

**LOCAL OPTION SALES TAX AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Deidre M. Henderson**

House Sponsor: Val L. Peterson

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ provides that a county, city, or town option sales and use tax for airports, highways, and systems for public transit may be used for additional purposes;
- ▶ provides that certain uses of a county, city, or town option sales and use tax for airports, highways, and systems for public transit shall be recommended by a metropolitan planning organization or council of governments; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

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

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

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           ~~[(i)]~~ (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)]~~ (8)(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) and (6), a sales and use tax imposed at a rate described

90 in Subsection (2)(b) shall be expended as determined by the county, city, or town legislative  
91 body as follows:

92 ~~[(F)]~~ (a) deposited as provided in Subsection ~~[(3)]~~ (8)(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 ~~[(H)]~~ (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 ~~[(IV)]~~ (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 ~~[(H)]~~ (A) that city or town owns or operates the airport facility; and

112 ~~[(Hii)]~~ (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 ~~[(e)(i)]~~ (6) (a) Subject to the other provisions of this Subsection ~~[(1)(e)]~~ (6), a city or  
 141 town within which a sales and use tax is imposed at the tax rate described in Subsection  
 142 ~~[(1)(b)(ii)]~~ (2)(b) may:

143 ~~[(A)]~~ (i) expend the revenues in accordance with Subsection ~~[(1)(b)(ii)]~~ (4); or  
 144 ~~[(B)]~~ (ii) expend the revenues in accordance with Subsections ~~[(1)(c)(ii) through (iv)]~~  
 145 (6)(b) through (d) if:

146 ~~[(F)]~~ (A) that city or town owns or operates an airport facility; and  
 147 ~~[(H)]~~ (B) an airline is headquartered in that city or town.

148 ~~[(ii)(A)]~~ (b) (i) A city or town legislative body of a city or town within which a sales  
 149 and use tax is imposed at the tax rate described in Subsection ~~[(1)(b)(ii)]~~ (2)(b) may expend the  
 150 revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected  
 151 from a tax rate of .25% for a purpose described in Subsection ~~[(1)(e)(i)(B)]~~ (6)(b)(ii) if:

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

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

154 ~~[(B)]~~ (ii) A city or town described in Subsection ~~[(1)(c)(ii)(A)]~~ (6)(b)(i) may expend  
155 the revenues collected from a tax rate of greater than .10% but not to exceed the revenues  
156 collected from a tax rate of .25% for:

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

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

160 ~~[(iii)]~~ (c) If a city or town legislative body described in Subsection ~~[(1)(c)(ii)(A)]~~  
161 (6)(b)(i) determines to expend the revenues collected from a tax rate of greater than .10% but  
162 not to exceed the revenues collected from a tax rate of .25% for a project or service relating to  
163 an airport facility as allowed by Subsection ~~[(1)(c)(ii)]~~ (6)(b), any remaining ~~[revenues that are]~~  
164 revenue that is collected from the sales and use tax imposed at the tax rate described in  
165 Subsection ~~[(1)(b)(ii)]~~ (2)(b) that ~~[are]~~ is not expended for the project or service relating to an  
166 airport facility as allowed by Subsection ~~[(1)(c)(ii)]~~ (6)(b) shall be expended as follows:

167 ~~[(A)]~~ (i) 75% of the remaining revenues shall be deposited as provided in Subsection  
168 ~~[(3)]~~ (8)(c) into the County of the Second Class State Highway Projects Fund created by  
169 Section 72-2-121.2 and expended as provided in Section 72-2-121.2; and

170 ~~[(B)]~~ (ii) 25% of the remaining revenues shall be deposited as provided in Subsection  
171 ~~[(3)]~~ (8)(c) into the Local Transportation Corridor Preservation Fund created by Section  
172 72-2-117.5 and expended and distributed in accordance with Section 72-2-117.5.

173 ~~[(iv)]~~ (d) A city or town legislative body that expends the revenues collected from a  
174 sales and use tax imposed at the tax rate described in Subsection ~~[(1)(b)(ii)]~~ (2)(b) in  
175 accordance with Subsections ~~[(1)(c)(ii) and (iii)]~~ (6)(b) and (c):

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

179 ~~[(F)]~~ (A) determine the tax rate~~[-(Aa)]~~, the percentage of which is greater than .10%  
180 but does not exceed .25%, the collections from which the city or town legislative body will  
181 expend for a project or service relating to an airport facility as allowed by Subsection  
182 ~~[(1)(c)(ii)]~~ (6)(b); and

183 ~~[(Bb) at a percentage that is greater than .10% but does not exceed .25%; and]~~  
 184 ~~[(H)]~~ (B) notify the commission in writing of the tax rate the city or town legislative  
 185 body determines in accordance with Subsection ~~[(1)(c)(iv)(A)(F)]~~ (6)(d)(i)(A);  
 186 ~~[(B)]~~ (ii) shall, on or before the April 1 immediately following the date the city or town  
 187 legislative body provides the notice described in Subsection ~~[(1)(c)(iv)(A)]~~ (6)(d)(i) to the  
 188 commission:  
 189 ~~[(F)]~~ (A) determine the tax rate~~[-(Aa)], the percentage of which is greater than .10%~~  
 190 but does not exceed .25%, the collections from which the city or town legislative body will  
 191 expend for a project or service relating to an airport facility as allowed by Subsection  
 192 ~~[(1)(c)(ii)]~~ (6)(b); and  
 193 ~~[(Bb) at a percentage that is greater than .10% but does not exceed .25%; and]~~  
 194 ~~[(H)]~~ (B) notify the commission in writing of the tax rate the city or town legislative  
 195 body determines in accordance with Subsection ~~[(1)(c)(iv)(B)(F)]~~ (6)(d)(ii)(A);  
 196 ~~[(C)]~~ (iii) shall, on or before April 1 of each year after the April 1 described in  
 197 Subsection ~~[(1)(c)(iv)(B)]~~ (6)(d)(ii):  
 198 ~~[(F)]~~ (A) determine the tax rate~~[-(Aa)], the percentage of which is greater than .10%~~  
 199 but does not exceed .25%, the collections from which the city or town legislative body will  
 200 expend for a project or service relating to an airport facility as allowed by Subsection  
 201 ~~[(1)(c)(ii)]~~ (6)(b); and  
 202 ~~[(Bb) at a percentage that is greater than .10% but does not exceed .25%; and]~~  
 203 ~~[(H)]~~ (B) notify the commission in writing of the tax rate the city or town legislative  
 204 body determines in accordance with Subsection ~~[(1)(c)(iv)(C)(F)]~~ (6)(d)(iii)(A); and  
 205 ~~[(D)]~~ (iv) may not change the tax rate the city or town legislative body determines in  
 206 accordance with Subsections ~~[(1)(c)(iv)(A) through (C)]~~ (6)(d)(i) through (iii) more frequently  
 207 than as prescribed by Subsections ~~[(1)(c)(iv)(A) through (C)]~~ (6)(d)(i) through (iii).  
 208 ~~[(2)]~~ (7) Before a city or town legislative body may impose a sales and use tax under  
 209 this section, the city or town legislative body shall provide a copy of the notice described in  
 210 Section [59-12-2209](#) that the city or town legislative body provides to the commission:  
 211 (a) to the county legislative body within which the city or town is located; and  
 212 (b) at the same time as the city or town legislative body provides the notice to the  
 213 commission.

214 ~~[(3)]~~ (8) (a) Subject to Subsections ~~[(3)]~~ (8)(b) through (e) and Section 59-12-2207, the  
 215 commission shall transmit revenues collected within a county, city, or town from a tax under  
 216 this part that will be expended for a purpose described in Subsection ~~[(1)(b)(i)(B)]~~ (3)(b) or  
 217 Subsections ~~[(1)(b)(ii)(C)(H) through (IV)]~~ (4)(b) through (f) to the county, city, or town  
 218 legislative body in accordance with Section 59-12-2206.

219 (b) Except as provided in Subsection ~~[(3)]~~ (8)(c) and subject to Section 59-12-2207,  
 220 the commission shall deposit revenues collected within a county, city, or town from a sales and  
 221 use tax under this section that ~~[:]~~ a county, city, or town legislative body determines to expend  
 222 for a purpose described in Subsection (3)(a) or (4)(a) into the County of the Second Class State  
 223 Highway Projects Fund created by Section 72-2-121.2 if the county, city, or town legislative  
 224 body provides written notice to the commission requesting the deposit.

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

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

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

233 (c) Subject to Subsection ~~[(3)]~~ (8)(d) or (e), if a city or town legislative body provides  
 234 notice to the commission in accordance with Subsection ~~[(1)(e)(iv)]~~ (6)(d), the commission  
 235 shall:

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

238 (ii) deposit any remaining revenues described in Subsection ~~[(1)(e)(iii)]~~ (6)(c) in  
 239 accordance with Subsection ~~[(1)(e)(iii)]~~ (6)(c).

240 (d) (i) If a city or town legislative body provides the notice described in Subsection  
 241 ~~[(1)(e)(iv)(A)]~~ (6)(d)(i) to the commission, the commission shall transmit or deposit the  
 242 revenues collected from the sales and use tax:

243 (A) in accordance with Subsection ~~[(3)]~~ (8)(c);

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



245 and

246 (C) ending on the earlier of ~~[(1)(c)(iv)(B)]~~ the June 30 immediately following the date the city or  
 247 town legislative body provides the notice described in Subsection ~~[(1)(c)(iv)(B)]~~ (6)(d)(ii) to  
 248 the commission~~;~~ or ~~[(H)]~~ the date the city or town legislative body repeals the sales and use  
 249 tax.

250 (ii) If a city or town legislative body provides the notice described in Subsection  
 251 ~~[(1)(c)(iv)(B) or (C)]~~ (6)(d)(ii) or (iii) to the commission, the commission shall transmit or  
 252 deposit the revenues collected from the sales and use tax:

253 (A) in accordance with Subsection ~~[(3)]~~ (8)(c);

254 (B) beginning on the July 1 immediately following the date the city or town legislative  
 255 body provides the notice described in Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (6)(d)(ii) or (iii) to the  
 256 commission; and

257 (C) ending on the earlier of ~~[(1)(c)(iv)(B)]~~ the June 30 of the year after the date the city or town  
 258 legislative body provides the notice described in Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (6)(d)(ii) or  
 259 (iii) to the commission~~;~~ or ~~[(H)]~~ the date the city or town legislative body repeals the sales  
 260 and use tax.

261 (e) (i) If a city or town legislative body that is required to provide the notice described  
 262 in Subsection ~~[(1)(c)(iv)(A)]~~ (6)(d)(i) does not provide the notice described in Subsection  
 263 ~~[(1)(c)(iv)(A)]~~ (6)(d)(i) to the commission on or before the date required by Subsection  
 264 ~~[(1)(c)(iv)]~~ (6)(d) for providing the notice, the commission shall transmit, transfer, or deposit  
 265 the revenues collected from the sales and use tax within the city or town in accordance with  
 266 Subsections ~~[(3)]~~ (8)(a) and (b).

267 (ii) If a city or town legislative body that is required to provide the notice described in  
 268 Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (6)(d)(ii) or (iii) does not provide the notice described in  
 269 Subsection ~~[(1)(c)(iv)(B) or (C)]~~ (6)(d)(ii) or (iii) to the commission on or before the date  
 270 required by Subsection ~~[(1)(c)(iv)]~~ (6)(d) for providing the notice, the commission shall  
 271 transmit or deposit the revenues collected from the sales and use tax within the city or town in  
 272 accordance with:

273 (A) Subsection ~~[(3)]~~ (8)(c); and

274 (B) the most recent notice the commission received from the city or town legislative  
 275 body under Subsection ~~[(1)(c)(iv)]~~ (6)(d).

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

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

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

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

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

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**Legislative Review Note**  
**as of 2-12-14 12:48 PM**

**Office of Legislative Research and General Counsel**