

TRANSPORTATION FINANCE AMENDMENTS

2008 SECOND SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca D. Lockhart

Senate Sponsor: Carlene M. Walker

LONG TITLE

General Description:

This bill modifies the Sales and Use Tax Act by amending provisions relating to transportation funding.

Highlighted Provisions:

This bill:

- ▶ for the fiscal year 2008-09 only, reduces the amount of sales and use tax revenue that is deposited into the Critical Highway Needs Fund from \$90,000,000 to \$55,000,000; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

9-4-1409, as enacted by Laws of Utah 2008, Chapter 192

59-12-103 (Superseded 01/01/09), as last amended by Laws of Utah 2008, Chapters 7, 192, and 286

59-12-103 (Effective 01/01/09), as last amended by Laws of Utah 2008, Chapters 7, 192, 286, 384, and 389



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

Section 1. Section **9-4-1409** is amended to read:

9-4-1409. Qualified Emergency Food Agencies Fund -- Expenditure of revenues.

(1) As used in this section:

(a) "Association of governments" means the following created under the authority of Title 11, Chapter 13, Interlocal Cooperation Act:

- (i) an association of governments; or
- (ii) a regional council that acts as an association of governments.

(b) "Consumer price index" is as described in Section 1(f)(4), Internal Revenue Code, and defined in Section 1(f)(5), Internal Revenue Code.

(c) "Food and food ingredients" is as defined in Section 59-12-102.

(d) "Pounds of food donated" means the aggregate number of pounds of food and food ingredients that are donated:

- (i) to a qualified emergency food agency; and
- (ii) by a person, other than an organization that as part of its activities operates a program that has as the program's primary purpose to:

(A) warehouse and distribute food to other agencies and organizations providing food and food ingredients to low-income persons; or

(B) provide food and food ingredients directly to low-income persons.

(e) "Qualified emergency food agency" means an organization that:

(i) is:

(A) exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code; or

(B) an association of governments;

(ii) as part of its activities operates a program that has as the program's primary purpose to:

(A) warehouse and distribute food to other agencies and organizations providing food and food ingredients to low-income persons; or

(B) provide food and food ingredients directly to low-income persons; and

(iii) the office determines to be a qualified emergency food agency.

59 (2) There is created a restricted special revenue fund known as the Qualified
60 Emergency Food Agencies Fund.

61 (3) (a) The Qualified Emergency Food Agencies Fund shall be funded by the state sales
62 and use tax revenues described in [~~Subsection 59-12-103(11)~~] Section 59-12-103.

63 (b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be
64 deposited into the General Fund.

65 (4) The office shall for a fiscal year distribute monies deposited into the Qualified
66 Emergency Food Agencies Fund to qualified emergency food agencies within the state as
67 provided in this section.

68 (5) A qualified emergency food agency shall file an application with the office before
69 the qualified emergency food agency may receive a distribution under this section.

70 (6) Except as provided in Subsection (7), the office shall for a fiscal year distribute to a
71 qualified emergency food agency an amount equal to the product of:

72 (a) the pounds of food donated to the qualified emergency food agency during that
73 fiscal year; and

74 (b) \$.12.

75 (7) If the monies deposited into the Qualified Emergency Food Agencies Fund are
76 insufficient to make the distributions required by Subsection (6), the office shall make
77 distributions to qualified emergency food agencies in the order that the office receives
78 applications from the qualified emergency food agencies until all of the monies deposited into
79 the Qualified Emergency Food Agencies Fund for the fiscal year are expended.

80 (8) A qualified emergency food agency may expend a distribution received in
81 accordance with this section only for a purpose related to:

82 (a) warehousing and distributing food and food ingredients to other agencies and
83 organizations providing food and food ingredients to low-income persons; or

84 (b) providing food and food ingredients directly to low-income persons.

85 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
86 Division of Housing and Community Development may make rules providing procedures for
87 implementing the distributions required by this section, including:

88 (a) standards for determining and verifying the amount of a distribution that a qualified
89 emergency food agency may receive;

90 (b) procedures for a qualified emergency food agency to apply for a distribution,
91 including the frequency with which a qualified emergency food agency may apply for a
92 distribution; and

93 (c) consistent with Subsection (1)(e), determining whether an entity is a qualified
94 emergency food agency.

95 Section 2. Section **59-12-103 (Superseded 01/01/09)** is amended to read:

96 **59-12-103 (Superseded 01/01/09). Sales and use tax base -- Rates -- Effective dates**
97 **-- Use of sales and use tax revenues.**

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

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

101 (b) amounts paid:

102 (i) to a:

103 (A) telephone service provider regardless of whether the telephone service provider is
104 municipally or privately owned; or

105 (B) telegraph corporation:

106 (I) as defined in Section 54-2-1; and

107 (II) regardless of whether the telegraph corporation is municipally or privately owned;

108 and

109 (ii) for:

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

112 (B) mobile telecommunications service that originates and terminates within the
113 boundaries of one state only to the extent permitted by the Mobile Telecommunications

114 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

115 (C) telegraph service;

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

117 (i) gas;

118 (ii) electricity;

119 (iii) heat;

120 (iv) coal;

- 121 (v) fuel oil; or
- 122 (vi) other fuels;
- 123 (d) sales of the following for residential use:
- 124 (i) gas;
- 125 (ii) electricity;
- 126 (iii) heat;
- 127 (iv) coal;
- 128 (v) fuel oil; or
- 129 (vi) other fuels;
- 130 (e) sales of prepared food;
- 131 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 132 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 133 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 134 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 135 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 136 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 137 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 138 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 139 exhibition, cultural, or athletic activity;
- 140 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 141 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 142 (i) the tangible personal property; and
- 143 (ii) parts used in the repairs or renovations of the tangible personal property described
- 144 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 145 of that tangible personal property;
- 146 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 147 assisted cleaning or washing of tangible personal property;
- 148 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 149 accommodations and services that are regularly rented for less than 30 consecutive days;
- 150 (j) amounts paid or charged for laundry or dry cleaning services;
- 151 (k) amounts paid or charged for leases or rentals of tangible personal property if within

152 this state the tangible personal property is:

153 (i) stored;

154 (ii) used; or

155 (iii) otherwise consumed;

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

158 (i) stored;

159 (ii) used; or

160 (iii) consumed; and

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

162 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
163 is imposed on a transaction described in Subsection (1) equal to the sum of:

164 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

165 (A) 4.65%; and

166 (B) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
167 and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is in
168 a city, town, or the unincorporated area of a county in which the state imposes the tax under
169 Part 20, Supplemental State Sales and Use Tax Act; and

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

172 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
173 on a transaction described in Subsection (1)(d) equal to the sum of:

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

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

177 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
178 on amounts paid or charged for food and food ingredients equal to the sum of:

179 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
180 a tax rate of 1.75%; and

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

183 (d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with
184 Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local
185 tax is imposed on the transaction equal to the sum of:

186 (i) a state tax imposed on the transaction at a tax rate of:

187 (A) the sum of:

188 (I) 4.65% for a transaction other than a transaction described in Subsection (2)(d)(i)(B)
189 or (2)(d)(i)(C); and

190 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
191 and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is in
192 a city, town, or the unincorporated area of a county in which the state imposes the tax under
193 Part 20, Supplemental State Sales and Use Tax Act;

194 (B) 2% for a transaction described in Subsection (1)(d); or

195 (C) 1.75% on the amounts paid or charged for food and food ingredients; and

196 (ii) a local tax imposed on the transaction at a tax rate equal to the sum of the following
197 tax rates:

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

200 (B) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
201 state impose the tax authorized by Section 59-12-1102.

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

205 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a
206 seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),
207 beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled
208 transaction equal to the sum of:

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

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

211 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
212 and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is in
213 a city, town, or the unincorporated area of a county in which the state imposes the tax under

214 Part 20, Supplemental State Sales and Use Tax Act; and

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

217 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by
218 a seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state
219 tax and a local tax is imposed on the entire bundled transaction equal to the sum of:

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

221 (I) the tax rate described in Subsection (2)(d)(i)(A); and

222 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
223 and Use Tax Act, if the location of the transaction as determined under Section 59-12-207 is in
224 a city, town, or the unincorporated area of a county in which the state imposes the tax under
225 Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

236 (iii) Subsection (2)(c)(i);

237 (iv) Subsection (2)(d)(i)(A)(I);

238 (v) Subsection (2)(e)(ii)(A)(I); or

239 (vi) Subsection (2)(e)(iii)(A)(I).

240 (g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take
241 effect on the first day of the first billing period that begins after the effective date of the tax rate
242 increase if the billing period for the transaction begins before the effective date of a tax rate
243 increase imposed under:

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

- 245 (B) Subsection (2)(b)(i);
- 246 (C) Subsection (2)(c)(i);
- 247 (D) Subsection (2)(d)(i)(A)(I);
- 248 (E) Subsection (2)(e)(ii)(A)(I); or
- 249 (F) Subsection (2)(e)(iii)(A)(I).
- 250 (ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate
- 251 decrease shall take effect on the first day of the last billing period that began before the
- 252 effective date of the repeal of the tax or the tax rate decrease if the billing period for the
- 253 transaction begins before the effective date of the repeal of the tax or the tax rate decrease
- 254 imposed under:
 - 255 (A) Subsection (2)(a)(i)(A);
 - 256 (B) Subsection (2)(b)(i);
 - 257 (C) Subsection (2)(c)(i);
 - 258 (D) Subsection (2)(d)(i)(A)(I);
 - 259 (E) Subsection (2)(e)(ii)(A)(I); or
 - 260 (F) Subsection (2)(e)(iii)(A)(I).
- 261 (iii) Subsections (2)(g)(i) and (ii) apply to transactions subject to a tax under:
 - 262 (A) Subsection (1)(b);
 - 263 (B) Subsection (1)(c);
 - 264 (C) Subsection (1)(d);
 - 265 (D) Subsection (1)(e);
 - 266 (E) Subsection (1)(f);
 - 267 (F) Subsection (1)(g);
 - 268 (G) Subsection (1)(h);
 - 269 (H) Subsection (1)(i);
 - 270 (I) Subsection (1)(j); or
 - 271 (J) Subsection (1)(k).
- 272 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale
- 273 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
- 274 or change in a tax rate takes effect:
 - 275 (A) on the first day of a calendar quarter; and

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

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

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

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

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

281 (D) Subsection (2)(d)(i)(A)(I);

282 (E) Subsection (2)(e)(ii)(A)(I); or

283 (F) Subsection (2)(e)(iii)(A)(I).

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

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

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

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

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

290 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I);

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

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

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

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

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

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

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

299 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the
300 state shall receive the county's, city's, or town's proportionate share of the revenues generated
301 by the following local taxes as provided in Subsection (3)(c)(ii):

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

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

304 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission
305 shall determine a county's, city's, or town's proportionate share of the revenues by:

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

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

308 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total
309 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,
310 cities, and towns.

311 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for
312 purposes of this section shall be derived from the most recent official census or census estimate
313 of the United States Census Bureau.

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

317 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
318 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
319 through (g):

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

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

322 (B) for the fiscal year; or

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

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

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

329 (B) award grants, up to the amount authorized by the Legislature in an appropriations
330 act, to political subdivisions of the state to implement the measures described in Subsections
331 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

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

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

337 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

338 Conservation and Development Fund created in Section 73-10-24;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

380 (iii) develop surface water sources.

381 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
382 2006, the difference between the following amounts shall be expended as provided in this
383 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

399 (B) expended by the Division of Water Resources for cloud-seeding projects

400 authorized by Title 73, Chapter 15, Modification of Weather.

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

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

408 (i) preconstruction costs:

409 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
410 26, Bear River Development Act; and

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

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

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

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

419 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
420 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

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

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

428 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
429 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
430 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in

431 the Transportation Fund created by Section 72-2-102.

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

437 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
438 have been paid off and the highway projects completed that are intended to be paid from
439 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
440 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
441 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
442 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
443 by a 1/64% tax rate on the taxable transactions under Subsection (1).

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

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

450 (i) the total amount of the revenues the commission received from sellers collecting the
451 taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately
452 preceding the September 30 described in Subsection (8)(a); and

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

454 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
455 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after
456 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund
457 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
458 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a
459 portion of the approximately 17% of sales and use tax revenues generated annually by the sales
460 and use tax on vehicles and vehicle-related products:

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

- 462 (ii) the tax imposed by Subsection (2)(b)(i);
- 463 (iii) the tax imposed by Subsection (2)(c)(i); and
- 464 (iv) the tax imposed by Subsection (2)(e)(ii)(A)(I).

465 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
466 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
467 highway projects completed that are intended to be paid from revenues deposited in the
468 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
469 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
470 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
471 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
472 which represents a portion of the approximately 17% of sales and use tax revenues generated
473 annually by the sales and use tax on vehicles and vehicle-related products:

- 474 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 475 (ii) the tax imposed by Subsection (2)(b)(i);
- 476 (iii) the tax imposed by Subsection (2)(c)(i); and
- 477 (iv) the tax imposed by Subsection (2)(e)(ii)(A)(I).

478 (10) (a) Notwithstanding Subsection (3)(a) [~~and until Subsection (10)(b) applies,~~] and
479 for the fiscal year 2008-09 only, the Division of Finance shall [~~annually~~] deposit [~~\$90,000,000~~]
480 \$55,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
481 Critical Highway Needs Fund created by Section 72-2-125.

482 (b) Notwithstanding Subsection (3)(a) and until Subsection (10)(c) applies, for a fiscal
483 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit
484 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
485 Critical Highway Needs Fund created by Section 72-2-125.

486 [~~(b)~~] (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited
487 under Subsections (7) and (9), when the general obligation bonds authorized by Section
488 63B-16-101 have been paid off and the highway projects completed that are included in the
489 prioritized project list under Subsection 72-2-125(4) as determined in accordance with
490 Subsection 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the
491 revenues generated by the taxes listed under Subsection (3)(a) into the Transportation
492 Investment Fund of 2005 created by Section 72-2-124.

493 (11) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
494 2008-09, \$915,000 shall be deposited into the Qualified Emergency Food Agencies Fund
495 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

496 Section 3. Section **59-12-103 (Effective 01/01/09)** is amended to read:

497 **59-12-103 (Effective 01/01/09). Sales and use tax base -- Rates -- Effective dates --**
498 **Use of sales and use tax revenues.**

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

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

502 (b) amounts paid for:

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

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

508 (iii) an ancillary service associated with a:

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

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

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

512 (i) gas;

513 (ii) electricity;

514 (iii) heat;

515 (iv) coal;

516 (v) fuel oil; or

517 (vi) other fuels;

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

519 (i) gas;

520 (ii) electricity;

521 (iii) heat;

522 (iv) coal;

523 (v) fuel oil; or

- 524 (vi) other fuels;
- 525 (e) sales of prepared food;
- 526 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 527 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 528 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 529 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 530 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 531 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 532 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 533 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 534 exhibition, cultural, or athletic activity;
- 535 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 536 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 537 (i) the tangible personal property; and
- 538 (ii) parts used in the repairs or renovations of the tangible personal property described
- 539 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 540 of that tangible personal property;
- 541 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 542 assisted cleaning or washing of tangible personal property;
- 543 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 544 accommodations and services that are regularly rented for less than 30 consecutive days;
- 545 (j) amounts paid or charged for laundry or dry cleaning services;
- 546 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 547 this state the tangible personal property is:
- 548 (i) stored;
- 549 (ii) used; or
- 550 (iii) otherwise consumed;
- 551 (l) amounts paid or charged for tangible personal property if within this state the
- 552 tangible personal property is:
- 553 (i) stored;
- 554 (ii) used; or

- 555 (iii) consumed;
- 556 (m) amounts paid or charged for prepaid telephone calling cards; and
- 557 (n) amounts paid or charged for a sale:
- 558 (i) (A) of a product that:
- 559 (I) is transferred electronically; and
- 560 (II) would be subject to a tax under this chapter if the product was transferred in a
- 561 manner other than electronically; or
- 562 (B) of a repair or renovation of a product that:
- 563 (I) is transferred electronically; and
- 564 (II) would be subject to a tax under this chapter if the product was transferred in a
- 565 manner other than electronically; and
- 566 (ii) regardless of whether the sale provides:
- 567 (A) a right of permanent use of the product; or
- 568 (B) a right to use the product that is less than a permanent use, including a right:
- 569 (I) for a definite or specified length of time; and
- 570 (II) that terminates upon the occurrence of a condition.
- 571 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 572 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 573 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 574 (A) 4.70%; and
- 575 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 576 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 577 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
- 578 State Sales and Use Tax Act; and
- 579 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 580 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 581 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
- 582 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 583 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 584 transaction under this chapter other than this part.
- 585 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed

586 on a transaction described in Subsection (1)(d) equal to the sum of:

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

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

590 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
591 on amounts paid or charged for food and food ingredients equal to the sum of:

592 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
593 a tax rate of 1.75%; and

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

596 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
597 tangible personal property other than food and food ingredients, a state tax and a local tax is
598 imposed on the entire bundled transaction equal to the sum of:

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

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

601 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
602 Sales and Use Tax Act, if the location of the transaction as determined under Sections
603 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
604 Additional State Sales and Use Tax Act; and

605 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
606 Sales and Use Tax Act, if the location of the transaction as determined under Sections
607 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
608 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

611 (ii) Subject to Subsection (2)(d)(iii), for a bundled transaction other than a bundled
612 transaction described in Subsection (2)(d)(i):

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

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

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

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

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

628 (II) state or federal law provides otherwise.

629 (iii) For purposes of Subsection (2)(d)(ii), books and records that a seller keeps in the
630 seller's regular course of business includes books and records the seller keeps in the regular
631 course of business for nontax purposes.

632 (e) Subject to Subsections (2) (f) and (g), a tax rate repeal or tax rate change for a tax
633 rate imposed under the following shall take effect on the first day of a calendar quarter:

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

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

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

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

638 (f) (i) A tax rate increase shall take effect on the first day of the first billing period that
639 begins after the effective date of the tax rate increase if the billing period for the transaction
640 begins before the effective date of a tax rate increase imposed under:

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

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

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

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

645 (ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last
646 billing period that began before the effective date of the repeal of the tax or the tax rate
647 decrease if the billing period for the transaction begins before the effective date of the repeal of

648 the tax or the tax rate decrease imposed under:

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

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

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

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

653 (g) (i) For a tax rate described in Subsection (2) (g)(ii), if a tax due on a catalogue sale
654 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
655 or change in a tax rate takes effect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

676 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
677 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
678 through (g):

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

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

681 (B) for the fiscal year; or

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

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

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

685 Department of Natural Resources to:

686 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to

687 protect sensitive plant and animal species; or

688 (B) award grants, up to the amount authorized by the Legislature in an appropriations

689 act, to political subdivisions of the state to implement the measures described in Subsections

690 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

691 (ii) Money transferred to the Department of Natural Resources under Subsection

692 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

693 person to list or attempt to have listed a species as threatened or endangered under the

694 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

696 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

697 Conservation and Development Fund created in Section 73-10-24;

698 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

699 Program Subaccount created in Section 73-10c-5; and

700 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

701 Program Subaccount created in Section 73-10c-5.

702 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in

703 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund

704 created in Section 4-18-6.

705 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described

706 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water

707 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of

708 water rights.

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

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

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

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

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

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

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

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

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

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

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

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

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

739 (iii) develop surface water sources.

740 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

741 2006, the difference between the following amounts shall be expended as provided in this
742 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

767 (i) preconstruction costs:

768 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
769 26, Bear River Development Act; and

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

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

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

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

778 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
779 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

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

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

787 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
788 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
789 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
790 the Transportation Fund created by Section 72-2-102.

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

796 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
797 have been paid off and the highway projects completed that are intended to be paid from
798 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
799 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
800 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
801 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
802 by a 1/64% tax rate on the taxable transactions under Subsection (1).

803 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
804 Subsection (7)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
805 July 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund
806 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
807 (3)(a) equal to 8.3% of the revenues collected from the following taxes, which represents a
808 portion of the approximately 17% of sales and use tax revenues generated annually by the sales
809 and use tax on vehicles and vehicle-related products:

- 810 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 811 (ii) the tax imposed by Subsection (2)(b)(i);
- 812 (iii) the tax imposed by Subsection (2)(c)(i); and
- 813 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

814 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
815 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
816 highway projects completed that are intended to be paid from revenues deposited in the
817 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
818 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
819 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
820 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
821 which represents a portion of the approximately 17% of sales and use tax revenues generated
822 annually by the sales and use tax on vehicles and vehicle-related products:

- 823 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 824 (ii) the tax imposed by Subsection (2)(b)(i);
- 825 (iii) the tax imposed by Subsection (2)(c)(i); and
- 826 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

827 (9) (a) Notwithstanding Subsection (3)(a) [~~and until Subsection (9)(b) applies,~~] and for
828 the fiscal year 2008-09 only, the Division of Finance shall [~~annually~~] deposit [~~\$90,000,000~~]
829 \$55,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
830 Critical Highway Needs Fund created by Section 72-2-125.

831 (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal
832 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit
833 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the

834 Critical Highway Needs Fund created by Section 72-2-125.

835 ~~[(b)]~~ (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited
836 under Subsections (7) and (8), when the general obligation bonds authorized by Section
837 63B-16-101 have been paid off and the highway projects completed that are included in the
838 prioritized project list under Subsection 72-2-125(4) as determined in accordance with
839 Subsection 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the
840 revenues generated by the taxes listed under Subsection (3)(a) into the Transportation
841 Investment Fund of 2005 created by Section 72-2-124.

842 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
843 2008-09, \$915,000 shall be deposited into the Qualified Emergency Food Agencies Fund
844 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

845 (11) (a) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection
846 (11)(a)(ii), and until Subsection (11)(b) applies, beginning on January 1, 2009, the Division of
847 Finance shall deposit into the Critical Highway Needs Fund created by Section 72-2-125 the
848 amount of tax revenue generated by a .025% tax rate on the transactions described in
849 Subsection (1).

850 (ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into
851 the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for
852 food and food ingredients, except for tax revenue generated by a bundled transaction
853 attributable to food and food ingredients and tangible personal property other than food and
854 food ingredients described in Subsection (2)(e).

855 (b) (i) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii),
856 and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general
857 obligation bonds authorized by Section 63B-16-101 have been paid off and the highway
858 projects completed that are included in the prioritized project list under Subsection 72-2-125(4)
859 as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall
860 deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
861 amount of tax revenue generated by a .025% tax rate on the transactions described in
862 Subsection (1).

863 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into
864 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or

865 charged for food and food ingredients, except for tax revenue generated by a bundled
866 transaction attributable to food and food ingredients and tangible personal property other than
867 food and food ingredients described in Subsection (2)(e).

868 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
869 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
870 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
871 .025% tax rate on the transactions described in Subsection (1) to be expended to address
872 chokepoints in construction management.

873 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
874 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
875 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
876 and food ingredients and tangible personal property other than food and food ingredients
877 described in Subsection (2)(e).

878 Section 4. **Effective date.**

879 If approved by two-thirds of all the members elected to each house, this bill takes effect
880 upon approval by the governor, or the day following the constitutional time limit of Utah
881 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
882 the date of veto override.

Legislative Review Note
as of 9-26-08 11:32 AM

Office of Legislative Research and General Counsel

H.B. 2005 - Transportation Finance Amendments

Fiscal Note

2008 Second Special Session
State of Utah

State Impact

Enactment of this bill will reduce the General Fund appropriated to the Department of Transportation Critical Needs Highway Fund by \$35,000,000 for FY 2009 only and increase General Fund revenues by \$35,000,000 for FY 2009 only.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund, One-Time	\$0	\$0	\$0	\$35,000,000	\$0	\$0
Restricted Funds	(\$35,000,000)	\$0	\$0	\$0	\$0	\$0
Total	(\$35,000,000)	\$0	\$0	\$35,000,000	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
