

Representative Patrick Painter proposes the following substitute bill:

1 **SALES AND USE TAX ALLOCATIONS FOR WATER**

2 **RESOURCES FUNDING**

3 2012 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Patrick Painter**

6 Senate Sponsor: _____

8 **LONG TITLE**

9 **General Description:**

10 This bill allocates certain sales and use taxes for water resources funding.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ allocates certain sales and use tax revenues to the Water Resources Conservation
14 and Development Fund;

15 ▶ modifies the funding sources for the Water Resources Conservation and
16 Development Fund to include the sales and use tax allocations; and

17 ▶ makes technical and conforming changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 This bill takes effect on July 1, 2012.

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **59-12-103**, as last amended by Laws of Utah 2011, Chapters 285, 303, 342, and 441

25 **73-10-25**, as last amended by Laws of Utah 1991, First Special Session, Chapter 4



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

Section 1. Section **59-12-103** is amended to read:

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

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

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

(b) amounts paid for:

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

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

(iii) an ancillary service associated with a:

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

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

(c) sales of the following for commercial use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(d) sales of the following for residential use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

57 (e) sales of prepared food;

58 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
59 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
60 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
61 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
62 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
63 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
64 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
65 horseback rides, sports activities, or any other amusement, entertainment, recreation,
66 exhibition, cultural, or athletic activity;

67 (g) amounts paid or charged for services for repairs or renovations of tangible personal
68 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

69 (i) the tangible personal property; and

70 (ii) parts used in the repairs or renovations of the tangible personal property described
71 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
72 of that tangible personal property;

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

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

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

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

80 (i) stored;

81 (ii) used; or

82 (iii) otherwise consumed;

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

85 (i) stored;

86 (ii) used; or

87 (iii) consumed; and

88 (m) amounts paid or charged for a sale:
89 (i) (A) of a product transferred electronically; or
90 (B) of a repair or renovation of a product transferred electronically; and
91 (ii) regardless of whether the sale provides:
92 (A) a right of permanent use of the product; or
93 (B) a right to use the product that is less than a permanent use, including a right:
94 (I) for a definite or specified length of time; and
95 (II) that terminates upon the occurrence of a condition.
96 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
97 is imposed on a transaction described in Subsection (1) equal to the sum of:
98 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
99 (A) 4.70%; and
100 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
101 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
102 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
103 State Sales and Use Tax Act; and
104 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
105 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
106 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
107 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
108 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
109 transaction under this chapter other than this part.
110 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
111 on a transaction described in Subsection (1)(d) equal to the sum of:
112 (i) a state tax imposed on the transaction at a tax rate of 2%; and
113 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
114 transaction under this chapter other than this part.
115 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
116 on amounts paid or charged for food and food ingredients equal to the sum of:
117 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
118 a tax rate of 1.75%; and

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

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

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

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

126 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
127 Sales and Use Tax Act, if the location of the transaction as determined under Sections
128 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
129 Additional State Sales and Use Tax Act; and

130 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
131 Sales and Use Tax Act, if the location of the transaction as determined under Sections
132 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
133 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

153 (II) state or federal law provides otherwise.

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

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

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

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

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

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

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

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

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

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

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

170 (ii) The repeal of a tax or a tax rate decrease shall take effect on the first day of the last
171 billing period that began before the effective date of the repeal of the tax or the tax rate
172 decrease if the billing period for the transaction begins before the effective date of the repeal of
173 the tax or the tax rate decrease imposed under:

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

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

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

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

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

- 181 (A) on the first day of a calendar quarter; and
- 182 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 183 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:
- 184 (A) Subsection (2)(a)(i)(A);
- 185 (B) Subsection (2)(b)(i);
- 186 (C) Subsection (2)(c)(i); or
- 187 (D) Subsection (2)(d)(i)(A)(I).

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

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

- 191 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 192 (ii) the tax imposed by Subsection (2)(b)(i);
- 193 (iii) the tax imposed by Subsection (2)(c)(i); or
- 194 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 197 (i) the tax imposed by Subsection (2)(a)(ii);
- 198 (ii) the tax imposed by Subsection (2)(b)(ii);
- 199 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 200 (iv) the tax imposed by Subsection (2)(d)(i)(B).

201 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
202 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
203 through (g):

- 204 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 205 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 206 (B) for the fiscal year; or
- 207 (ii) \$17,500,000.

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

- 211 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to

212 protect sensitive plant and animal species; or

213 (B) award grants, up to the amount authorized by the Legislature in an appropriations
214 act, to political subdivisions of the state to implement the measures described in Subsections
215 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

241 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
242 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development

243 Fund created in Section 73-10-24 for use by the Division of Water Resources.

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

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

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

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

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

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

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

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

264 (iii) develop surface water sources.

265 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
266 2006, the difference between the following amounts shall be expended as provided in this
267 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

292 (i) preconstruction costs:

293 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
294 26, Bear River Development Act; and

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

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

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

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

303 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
304 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be

305 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
306 incurred for employing additional technical staff for the administration of water rights.

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

310 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
311 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
312 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
313 the Transportation Fund created by Section 72-2-102.

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

319 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
320 have been paid off and the highway projects completed that are intended to be paid from
321 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
322 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
323 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
324 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
325 by a 1/64% tax rate on the taxable transactions under Subsection (1).

326 (8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in
327 Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into
328 the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the
329 taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the
330 following taxes, which represents a portion of the approximately 17% of sales and use tax
331 revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

- 332 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 333 (ii) the tax imposed by Subsection (2)(b)(i);
- 334 (iii) the tax imposed by Subsection (2)(c)(i); and
- 335 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

336 (b) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
337 Subsection (7)(a), and until Subsection (8)(c) applies, for the 2011-12 fiscal year only, the
338 Division of Finance shall deposit into the Centennial Highway Fund Restricted Account
339 created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 8.3%
340 of the revenues collected from the following taxes, which represents a portion of the
341 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
342 on vehicles and vehicle-related products:

- 343 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 344 (ii) the tax imposed by Subsection (2)(b)(i);
- 345 (iii) the tax imposed by Subsection (2)(c)(i); and
- 346 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

347 (c) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
348 Subsection (7)(b), and until Subsection (8)(d) or (e) applies, when the highway general
349 obligation bonds have been paid off and the highway projects completed that are intended to be
350 paid from revenues deposited in the Centennial Highway Fund Restricted Account as
351 determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the
352 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by
353 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the
354 revenues collected from the following taxes, which represents a portion of the approximately
355 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and
356 vehicle-related products:

- 357 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 358 (ii) the tax imposed by Subsection (2)(b)(i);
- 359 (iii) the tax imposed by Subsection (2)(c)(i); and
- 360 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

361 (d) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
362 Subsection (7)(a), until Subsection (8)(e) applies, and subject to Subsection (8)(f), for a fiscal
363 year beginning on or after July 1, 2012, the Division of Finance shall deposit into the
364 Centennial Highway Fund Restricted Account created by Section 72-2-118:

- 365 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
366 the revenues collected from the following taxes, which represents a portion of the

367 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
368 on vehicles and vehicle-related products:

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

370 (B) the tax imposed by Subsection (2)(b)(i);

371 (C) the tax imposed by Subsection (2)(c)(i); and

372 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

373 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
374 current fiscal year from the sales and use taxes described in Subsections (8)(d)(i)(A) through
375 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
376 (8)(d)(i)(A) through (D) in the 2010-11 fiscal year.

377 (e) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
378 Subsection (7)(b), and subject to Subsection (8)(f), when the highway general obligation bonds
379 have been paid off and the highway projects completed that are intended to be paid from
380 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
381 Executive Appropriations Committee under Subsection 72-2-118(6)(d), for a fiscal year
382 beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation
383 Investment Fund of 2005 created by Section 72-2-124:

384 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
385 the revenues collected from the following taxes, which represents a portion of the
386 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
387 on vehicles and vehicle-related products:

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

389 (B) the tax imposed by Subsection (2)(b)(i);

390 (C) the tax imposed by Subsection (2)(c)(i); and

391 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

392 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
393 current fiscal year from the sales and use taxes described in Subsections (8)(e)(i)(A) through
394 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
395 (8)(e)(i)(A) through (D) in the 2010-11 fiscal year.

396 (f) (i) Subject to Subsections (8)(f)(ii) and (iii), in any fiscal year that the portion of the
397 sales and use taxes deposited under Subsection (8)(d) or (e) represents an amount that is a total

398 lower percentage of the sales and use taxes described in Subsections (8)(e)(i)(A) through (D)
399 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
400 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
401 (8)(d) or (e) equal to the product of:

402 (A) the total percentage of sales and use taxes deposited under Subsection (8)(d) or (e)
403 in the previous fiscal year; and

404 (B) the total sales and use tax revenue generated by the taxes described in Subsections
405 (8)(e)(i)(A) through (D) in the current fiscal year.

406 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
407 Subsection (8)(d) or (e) would exceed 17% of the revenues collected from the sales and use
408 taxes described in Subsections (8)(e)(i)(A) through (D) in the current fiscal year, the Division
409 of Finance shall deposit 17% of the revenues collected from the sales and use taxes described
410 in Subsections (8)(e)(i)(A) through (D) for the current fiscal year under Subsection (8)(d) or
411 (e).

412 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
413 from the sales and use taxes described in Subsections (8)(e)(i)(A) through (D) was deposited
414 under Subsection (8)(d) or (e), the Division of Finance shall annually deposit 17% of the
415 revenues collected from the sales and use taxes described in Subsections (8)(e)(i)(A) through
416 (D) in the current fiscal year under Subsection (8)(d) or (e).

417 (9) (a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the
418 Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed
419 under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.

420 (b) Notwithstanding Subsection (3)(a) and until Subsection (9)(c) applies, for a fiscal
421 year beginning on or after July 1, 2009, the Division of Finance shall annually deposit
422 \$90,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
423 Critical Highway Needs Fund created by Section 72-2-125.

424 (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
425 Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101
426 have been paid off and the highway projects completed that are included in the prioritized
427 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
428 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues

429 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
430 of 2005 created by Section 72-2-124.

431 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
432 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
433 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

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

439 (ii) For purposes of Subsection (11)(a)(i), the Division of Finance may not deposit into
440 the Critical Highway Needs Fund any tax revenue generated by amounts paid or charged for
441 food and food ingredients, except for tax revenue generated by a bundled transaction
442 attributable to food and food ingredients and tangible personal property other than food and
443 food ingredients described in Subsection (2)~~(c)~~(d).

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

452 (ii) For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit into
453 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
454 charged for food and food ingredients, except for tax revenue generated by a bundled
455 transaction attributable to food and food ingredients and tangible personal property other than
456 food and food ingredients described in Subsection (2)~~(c)~~(d).

457 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
458 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
459 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a

460 .025% tax rate on the transactions described in Subsection (1) to be expended to address
461 chokepoints in construction management.

462 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
463 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
464 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
465 and food ingredients and tangible personal property other than food and food ingredients
466 described in Subsection (2)~~(c)~~(d).

467 (13) Notwithstanding Subsection (3)(a), beginning on July 1, 2015, the Division of
468 Finance shall annually deposit a portion of the taxes listed under Subsection (3)(a) into the
469 Water Resources Conservation and Development Fund created in Section 73-10-25 in an
470 amount equal to 15% of the growth in the amount of revenues collected in the current fiscal
471 year from the sales and use taxes described in Subsection (3)(a) that exceeds the revenues
472 collected from the sales and use taxes described in Subsection (3)(a) in fiscal year 2010-11.

473 Section 2. Section **73-10-25** is amended to read:

474 **73-10-25. Contents of fund -- Investment -- Contributions.**

475 (1) The Water Resources Conservation and Development Fund consists of:

476 (a) money appropriated to it by the Legislature;

477 (b) money deposited in accordance with Section 59-12-103;

478 ~~(b)~~ (c) money received from the sale of project water and power, less operating and
479 maintenance costs;

480 ~~(c)~~ (d) annual payments on contracts for projects constructed under Section 73-10-24
481 or the State Water Conservation Program; and

482 ~~(d)~~ (e) other money or tax revenues designated by the Legislature to be credited to the
483 Water Resources Conservation and Development Fund.

484 (2) All money deposited into the Water Resources Conservation and Development
485 Fund shall be invested by the state treasurer with interest accruing to the Water Resources
486 Conservation and Development Fund, except for payments, if any, necessary to comply with
487 Section 148(f), Internal Revenue Code of 1986.

488 (3) Contributions of money, property, or equipment may be received from any political
489 subdivision of the state, federal agency, water users' association, person, or corporation for use
490 in carrying out the purposes of Section 73-10-24.

491 Section 3. **Effective date.**

492 This bill takes effect on July 1, 2012.