

**TAX AMENDMENTS**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gregory S. Bell**

House Sponsor: Bradley G. Last

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**LONG TITLE**

**General Description:**

This bill amends the Sales and Use Tax Act and related provisions to address certain local sales and use taxes relating to airports, highways, and public transportation.

**Highlighted Provisions:**

This bill:

▶ amends the additional public transit tax to:

- expand the uses of tax revenues;
- create an exemption from certain election requirements; and
- provide that if an exemption from election requirements applies a county, city, or town shall obtain approval to impose the tax from the county, city, or town legislative body;

▶ amends a local option sales and use tax for airports, highways, and public transit by:

- providing and modifying definitions;
- allowing a city or town within a county of the second class to impose the tax in addition to a county of the second class under certain circumstances;
- modifying the purposes for which tax revenues may be expended, including providing that certain cities and towns may expend up to all of the revenues collected from the tax for certain airport facilities;
- addressing certain notice requirements for a city or town imposing the tax; and
- addressing procedures for the State Tax Commission to distribute tax revenues;

▶ addresses the expenditure of revenues deposited into the Local Transportation

30 Corridor Preservation Fund if those revenues are allocated to a city or town that imposes the  
31 local option sales and use tax for airports, highways, and public transit;

32 ▶ addresses the expenditure of revenues deposited into the County of the Second  
33 Class State Highway Projects Fund if those revenues are deposited for or allocated  
34 to a city or town that imposes the local option sales and use tax for airports,  
35 highways, and public transit; and

36 ▶ makes technical changes.

37 **Monies Appropriated in this Bill:**

38 None

39 **Other Special Clauses:**

40 This bill provides an immediate effective date.

41 **Utah Code Sections Affected:**

42 AMENDS:

43 **59-12-502**, as last amended by Laws of Utah 2008, Chapter 384

44 **59-12-1901**, as enacted by Laws of Utah 2008, Chapter 286

45 **59-12-1902**, as enacted by Laws of Utah 2008, Chapter 286

46 **59-12-1903**, as enacted by Laws of Utah 2008, Chapter 286

47 **72-2-117.5**, as last amended by Laws of Utah 2008, Chapter 286

48 **72-2-121.2**, as enacted by Laws of Utah 2008, Chapter 286



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

51 Section 1. Section **59-12-502** is amended to read:

52 **59-12-502. Additional public transit tax for a fixed guideway, expanded public**  
53 **transportation system, airport facility, or to be deposited into the County of the First**  
54 **Class State Highway Projects Fund -- Base -- Rate -- Voter approval -- Exception to**  
55 **voter approval requirement.**

56 (1) (a) (i) ~~[It]~~ Except as provided in Subsection (5) and in addition to other sales and  
57 use taxes, including the public transit district tax authorized by Section 59-12-501, a county,

58 city, or town may impose a sales and use tax of .25% on the transactions described in  
59 Subsection 59-12-103(1) located within the county, city, or town, to ~~fund~~ be expended:

60 (A) to fund a fixed guideway ~~and~~;

61 (B) to fund an expanded public transportation system[-];

62 (C) to fund a project or service related to an airport facility as defined in Section  
63 59-12-602 for the portion of the project or service that is performed within the county, city, or  
64 town within which the tax is imposed:

65 (I) for a county that imposes the sales and use tax, if the airport facility is part of the  
66 regional transportation plan of the area metropolitan planning organization if a metropolitan  
67 planning organization exists for the area; or

68 (II) for a city or town that imposes the sales and use tax, if:

69 (Aa) that city or town is located within a county of the second class;

70 (Bb) that city or town owns or operates the airport facility; and

71 (Cc) an airline as defined in Section 59-2-102 is headquartered in that city or town; or

72 (D) for a combination of Subsections (1)(a)(i)(A) through (C).

73 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax  
74 under this section on:

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

77 (B) except as provided in Subsection (1)(c), amounts paid or charged for food and  
78 food ingredients.

79 (b) For purposes of this Subsection (1), the location of a transaction shall be  
80 determined in accordance with Sections 59-12-211 through 59-12-215.

81 (c) A county, city, or town imposing a tax under this section shall impose the tax on  
82 amounts paid or charged for food and food ingredients if the food and food ingredients are  
83 sold as part of a bundled transaction attributable to food and food ingredients and tangible  
84 personal property other than food and food ingredients.

85 (d) (i) ~~[A]~~ Except as provided in Subsection (3), a county, city, or town may impose

86 the tax under this section only if the governing body of the county, city, or town submits, by  
87 resolution, the proposal to all the qualified voters within the county, city, or town for approval  
88 at a general or special election conducted in the manner provided by statute.

89 (ii) Notice of the election under Subsection (1)(d)(i) shall be given by the county, city,  
90 or town governing body 15 days in advance in the manner prescribed by statute.

91 (2) ~~[H]~~ Except as provided in Subsection (3), if the majority of the voters voting in this  
92 election approve the proposal, it shall become effective on the date provided by the county,  
93 city, or town governing body.

94 ~~[(3) (a) This section may not be construed to require an election in jurisdictions where  
95 voters have previously approved a public transit sales or use tax.]~~

96 ~~[(b) This section shall be construed to require an election to impose the sales and use  
97 tax authorized by this section, including jurisdictions where the voters have previously  
98 approved the sales and use tax authorized by Section 59-12-501, but this section may not be  
99 construed to affect the sales and use tax authorized by Section 59-12-501.]~~

100 (3) (a) A county, city, or town is not required to submit a proposal to voters to impose  
101 a tax under this section if:

102 (i) the county, city, or town imposes the tax under this section on or after July 1, 2009;

103 (ii) on July 1, 2009, the county, city, or town imposes a tax under:

104 (A) Section 59-12-501; or

105 (B) Section 59-12-1001; and

106 (iii) the county, city, or town obtained voter approval to impose the tax under:

107 (A) Section 59-12-501; or

108 (B) Section 59-12-1001.

109 (b) A county, city, or town that is not required to submit a proposal to voters to impose  
110 a tax under this section in accordance with Subsection (3)(a) shall obtain approval from a  
111 majority of the members of the county, city, or town legislative body to impose a tax under  
112 this section.

113 (4) ~~[No public]~~ Public funds ~~[shall]~~ may not be spent to promote the required election.

114 (5) [~~Notwithstanding the designated use of revenues in Subsection (1), of the~~] Of the  
115 revenues generated by the tax imposed under this section by any county of the first class:

116 (a) 80% shall be allocated to fund a fixed guideway and expanded public  
117 transportation system; and

118 (b) 20% shall be deposited into the County of the First Class State Highway Projects  
119 Fund created by Section 72-2-121.

120 Section 2. Section **59-12-1901** is amended to read:

121 **59-12-1901. Title.**

122 This part is known as the "~~County of the Second Class~~ Airport, Highway, and Public  
123 Transit Sales and Use Tax Act."

124 Section 3. Section **59-12-1902** is amended to read:

125 **59-12-1902. Definitions.**

126 As used in this part:

127 (1) "Airline" is as defined in Section 59-2-102.

128 [~~(1)~~] (2) "Airport facility" is as defined in Section 59-12-602.

129 [~~(2)~~] (3) "Annexation" means an annexation to:

130 (a) a county under Title 17, Chapter 2, Annexation to County[-]; or

131 (b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

132 [~~(3)~~] (4) "Annexing area" means an area that is annexed into a county, city, or town.

133 [~~(4)~~] (5) "Fixed guideway" is as defined in Section 59-12-1702.

134 [~~(5)~~] (6) "Local highway of regional significance" means a local highway that is a:

135 (a) principal arterial highway as defined in Section 72-4-102.5;

136 (b) minor arterial highway as defined in Section 72-4-102.5;

137 (c) major collector highway as defined in Section 72-4-102.5; or

138 (d) minor collector road as defined in Section 72-4-102.5.

139 [~~(6)~~] (7) "Public transit" is as defined in Section 59-12-1502.

140 Section 4. Section **59-12-1903** is amended to read:

141 **59-12-1903. Imposition of tax -- Base -- Rate -- Expenditure of revenues collected**

142 **from the tax -- Administration, collection, and enforcement of tax by commission --**  
143 **Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.**

144 (1) (a) Subject to the other provisions of this section and except as provided in  
145 Subsection (2), [~~beginning on January 1, 2009, a county legislative body of a county of the~~  
146 ~~second class~~] the following may impose a sales and use tax [on the transactions] under this  
147 part:

148 [~~(i) described in Subsection 59-12-103(1); and~~]

149 [~~(ii) within the county, including the cities and towns within the county.~~]

150 (i) if, on April 1, 2009, a county legislative body of a county of the second class  
151 imposes a sales and use tax under this part, the county legislative body of the county of the  
152 second class may impose the sales and use tax on the transactions:

153 (A) described in Subsection 59-12-103(1); and

154 (B) within the county, including the cities and towns within the county; or

155 (ii) if, on April 1, 2009, a county legislative body of a county of the second class does  
156 not impose a sales and use tax under this part:

157 (A) a city legislative body of a city within the county of the second class may impose a  
158 sales and use tax under this part on the transactions described in Subsection 59-12-103(1)  
159 within that city;

160 (B) a town legislative body of a town within the county of the second class may  
161 impose a sales and use tax under this part on the transactions described in Subsection  
162 59-12-103(1) within that town; and

163 (C) the county legislative body of the county of the second class may impose a sales  
164 and use tax on the transactions described in Subsection 59-12-103(1):

165 (I) within the county, including the cities and towns within the county, if on the date  
166 the county legislative body provides the notice described in Subsection (7)(a) to the  
167 commission stating that the county will enact a tax under this part, no city or town within that  
168 county:

169 (Aa) imposes a tax under this part; or

170 (Bb) has provided the notice described in Subsection (7)(a) to the commission stating  
171 that the city or town will enact a tax under this part; or

172 (II) within the county, except for within a city or town within that county, if, on the  
173 date the county legislative body provides the notice described in Subsection (7)(a) to the  
174 commission stating that the county will enact a tax under this part, that city or town:

175 (Aa) imposes a tax under this part; or

176 (Bb) has provided the notice described in Subsection (7)(a) to the commission stating  
177 that the city or town will enact a tax under this part.

178 (b) For purposes of Subsection (1)(a), a county, city, or town legislative body that  
179 imposes a tax under this part may impose [a] the tax at a rate of:

180 (i) .10%, to be:

181 (A) as determined by the county, city, or town legislative body, deposited as provided  
182 in Subsection (4)(c)(i) into the County of the Second Class State Highway Projects Fund  
183 created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;

184 (B) as determined by the county, city, or town legislative body, expended for a project  
185 or service relating to an airport facility for the portion of the project or service that is  
186 performed within the county, city, or town within which the tax is imposed:

187 (I) for a county legislative body that imposes the tax, if that airport facility is part of  
188 the regional transportation plan of the area metropolitan planning organization if a  
189 metropolitan planning organization exists for the area; [~~and (II) for the portion of the project~~  
190 ~~or service that is performed within the county;~~] or

191 (II) for a city or town legislative body that imposes the tax, if:

192 (Aa) that city or town owns or operates the airport facility; and

193 (Bb) an airline is headquartered in that city or town; or

194 (C) as determined by the county, city, or town legislative body, deposited or expended  
195 for a combination of Subsections (1)(b)(i)(A) and (B); or

196 (ii) subject to Subsection (1)(c), .25%, to be expended as follows:

197 (A) .10% to be deposited as provided in Subsection (4)(c)(i) into the County of the

198 Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as  
199 provided in Section 72-2-121.2;

200 (B) .05%, to be deposited as provided in Subsection (4)(c)(ii) into the Local  
201 Transportation Corridor Preservation Fund created by Section 72-2-117.5 and expended and  
202 distributed in accordance with Section 72-2-117.5; and

203 (C) as determined by the county, city, or town legislative body, .10% to be:

204 (I) deposited as provided in Subsection (4)(c)(i) into the County of the Second Class  
205 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in  
206 Section 72-2-121.2;

207 (II) expended for:

208 (Aa) a state highway designated under Title 72, Chapter 4, Part 1, Designation of State  
209 Highways Act;

210 (Bb) a local highway of regional significance; or

211 (Cc) a combination of Subsections (1)(b)(ii)(C)(II)(Aa) and (Bb);

212 (III) expended for a project or service relating to a system for public transit for the  
213 portion of the project or service that is performed within the county, city, or town within  
214 which the tax is imposed;

215 (IV) expended for a project or service relating to a fixed guideway for the portion of  
216 the project or service that is performed within the county, city, or town within which the tax is  
217 imposed;

218 (V) expended for a project or service relating to an airport facility[:]  
219 for the portion of the project or service that is performed within the county, city, or town within which the tax is  
220 imposed;

221 (Aa) for a county legislative body that imposes the tax, if that airport facility is part of  
222 the regional transportation plan of the area metropolitan planning organization if a  
223 metropolitan planning organization exists for the area; [~~and (Bb) for the portion of the project~~  
224 ~~or service that is performed within the county;~~] or

225 (Bb) for a city or town legislative body that imposes the tax, if:

226 (Ii) that city or town owns or operates the airport facility; and  
227 (Iiii) an airline is headquartered in that city or town; or  
228 (VI) deposited or expended for a combination of Subsections (1)(b)(ii)(C)(I) through  
229 (V).

230 (c) (i) Subject to the other provisions of this Subsection (1)(c), a city or town within  
231 which a tax is imposed at the tax rate described in Subsection (1)(b)(ii) may:

- 232 (A) expend the revenues in accordance with Subsection (1)(b)(ii); or
- 233 (B) expend the revenues in accordance with Subsections (1)(c)(ii) through (iv) if:
  - 234 (I) that city or town owns or operates an airport facility; and
  - 235 (II) an airline is headquartered in that city or town.

236 (ii) If a city or town within which a tax is imposed at the tax rate described in  
237 Subsection (1)(b)(ii) owns or operates an airport facility at which an airline is headquartered,  
238 the city or town legislative body may expend the revenues collected from a tax rate of greater  
239 than .10% but not to exceed the revenues collected from a tax rate of .25% for:

- 240 (A) a project or service relating to the airport facility; and
- 241 (B) the portion of the project or service that is performed within the city or town  
242 imposing the tax.

243 (iii) If a city or town legislative body described in Subsection (1)(c)(ii) determines to  
244 expend the revenues collected from a tax rate of greater than .10% but not to exceed the  
245 revenues collected from a tax rate of .25% for a project or service relating to an airport facility  
246 as allowed by Subsection (1)(c)(ii), any remaining revenues that are collected from the tax  
247 imposed at the tax rate described in Subsection (1)(b)(ii) that are not expended for the project  
248 or service relating to an airport facility as allowed by Subsection (1)(c)(ii) shall be expended as  
249 follows:

- 250 (A) 75% of the remaining revenues shall be deposited as provided in Subsection (4)(d)  
251 into the County of the Second Class State Highway Projects Fund created by Section  
252 72-2-121.2 and expended as provided in Section 72-2-121.2; and
- 253 (B) 25% of the remaining revenues shall be deposited as provided in Subsection (4)(d)

254 into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5 and  
255 expended and distributed in accordance with Section 72-2-117.5.

256 (iv) A city or town legislative body that expends the revenues collected from a tax  
257 imposed at the tax rate described in Subsection (1)(b)(ii) in accordance with Subsections  
258 (1)(c)(ii) and (iii):

259 (A) shall, on or before the date the city or town legislative body provides the notice  
260 described in Subsection (7)(a) to the commission stating that the city or town will enact a tax  
261 under this part:

262 (I) determine the tax rate:

263 (Aa) the collections from which the city or town legislative body will expend for a  
264 project or service relating to an airport facility as allowed by Subsection (1)(c)(ii); and

265 (Bb) at a percentage that is greater than .10% but does not exceed .25%; and

266 (II) notify the commission in writing of the tax rate the city or town legislative body  
267 determines in accordance with Subsection (1)(c)(iv)(A)(I);

268 (B) shall, on or before the April 1 immediately following the date the city or town  
269 legislative body provides the notice described in Subsection (1)(c)(iv)(A) to the commission:

270 (I) determine the tax rate:

271 (Aa) the collections from which the city or town legislative body will expend for a  
272 project or service relating to an airport facility as allowed by Subsection (1)(c)(ii); and

273 (Bb) at a percentage that is greater than .10% but does not exceed .25%; and

274 (II) notify the commission in writing of the tax rate the city or town legislative body  
275 determines in accordance with Subsection (1)(c)(iv)(B)(I);

276 (C) shall, on or before April 1 of each year after the April 1 described in Subsection  
277 (1)(c)(iv)(B):

278 (I) determine the tax rate:

279 (Aa) the collections from which the city or town legislative body will expend for a  
280 project or service relating to an airport facility as allowed by Subsection (1)(c)(ii); and

281 (Bb) at a percentage that is greater than .10% but does not exceed .25%; and

282 (II) notify the commission in writing of the tax rate the city or town legislative body  
283 determines in accordance with Subsection (1)(c)(iv)(C)(I); and

284 (D) may not change the tax rate the city or town legislative body determines in  
285 accordance with Subsections (1)(c)(iv)(A) through (C) more frequently than as prescribed by  
286 Subsections (1)(c)(iv)(A) through (C).

287 [~~(c)~~] (d) If a county legislative body imposes a tax under this part, regardless of  
288 whether the tax under this part is imposed within all of the cities and towns within the county,  
289 the county legislative body may not impose a tax under Part 17, County Option Sales and Use  
290 Tax for Transportation Act.

291 [~~(d)~~] (e) For purposes of this Subsection (1), the location of a transaction shall be  
292 determined in accordance with Sections 59-12-211 through 59-12-215.

293 (2) (a) A county, city, or town legislative body may not impose a tax under this part  
294 on:

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

297 (ii) except as provided in Subsection (2)(b), amounts paid or charged for food and  
298 food ingredients.

299 (b) A county, city, or town legislative body imposing a tax under this part shall impose  
300 the tax on amounts paid or charged for food and food ingredients if the food and food  
301 ingredients are sold as part of a bundled transaction attributable to food and food ingredients  
302 and tangible personal property other than food and food ingredients.

303 (3) (a) To impose a tax under this part, a county, city, or town legislative body shall  
304 obtain approval from a majority of the members of the county, city, or town legislative body.

305 (b) Before a city or town legislative body may impose a tax under this part, the city or  
306 town legislative body shall provide a copy of the notice described in Subsection (7)(a) that the  
307 city or town legislative body provides to the commission:

308 (i) to the county legislative body within which the city or town is located; and

309 (ii) at the same time as the city or town legislative body provides the notice to the

310 commission.

311 (4) (a) [~~Except as provided in Subsection (4)(b) or (c) or~~ Subject to Subsections  
312 (4)(b) through (f) and except as provided in Subsection (6), the commission shall transmit  
313 revenues collected within a county, city, or town from a tax under this part that [~~are required~~  
314 ~~to~~] will be expended for a purpose described in Subsection (1)(b)(i)(B) or Subsections  
315 (1)(b)(ii)(C)(II) through (V):

316 (i) to the county, city, or town legislative body;

317 (ii) monthly; and

318 (iii) by electronic funds transfer.

319 (b) Except as provided in Subsection (6), the commission shall transfer the revenues  
320 described in Subsection (4)(a) directly to a public transit district organized under Title 17B,  
321 Chapter 2a, Part 8, Public Transit District Act, if the county, city, or town legislative body:

322 (i) provides written notice to the commission requesting the transfer; and

323 (ii) designates the public transit district to which the county, city, or town legislative  
324 body requests the commission to transfer the revenues described in Subsection (4)(a).

325 (c) Except as provided in Subsection (4)(d) or (6), the commission shall deposit  
326 revenues collected within a county, city, or town from a tax under this part that:

327 (i) are required to be expended for a purpose described in Subsection (1)(b)(ii)(A) into  
328 the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2;

329 (ii) are required to be expended for a purpose described in Subsection (1)(b)(ii)(B)  
330 into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5; or

331 (iii) a county, city, or town legislative body determines to expend for a purpose  
332 described in Subsection (1)(b)(i)(A) or (1)(b)(ii)(C)(I) into the County of the Second Class  
333 State Highway Projects Fund created by Section 72-2-121.2 if the county, city, or town  
334 legislative body provides written notice to the commission requesting the deposit.

335 (d) Subject to Subsection (4)(e) or (f), if a city or town legislative body provides notice  
336 to the commission in accordance with Subsection (1)(c)(iv), the commission shall:

337 (i) transmit the revenues collected from the tax rate stated on the notice to the city or

338 town legislative body:  
339       (A) monthly; and  
340       (B) by electronic funds transfer; and  
341       (ii) deposit any remaining revenues described in Subsection (1)(c)(iii) in accordance  
342 with Subsection (1)(c)(iii).  
343       (e) (i) If a city or town legislative body provides the notice described in Subsection  
344 (1)(c)(iv)(A) to the commission, the commission shall transmit or deposit the revenues  
345 collected from the tax:  
346       (A) in accordance with Subsection (4)(d);  
347       (B) beginning on the date the city or town legislative body enacts the tax; and  
348       (C) ending on the earlier of:  
349       (I) the June 30 immediately following the date the city or town legislative body  
350 provides the notice described in Subsection (1)(c)(iv)(B) to the commission; or  
351       (II) the date the city or town legislative body repeals the tax.  
352       (ii) If a city or town legislative body provides the notice described in Subsection  
353 (1)(c)(iv)(B) or (C) to the commission, the commission shall transmit or deposit the revenues  
354 collected from the tax:  
355       (A) in accordance with Subsection (4)(d);  
356       (B) beginning on the July 1 immediately following the date the city or town legislative  
357 body provides the notice described in Subsection (1)(c)(iv)(B) or (C) to the commission; and  
358       (C) ending on the earlier of:  
359       (I) the June 30 of the year after the date the city or town legislative body provides the  
360 notice described in Subsection (1)(c)(iv)(B) or (C) to the commission; or  
361       (II) the date the city or town legislative body repeals the tax.  
362       (f) (i) If a city or town legislative body that is required to provide the notice described  
363 in Subsection (1)(c)(iv)(A) does not provide the notice described in Subsection (1)(c)(iv)(A) to  
364 the commission on or before the date required by Subsection (1)(c)(iv) for providing the  
365 notice, the commission shall transmit, transfer, or deposit the revenues collected from the tax

366 within the city or town in accordance with Subsections (4)(a) through (c).

367 (ii) If a city or town legislative body that is required to provide the notice described in  
368 Subsection (1)(c)(iv)(B) or (C) does not provide the notice described in Subsection  
369 (1)(c)(iv)(B) or (C) to the commission on or before the date required by Subsection (1)(c)(iv)  
370 for providing the notice, the commission shall transmit or deposit the revenues collected from  
371 the tax within the city or town in accordance with:

372 (A) Subsection (4)(d); and

373 (B) the most recent notice the commission received from the city or town legislative  
374 body under Subsection (1)(c)(iv).

375 (5) (a) Except as provided in Subsection (5)(b), the commission shall administer,  
376 collect, and enforce a tax under this part in accordance with:

377 (i) the same procedures used to administer, collect, and enforce the tax under:

378 (A) Part 1, Tax Collection; or

379 (B) Part 2, Local Sales and Use Tax Act; and

380 (ii) Chapter 1, General Taxation Policies.

381 (b) A tax under this part is not subject to Subsections 59-12-205(2) through (6).

382 (6) (a) The commission may retain an amount of tax collected under this part of not to  
383 exceed the lesser of:

384 (i) 1.50%; or

385 (ii) an amount equal to the cost to the commission of administering this part.

386 (b) Any amount the commission retains under Subsection (6)(a) shall be:

387 (i) deposited into the Sales and Use Tax Administrative Fees Account; and

388 (ii) used as provided in Subsection 59-12-206(2).

389 (7) (a) (i) Except as provided in Subsection (7)(b) or (c), if, on or after January 1,  
390 2009, a county, city, or town enacts or repeals a tax or changes the rate of a tax under this part,  
391 the enactment, repeal, or change shall take effect:

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

393 (B) after a 90-day period beginning on the date the commission receives notice

394 meeting the requirements of Subsection (7)(a)(ii) from the county, city, or town.

395 (ii) The notice described in Subsection (7)(a)(i)(B) shall state:

396 (A) that the county, city, or town will enact, repeal, or change the rate of a tax under  
397 this part;

398 (B) the statutory authority for the tax described in Subsection (7)(a)(ii)(A);

399 (C) the effective date of the tax described in Subsection (7)(a)(ii)(A); and

400 (D) if the county, city, or town enacts the tax or changes the rate of the tax described  
401 in Subsection (7)(a)(ii)(A), the rate of the tax.

402 (b) (i) If the billing period for a transaction begins before the effective date of the  
403 enactment of the tax or the tax rate increase under Subsection (1), the enactment of a tax or a  
404 tax rate increase shall take effect on the first day of the first billing period that begins after the  
405 effective date of the enactment of the tax or the tax rate increase.

406 (ii) If the billing period for a transaction begins before the effective date of the repeal  
407 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax  
408 rate decrease shall take effect on the first day of the last billing period that began before the  
409 effective date of the repeal of the tax or the tax rate decrease.

410 (c) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales  
411 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a  
412 tax described in Subsection (7)(a)(i) takes effect:

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

414 (B) beginning 60 days after the effective date of the enactment, repeal, or change in  
415 the rate of the tax under Subsection (7)(a)(i).

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

418 (d) (i) Except as provided in Subsection (7)(e) or (f), if, for an annexation that occurs  
419 on or after January 1, 2009, the annexation will result in the enactment, repeal, or change in  
420 the rate of a tax under this part for an annexing area, the enactment, repeal, or change shall  
421 take effect:

422 (A) on the first day of a calendar quarter; and  
423 (B) after a 90-day period beginning on the date the commission receives notice  
424 meeting the requirements of Subsection (7)(d)(ii) from the county, city, or town that annexes  
425 the annexing area.

426 (ii) The notice described in Subsection (7)(d)(i)(B) shall state:

427 (A) that the annexation described in Subsection (7)(d)(i)(B) will result in an  
428 enactment, repeal, or change in the rate of a tax under this part for the annexing area;

429 (B) the statutory authority for the tax described in Subsection (7)(d)(ii)(A);

430 (C) the effective date of the tax described in Subsection (7)(d)(ii)(A); and

431 (D) if the county, city, or town enacts the tax or changes the rate of the tax described  
432 in Subsection (7)(d)(ii)(A), the rate of the tax.

433 (e) (i) If the billing period for a transaction begins before the effective date of the  
434 enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax  
435 rate increase shall take effect on the first day of the first billing period that begins after the  
436 effective date of the enactment of the tax or the tax rate increase.

437 (ii) If the billing period for a transaction begins before the effective date of the repeal  
438 of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax  
439 rate decrease shall take effect on the first day of the last billing period that began before the  
440 effective date of the repeal of the tax or the tax rate decrease.

441 (f) (i) If a tax due under this part on a catalogue sale is computed on the basis of sales  
442 and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a  
443 tax described in Subsection (7)(d)(i) takes effect:

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

445 (B) beginning 60 days after the effective date of the enactment, repeal, or change in  
446 the rate under Subsection (7)(d)(i).

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

449 Section 5. Section **72-2-117.5** is amended to read:

450 **72-2-117.5. Local Transportation Corridor Preservation Fund -- Distribution.**

451 (1) As used in this section:

452 (a) "Council of governments" means a decision-making body in each county  
453 composed of the county governing body and the mayors of each municipality in the county.

454 (b) "Metropolitan planning organization" has the same meaning as defined in Section  
455 72-1-208.5.

456 (2) There is created the Local Transportation Corridor Preservation Fund within the  
457 Transportation Fund.

458 (3) The fund shall be funded from the following sources:

459 (a) a local option highway construction and transportation corridor preservation fee  
460 imposed under Section 41-1a-1222;

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

462 (c) contributions from other public and private sources for deposit into the fund;

463 (d) interest earnings on cash balances;

464 (e) all monies collected from rents and sales of real property acquired with fund  
465 monies;

466 (f) proceeds from general obligation bonds, revenue bonds, or other obligations issued  
467 as authorized by Title 63B, Bonds;

468 (g) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii)  
469 and required by Subsection 59-12-1703(7)(b)(i) to be deposited into the fund; and

470 (h) sales and use tax revenues [~~required by Section 59-12-1903 to be~~] deposited into  
471 the fund in accordance with Section 59-12-1903.

472 (4) (a) All monies appropriated to the Local Transportation Corridor Preservation  
473 Fund are nonlapsing.

474 (b) The State Tax Commission shall provide the department with sufficient data for  
475 the department to allocate the revenues:

476 (i) provided under Subsection (3)(a) to each county imposing a local option highway  
477 construction and transportation corridor preservation fee under Section 41-1a-1222;

478 (ii) provided under Subsection 59-12-1703(4)(a)(ii) to each county imposing a county  
479 option sales and use tax for transportation; and

480 (iii) provided under Subsection (3)(h) to each county of the second class [~~imposing~~] or  
481 city or town within a county of the second class that imposes the sales and use tax authorized  
482 by Section 59-12-1903.

483 (c) The monies allocated under Subsection (4)(b):

484 (i) shall be used for the purposes provided in this section for each county, city, or  
485 town; and

486 (ii) are allocated to each county, city, or town as provided in this section:

487 (A) with the condition that the state will not be charged for any asset purchased with  
488 the monies allocated under Subsection (4)(b); and

489 (B) are considered a local matching contribution for the purposes described under  
490 Section 72-2-123 if used on a state highway.

491 (d) Administrative costs of the department to implement this section shall be paid  
492 from the fund.

493 (5) (a) The department shall authorize the expenditure of fund monies to allow a  
494 highway authority to acquire real property or any interests in real property for state, county,  
495 and municipal highway corridors subject to:

496 (i) monies available in the fund to each county under Subsection (4)(b); and

497 (ii) the provisions of this section.

498 (b) Fund monies may be used to pay interest on debts incurred in accordance with this  
499 section.

500 (c) (i) (A) Fund monies may be used to pay maintenance costs of properties acquired  
501 under this section but limited to a total of 5% of the purchase price of the property.

502 (B) Any additional maintenance cost shall be paid from funds other than under this  
503 section.

504 (C) Revenue generated by any property acquired under this section is excluded from  
505 the limitations under this Subsection (5)(c)(i).

506 (ii) Fund monies may be used to pay direct costs of acquisition of properties acquired  
507 under this section.

508 (d) Fund monies allocated under Subsection (4)(b) may be used by a county highway  
509 authority for countywide transportation planning if:

510 (i) the county is not included in a metropolitan planning organization;

511 (ii) the transportation planning is part of the county's continuing, cooperative, and  
512 comprehensive process for transportation planning, corridor preservation, right-of-way  
513 acquisition, and project programming;

514 (iii) no more than four years allocation every 20 years to each county is used for  
515 transportation planning under this Subsection (5)(d); and

516 (iv) the county otherwise qualifies to use the fund monies as provided under this  
517 section.

518 (e) (i) ~~Fund~~ Subject to Subsection (11), fund monies allocated under Subsection  
519 (4)(b) may be used by a county highway authority for transportation corridor planning that is  
520 part of the corridor elements of an ongoing work program of transportation projects.

521 (ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the  
522 direction of:

523 (A) the metropolitan planning organization if the county is within the boundaries of a  
524 metropolitan planning organization; or

525 (B) the department if the county is not within the boundaries of a metropolitan  
526 planning organization.

527 (6) (a) (i) The Local Transportation Corridor Preservation Fund shall be used to  
528 preserve highway corridors, promote long-term statewide transportation planning, save on  
529 acquisition costs, and promote the best interests of the state in a manner which minimizes  
530 impact on prime agricultural land.

531 (ii) The Local Transportation Corridor Preservation Fund shall only be used to  
532 preserve a highway corridor that is right-of-way:

533 (A) in a county of the first or second class for a:

- 534 (I) state highway;
- 535 (II) a principal arterial highway as defined in Section 72-4-102.5;
- 536 (III) a minor arterial highway as defined in Section 72-4-102.5; or
- 537 (IV) a collector highway in an urban area as defined in Section 72-4-102.5; or
- 538 (B) in a county of the third, fourth, fifth, or sixth class for a:
  - 539 (I) state highway;
  - 540 (II) a principal arterial highway as defined in Section 72-4-102.5;
  - 541 (III) a minor arterial highway as defined in Section 72-4-102.5;
  - 542 (IV) a major collector highway as defined in Section 72-4-102.5; or
  - 543 (V) a minor collector road as defined in Section 72-4-102.5.
- 544 (iii) The Local Transportation Corridor Preservation Fund may not be used for a
- 545 highway corridor that is primarily a recreational trail as defined under Section 63-11a-101.
- 546 (b) (i) The department shall develop and implement a program to educate highway
- 547 authorities on the objectives, application process, use, and responsibilities of the Local
- 548 Transportation Corridor Preservation Fund as provided under this section to promote the most
- 549 efficient and effective use of fund monies including priority use on designated high priority
- 550 corridor preservation projects.
- 551 (ii) The department shall develop a model transportation corridor property acquisition
- 552 policy or ordinance that meets federal requirements for the benefit of a highway authority to
- 553 acquire real property or any interests in real property under this section.
- 554 (c) The department shall authorize the expenditure of fund monies after determining
- 555 that the expenditure is being made in accordance with this section from applications that are:
  - 556 (i) made by a highway authority;
  - 557 (ii) endorsed by the council of governments; and
  - 558 (iii) for a right-of-way purchase for a highway authorized under Subsection (6)(a)(ii).
- 559 (7) (a) (i) A council of governments shall establish a council of governments
- 560 endorsement process which includes prioritization and application procedures for use of the
- 561 monies allocated to each county under this section.

562 (ii) The endorsement process under Subsection (7)(a)(i) may include review or  
563 endorsement of the preservation project by the:

564 (A) metropolitan planning organization if the county is within the boundaries of a  
565 metropolitan planning organization; or

566 (B) the department if the county is not within the boundaries of a metropolitan  
567 planning organization.

568 (b) All fund monies shall be prioritized by each highway authority and council of  
569 governments based on considerations, including:

570 (i) areas with rapidly expanding population;

571 (ii) the willingness of local governments to complete studies and impact statements  
572 that meet department standards;

573 (iii) the preservation of corridors by the use of local planning and zoning processes;

574 (iv) the availability of other public and private matching funds for a project;

575 (v) the cost-effectiveness of the preservation projects;

576 (vi) long and short-term maintenance costs for property acquired; and

577 (vii) whether the transportation corridor is included as part of:

578 (A) the county and municipal master plan; and

579 (B) (I) the statewide long range plan; or

580 (II) the regional transportation plan of the area metropolitan planning organization if  
581 one exists for the area.

582 (c) The council of governments shall:

583 (i) establish a priority list of highway corridor preservation projects within the county;

584 (ii) submit the list described in Subsection (7)(c)(i) to the county's legislative body for  
585 approval; and

586 (iii) obtain approval of the list described in Subsection (7)(c)(i) from a majority of the  
587 members of the county legislative body.

588 (d) A county's council of governments may only submit one priority list described in  
589 Subsection (7)(c)(i) per calendar year.

590 (e) A county legislative body may only consider and approve one priority list  
591 described in Subsection (7)(c)(i) per calendar year.

592 (8) (a) Unless otherwise provided by written agreement with another highway  
593 authority, the highway authority that holds the deed to the property is responsible for  
594 maintenance of the property.

595 (b) The transfer of ownership for property acquired under this section from one  
596 highway authority to another shall include a recorded deed for the property and a written  
597 agreement between the highway authorities.

598 (9) (a) The proceeds from any bonds or other obligations secured by revenues of the  
599 Local Transportation Corridor Preservation Fund shall be used for the purposes authorized for  
600 funds under this section.

601 (b) The highway authority shall pledge the necessary part of the revenues of the Local  
602 Transportation Corridor Preservation Fund to the payment of principal and interest on the  
603 bonds or other obligations.

604 (10) (a) A highway authority may not apply for monies under this section to purchase  
605 a right-of-way for a state highway unless the highway authority has:

606 (i) a transportation corridor property acquisition policy or ordinance in effect that  
607 meets federal requirements for the acquisition of real property or any interests in real property  
608 under this section; and

609 (ii) an access management policy or ordinance in effect that meets the requirements  
610 under Subsection 72-2-117(9).

611 (b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a  
612 written agreement with the department for the acquisition of real property or any interests in  
613 real property under this section.

614 (11) (a) The department shall, in expending or authorizing the expenditure of fund  
615 monies, ensure to the extent possible that the fund monies allocated to a city or town in  
616 accordance with Subsection (4) are expended:

617 (i) to fund a project or service as allowed by this section within the city or town to

618 which the fund monies are allocated;

619 (ii) to pay debt service, principal, or interest on a bond or other obligation as allowed  
620 by this section if that bond or other obligation is:

621 (A) secured by monies allocated to the city or town; and

622 (B) issued to finance a project or service as allowed by this section within the city or  
623 town to which the fund monies are allocated;

624 (iii) to fund transportation planning as allowed by this section within the city or town  
625 to which the fund monies are allocated; or

626 (iv) for another purpose allowed by this section within the city or town to which the  
627 fund monies are allocated.

628 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
629 the department may make rules to implement the requirements of Subsection (11)(a).

630 Section 6. Section **72-2-121.2** is amended to read:

631 **72-2-121.2. County of the Second Class State Highway Projects Fund -- Use of**  
632 **fund monies.**

633 (1) As used in this section, "fund" means the County of the Second Class State  
634 Highway Projects Fund created by this section.

635 (2) There is created within the Transportation Fund a special revenue fund known as  
636 the County of the Second Class State Highway Projects Fund.

637 (3) The fund shall be funded by monies collected from:

638 (a) any voluntary contributions the department receives for new construction, major  
639 renovations, and improvements to state highways within a county of the second class; and

640 ~~[(b) the sales and use tax described in:]~~

641 ~~[(i) Subsection 59-12-1903(1)(b)(i);]~~

642 ~~[(ii) Subsection 59-12-1903(1)(b)(ii)(A); or]~~

643 ~~[(iii) Subsection 59-12-1903(1)(b)(ii)(C)(I) as determined by the county legislative~~  
644 ~~body of the county of the second class.]~~

645 (b) sales and use taxes deposited into the fund in accordance with Section 59-12-1903.

- 646 (4) The department shall make a separate accounting for:  
647 (a) the revenues described in Subsection (3); and  
648 (b) each county of the second class or city or town within a county of the second class  
649 for which revenues are deposited into the fund.
- 650 (5) (a) The fund shall earn interest.  
651 (b) Interest earned on fund monies shall be deposited into the fund.
- 652 (6) [~~The~~] Subject to Subsection (9), the executive director may use fund monies only:  
653 (a) for right-of-way acquisition, new construction, major renovations, and  
654 improvements to state highways within a county of the second class or a city or town within a  
655 county of the second class in an amount that does not exceed the amounts deposited for or  
656 allocated to that county of the second class or city or town within a county of the second class  
657 in accordance with this section;  
658 (b) to pay any debt service and bond issuance costs related to a purpose described in  
659 Subsection (6)(a) in an amount that does not exceed the amounts deposited for or allocated to  
660 that county of the second class or city or town within a county of the second class described in  
661 Subsection (6)(a) in accordance with this section; and  
662 (c) to pay the costs of the department to administer the fund in an amount not to  
663 exceed interest earned by the fund monies.
- 664 (7) If interest remains in the fund after the executive director pays the costs of the  
665 department to administer the fund, the interest shall be:  
666 (a) allocated to each county of the second class or city or town within a county of the  
667 second class for which revenues are deposited into the fund in proportion to the deposits made  
668 into the fund for that county of the second class or city or town within a county of the second  
669 class; and  
670 (b) expended for the purposes described in Subsection (6).
- 671 (8) Revenues described in Subsection (3)(b) that are deposited into the fund are  
672 considered to be a local matching contribution for the purposes described in Section 72-2-123.
- 673 (9) (a) The executive director shall, in using fund monies, ensure to the extent possible

674 that the fund monies deposited for or allocated to a city or town are used:

675 (i) for a purpose described in Subsection (6)(a) within the city or town to which the  
676 fund monies are allocated;

677 (ii) to pay debt service and bond issuance costs described in Subsection (6)(b) if the  
678 debt service and bond issuance costs are:

679 (A) secured by monies deposited for or allocated to the city or town; and

680 (B) related to a project described in Subsection (6)(a) within the city or town to which  
681 the fund monies are allocated; or

682 (iii) for a purpose described in Subsection (6)(c).

683 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
684 the department may make rules to implement the requirements of Subsection (9)(a).

685 **Section 7. Effective date.**

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