

**NATURAL RESOURCES MODIFICATIONS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Margaret Dayton**

House Sponsor: Keith Grover

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**LONG TITLE**

**General Description:**

This bill modifies the use of sales and use tax revenue.

**Highlighted Provisions:**

This bill:

- ▶ decreases the percentage of sales and use tax revenue received by the Division of Water Resources; and

- ▶ increases the percentage of sales and use tax revenue received by the Division of Water Rights.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**35A-8-308**, as enacted by Laws of Utah 2016, Chapter 184

**35A-8-309**, as enacted by Laws of Utah 2016, Chapter 184

**59-12-103**, as last amended by Laws of Utah 2016, Chapters 184, 291, 348 and last amended by Coordination Clause, Laws of Utah 2016, Chapter 291

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

Section 1. Section **35A-8-308** is amended to read:

29 **35A-8-308. Throughput Infrastructure Fund.**

30 (1) There is created an enterprise fund known as the Throughput Infrastructure Fund.

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

32 (a) all amounts transferred to the fund under Subsection 59-12-103[(14)](12);

33 (b) any voluntary contributions received;

34 (c) appropriations made to the fund by the Legislature; and

35 (d) all amounts received from the repayment of loans made by the impact board under

36 Section 35A-8-309.

37 (3) The state treasurer shall:

38 (a) invest the money in the fund by following the procedures and requirements of Title

39 51, Chapter 7, State Money Management Act; and

40 (b) deposit all interest or other earnings derived from those investments into the fund.

41 Section 2. Section 35A-8-309 is amended to read:

42 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**

43 **Uses -- Review by board -- Annual report.**

44 (1) The impact board shall:

45 (a) make grants and loans from the Throughput Infrastructure Fund created in Section

46 35A-8-308 for a throughput infrastructure project;

47 (b) use money transferred to the Throughput Infrastructure Fund in accordance with

48 Subsection 59-12-103[(14)](12) to provide a loan or grant to finance the cost of acquisition or

49 construction of a throughput infrastructure project to one or more local political subdivisions,

50 including a Utah interlocal entity created under [~~the Interlocal Cooperation Act,~~] Title 11,

51 Chapter 13, Interlocal Cooperation Act;

52 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion

53 of the fund revolving;

54 (d) determine provisions for repayment of loans;

55 (e) establish criteria for awarding loans and grants; and

56 (f) establish criteria for determining eligibility for assistance under this section.

57 (2) The cost of acquisition or construction of a throughput infrastructure project  
58 includes amounts for working capital, reserves, transaction costs, and other amounts  
59 determined by the impact board to be allocable to a throughput infrastructure project.

60 (3) The impact board may restructure or forgive all or part of a local political  
61 subdivision's or interlocal entity's obligation to repay loans for extenuating circumstances.

62 (4) In order to receive assistance under this section, a local political subdivision or an  
63 interlocal entity shall submit a formal application containing the information that the impact  
64 board requires.

65 (5) (a) The impact board shall:

66 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant  
67 before approving the loan or grant and may condition its approval on whatever assurances the  
68 impact board considers necessary to ensure that proceeds of the loan or grant will be used in  
69 accordance with this section;

70 (ii) ensure that each loan specifies terms for interest deferments, accruals, and  
71 scheduled principal repayment; and

72 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of  
73 the appropriate local political subdivision or interlocal entity issued to the impact board and  
74 payable from the net revenues of a throughput infrastructure project.

75 (b) An instrument described in Subsection (5)(a)(iii) may be:

76 (i) non-recourse to the local political subdivision or interlocal entity; and

77 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

78 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate  
79 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by  
80 the Legislature for the administration of the Throughput Infrastructure Fund.

81 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual  
82 receipts to the fund.

83 (7) The board shall include in the annual written report described in Section

84 **35A-1-109:**

85 (a) the number and type of loans and grants made under this section; and

86 (b) a list of local political subdivisions or interlocal entities that received assistance  
87 under this section.

88 Section 3. Section **59-12-103** is amended to read:

89 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
90 **tax revenues.**

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

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

94 (b) amounts paid for:

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

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

100 (iii) an ancillary service associated with a:

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

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

103 (c) sales of the following for commercial use:

104 (i) gas;

105 (ii) electricity;

106 (iii) heat;

107 (iv) coal;

108 (v) fuel oil; or

109 (vi) other fuels;

- 110 (d) sales of the following for residential use:
- 111 (i) gas;
- 112 (ii) electricity;
- 113 (iii) heat;
- 114 (iv) coal;
- 115 (v) fuel oil; or
- 116 (vi) other fuels;
- 117 (e) sales of prepared food;
- 118 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 119 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 120 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 121 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 122 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 123 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 124 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 125 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 126 exhibition, cultural, or athletic activity;
- 127 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 128 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 129 (i) the tangible personal property; and
- 130 (ii) parts used in the repairs or renovations of the tangible personal property described
- 131 in Subsection (1)(g)(i), regardless of whether:
- 132 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 133 property; or
- 134 (B) the particular parts used in the repairs or renovations of that tangible personal
- 135 property are exempt from a tax under this chapter;
- 136 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for

137 assisted cleaning or washing of tangible personal property;

138 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court

139 accommodations and services that are regularly rented for less than 30 consecutive days;

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

141 (k) amounts paid or charged for leases or rentals of tangible personal property if within

142 this state the tangible personal property is:

143 (i) stored;

144 (ii) used; or

145 (iii) otherwise consumed;

146 (l) amounts paid or charged for tangible personal property if within this state the

147 tangible personal property is:

148 (i) stored;

149 (ii) used; or

150 (iii) consumed; and

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

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

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

154 (ii) regardless of whether the sale provides:

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

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

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

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

159 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax

160 is imposed on a transaction described in Subsection (1) equal to the sum of:

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

162 (A) 4.70%; and

163 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

164 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
165 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
166 State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

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

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

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

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

191 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
192 Additional State Sales and Use Tax Act; and

193 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
194 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
195 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
196 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

217 (I) the seller is able to identify by reasonable and verifiable standards the tangible



218 personal property, product, or service that is subject to taxation under this chapter at the lower  
219 tax rate from the books and records the seller keeps in the seller's regular course of business; or

220 (II) state or federal law provides otherwise.

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

224 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
225 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
226 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
227 of tangible personal property, other property, a product, or a service that is not subject to  
228 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
229 the seller, at the time of the transaction:

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

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

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

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

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

243 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
244 in the seller's regular course of business includes books and records the seller keeps in the

245 regular course of business for nontax purposes.

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

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

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

255 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the  
256 seller's regular course of business includes books and records the seller keeps in the regular  
257 course of business for nontax purposes.

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

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

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

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

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

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

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

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

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

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

271 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing

272 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
273 or the tax rate decrease imposed under:

- 274 (A) Subsection (2)(a)(i)(A);
- 275 (B) Subsection (2)(b)(i);
- 276 (C) Subsection (2)(c)(i); or
- 277 (D) Subsection (2)(d)(i)(A)(I).

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

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

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

- 284 (A) Subsection (2)(a)(i)(A);
- 285 (B) Subsection (2)(b)(i);
- 286 (C) Subsection (2)(c)(i); or
- 287 (D) Subsection (2)(d)(i)(A)(I).

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

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

- 291 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 292 (ii) the tax imposed by Subsection (2)(b)(i);
- 293 (iii) the tax imposed by Subsection (2)(c)(i); or
- 294 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 297 (i) the tax imposed by Subsection (2)(a)(ii);
- 298 (ii) the tax imposed by Subsection (2)(b)(ii);

299 (iii) the tax imposed by Subsection (2)(c)(ii); and  
300 (iv) the tax imposed by Subsection (2)(d)(i)(B).

301 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
302 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
303 through (g):

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

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

311 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
312 protect sensitive plant and animal species; or  
313 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
314 act, to political subdivisions of the state to implement the measures described in Subsections  
315 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

325 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

326 Program Subaccount created in Section 73-10c-5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

364 (iii) develop surface water sources.

365 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
366 2006, the difference between the following amounts shall be expended as provided in this  
367 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

388 (d) After making the transfers required by Subsections (5)(b) and (c), ~~[94%]~~ 85% of the  
389 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
390 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
391 Division of Water Resources for:

392 (i) preconstruction costs:

393 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
394 26, Bear River Development Act; and

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

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

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

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

403 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
404 Subsection (5)(f), ~~[6%]~~ 15% of the remaining difference described in Subsection (5)(a) shall be  
405 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
406 incurred for employing additional technical staff for the administration of water rights.

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

410 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the  
411 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection  
412 (1) for the fiscal year shall be deposited as follows:

413 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
414 shall be deposited into the Transportation Investment Fund of 2005 created by Section  
415 72-2-124;

416 (b) for fiscal year 2017-18 only:

417 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the  
418 Transportation Investment Fund of 2005 created by Section 72-2-124; and

419 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the  
420 Water Infrastructure Restricted Account created by Section 73-10g-103;

421 (c) for fiscal year 2018-19 only:

422 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the  
423 Transportation Investment Fund of 2005 created by Section 72-2-124; and

424 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the  
425 Water Infrastructure Restricted Account created by Section 73-10g-103;

426 (d) for fiscal year 2019-20 only:

427 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the  
428 Transportation Investment Fund of 2005 created by Section 72-2-124; and

429 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the  
430 Water Infrastructure Restricted Account created by Section 73-10g-103;

431 (e) for fiscal year 2020-21 only:

432 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the  
433 Transportation Investment Fund of 2005 created by Section 72-2-124; and



434 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the  
435 Water Infrastructure Restricted Account created by Section 73-10g-103; and

436 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described  
437 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account  
438 created by Section 73-10g-103.

439 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
440 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,  
441 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
442 created by Section 72-2-124:

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

- 447 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 448 (B) the tax imposed by Subsection (2)(b)(i);
- 449 (C) the tax imposed by Subsection (2)(c)(i); and
- 450 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

451 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
452 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through  
453 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
454 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

455 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of  
456 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total  
457 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)  
458 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
459 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
460 (7)(a) equal to the product of:

461 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the  
462 previous fiscal year; and

463 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
464 (7)(a)(i)(A) through (D) in the current fiscal year.

465 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
466 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes  
467 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of  
468 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in  
469 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

470 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
471 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited  
472 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues  
473 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the  
474 current fiscal year under Subsection (7)(a).

475 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited  
476 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall  
477 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into  
478 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

479 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
480 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit  
481 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the  
482 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

483 (c) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
484 Subsections (6) and (7), for a fiscal year beginning on or after July 1, 2018, the Division of  
485 Finance shall annually deposit into the Transportation Investment Fund of 2005 created by  
486 Section [72-2-124](#) a portion of the taxes listed under Subsection (3)(a) in an amount equal to  
487 3.68% of the revenues collected from the following taxes:

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

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

490 (iii) the tax imposed by Subsection (2)(c)(i); and

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

492 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
493 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
494 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

495 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),  
496 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17  
497 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund  
498 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on  
499 the transactions described in Subsection (1).

500 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in  
501 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance  
502 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the  
503 amount of revenue described as follows:

504 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%  
505 tax rate on the transactions described in Subsection (1);

506 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%  
507 tax rate on the transactions described in Subsection (1);

508 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%  
509 tax rate on the transactions described in Subsection (1);

510 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
511 .05% tax rate on the transactions described in Subsection (1); and

512 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%  
513 tax rate on the transactions described in Subsection (1).

514 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not

515 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts  
516 paid or charged for food and food ingredients, except for tax revenue generated by a bundled  
517 transaction attributable to food and food ingredients and tangible personal property other than  
518 food and food ingredients described in Subsection (2)(d).

519 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
520 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that  
521 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of  
522 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue  
523 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,  
524 created in Section 63N-2-512.

525 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the  
526 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed  
527 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

528 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of  
529 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under  
530 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

531 (13) Notwithstanding Subsections (4) through (12), an amount required to be expended  
532 or deposited in accordance with Subsections (4) through (12) may not include an amount the  
533 Division of Finance deposits in accordance with Section 59-12-103.2.

534 Section 4. **Effective date.**

535 This bill takes effect on July 1, 2017.