fund shall also consist of monies generated from the  
3464 following sources:

3465 (a) registration fees designated under Subsection 41-1a-1201(6)(a);

3466 (b) the clean special fuel tax certificate surcharge under Subsection 59-13-304(3); and

3467 (c) the sales and use tax amounts provided for in Section 59-12-103.

3468 (4) (a) The fund shall earn interest.

3469 (b) All interest earned on fund monies shall be deposited into the fund.

3470 (5) (a) Except as provided in Subsections (5)(b) and (c), the executive director may use  
3471 fund monies only to pay the costs of maintenance, construction, reconstruction, or renovation  
3472 to state and federal highways prioritized by the Transportation Commission through the  
3473 prioritization process for new transportation capacity projects adopted under Section 72-1-304.

3474 (b) The executive director may use fund monies deposited into the fund in fiscal year  
3475 2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state  
3476 and federal highways prioritized by the Transportation Commission.

3477 (c) The executive director may use fund monies to exchange for an equal or greater  
3478 amount of federal transportation funds to be used as provided in Subsection (5)(a).

3479 Section 35. Section **72-2-125** is enacted to read:

3480 **72-2-125. Transportation Corridor Preservation Fund for Counties of the First or**  
3481 **Second Class -- Source of revenues -- Interest -- Expenditure of revenues.**

3482 (1) As used in this section:

3483 (a) "Fixed guideway" means a public transit facility that uses and occupies:

3484 (i) rail for the use of public transit; or

3485 (ii) a separate right-of-way for the use of public transit.

3486 (b) "Fund" means the Transportation Corridor Preservation Fund for Counties of the  
3487 First or Second Class created by this section.

3488 (c) "Metropolitan planning organization" is as defined in Section 72-1-208.5.

3489 (d) "Regionally significant transportation facility" means:

3490 (i) a principal arterial highway as defined in Section 72-4-102.5;

3491 (ii) a minor arterial highway as defined in Section 72-4-102.5;

3492 (iii) a fixed guideway that:

3493 (A) extends across two or more cities or unincorporated areas; or

3494 (B) is an extension to an existing fixed guideway; or

3495 (iv) an airport of regional significance, as defined by the Transportation Commission  
3496 by rule made in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

3497 (2) There is created a special revenue fund within the Transportation Fund known as

3498 the Transportation Corridor Preservation Fund for Counties of the First or Second Class.

3499 (3) (a) The fund shall be funded by the portion of the state sales and use tax described  
3500 in Subsection 59-12-1902(5)(c)(ii).

3501 (b) (i) The fund shall earn interest.

3502 (ii) Any interest earned on fund monies shall be deposited into the fund.

3503 (4) The executive director shall expend the monies deposited into the fund for:

3504 (a) corridor preservation for a project or service:

3505 (i) subject to Subsection (5), relating to a regionally significant transportation facility  
3506 for the portion of the project or service that is performed within a county of the first or second  
3507 class;

3508 (ii) for new capacity or congestion mitigation if the project or service is performed  
3509 within a county of the first or second class; and

3510 (iii) (A) if the project or service is a principal arterial highway or a minor arterial  
3511 highway in a county of the first or second class, that is part of:

3512 (I) the county and municipal master plan; and

3513 (II) (Aa) the statewide long-range plan; or

3514 (Bb) the regional transportation plan of the area metropolitan planning organization if a  
3515 metropolitan planning organization exists for the area; or

3516 (B) if the project or service is for a fixed guideway or an airport, that is part of the  
3517 regional transportation plan of the area metropolitan planning organization if a metropolitan  
3518 planning organization exists for the area;

3519 (b) debt service related to corridor preservation for a project or service described in  
3520 Subsection (4)(a); or

3521 (c) bond issuance costs related to corridor preservation for a project or service  
3522 described in Subsection (4)(a).

3523 (5) Before monies deposited into the fund may be expended for a regionally significant  
3524 transportation facility project or service described in Subsection (4)(a)(i), the regionally  
3525 significant transportation facility or project shall have a funded year priority designation on a  
3526 Statewide Transportation Improvement Program and Transportation Improvement Program if  
3527 the project or service described in Subsection (4)(a)(i) is:

3528 (a) a principal arterial highway as defined in Section 72-4-102.5;

3529 (b) a minor arterial highway as defined in Section 72-4-102.5; or

3530 (c) a major collector highway;

3531 (i) as defined in Section 72-4-102.5; and

3532 (ii) in a rural area.

3533 Section 36. Section **72-2-126** is enacted to read:

3534 **72-2-126. Transportation Debt Service Fund for Transit Districts Operating in a**  
3535 **County of the First Class Fund -- Source of revenues -- Interest -- Distribution of**  
3536 **revenues -- Expenditure of revenues -- Governor's Office of Planning and Budget shall**  
3537 **provide amounts of distributions -- Unexpended revenues lapse into the Transportation**  
3538 **Investment Fund of 2005.**

3539 (1) As used in this section:

3540 (a) "Fiscal year" means a one-year period beginning on July 1 of each year.

3541 (b) "Fixed guideway" is as defined in Section 72-2-125.

3542 (c) "Fund" means the Transportation Debt Service Fund for Transit Districts Operating  
3543 in a County of the First Class Fund created by this section.

3544 (d) "Transit district" means a transit district organized under Title 17A, Chapter 2, Part  
3545 10, Utah Public Transit District Act.

3546 (2) There is created a special revenue fund within the Transportation Fund known as  
3547 the "Transportation Debt Service Fund for Transit Districts Operating in a County of the First  
3548 Class Fund."

3549 (3) (a) The fund shall be funded by the sales and use tax revenues described in  
3550 Subsection 59-12-1902(5)(c)(iii).

3551 (b) Any interest earned on the fund shall be deposited into the Transportation  
3552 Investment Fund of 2005 created by Section 72-2-124.

3553 (4) Subject to Subsection (5), the executive director shall for a fiscal year distribute  
3554 monies deposited into the fund to each transit district operating within a county of the first  
3555 class that pays debt service for that fiscal year on a bond or other indebtedness incurred to pay  
3556 the cost directly related to building that portion of a fixed guideway that is located in the county  
3557 of the first class.

3558 (5) (a) Except as provided in Subsection (5)(b), each transit district described in  
3559 Subsection (4) shall receive a distribution required by Subsection (4) in the amount required for

3560 the transit district to pay the debt service described in Subsection (4):

3561 (i) for the period beginning January 1, 2008, and ending June 30, 2008, for that period;

3562 and

3563 (ii) for fiscal years beginning with fiscal year 2008-09, for that fiscal year.

3564 (b) If the monies deposited into the fund are insufficient to make the distributions

3565 required by Subsection (5)(a), the monies deposited into the fund for a fiscal year shall be

3566 distributed to each transit district described in Subsection (4) in an amount equal to the product

3567 of:

3568 (i) for the period beginning January 1, 2008, and ending June 30, 2008:

3569 (A) the amount deposited into the fund in accordance with Subsection

3570 59-12-1902(5)(c)(iii) for that period beginning January 1, 2008, and ending June 30, 2008; and

3571 (B) a percentage calculated by determining the proportion of debt service described in

3572 Subsection (4) that the transit district is required to pay for the period beginning January 1,

3573 2008, and ending June 30, 2008 as compared to the total amount of debt service described in

3574 Subsection (4) that all transit districts described in Subsection (4) are required to pay for that

3575 period; and

3576 (ii) for fiscal years beginning with fiscal year 2008-09:

3577 (A) the amount deposited into the fund in accordance with Subsection

3578 59-12-1902(5)(c)(iii) for that fiscal year; and

3579 (B) a percentage calculated by determining the proportion of debt service described in

3580 Subsection (4) that the transit district is required to pay for the fiscal year as compared to the

3581 total amount of debt service described in Subsection (4) that all transit districts described in

3582 Subsection (4) are required to pay for that fiscal year.

3583 (6) A transit district that receives a distribution in accordance with Subsections (4) and

3584 (5) shall expend the distribution to pay the debt service described in Subsection (4) for the

3585 fiscal year for which the transit district receives the distribution.

3586 (7) On or before April 1 of each year, the Governor's Office of Planning and Budget

3587 shall provide the executive director with the amounts of the distributions required by this

3588 section.

3589 (8) Any monies remaining in the fund at the end of a fiscal year after making the

3590 distributions required by this section shall lapse into the Transportation Investment Fund of

3591 2005 created by Section 72-2-124.  
3592 Section 37. **Repealer.**  
3593 This bill repeals:  
3594 Section **59-12-701, Purpose statement.**  
3595 Section **59-12-702, Definitions.**  
3596 Section **59-12-703, Opinion question election -- Base -- Rate -- Imposition of tax --**  
3597 **Uses of tax monies -- Enactment or repeal of tax -- Effective date -- Notice requirements.**  
3598 Section **59-12-704, Distribution of revenues -- Advisory board creation --**  
3599 **Determining operating expenses.**  
3600 Section **59-12-705, Free or reduced admission day available to all state residents.**  
3601 Section **59-12-1001, Authority to impose tax for highways or to fund a system for**  
3602 **public transit -- Base -- Rate -- Ordinance requirements -- Voter approval requirements**  
3603 **-- Election requirements -- Notice of election requirements -- Exceptions to voter**  
3604 **approval requirements -- Enactment or repeal of tax -- Effective date -- Notice**  
3605 **requirements.**  
3606 Section **59-12-1002, Collection of taxes by commission -- Administration,**  
3607 **collection, and enforcement of tax -- Charge for service.**  
3608 Section **59-12-1301, Title.**  
3609 Section **59-12-1302, Authority to impose -- Base -- Rate -- Enactment or repeal of**  
3610 **tax -- Tax rate change -- Effective date -- Notice requirements.**  
3611 Section **59-12-1401, Purpose statement -- Definitions -- Scope of part.**  
3612 Section **59-12-1402, Opinion question election -- Base -- Rate -- Imposition of tax --**  
3613 **Uses of tax monies -- Enactment or repeal of tax -- Effective date -- Notice requirements.**  
3614 Section **59-12-1403, Distribution of revenues -- Administrative costs.**  
3615 Section **59-12-1501, Title.**  
3616 Section **59-12-1502, Definitions.**  
3617 Section **59-12-1503, Opinion question election -- Base -- Rate -- Imposition of tax --**  
3618 **Use of tax revenues -- Administration, collection, and enforcement of tax by commission**  
3619 **-- Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.**  
3620 Section **59-12-1701, Title.**  
3621 Section **59-12-1702, Definitions.**

3622 Section 59-12-1703, Opinion question election -- Base -- Rate -- Imposition of tax --  
3623 Use of tax revenues -- Administration, collection, and enforcement of tax by commission  
3624 -- Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.

3625 Section 59-12-1704, Written project prioritization process for new transportation  
3626 capacity projects.

3627 Section 59-12-1705, Project selection using the written prioritization process --  
3628 Report.

3629 Section 38. **Effective date.**

3630 (1) Except as provided in Subsection (2), this bill takes effect on January 1, 2008.

3631 (2) The amendments in this bill to Section 72-2-121.1 take effect on April 30, 2007.

3632 Section 39. **Revisor instructions.**

3633 It is the intent of the Legislature that, in preparing the Utah Code database for  
3634 publication, the Office of Legislative Research and General Counsel shall replace the  
3635 references in the following subsections from "by this bill" to the bill's designated chapter and  
3636 section number in the Laws of Utah:

3637 (1) Subsection 9-17-103(3)(b);

3638 (2) Subsection 9-17-103(6)(b);

3639 (3) Subsection 9-17-103(7)(a)(ii);

3640 (4) Subsection 9-17-103(7)(d); and

3641 (5) Subsection 59-12-205(2)(c).