

1 **AMENDMENTS TO TRANSPORTATION FUNDING**

2 2014 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Johnny Anderson**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill addresses funding for transportation.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ authorizes a county, city, or town to increase certain local option sales and use tax
- 13 rates for public transit;
- 14 ▶ restricts the use of certain revenue collected from a local option sales and use tax for
- 15 public transit;
- 16 ▶ addresses the circumstances under which the state is required to impose a sales and
- 17 use tax to be distributed to public transit districts;
- 18 ▶ repeals obsolete language; and
- 19 ▶ makes technical and conforming changes.

20 **Money Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 This bill takes effect on July 1, 2014.

24 **Utah Code Sections Affected:**

25 AMENDS:

26 **59-12-2003**, as last amended by Laws of Utah 2010, Chapter 263

27 **59-12-2213**, as last amended by Laws of Utah 2011, Chapter 223



28 [59-12-2214](#), as enacted by Laws of Utah 2010, Chapter 263

29 [59-12-2218](#), as renumbered and amended by Laws of Utah 2010, Chapter 263

30 REPEALS:

31 [59-12-2212.1](#), as enacted by Laws of Utah 2010, Chapter 263



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

34 Section 1. Section **59-12-2003** is amended to read:

35 **59-12-2003. Imposition -- Base -- Rate -- Revenues distributed to certain public**
36 **transit districts.**

37 (1) Subject to the other provisions of this section and except as provided in Subsection
38 (2) or (4), beginning on July 1, 2008, the state shall impose a tax under this part on the
39 transactions described in Subsection [59-12-103](#)(1) within a city, town, or the unincorporated
40 area of a county of the first or second class if, on January 1, 2008, there is a public transit
41 district within any portion of that county of the first or second class.

42 (2) The state may not impose a tax under this part within a county of the first or second
43 class if within all of the cities, towns, and the unincorporated area of the county of the first or
44 second class there is imposed a sales and use tax of:

- 45 (a) at least .30% under Section [59-12-2213](#);
- 46 (b) .30% under Section [59-12-2215](#); or
- 47 (c) .30% under Section [59-12-2216](#).

48 (3) (a) Subject to Subsection (3)(b), if the state imposes a tax under this part, the tax
49 rate imposed within a city, town, or the unincorporated area of a county of the first or second
50 class is a percentage equal to the difference between:

- 51 (i) .30%; and
- 52 (ii) (A) for a city within the county of the first or second class, the highest tax rate
53 imposed within that city under:

- 54 (I) Section [59-12-2213](#);
- 55 (II) Section [59-12-2215](#); or
- 56 (III) Section [59-12-2216](#);

- 57 (B) for a town within the county of the first or second class, the highest tax rate
58 imposed within that town under:

59 (I) Section 59-12-2213;

60 (II) Section 59-12-2215; or

61 (III) Section 59-12-2216; or

62 (C) for the unincorporated area of the county of the first or second class, the highest tax
63 rate imposed within that unincorporated area under:

64 (I) Section 59-12-2213;

65 (II) Section 59-12-2215; or

66 (III) Section 59-12-2216.

67 (b) For purposes of Subsection (3)(a), if for a city, town, or the unincorporated area of
68 a county of the first or second class, the highest tax rate imposed under Section 59-12-2213,
69 59-12-2215, or 59-12-2216 within that city, town, or unincorporated area of the county of the
70 first or second class is at least .30%, the state may not impose a tax under this part within that
71 city, town, or unincorporated area.

72 (4) (a) The state may not impose a tax under this part on:

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

75 (ii) except as provided in Subsection (4)(b), amounts paid or charged for food and food
76 ingredients.

77 (b) The state shall impose a tax under this part on amounts paid or charged for food
78 and food ingredients if the food and food ingredients are sold as part of a bundled transaction
79 attributable to food and ingredients and tangible personal property other than food and food
80 ingredients.

81 (5) For purposes of Subsection (1), the location of a transaction shall be determined in
82 accordance with Sections 59-12-211 through 59-12-215.

83 (6) The commission shall distribute the revenues the state collects from the sales and
84 use tax under this part, after subtracting amounts a seller retains in accordance with Section
85 59-12-108, to the public transit districts within the cities, towns, and unincorporated areas:

86 (a) within which the state imposes a tax under this part; and

87 (b) in proportion to the revenues collected from the sales and use tax under this part
88 within each city, town, and unincorporated area within which the state imposes a tax under this
89 part.

90 Section 2. Section 59-12-2213 is amended to read:

91 **59-12-2213. County, city, or town option sales and use tax to fund a system for**
92 **public transit -- Base -- Rate -- Expenditure of revenue.**

93 (1) Subject to the other provisions of this part, a county, city, or town may impose a
94 sales and use tax under this section of up to:

95 (a) for a county, city, or town other than a county, city, or town described in Subsection
96 (1)(b), [~~.25%~~] .50% on the transactions described in Subsection 59-12-103(1) located within
97 the county, city, or town to fund a system for public transit; or

98 (b) for a county, city, or town within which a tax is not imposed under Section
99 59-12-2216, [~~.30%~~] .55% on the transactions described in Subsection 59-12-103(1) located
100 within the county, city, or town, to fund a system for public transit.

101 [~~(2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is~~
102 ~~not required to submit an opinion question to the county's, city's, or town's registered voters in~~
103 ~~accordance with Section 59-12-2208 to impose a sales and use tax under this section if the~~
104 ~~county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July~~
105 ~~1, 2011.~~]

106 (2) (a) For a county, city, or town that imposes a tax under Subsection (1)(a), the
107 county, city, or town may not expend more than the revenue collected from a tax rate of .25%
108 to pay:

109 (i) the costs of a project relating to the construction or extension of a fixed guideway
110 that uses and occupies rail; or

111 (ii) principal, interest, and issuance costs of bonds used in conjunction with a project
112 relating to the construction or extension of a fixed guideway that uses and occupies rail.

113 (b) For a county, city, or town that imposes a tax under Subsection (1)(b), the county,
114 city, or town may not expend more than the revenue collected from a tax rate of .30% to pay
115 the costs described in Subsection (2)(a).

116 Section 3. Section 59-12-2214 is amended to read:

117 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
118 **public transit, an airport facility, or to be deposited into the County of the First Class**
119 **State Highway Projects Fund -- Base -- Rate.**

120 (1) Subject to the other provisions of this part, a county, city, or town may impose a

121 sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located
122 within the county, city, or town.

123 (2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax
124 under this section shall expend the revenues collected from the sales and use tax:

125 (a) to fund a system for public transit;

126 (b) to fund a project or service related to an airport facility for the portion of the project
127 or service that is performed within the county, city, or town within which the sales and use tax
128 is imposed:

129 (i) for a county that imposes the sales and use tax, if the airport facility is part of the
130 regional transportation plan of the area metropolitan planning organization if a metropolitan
131 planning organization exists for the area; or

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

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

134 (B) that city or town owns or operates the airport facility; and

135 (C) an airline is headquartered in that city or town; or

136 (c) for a combination of Subsections (2)(a) and (b).

137 (3) A county of the first class that imposes a sales and use tax under this section shall
138 expend the revenues collected from the sales and use tax as follows:

139 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund
140 a system for public transit; and

141 (b) 20% of the revenues collected from the sales and use shall be deposited into the
142 County of the First Class State Highway Projects Fund created by Section 72-2-121.

143 ~~[(4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is~~
144 ~~not required to submit an opinion question to the county's, city's, or town's registered voters in~~
145 ~~accordance with Section 59-12-2208 to impose a sales and use tax under this section if:]~~

146 ~~[(a) the county, city, or town imposes the sales and use tax under this section on or~~
147 ~~after July 1, 2010, but on or before July 1, 2011;]~~

148 ~~[(b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:]~~

149 ~~[(i) Section 59-12-2213; or]~~

150 ~~[(ii) Section 59-12-2215; and]~~

151 ~~[(c) the county, city, or town obtained voter approval to impose the sales and use tax~~

152 under:]

153 [~~(i) Section 59-12-2213; or~~]

154 [~~(ii) Section 59-12-2215;~~]

155 Section 4. Section 59-12-2218 is amended to read:

156 **59-12-2218. County, city, or town option sales and use tax for airports, highways,**
157 **and a system for public transit -- Base -- Rate -- Administration of sales and use tax --**
158 **Voter approval exception.**

159 (1) (a) Subject to the other provisions of this part, the following may impose a sales
160 and use tax under this section:

161 (i) if, on April 1, 2009, a county legislative body of a county of the second class
162 imposes a sales and use tax under this section, the county legislative body of the county of the
163 second class may impose the sales and use tax on the transactions:

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

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

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

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

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

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

176 (I) within the county, including the cities and towns within the county, if on the date
177 the county legislative body provides the notice described in Section 59-12-2209 to the
178 commission stating that the county will enact a sales and use tax under this section, no city or
179 town within that county:

180 (Aa) imposes a sales and use tax under this section; or

181 (Bb) has provided the notice described in Section 59-12-2209 to the commission
182 stating that the city or town will enact a sales and use tax under this section; or

183 (II) within the county, except for within a city or town within that county, if, on the
184 date the county legislative body provides the notice described in Section 59-12-2209 to the
185 commission stating that the county will enact a sales and use tax under this section, that city or
186 town:

187 (Aa) imposes a sales and use tax under this section; or

188 (Bb) has provided the notice described in Section 59-12-2209 to the commission
189 stating that the city or town will enact a sales and use tax under this section.

190 (b) For purposes of Subsection (1)(a), a county, city, or town legislative body that
191 imposes a sales and use tax under this section may impose the tax at a rate of:

192 (i) .10%, to be:

193 (A) as determined by the county, city, or town legislative body, deposited as provided
194 in Subsection (3)(b)(i) into the County of the Second Class State Highway Projects Fund
195 created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;

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

199 (I) for a county legislative body that imposes the sales and use tax, if that airport
200 facility is part of the regional transportation plan of the area metropolitan planning organization
201 if a metropolitan planning organization exists for the area; or

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

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

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

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

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

208 (A) .10% to be deposited as provided in Subsection (3)(b)(i) into the County of the
209 Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as
210 provided in Section 72-2-121.2;

211 (B) .05%, to be deposited as provided in Subsection (3)(b)(ii) into the Local
212 Transportation Corridor Preservation Fund created by Section 72-2-117.5 and expended and
213 distributed in accordance with Section 72-2-117.5; and

214 (C) as determined by the county, city, or town legislative body, .10% to be:
215 (I) deposited as provided in Subsection (3)(b)(i) into the County of the Second Class
216 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
217 Section 72-2-121.2;
218 (II) expended for:
219 (Aa) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;
220 (Bb) a local highway that is a principal arterial highway, minor arterial highway, major
221 collector highway, or minor collector road; or
222 (Cc) a combination of Subsections (1)(b)(ii)(C)(II)(Aa) and (Bb);
223 (III) expended for a project or service relating to a system for public transit for the
224 portion of the project or service that is performed within the county, city, or town within which
225 the sales and use tax is imposed;
226 (IV) expended for a project or service relating to an airport facility for the portion of
227 the project or service that is performed within the county, city, or town within which the sales
228 and use tax is imposed:
229 (Aa) for a county legislative body that imposes the sales and use tax, if that airport
230 facility is part of the regional transportation plan of the area metropolitan planning organization
231 if a metropolitan planning organization exists for the area; or
232 (Bb) for a city or town legislative body that imposes the sales and use tax, if:
233 (Ii) that city or town owns or operates the airport facility; and
234 (Iiii) an airline is headquartered in that city or town; or
235 (V) deposited or expended for a combination of Subsections (1)(b)(ii)(C)(I) through
236 (IV).
237 (c) (i) Subject to the other provisions of this Subsection (1)(c), a city or town within
238 which a sales and use tax is imposed at the tax rate described in Subsection (1)(b)(ii) may:
239 (A) expend the revenues in accordance with Subsection (1)(b)(ii); or
240 (B) expend the revenues in accordance with Subsections (1)(c)(ii) through (iv) if:
241 (I) that city or town owns or operates an airport facility; and
242 (II) an airline is headquartered in that city or town.
243 (ii) (A) A city or town legislative body of a city or town within which a sales and use
244 tax is imposed at the tax rate described in Subsection (1)(b)(ii) may expend the revenues

245 collected from a tax rate of greater than .10% but not to exceed the revenues collected from a
246 tax rate of .25% for a purpose described in Subsection (1)(c)(ii)(B) if:

- 247 (I) that city or town owns or operates an airport facility; and
- 248 (II) an airline is headquartered in that city or town.

249 (B) A city or town described in Subsection (1)(c)(ii)(A) may expend the revenues
250 collected from a tax rate of greater than .10% but not to exceed the revenues collected from a
251 tax rate of .25% for:

- 252 (I) a project or service relating to the airport facility; and
- 253 (II) the portion of the project or service that is performed within the city or town
254 imposing the sales and use tax.

255 (iii) If a city or town legislative body described in Subsection (1)(c)(ii)(A) determines
256 to expend the revenues collected from a tax rate of greater than .10% but not to exceed the
257 revenues collected from a tax rate of .25% for a project or service relating to an airport facility
258 as allowed by Subsection (1)(c)(ii), any remaining revenues that are collected from the sales
259 and use tax imposed at the tax rate described in Subsection (1)(b)(ii) that are not expended for
260 the project or service relating to an airport facility as allowed by Subsection (1)(c)(ii) shall be
261 expended as follows:

262 (A) 75% of the remaining revenues shall be deposited as provided in Subsection (3)(c)
263 into the County of the Second Class State Highway Projects Fund created by Section
264 72-2-121.2 and expended as provided in Section 72-2-121.2; and

265 (B) 25% of the remaining revenues shall be deposited as provided in Subsection (3)(c)
266 into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5 and
267 expended and distributed in accordance with Section 72-2-117.5.

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

271 (A) shall, on or before the date the city or town legislative body provides the notice
272 described in Section 59-12-2209 to the commission stating that the city or town will enact a
273 sales and use tax under this section:

- 274 (I) determine the tax rate:
- 275 (Aa) the collections from which the city or town legislative body will expend for a

276 project or service relating to an airport facility as allowed by Subsection (1)(c)(ii); and
277 (Bb) at a percentage that is greater than .10% but does not exceed .25%; and
278 (II) notify the commission in writing of the tax rate the city or town legislative body
279 determines in accordance with Subsection (1)(c)(iv)(A)(I);

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

282 (I) determine the tax rate:

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

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

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

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

290 (I) determine the tax rate:

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

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

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

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

299 (2) Before a city or town legislative body may impose a sales and use tax under this
300 section, the city or town legislative body shall provide a copy of the notice described in Section
301 [59-12-2209](#) that the city or town legislative body provides to the commission:

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

303 (b) at the same time as the city or town legislative body provides the notice to the
304 commission.

305 (3) (a) Subject to Subsections (3)(b) through (e) and Section [59-12-2207](#), the
306 commission shall transmit revenues collected within a county, city, or town from a tax under

307 this part that will be expended for a purpose described in Subsection (1)(b)(i)(B) or
308 Subsections (1)(b)(ii)(C)(II) through (IV) to the county, city, or town legislative body in
309 accordance with Section 59-12-2206.

310 (b) Except as provided in Subsection (3)(c) and subject to Section 59-12-2207, the
311 commission shall deposit revenues collected within a county, city, or town from a sales and use
312 tax under this section that:

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

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

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

321 (c) Subject to Subsection (3)(d) or (e), if a city or town legislative body provides notice
322 to the commission in accordance with Subsection (1)(c)(iv), the commission shall:

323 (i) transmit the revenues collected from the tax rate stated on the notice to the city or
324 town legislative body monthly by electronic funds transfer; and

325 (ii) deposit any remaining revenues described in Subsection (1)(c)(iii) in accordance
326 with Subsection (1)(c)(iii).

327 (d) (i) If a city or town legislative body provides the notice described in Subsection
328 (1)(c)(iv)(A) to the commission, the commission shall transmit or deposit the revenues
329 collected from the sales and use tax:

330 (A) in accordance with Subsection (3)(c);

331 (B) beginning on the date the city or town legislative body enacts the sales and use tax;
332 and

333 (C) ending on the earlier of:

334 (I) the June 30 immediately following the date the city or town legislative body
335 provides the notice described in Subsection (1)(c)(iv)(B) to the commission; or

336 (II) the date the city or town legislative body repeals the sales and use tax.

337 (ii) If a city or town legislative body provides the notice described in Subsection

338 (1)(c)(iv)(B) or (C) to the commission, the commission shall transmit or deposit the revenues
339 collected from the sales and use tax:

340 (A) in accordance with Subsection (3)(c);

341 (B) beginning on the July 1 immediately following the date the city or town legislative
342 body provides the notice described in Subsection (1)(c)(iv)(B) or (C) to the commission; and

343 (C) ending on the earlier of:

344 (I) the June 30 of the year after the date the city or town legislative body provides the
345 notice described in Subsection (1)(c)(iv)(B) or (C) to the commission; or

346 (II) the date the city or town legislative body repeals the sales and use tax.

347 (e) (i) If a city or town legislative body that is required to provide the notice described
348 in Subsection (1)(c)(iv)(A) does not provide the notice described in Subsection (1)(c)(iv)(A) to
349 the commission on or before the date required by Subsection (1)(c)(iv) for providing the notice,
350 the commission shall transmit, transfer, or deposit the revenues collected from the sales and use
351 tax within the city or town in accordance with Subsections (3)(a) and (b).

352 (ii) If a city or town legislative body that is required to provide the notice described in
353 Subsection (1)(c)(iv)(B) or (C) does not provide the notice described in Subsection
354 (1)(c)(iv)(B) or (C) to the commission on or before the date required by Subsection (1)(c)(iv)
355 for providing the notice, the commission shall transmit or deposit the revenues collected from
356 the sales and use tax within the city or town in accordance with:

357 (A) Subsection (3)(c); and

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

360 ~~[(4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is~~
361 ~~not required to submit an opinion question to the county's, city's, or town's registered voters in~~
362 ~~accordance with Section 59-12-2208 to impose a sales and use tax under this section if:]~~

363 ~~[(a) the county, city, or town imposes the sales and use tax under this section on or~~
364 ~~after July 1, 2010, but on or before July 1, 2011; and]~~

365 ~~[(b) a purpose for which the county, city, or town will expend revenues collected from~~
366 ~~the sales and use tax under this section is:]~~

367 ~~[(i) a project or service described in Subsection (1)(b)(i)(B); or]~~

368 ~~[(ii) a project or service described in Subsection (1)(b)(ii)(C)(IV).]~~

369 Section 5. **Repealer.**
370 This bill repeals:
371 Section **59-12-2212.1**, **Transition provisions.**
372 Section 6. **Effective date.**
373 This bill takes effect on July 1, 2014.

Legislative Review Note
as of 2-21-14 8:27 AM

Office of Legislative Research and General Counsel