

1 **LOCAL OPTION SALES TAX AMENDMENTS**

2 2014 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Deidre M. Henderson**

5 House Sponsor: Val L. Peterson

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Local Option Sales and Use Taxes for Transportation Act.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ provides that a county, city, or town option sales and use tax for airports, highways,
13 and systems for public transit may be used for additional purposes;

14 ▶ provides that certain uses of a county, city, or town option sales and use tax for
15 airports, highways, and systems for public transit shall be recommended by a
16 metropolitan planning organization or council of governments; 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, 2014.

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **59-12-2218**, as renumbered and amended by Laws of Utah 2010, Chapter 263

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

27 Section 1. Section **59-12-2218** is amended to read:

28 **59-12-2218. County, city, or town option sales and use tax for airports, highways,**
29 **and systems for public transit -- Base -- Rate -- Administration of sales and use tax --**

30 **Voter approval exception.**

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

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

36 ~~(A)~~ (i) described in Subsection 59-12-103(1); and

37 ~~(B)~~ (ii) within the county, including the cities and towns within the county; or

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

40 ~~(A)~~ (i) a city legislative body of a city within the county of the second class may
41 impose a sales and use tax under this section on the transactions described in Subsection
42 59-12-103(1) within that city;

43 ~~(B)~~ (ii) a town legislative body of a town within the county of the second class may
44 impose a sales and use tax under this section on the transactions described in Subsection
45 59-12-103(1) within that town; and

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

48 ~~(H)~~ (A) within the county, including the cities and towns within the county, if on the
49 date the county legislative body provides the notice described in Section 59-12-2209 to the
50 commission stating that the county will enact a sales and use tax under this section, no city or
51 town within that county~~[-(Aa)]~~ imposes a sales and use tax under this section~~[-]~~; or ~~(Bb)~~ has
52 provided the notice described in Section 59-12-2209 to the commission stating that the city or
53 town will enact a sales and use tax under this section; or

54 ~~(H)~~ (B) within the county, except for within a city or town within that county, if, on
55 the date the county legislative body provides the notice described in Section 59-12-2209 to the
56 commission stating that the county will enact a sales and use tax under this section, that city or
57 town~~[-(Aa)]~~ imposes a sales and use tax under this section~~[-]~~; or ~~(Bb)~~ has provided the notice

58 described in Section 59-12-2209 to the commission stating that the city or town will enact a
59 sales and use tax under this section.

60 ~~[(b)]~~ (2) For purposes of Subsection (1)~~[(a)]~~ and subject to the other provisions of this
61 section, a county, city, or town legislative body that imposes a sales and use tax under this
62 section may impose the tax at a rate of:

63 ~~[(i)]~~ (a) .10%~~[-, to be:]; or~~

64 (b) .25%.

65 (3) A sales and use tax imposed at a rate described in Subsection (2)(a) shall be
66 expended as determined by the county, city, or town legislative body as follows:

67 ~~[(A)]~~ (a) ~~[as determined by the county, city, or town legislative body,]~~ deposited as
68 provided in Subsection ~~[(3)]~~ (9)(b)~~[(i)]~~ into the County of the Second Class State Highway
69 Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;

70 ~~[(B)]~~ (b) ~~[as determined by the county, city, or town legislative body,]~~ expended for a
71 project or service relating to an airport facility for the portion of the project or service that is
72 performed within the county, city, or town within which the tax is imposed:

73 ~~[(H)]~~ (i) for a county legislative body that imposes the sales and use tax, if that airport
74 facility is part of the regional transportation plan of the area metropolitan planning organization
75 if a metropolitan planning organization exists for the area; or

76 ~~[(H)]~~ (ii) for a city or town legislative body that imposes the sales and use tax, if:

77 ~~[(Aa)]~~ (A) that city or town owns or operates the airport facility; and

78 ~~[(Bb)]~~ (B) an airline is headquartered in that city or town; or

79 ~~[(C)]~~ (c) ~~[as determined by the county, city, or town legislative body,]~~ deposited or
80 expended for a combination of Subsections ~~[(1)(b)(i)(A) and (B); or]~~ (3)(a) and (b).

81 ~~[(ii)]~~ subject to Subsection (1)(c), .25%, to be expended as follows:

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

85 ~~[(B)]~~ .05%, to be deposited as provided in Subsection (3)(b)(ii) into the Local

86 Transportation Corridor Preservation Fund created by Section ~~72-2-117.5~~ and expended and
87 distributed in accordance with Section ~~72-2-117.5~~; and]

88 [~~C~~] as determined by the county, city, or town legislative body, .10% to be:]

89 (4) Subject to Subsections (5) through (7), a sales and use tax imposed at a rate
90 described in Subsection (2)(b) shall be expended as determined by the county, city, or town
91 legislative body as follows:

92 [~~F~~] (a) deposited as provided in Subsection [~~3~~] (9)(b)[~~1~~] into the County of the
93 Second Class State Highway Projects Fund created by Section ~~72-2-121.2~~ and expended as
94 provided in Section ~~72-2-121.2~~;

95 [~~H~~] (b) expended for:

96 [~~Aa~~] (i) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;

97 [~~Bb~~] (ii) a local highway that is a principal arterial highway, minor arterial highway,
98 major collector highway, or minor collector road; or

99 [~~Cc~~] (iii) a combination of Subsections [~~1~~](b)(~~ii~~)(~~C~~)(~~H~~)(~~Aa~~) and (~~Bb~~) (4)(b)(i) and
100 (ii);

101 [~~Hh~~] (c) expended for a project or service relating to a system for public transit for the
102 portion of the project or service that is performed within the county, city, or town within which
103 the sales and use tax is imposed;

104 [~~Vv~~] (d) expended for a project or service relating to an airport facility for the portion
105 of the project or service that is performed within the county, city, or town within which the
106 sales and use tax is imposed:

107 [~~Aa~~] (i) for a county legislative body that imposes the sales and use tax, if that airport
108 facility is part of the regional transportation plan of the area metropolitan planning organization
109 if a metropolitan planning organization exists for the area; or

110 [~~Bb~~] (ii) for a city or town legislative body that imposes the sales and use tax, if:

111 [~~ff~~] (A) that city or town owns or operates the airport facility; and

112 [~~Hh~~] (B) an airline is headquartered in that city or town; [~~or~~]

113 (e) expended for:

- 114 (i) a class B road, as defined in Section 72-3-103;
- 115 (ii) a class C road, as defined in Section 72-3-104; or
- 116 (iii) a combination of Subsections (4)(e)(i) and (ii);
- 117 (f) expended for traffic and pedestrian safety, including:
- 118 (i) for a class B road, as defined in Section 72-3-103, or class C road, as defined in
- 119 Section 72-3-104, for:
- 120 (A) a sidewalk;
- 121 (B) curb and gutter;
- 122 (C) a safety feature;
- 123 (D) a traffic sign;
- 124 (E) a traffic signal;
- 125 (F) street lighting; or
- 126 (G) a combination of Subsections (4)(f)(i)(A) through (F);
- 127 (ii) the construction of an active transportation facility that:
- 128 (A) is for nonmotorized vehicles and multimodal transportation; and
- 129 (B) connects an origin with a destination; or
- 130 (iii) a combination of Subsections (4)(f)(i) and (ii); or
- 131 ~~[(V)]~~ (g) deposited or expended for a combination of Subsections ~~[(1)(b)(ii)(C)(F)~~
- 132 ~~through (IV)]~~ (4)(a) through (f).
- 133 (5) A county, city, or town legislative body may not expend revenue collected within a
- 134 county, city, or town from a tax under this part for a purpose described in Subsections (4)(b)
- 135 through (f) unless the purpose is recommended by:
- 136 (a) for a county that is part of a metropolitan planning organization, the metropolitan
- 137 planning organization of which the county is a part; or
- 138 (b) for a county that is not part of a metropolitan planning organization, the council of
- 139 governments of which the county is a part.
- 140 (6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes
- 141 a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax rate of .05%

142 as provided in Subsection (9)(b)(i) into the Local Transportation Corridor Preservation Fund
143 created by Section 72-2-117.5.

144 (ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and
145 distributed in accordance with Section 72-2-117.5.

146 (b) A county, city, or town is not required to make the deposit required by Subsection
147 (6)(a)(i) if the county, city, or town:

148 (i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or

149 (ii) has continuously imposed a tax described in Subsection (2)(b):

150 (A) beginning after July 1, 2010; and

151 (B) for a five-year period.

152 ~~[(c)(i)]~~ (7) (a) Subject to the other provisions of this Subsection ~~[(1)(c)]~~ (7), a city or
153 town within which a sales and use tax is imposed at the tax rate described in Subsection
154 ~~[(1)(b)(ii)]~~ (2)(b) may:

155 ~~[(A)]~~ (i) expend the revenues in accordance with Subsection ~~[(1)(b)(ii)]~~ (4); or

156 ~~[(B)]~~ (ii) expend the revenues in accordance with Subsections ~~[(1)(c)(ii) through (iv)]~~
157 (7)(b) through (d) if:

158 ~~[(1)]~~ (A) that city or town owns or operates an airport facility; and

159 ~~[(1)]~~ (B) an airline is headquartered in that city or town.

160 ~~[(ii)(A)]~~ (b) (i) A city or town legislative body of a city or town within which a sales
161 and use tax is imposed at the tax rate described in Subsection ~~[(1)(b)(ii)]~~ (2)(b) may expend the
162 revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected
163 from a tax rate of .25% for a purpose described in Subsection ~~[(1)(c)(ii)(B)]~~ (7)(b)(ii) if:

164 ~~[(1)]~~ (A) that city or town owns or operates an airport facility; and

165 ~~[(1)]~~ (B) an airline is headquartered in that city or town.

166 ~~[(B)]~~ (ii) A city or town described in Subsection ~~[(1)(c)(ii)(A)]~~ (7)(b)(i) may expend
167 the revenues collected from a tax rate of greater than .10% but not to exceed the revenues
168 collected from a tax rate of .25% for:

169 ~~[(1)]~~ (A) a project or service relating to the airport facility; and

170 ~~[(H)]~~ (B) the portion of the project or service that is performed within the city or town
 171 imposing the sales and use tax.

172 ~~[(iii)]~~ (c) If a city or town legislative body described in Subsection ~~[(1)(c)(ii)(A)]~~
 173 (7)(b)(i) determines to expend the revenues collected from a tax rate of greater than .10% but
 174 not to exceed the revenues collected from a tax rate of .25% for a project or service relating to
 175 an airport facility as allowed by Subsection ~~[(1)(c)(ii)]~~ (7)(b), any remaining ~~[revenues that are]~~
 176 revenue that is collected from the sales and use tax imposed at the tax rate described in
 177 Subsection ~~[(1)(b)(ii)]~~ (2)(b) that ~~[are]~~ is not expended for the project or service relating to an
 178 airport facility as allowed by Subsection ~~[(1)(c)(ii)]~~ (7)(b) shall be expended as follows:

179 ~~[(A)]~~ (i) 75% of the remaining revenues shall be deposited as provided in Subsection
 180 ~~[(3)]~~ (9)(c) into the County of the Second Class State Highway Projects Fund created by
 181 Section 72-2-121.2 and expended as provided in Section 72-2-121.2; and

182 ~~[(B)]~~ (ii) 25% of the remaining revenues shall be deposited as provided in Subsection
 183 ~~[(3)]~~ (9)(c) into the Local Transportation Corridor Preservation Fund created by Section
 184 72-2-117.5 and expended and distributed in accordance with Section 72-2-117.5.

185 ~~[(iv)]~~ (d) A city or town legislative body that expends the revenues collected from a
 186 sales and use tax imposed at the tax rate described in Subsection ~~[(1)(b)(ii)]~~ (2)(b) in
 187 accordance with Subsections ~~[(1)(c)(ii) and (iii)]~~ (7)(b) and (c):

188 ~~[(A)]~~ (i) shall, on or before the date the city or town legislative body provides the
 189 notice described in Section 59-12-2209 to the commission stating that the city or town will
 190 enact a sales and use tax under this section:

191 ~~[(F)]~~ (A) determine the tax rate~~[-(Aa)], the percentage of which is greater than .10%~~
 192 but does not exceed .25%, the collections from which the city or town legislative body will
 193 expend for a project or service relating to an airport facility as allowed by Subsection
 194 ~~[(1)(c)(ii)]~~ (7)(b); and

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

196 ~~[(H)]~~ (B) notify the commission in writing of the tax rate the city or town legislative
 197 body determines in accordance with Subsection ~~[(1)(c)(iv)(A)(F)]~~ (7)(d)(i)(A);

198 ~~[(B)]~~ (ii) shall, on or before the April 1 immediately following the date the city or town
 199 legislative body provides the notice described in Subsection ~~[(1)(c)(iv)(A)]~~ (7)(d)(i) to the
 200 commission:

201 ~~[(F)]~~ (A) determine the tax rate~~[-(Aa)]~~, the percentage of which is greater than .10%
 202 but does not exceed .25%, the collections from which the city or town legislative body will
 203 expend for a project or service relating to an airport facility as allowed by Subsection
 204 ~~[(1)(c)(ii)]~~ (7)(b); and

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

206 ~~[(H)]~~ (B) notify the commission in writing of the tax rate the city or town legislative
 207 body determines in accordance with Subsection ~~[(1)(c)(iv)(B)(F)]~~ (7)(d)(ii)(A);

208 ~~[(C)]~~ (iii) shall, on or before April 1 of each year after the April 1 described in
 209 Subsection ~~[(1)(c)(iv)(B)]~~ (7)(d)(ii):

210 ~~[(F)]~~ (A) determine the tax rate~~[-(Aa)]~~, the percentage of which is greater than .10%
 211 but does not exceed .25%, the collections from which the city or town legislative body will
 212 expend for a project or service relating to an airport facility as allowed by Subsection
 213 ~~[(1)(c)(ii)]~~ (7)(b); and

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

215 ~~[(H)]~~ (B) notify the commission in writing of the tax rate the city or town legislative
 216 body determines in accordance with Subsection ~~[(1)(c)(iv)(C)(F)]~~ (7)(d)(iii)(A); and

217 ~~[(D)]~~ (iv) may not change the tax rate the city or town legislative body determines in
 218 accordance with Subsections ~~[(1)(c)(iv)(A) through (C)]~~ (7)(d)(i) through (iii) more frequently
 219 than as prescribed by Subsections ~~[(1)(c)(iv)(A) through (C)]~~ (7)(d)(i) through (iii).

220 ~~[(2)]~~ (8) Before a city or town legislative body may impose a sales and use tax under
 221 this section, the city or town legislative body shall provide a copy of the notice described in
 222 Section [59-12-2209](#) that the city or town legislative body provides to the commission:

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

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

226 ~~[(3)]~~ (9) (a) Subject to Subsections ~~[(3)]~~ (9)(b) through (e) and Section 59-12-2207, the
 227 commission shall transmit revenues collected within a county, city, or town from a tax under
 228 this part that will be expended for a purpose described in Subsection ~~[(1)(b)(i)(B)]~~ (3)(b) or
 229 Subsections ~~[(1)(b)(ii)(C)(II) through (IV)]~~ (4)(b) through (f) to the county, city, or town
 230 legislative body in accordance with Section 59-12-2206.

231 (b) Except as provided in Subsection ~~[(3)]~~ (9)(c) and subject to Section 59-12-2207,
 232 the commission shall deposit revenues collected within a county, city, or town from a sales and
 233 use tax under this section that:

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

236 ~~[(ii)]~~ (i) are required to be expended for a purpose described in Subsection
 237 ~~[(1)(b)(ii)(B)]~~ (6)(a) into the Local Transportation Corridor Preservation Fund created by
 238 Section 72-2-117.5; or

239 ~~[(iii)]~~ (ii) a county, city, or town legislative body determines to expend for a purpose
 240 described in Subsection ~~[(1)(b)(i)(A) or (1)(b)(ii)(C)(I)]~~ (3)(a) or (4)(a) into the County of the
 241 Second Class State Highway Projects Fund created by Section 72-2-121.2 if the county, city, or
 242 town legislative body provides written notice to the commission requesting the deposit.

243 (c) Subject to Subsection ~~[(3)]~~ (9)(d) or (e), if a city or town legislative body provides
 244 notice to the commission in accordance with Subsection ~~[(1)(c)(iv)]~~ (7)(d), the commission
 245 shall:

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

248 (ii) deposit any remaining revenues described in Subsection ~~[(1)(c)(iii)]~~ (7)(c) in
 249 accordance with Subsection ~~[(1)(c)(iii)]~~ (7)(c).

250 (d) (i) If a city or town legislative body provides the notice described in Subsection
 251 ~~[(1)(c)(iv)(A)]~~ (7)(d)(i) to the commission, the commission shall transmit or deposit the
 252 revenues collected from the sales and use tax:

253 (A) in accordance with Subsection ~~[(3)]~~ (9)(c);

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

256 (C) ending on the earlier of ~~[(1)(f)]~~ the June 30 immediately following the date the city or
257 town legislative body provides the notice described in Subsection ~~[(1)(c)(iv)(B)]~~ (7)(d)(ii) to
258 the commission~~;~~ or ~~[(H)]~~ the date the city or town legislative body repeals the sales and use
259 tax.

260 (ii) If a city or town legislative body provides the notice described in Subsection
261 ~~[(1)(c)(iv)(B) or (C)]~~ (7)(d)(ii) or (iii) to the commission, the commission shall transmit or
262 deposit the revenues collected from the sales and use tax:

263 (A) in accordance with Subsection ~~[(3)]~~ (9)(c);

264 (B) beginning on the July 1 immediately following the date the city or town legislative
265 body provides the notice described in Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (7)(d)(ii) or (iii) to the
266 commission; and

267 (C) ending on the earlier of ~~[(1)(f)]~~ the June 30 of the year after the date the city or town
268 legislative body provides the notice described in Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (7)(d)(ii) or
269 (iii) to the commission~~;~~ or ~~[(H)]~~ the date the city or town legislative body repeals the sales
270 and use tax.

271 (e) (i) If a city or town legislative body that is required to provide the notice described
272 in Subsection ~~[(1)(c)(iv)(A)]~~ (7)(d)(i) does not provide the notice described in Subsection
273 ~~[(1)(c)(iv)(A)]~~ (7)(d)(i) to the commission on or before the date required by Subsection
274 ~~[(1)(c)(iv)]~~ (7)(d) for providing the notice, the commission shall transmit, transfer, or deposit
275 the revenues collected from the sales and use tax within the city or town in accordance with
276 Subsections ~~[(3)]~~ (9)(a) and (b).

277 (ii) If a city or town legislative body that is required to provide the notice described in
278 Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (7)(d)(ii) or (iii) does not provide the notice described in
279 Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (7)(d)(ii) or (iii) to the commission on or before the date
280 required by Subsection ~~[(1)(c)(iv)]~~ (7)(d) for providing the notice, the commission shall
281 transmit or deposit the revenues collected from the sales and use tax within the city or town in

282 accordance with:

283 (A) Subsection ~~[(3)]~~ (9)(c); and

284 (B) the most recent notice the commission received from the city or town legislative
285 body under Subsection ~~[(1)(c)(iv)]~~ (7)(d).

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

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

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

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

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

295 Section 2. **Effective date.**

296 This bill takes effect on July 1, 2014.