

**Representative Kay J. Christofferson** proposes the following substitute bill:

**TRANSPORTATION FUNDING MODIFICATIONS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kay J. Christofferson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to transportation funding.

**Highlighted Provisions:**

This bill:

- ▶ renames the Transportation Investment Fund of 2005 as the Rebecca D. Lockhart Transportation Investment Fund;
- ▶ repeals the requirements that certain sales and use tax revenue be deposited into the Transportation Fund;
- ▶ for a fiscal year beginning on or after July 1, 2016, amends the amount of certain sales and use tax revenue that is deposited into the Rebecca D. Lockhart Transportation Investment Fund in certain circumstances; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates in fiscal year 2016:

- ▶ to the Department of Transportation - Construction Management, as an on-going appropriation:
  - From the Transportation Fund, \$34,181,500;
- ▶ to the Department of Transportation - Construction Management, as a one-time



26 appropriation:

- 27 • From the Transportation Fund, (\$34,181,500).

28 **Other Special Clauses:**

29 This bill provides a special effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **59-12-103**, as last amended by Laws of Utah 2014, Chapters 380 and 429

33 **59-12-1201**, as last amended by Laws of Utah 2012, Chapter 121

34 **63J-3-103**, as last amended by Laws of Utah 2014, Chapter 63

35 **63M-1-3410**, as enacted by Laws of Utah 2014, Chapter 429

36 **63M-1-3412**, as enacted by Laws of Utah 2014, Chapter 429

37 **72-2-107**, as last amended by Laws of Utah 2010, Chapter 391

38 **72-2-118**, as last amended by Laws of Utah 2013, Chapter 400

39 **72-2-121.3**, as last amended by Laws of Utah 2013, Chapter 389

40 **72-2-124**, as last amended by Laws of Utah 2013, Chapters 389 and 400

41 **72-2-125**, as last amended by Laws of Utah 2013, Chapter 400



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

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

45 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
46 **tax revenues.**

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

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

50 (b) amounts paid for:

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

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

56 (iii) an ancillary service associated with a:

- 57 (A) telecommunications service described in Subsection (1)(b)(i); or
- 58 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 59 (c) sales of the following for commercial use:
  - 60 (i) gas;
  - 61 (ii) electricity;
  - 62 (iii) heat;
  - 63 (iv) coal;
  - 64 (v) fuel oil; or
  - 65 (vi) other fuels;
- 66 (d) sales of the following for residential use:
  - 67 (i) gas;
  - 68 (ii) electricity;
  - 69 (iii) heat;
  - 70 (iv) coal;
  - 71 (v) fuel oil; or
  - 72 (vi) other fuels;
- 73 (e) sales of prepared food;
- 74 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 75 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 76 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 77 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 78 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 79 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 80 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 81 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 82 exhibition, cultural, or athletic activity;
- 83 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 84 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
  - 85 (i) the tangible personal property; and
  - 86 (ii) parts used in the repairs or renovations of the tangible personal property described
  - 87 in Subsection (1)(g)(i), regardless of whether:

88 (A) any parts are actually used in the repairs or renovations of that tangible personal  
89 property; or

90 (B) the particular parts used in the repairs or renovations of that tangible personal  
91 property are exempt from a tax under this chapter;

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

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

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

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

99 (i) stored;

100 (ii) used; or

101 (iii) otherwise consumed;

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

104 (i) stored;

105 (ii) used; or

106 (iii) consumed; and

107 (m) amounts paid or charged for a sale:

108 (i) (A) of a product transferred electronically; or

109 (B) of a repair or renovation of a product transferred electronically; and

110 (ii) regardless of whether the sale provides:

111 (A) a right of permanent use of the product; or

112 (B) a right to use the product that is less than a permanent use, including a right:

113 (I) for a definite or specified length of time; and

114 (II) that terminates upon the occurrence of a condition.

115 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
116 is imposed on a transaction described in Subsection (1) equal to the sum of:

117 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

118 (A) 4.70%; and

119 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
120 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
121 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
122 State Sales and Use Tax Act; and

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

127 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
128 transaction under this chapter other than this part.

129 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
130 on a transaction described in Subsection (1)(d) equal to the sum of:

131 (i) a state tax imposed on the transaction at a tax rate of 2%; and

132 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
133 transaction under this chapter other than this part.

134 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
135 on amounts paid or charged for food and food ingredients equal to the sum of:

136 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
137 a tax rate of 1.75%; and

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

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

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

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

145 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
146 Sales and Use Tax Act, if the location of the transaction as determined under Sections

147 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
148 Additional State Sales and Use Tax Act; and

149 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State

150 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
151 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
152 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

155 (ii) If an optional computer software maintenance contract is a bundled transaction that  
156 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
157 similar billing document, the purchase of the optional computer software maintenance contract  
158 is 40% taxable under this chapter and 60% nontaxable under this chapter.

159 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled  
160 transaction described in Subsection (2)(d)(i) or (ii):

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

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

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

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

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

176 (II) state or federal law provides otherwise.

177 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
178 seller's regular course of business includes books and records the seller keeps in the regular  
179 course of business for nontax purposes.

180 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)

181 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
182 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
183 of tangible personal property, other property, a product, or a service that is not subject to  
184 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
185 the seller, at the time of the transaction:

186 (A) separately states the portion of the transaction that is not subject to taxation under  
187 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

188 (B) is able to identify by reasonable and verifiable standards, from the books and  
189 records the seller keeps in the seller's regular course of business, the portion of the transaction  
190 that is not subject to taxation under this chapter.

191 (ii) A purchaser and a seller may correct the taxability of a transaction if:

192 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
193 the transaction that is not subject to taxation under this chapter was not separately stated on an  
194 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
195 ignorance of the law; and

196 (B) the seller is able to identify by reasonable and verifiable standards, from the books  
197 and records the seller keeps in the seller's regular course of business, the portion of the  
198 transaction that is not subject to taxation under this chapter.

199 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
200 in the seller's regular course of business includes books and records the seller keeps in the  
201 regular course of business for nontax purposes.

202 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible  
203 personal property, products, or services that are subject to taxation under this chapter at  
204 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
205 unless the seller, at the time of the transaction:

206 (A) separately states the items subject to taxation under this chapter at each of the  
207 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

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

211 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the

212 seller's regular course of business includes books and records the seller keeps in the regular  
213 course of business for nontax purposes.

214 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax  
215 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 216 (i) Subsection (2)(a)(i)(A);
- 217 (ii) Subsection (2)(b)(i);
- 218 (iii) Subsection (2)(c)(i); or
- 219 (iv) Subsection (2)(d)(i)(A)(I).

220 (h) (i) A tax rate increase takes effect on the first day of the first billing period that  
221 begins on or after the effective date of the tax rate increase if the billing period for the  
222 transaction begins before the effective date of a tax rate increase imposed under:

- 223 (A) Subsection (2)(a)(i)(A);
- 224 (B) Subsection (2)(b)(i);
- 225 (C) Subsection (2)(c)(i); or
- 226 (D) Subsection (2)(d)(i)(A)(I).

227 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
228 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
229 or the tax rate decrease imposed under:

- 230 (A) Subsection (2)(a)(i)(A);
- 231 (B) Subsection (2)(b)(i);
- 232 (C) Subsection (2)(c)(i); or
- 233 (D) Subsection (2)(d)(i)(A)(I).

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

- 237 (A) on the first day of a calendar quarter; and
- 238 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

239 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

- 240 (A) Subsection (2)(a)(i)(A);
- 241 (B) Subsection (2)(b)(i);
- 242 (C) Subsection (2)(c)(i); or



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

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

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

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

248 (ii) the tax imposed by Subsection (2)(b)(i);

249 (iii) the tax imposed by Subsection (2)(c)(i); or

250 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

253 (i) the tax imposed by Subsection (2)(a)(ii);

254 (ii) the tax imposed by Subsection (2)(b)(ii);

255 (iii) the tax imposed by Subsection (2)(c)(ii); and

256 (iv) the tax imposed by Subsection (2)(d)(i)(B).

257 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
258 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
259 through (g):

260 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

261 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

262 (B) for the fiscal year; or

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

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

267 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
268 protect sensitive plant and animal species; or

269 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
270 act, to political subdivisions of the state to implement the measures described in Subsections  
271 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

272 (ii) Money transferred to the Department of Natural Resources under Subsection  
273 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

274 person to list or attempt to have listed a species as threatened or endangered under the  
275 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

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

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

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

283 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
284 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
285 created in Section 4-18-106.

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

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

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

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

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

297 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
298 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development  
299 Fund created in Section 73-10-24 for use by the Division of Water Resources.

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

303 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
304 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

305 quantifying surface and ground water resources and describing the hydrologic systems of an  
306 area in sufficient detail so as to enable local and state resource managers to plan for and  
307 accommodate growth in water use without jeopardizing the resource;

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

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

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

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

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

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

320 (iii) develop surface water sources.

321 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
322 2006, the difference between the following amounts shall be expended as provided in this  
323 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

335 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the

336 remaining difference described in Subsection (5)(a) shall be:

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

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

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

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

348 (i) preconstruction costs:

349 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
350 26, Bear River Development Act; and

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

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

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

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

359 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
360 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be  
361 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
362 incurred for employing additional technical staff for the administration of water rights.

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

366 ~~[(6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,~~

367 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
 368 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
 369 the Transportation Fund created by Section ~~72-2-102.~~]

370 [~~(7)~~ Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
 371 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section  
 372 ~~72-2-124~~ a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
 373 by a 1/64% tax rate on the taxable transactions under Subsection (1).]

374 [(8)(a)] (6) Notwithstanding Subsection (3)(a), [in addition to the amounts deposited  
 375 in Subsection (7), and subject to Subsection (8)(b);] for a fiscal year beginning on or after July  
 376 1, [~~2012~~] 2016, the Division of Finance shall deposit into the Rebecca D. Lockhart  
 377 Transportation Investment Fund [~~of 2005~~] created by Section ~~72-2-124~~[:~~(i)~~] a portion of the  
 378 taxes listed under Subsection (3)(a) in an amount equal to [~~8.3%~~] 23% of the revenues  
 379 collected from the following taxes[, which represents a portion of the approximately 17% of  
 380 sales and use tax revenues generated annually by the sales and use tax on vehicles and  
 381 vehicle-related products]:

382 [(A)] (a) the tax imposed by Subsection (2)(a)(i)(A);

383 [(B)] (b) the tax imposed by Subsection (2)(b)(i);

384 [(C)] (c) the tax imposed by Subsection (2)(c)(i); and

385 [(D)] (d) the tax imposed by Subsection (2)(d)(i)(A)(I)[~~; plus~~].

386 [(ii)] an amount equal to 30% of the growth in the amount of revenues collected in the  
 387 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through  
 388 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
 389 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.]

390 [(b) (i)] Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of  
 391 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total  
 392 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)  
 393 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
 394 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
 395 (8)(a) equal to the product of:]

396 [(A)] the total percentage of sales and use taxes deposited under Subsection (8)(a) in the  
 397 previous fiscal year; and]

398 ~~[(B) the total sales and use tax revenue generated by the taxes described in Subsections~~  
399 ~~(8)(a)(i)(A) through (D) in the current fiscal year.]~~

400 ~~[(ii) In any fiscal year in which the portion of the sales and use taxes deposited under~~  
401 ~~Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes~~  
402 ~~described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of~~  
403 ~~Finance shall deposit 17% of the revenues collected from the sales and use taxes described in~~  
404 ~~Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).]~~

405 ~~[(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected~~  
406 ~~from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited~~  
407 ~~under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues~~  
408 ~~collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the~~  
409 ~~current fiscal year under Subsection (8)(a).]~~

410 ~~[(9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~  
411 ~~Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of~~  
412 ~~Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under~~  
413 ~~Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section~~  
414 ~~72-2-124.]~~

415 ~~[(10)]~~ (7) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal  
416 year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
417 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

418 ~~[(11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),~~  
419 ~~and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July~~  
420 ~~1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005~~  
421 ~~created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the~~  
422 ~~transactions described in Subsection (1).]~~

423 ~~[(b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into~~  
424 ~~the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or~~  
425 ~~charged for food and food ingredients, except for tax revenue generated by a bundled~~  
426 ~~transaction attributable to food and food ingredients and tangible personal property other than~~  
427 ~~food and food ingredients described in Subsection (2)(d).]~~

428 ~~[(12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection~~

429 ~~(12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the~~  
 430 ~~Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a~~  
 431 ~~.025% tax rate on the transactions described in Subsection (1) to be expended to address~~  
 432 ~~chokepoints in construction management.]~~

433 ~~[(b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into~~  
 434 ~~the Transportation Fund any tax revenue generated by amounts paid or charged for food and~~  
 435 ~~food ingredients, except for tax revenue generated by a bundled transaction attributable to food~~  
 436 ~~and food ingredients and tangible personal property other than food and food ingredients~~  
 437 ~~described in Subsection (2)(d).]~~

438 ~~[(13)]~~ (8) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
 439 fiscal year during which the Division of Finance receives notice under Subsection  
 440 63M-1-3410(3) that construction on a qualified hotel, as defined in Section 63M-1-3402, has  
 441 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit  
 442 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel  
 443 Impact Mitigation Fund, created in Section 63M-1-3412.

444 ~~[(14)]~~ (9) Notwithstanding Subsections (4) through ~~[(13)]~~ (8), an amount required to be  
 445 expended or deposited in accordance with Subsections (4) through ~~[(13)]~~ (8) may not include  
 446 an amount the Division of Finance deposits in accordance with Section 59-12-103.2.

447 Section 2. Section 59-12-1201 is amended to read:

448 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
 449 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

450 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all  
 451 short-term leases and rentals of motor vehicles not exceeding 30 days.

452 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
 453 fees and taxes imposed on rentals of motor vehicles.

454 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
 455 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

456 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
 457 take effect on the first day of the first billing period:

458 (A) that begins after the effective date of the tax rate increase; and

459 (B) if the billing period for the transaction begins before the effective date of a tax rate

460 increase imposed under Subsection (1).

461 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
462 rate decrease shall take effect on the first day of the last billing period:

463 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
464 and

465 (B) if the billing period for the transaction begins before the effective date of the repeal  
466 of the tax or the tax rate decrease imposed under Subsection (1).

467 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

468 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

469 (b) the motor vehicle is rented as a personal household goods moving van; or

470 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
471 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
472 insurance agreement.

473 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
474 enforced in accordance with:

475 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
476 Tax Collection; and

477 (B) Chapter 1, General Taxation Policies.

478 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
479 Subsections 59-12-103(4) through [~~12~~] (9) or Section 59-12-107.1 or 59-12-123.

480 (b) The commission shall retain and deposit an administrative charge in accordance  
481 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

482 (c) Except as provided under Subsection (4)(b), all revenue received by the  
483 commission under this section shall be deposited daily with the state treasurer and credited  
484 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

485 Section 3. Section 63J-3-103 is amended to read:

486 **63J-3-103. Definitions.**

487 As used in this chapter:

488 (1) (a) "Appropriations" means actual unrestricted capital and operating appropriations  
489 from unrestricted General Fund and Education Fund sources.

490 (b) "Appropriations" includes appropriations that are contingent upon available



491 surpluses in the General Fund and Education Fund.

492 (c) "Appropriations" does not mean:

493 (i) public education expenditures;

494 (ii) Utah Education and Telehealth Network expenditures in support of public

495 education;

496 (iii) Utah College of Applied Technology expenditures in support of public education;

497 (iv) Tax Commission expenditures related to collection of income taxes in support of

498 public education;

499 (v) debt service expenditures;

500 (vi) emergency expenditures;

501 (vii) expenditures from all other fund or subfund sources;

502 (viii) transfers or appropriations from the Education Fund to the Uniform School Fund;

503 (ix) transfers into, or appropriations made to, the General Fund Budget Reserve

504 Account established in Section [63J-1-312](#);

505 (x) transfers into, or appropriations made to, the Education Budget Reserve Account

506 established in Section [63J-1-313](#);

507 (xi) transfers in accordance with Section [63J-1-314](#) into, or appropriations made to the

508 State Disaster Recovery Restricted Account created in Section [53-2a-603](#);

509 (xii) money appropriated to fund the total one-time project costs for the construction of

510 capital developments as defined in Section [63A-5-104](#);

511 (xiii) transfers or deposits into or appropriations made to the Centennial Highway Fund

512 created by Section [72-2-118](#);

513 (xiv) transfers or deposits into or appropriations made to the Rebecca D. Lockhart

514 Transportation Investment Fund [~~of 2005~~] created by Section [72-2-124](#);

515 (xv) transfers or deposits into or appropriations made to:

516 (A) the Department of Transportation from any source; or

517 (B) any transportation-related account or fund from any source; or

518 (xvi) supplemental appropriations from the General Fund to the Division of Forestry,

519 Fire, and State Lands to provide money for wildland fire control expenses incurred during the

520 current or previous fire years.

521 (2) "Base year real per capita appropriations" means the result obtained for the state by

522 dividing the fiscal year 1985 actual appropriations of the state less debt money by:

523 (a) the state's July 1, 1983 population; and

524 (b) the fiscal year 1983 inflation index divided by 100.

525 (3) "Calendar year" means the time period beginning on January 1 of any given year

526 and ending on December 31 of the same year.

527 (4) "Fiscal emergency" means an extraordinary occurrence requiring immediate

528 expenditures and includes the settlement under Laws of Utah 1988, Fourth Special Session,

529 Chapter 4.

530 (5) "Fiscal year" means the time period beginning on July 1 of any given year and

531 ending on June 30 of the subsequent year.

532 (6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual

533 capital and operations appropriations from General Fund and non-Uniform School Fund

534 income tax revenue sources, less debt money.

535 (7) "Inflation index" means the change in the general price level of goods and services

536 as measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic

537 Analysis, U.S. Department of Commerce calculated as provided in Section [63J-3-202](#).

538 (8) (a) "Maximum allowable appropriations limit" means the appropriations that could

539 be, or could have been, spent in any given year under the limitations of this chapter.

540 (b) "Maximum allowable appropriations limit" does not mean actual appropriations

541 spent or actual expenditures.

542 (9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two

543 fiscal years previous to the fiscal year for which the maximum allowable inflation and

544 population appropriations limit is being computed under this chapter.

545 (10) "Most recent fiscal year's population" means the fiscal year population two fiscal

546 years previous to the fiscal year for which the maximum allowable inflation and population

547 appropriations limit is being computed under this chapter.

548 (11) "Population" means the number of residents of the state as of July 1 of each year

549 as calculated by the Governor's Office of Management and Budget according to the procedures

550 and requirements of Section [63J-3-202](#).

551 (12) "Revenues" means the revenues of the state from every tax, penalty, receipt, and

552 other monetary exaction and interest connected with it that are recorded as unrestricted revenue

553 of the General Fund and from non-Uniform School Fund income tax revenues, except as  
554 specifically exempted by this chapter.

555 (13) "Security" means any bond, note, warrant, or other evidence of indebtedness,  
556 whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an  
557 "indebtedness" within the meaning of any provision of the constitution or laws of this state.

558 Section 4. Section **63M-1-3410** is amended to read:

559 **63M-1-3410. Report by office -- Posting of report.**

560 (1) Before November 1 of each year, the office shall submit a written report to the  
561 Economic Development and Workforce Services Interim Committee of the Legislature, the  
562 Governor's Office of Management and Budget, and the Office of the Legislative Fiscal Analyst  
563 describing:

564 (a) the state's success in attracting new conventions and corresponding new state  
565 revenue;

566 (b) the estimated amount of tax credit commitments and the associated calculation  
567 made by the office and the period of time over which tax credits are expected to be paid;

568 (c) the economic impact on the state related to generating new state revenue and  
569 providing tax credits; and

570 (d) the estimated and actual costs and economic benefits of the tax credit commitments  
571 that the office made.

572 (2) The office shall post the annual report under Subsection (1) on its website and on a  
573 state website.

574 (3) Upon the commencement of the construction of a qualified hotel, the office shall  
575 send a written notice to the Division of Finance:

576 (a) referring to the two annual deposits required under Subsection [59-12-103\[\(14\)\]\(8\)](#);  
577 and

578 (b) notifying the Division of Finance that construction on the qualified hotel has begun.

579 Section 5. Section **63M-1-3412** is amended to read:

580 **63M-1-3412. Hotel Impact Mitigation Fund.**

581 (1) As used in this section:

582 (a) "Affected hotel" means a hotel built in the state before July 1, 2014.

583 (b) "Direct losses" means affected hotels' losses of hotel guest business attributable to

584 the qualified hotel room supply being added to the market in the state.

585 (c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection  
586 (2).

587 (2) There is created an expendable special revenue fund known as the Hotel Impact  
588 Mitigation Fund.

589 (3) The mitigation fund shall:

590 (a) be administered by the board;

591 (b) earn interest; and

592 (c) be funded by:

593 (i) payments required to be deposited into the mitigation fund by the Division of  
594 Finance under Subsection ~~59-12-103~~(8);

595 (ii) money required to be deposited into the mitigation fund under Subsection  
596 17-31-9(2) by the county in which a qualified hotel is located; and

597 (iii) any money deposited into the mitigation fund under Subsection (6).

598 (4) Interest earned by the mitigation fund shall be deposited into the mitigation fund.

599 (5) (a) In accordance with office rules, the board shall annually pay up to \$2,100,000 of  
600 money in the mitigation fund:

601 (i) to affected hotels;

602 (ii) for four consecutive years, beginning 12 months after the date of initial occupancy  
603 of the qualified hotel occurs; and

604 (iii) to mitigate direct losses.

605 (b) (i) If the amount the board pays under Subsection (5)(a) in any year is less than  
606 \$2,100,000, the board shall pay to the Stay Another Day and Bounce Back Fund, created in  
607 Section 63M-1-3411, the difference between \$2,100,000 and the amount paid under Subsection  
608 (5)(a).

609 (ii) The board shall make any required payment under Subsection (5)(b)(i) within 90  
610 days after the end of the year for which a determination is made of how much the board is  
611 required to pay to affected hotels under Subsection (5)(a).

612 (6) A host local government or qualified hotel owner may make payments to the  
613 Division of Finance for deposit into the mitigation fund.

614 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

615 office shall, in consultation with the Utah Hotel and Lodging Association and the county in  
616 which the qualified hotel is located, make rules establishing procedures and criteria governing  
617 payments under Subsection (5)(a) to affected hotels.

618 Section 6. Section **72-2-107** is amended to read:

619 **72-2-107. Appropriation from Transportation Fund -- Deposit into class B and**  
620 **class C roads account.**

621 (1) There is appropriated to the department from the Transportation Fund annually an  
622 amount equal to 30% of an amount which the director of finance shall compute in the  
623 following manner: The total revenue deposited into the Transportation Fund during the fiscal  
624 year from state highway-user taxes and fees, minus:

625 (a) those amounts appropriated or transferred from the Transportation Fund during the  
626 same fiscal year to:

627 (i) the Department of Public Safety;

628 (ii) the State Tax Commission;

629 (iii) the Division of Finance; and

630 (iv) the Utah Travel Council; and

631 ~~(v)~~ (b) any other amounts appropriated or transferred for any other state agencies not  
632 a part of the department~~;~~ ~~and~~].

633 ~~[(b) the amount of sales and use tax revenue deposited in the Transportation Fund in~~  
634 ~~accordance with Section 59-12-103.]~~

635 (2) (a) Except as provided in Subsection (2)(b), all of this money shall be placed in an  
636 account to be known as the class B and class C roads account to be used as provided in this  
637 title.

638 (b) The director of finance shall annually transfer \$500,000 of the amount calculated  
639 under Subsection (1) to the department as dedicated credits for the State Park Access Highways  
640 Improvement Program created in Section **72-3-207**.

641 (3) Each quarter of every year the director of finance shall make the necessary  
642 accounting entries to transfer the money appropriated under this section to the class B and class  
643 C roads account.

644 (4) The funds in the class B and class C roads account shall be expended under the  
645 direction of the department as the Legislature shall provide.

646 Section 7. Section **72-2-118** is amended to read:

647 **72-2-118. Centennial Highway Fund.**

648 (1) There is created a capital projects fund entitled the Centennial Highway Fund  
649 within the Rebecca D. Lockhart Transportation Investment Fund [~~of 2005~~] created by Section  
650 [72-2-124](#).

651 (2) The account consists of money generated from the following revenue sources:

652 (a) any voluntary contributions received for the construction, reconstruction, or  
653 renovation of state or federal highways; and

654 (b) appropriations made to the fund by the Legislature.

655 (3) (a) The fund shall earn interest.

656 (b) All interest earned on fund money shall be deposited into the fund.

657 (4) The executive director may use fund money, as prioritized by the Transportation  
658 Commission, only to pay the costs of construction, reconstruction, or renovation to state and  
659 federal highways.

660 (5) When the highway general obligation bonds have been paid off and the highway  
661 projects completed that are intended to be paid from revenues deposited in the account as  
662 determined by the Executive Appropriations Committee under Subsection (6)(d), the Division  
663 of Finance shall transfer any existing balance in the account into the Rebecca D. Lockhart  
664 Transportation Investment Fund [~~of 2005~~] created by Section [72-2-124](#).

665 (6) (a) The Division of Finance shall monitor the highway general obligation bonds  
666 that are being paid from revenues deposited in the fund.

667 (b) The department shall monitor the highway construction, reconstruction, or  
668 renovation projects that are being paid from revenues deposited in the fund.

669 (c) Upon request by the Executive Appropriations Committee of the Legislature:

670 (i) the Division of Finance shall report to the committee the status of all highway  
671 general obligation bonds that are being paid from revenues deposited in the fund; and

672 (ii) the department shall report to the committee the status of all highway construction,  
673 reconstruction, or renovation projects that are being paid from revenues deposited in the fund.

674 (d) The Executive Appropriations Committee of the Legislature shall notify the State  
675 Tax Commission, the department, and the Division of Finance when:

676 (i) all highway general obligation bonds that are intended to be paid from revenues

677 deposited in the fund have been paid off; and

678 (ii) all highway projects that are intended to be paid from revenues deposited in the  
679 account have been completed.

680 Section 8. Section 72-2-121.3 is amended to read:

681 **72-2-121.3. Special revenue fund -- 2010 Salt Lake County Revenue Bonds**  
682 **Sinking Fund.**

683 (1) There is created a special revenue fund within the County of the First Class State  
684 Highway Projects Fund entitled "2010 Salt Lake County Revenue Bond Sinking Fund."

685 (2) The fund consists of:

686 (a) money transferred into the fund from the County of the First Class State Highway  
687 Projects Fund in accordance with Subsection 72-2-121(4)(d); and

688 (b) for a fiscal year beginning on or after July 1, 2013, money transferred into the fund  
689 from the Rebecca D. Lockhart Transportation Investment Fund [~~of 2005~~] in accordance with  
690 Subsection 72-2-124(4)(a)(iv).

691 (3) (a) The fund shall earn interest.

692 (b) All interest earned on fund money shall be deposited into the fund.

693 (4) (a) The director of the Division of Finance may use fund money only as provided in  
694 this section.

695 (b) The director of the Division of Finance may not distribute any money from the fund  
696 under this section until the director has received a formal opinion from the attorney general that  
697 Salt Lake County has entered into a binding agreement with the state of Utah containing all of  
698 the terms required by Section 72-2-121.4.

699 (c) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake  
700 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, on  
701 July 1 of each year beginning July 1, 2011, the director of the Division of Finance shall transfer  
702 from the County of the First Class State Highway Projects Fund and the Transportation  
703 Investment Fund of 2005 to the 2010 Salt Lake County Revenue Bond Sinking Fund the  
704 amount certified by Salt Lake County that is necessary to pay:

705 (i) up to two times the debt service requirement necessary to pay debt service on the  
706 revenue bonds issued by Salt Lake County for that fiscal year; and

707 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,

708 and fund any debt service reserve requirements.

709 (d) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake  
710 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, the  
711 director of the Division of Finance shall, upon request from Salt Lake County, transfer to Salt  
712 Lake County or its designee from the 2010 Salt Lake County Revenue Bond Sinking Fund the  
713 amount certified by Salt Lake County as necessary to pay:

714 (i) the debt service on the revenue bonds issued by Salt Lake County as provided in the  
715 interlocal agreement required by Section 72-2-121.4; and

716 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,  
717 and fund any debt service reserve requirements.

718 (5) Any money remaining in the 2010 Salt Lake County Revenue Bond Sinking Fund  
719 at the end of the fiscal year lapses to the County of the First Class State Highway Projects  
720 Fund.

721 Section 9. Section 72-2-124 is amended to read:

722 **72-2-124. Rebecca D. Lockhart Transportation Investment Fund.**

723 (1) There is created a capital projects fund entitled the Rebecca D. Lockhart  
724 Transportation Investment Fund [~~of 2005~~].

725 (2) The fund consists of money generated from the following sources:

726 (a) any voluntary contributions received for the maintenance, construction,  
727 reconstruction, or renovation of state and federal highways;

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

729 (c) the sales and use tax revenues deposited into the fund in accordance with Section  
730 59-12-103; and

731 (d) registration fees designated under Section 41-1a-1201.

732 (3) (a) The fund shall earn interest.

733 (b) All interest earned on fund money shall be deposited into the fund.

734 (4) (a) Except as provided in Subsection (4)(b), the executive director may use fund  
735 money only to pay:

736 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
737 federal highways prioritized by the Transportation Commission through the prioritization  
738 process for new transportation capacity projects adopted under Section 72-1-304;



739 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway  
740 projects described in Subsections 63B-18-401(2), (3), and (4);

741 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401  
742 minus the costs paid from the County of the First Class State Highway Projects Fund in  
743 accordance with Subsection 72-2-121(4)(e); and

744 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
745 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified  
746 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the  
747 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

748 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101  
749 for projects prioritized in accordance with Section 72-2-125;

750 (vi) all highway general obligation bonds that are intended to be paid from revenues in  
751 the Centennial Highway Fund created by Section 72-2-118; and

752 (vii) for fiscal year 2013-14 only, to transfer up to \$13,250,000 to the County of the  
753 First Class State Highway Projects Fund created in Section 72-2-121 to be used for the  
754 purposes described in Section 72-2-121.

755 (b) The executive director may use fund money to exchange for an equal or greater  
756 amount of federal transportation funds to be used as provided in Subsection (4)(a).

757 (5) (a) Before bonds authorized by Section 63B-18-401 may be issued in any fiscal  
758 year, the department and the commission shall appear before the Executive Appropriations  
759 Committee of the Legislature and present the amount of bond proceeds that the department  
760 needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4)  
761 for the next fiscal year.

762 (b) The Executive Appropriations Committee of the Legislature shall review and  
763 comment on the amount of bond proceeds needed to fund the projects.

764 (6) The Division of Finance shall, from money deposited into the fund, transfer the  
765 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
766 Section 63B-18-401 in the current fiscal year to the appropriate debt service or sinking fund.

767 Section 10. Section 72-2-125 is amended to read:

768 **72-2-125. Critical Highway Needs Fund.**

769 (1) There is created a capital projects fund within the Transportation Investment Fund

770 of 2005 known as the "Critical Highway Needs Fund."

771 (2) The fund consists of money generated from the following sources:

772 (a) any voluntary contributions received for the maintenance, construction,  
773 reconstruction, or renovation of state and federal highways; and

774 (b) appropriations made to the fund by the Legislature.

775 (3) (a) The fund shall earn interest.

776 (b) Interest on fund money shall be deposited into the fund.

777 (4) (a) The executive director shall use money deposited into the fund to pay the costs  
778 of right-of-way acquisition, maintenance, construction, reconstruction, or renovation to state  
779 and federal highways identified by the department and prioritized by the commission in  
780 accordance with this Subsection (4).

781 (b) (i) The department shall:

782 (A) establish a complete list of projects to be maintained, constructed, reconstructed, or  
783 renovated using the funding described in Subsection (4)(a) based on the following criteria:

784 (I) the highway construction project is a high priority project due to high growth in the  
785 surrounding area;

786 (II) the highway construction project addresses critical access needs that have a high  
787 impact due to commercial and energy development;

788 (III) the highway construction project mitigates congestion;

789 (IV) whether local matching funds are available for the highway construction project;

790 and

791 (V) the highway construction project is a critical alternative route for priority Interstate  
792 15 reconstruction projects; and

793 (B) submit the list of projects to the commission for prioritization in accordance with  
794 Subsection (4)(c).

795 (ii) A project that is included in the list under this Subsection (4):

796 (A) is not required to be currently listed in the statewide long-range plan; and

797 (B) is not required to be prioritized through the prioritization process for new  
798 transportation capacity projects adopted under Section [72-1-304](#).

799 (c) (i) The commission shall prioritize the project list submitted by the department in  
800 accordance with Subsection (4)(b).

801 (ii) For projects prioritized under this Subsection (4)(c), the commission shall give  
802 priority consideration to fully funding a project that meets the criteria under Subsection  
803 (4)(b)(i)(A)(V).

804 (d) (i) Expenditures of bond proceeds issued in accordance with Section 63B-16-101  
805 by the department for the construction of highway projects prioritized under this Subsection (4)  
806 may not exceed \$1,200,000,000.

807 (ii) Money expended from the fund for principal, interest, and issuance costs of bonds  
808 issued under Section 63B-16-101 is not considered an expenditure for purposes of the  
809 \$1,200,000,000 cap under Subsection (4)(d)(i).

810 (e) (i) Before bonds authorized by Section 63B-16-101 may be issued in any fiscal  
811 year, the department and the commission shall appear before the Executive Appropriations  
812 Committee of the Legislature and present:

813 (A) the commission's current list of projects established and prioritized in accordance  
814 with this Subsection (4); and

815 (B) the amount of bond proceeds that the department needs to provide funding for  
816 projects on the project list prioritized in accordance with this Subsection (4) for the next fiscal  
817 year.

818 (ii) The Executive Appropriations Committee of the Legislature shall review and  
819 comment on the prioritized project list and the amount of bond proceeds needed to fund the  
820 projects on the prioritized list.

821 (f) The Division of Finance shall, from money deposited into the fund, transfer the  
822 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
823 Section 63B-16-101 in the current fiscal year to the appropriate debt service or sinking fund.

824 (5) When the general obligation bonds authorized by Section 63B-16-101 have been  
825 paid off and the highway projects completed that are included in the prioritized project list  
826 under Subsection (4), the Division of Finance shall transfer any existing balance in the fund  
827 into the Rebecca D. Lockhart Transportation Investment Fund [~~of 2005~~] created by Section  
828 72-2-124.

829 (6) (a) The Division of Finance shall monitor the general obligation bonds authorized  
830 by Section 63B-16-101.

831 (b) The department shall monitor the highway construction or reconstruction projects

832 that are included in the prioritized project list under Subsection (4).

833 (c) Upon request by the Executive Appropriations Committee of the Legislature:

834 (i) the Division of Finance shall report to the committee the status of all general  
835 obligation bonds issued under Section 63B-16-101; and

836 (ii) the department shall report to the committee the status of all highway construction  
837 or reconstruction projects that are included in the prioritized project list under Subsection (4).

838 (d) When the Division of Finance has reported that the general obligation bonds issued  
839 by Section 63B-16-101 have been paid off and the department has reported that projects  
840 included in the prioritized project list are complete to the Executive Appropriations Committee  
841 of the Legislature, the Division of Finance shall transfer any existing fund balance in  
842 accordance with Subsection (5).

843 (7) (a) Unless prioritized and approved by the Transportation Commission, the  
844 department may not delay a project prioritized under this section to a different fiscal year than  
845 programmed by the commission due to an unavoidable shortfall in revenues if:

846 (i) the prioritized project was funded by the Legislature in an appropriations act; or

847 (ii) general obligation bond proceeds have been issued for the project in the current  
848 fiscal year.

849 (b) For projects identified under Subsection (7)(a), the commission shall prioritize and  
850 approve any project delays for projects prioritized under this section due to an unavoidable  
851 shortfall in revenues if:

852 (i) the prioritized project was funded by the Legislature in an appropriations act; or

853 (ii) general obligation bond proceeds have been issued for the project in the current  
854 fiscal year.

855 Section 11. **Appropriation.**

856 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for  
857 the fiscal year beginning July 1, 2015 and ending June 30, 2016, the following sums of money  
858 are appropriated from resources not otherwise appropriated, or reduced from amounts  
859 previously appropriated, out of the funds or accounts indicated. These sums of money are in  
860 addition to any amounts previously appropriated for fiscal year 2016.

861 To Department of Transportation - Construction Management

862 From Transportation Fund

\$34,181,500

863 From Transportation Fund, One-time (\$34,181,500)

864 The Legislature intends that the Department of Transportation discontinue the practice  
865 of transferring the revenue from the 1997 motor fuel tax increase and \$6,000,000 in department  
866 efficiencies from the Transportation Fund to the Rebecca D. Lockhart Transportation  
867 Investment Fund on July 1, 2016.

868 Section 12. **Effective date.**

869 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2015.

870 (2) The actions affecting the following sections take effect on July 1, 2016:

871 (a) Section [59-12-103](#);

872 (b) Section [59-12-1201](#);

873 (c) Section [63J-3-103](#);

874 (d) Section [63M-1-3410](#);

875 (e) Section [63M-1-3412](#);

876 (f) Section [72-2-107](#);

877 (g) Section [72-2-118](#);

878 (h) Section [72-2-121.3](#);

879 (i) Section [72-2-124](#); and

880 (j) Section [72-2-125](#).