

Jason E. Thompson proposes the following substitute bill:

Transportation Funding Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rex P. Shipp

Senate Sponsor:

LONG TITLE

General Description:

This bill limits certain uses of local option sales and use taxes for transportation.

Highlighted Provisions:

This bill:

▸ amends provisions related to the allowed uses of certain local option sales and uses taxes for public safety purposes to:

- allow funds to be used for public safety infrastructure and buildings; and
- prohibit the use of funds for vehicles, salaries, or operations and maintenance;

▸ provides that a county may only expend sales and use tax revenue on transportation projects recommended by the relevant council of governments; and

▸ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-12-2216, as last amended by Laws of Utah 2024, Chapter 501

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

Section 1. Section **59-12-2216** is amended to read:

59-12-2216 . County option sales and use tax for a fixed guideway, to fund a system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of revenues.

(1) Subject to the other provisions of this part, a county legislative body may impose a sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1)

- 30 within the county, including the cities and towns within the county.
- 31 (2)(a) Subject to Subsection (3), before obtaining voter approval in accordance with
32 Section 59-12-2208, a county legislative body shall adopt a resolution specifying the
33 percentage of revenues the county will receive from the sales and use tax under this
34 section that will be allocated to fund uses described in Section 59-12-2212.2.
- 35 (b) A county legislative body of a county of the third through sixth class that imposes a
36 sales and use tax as described in Subsection (1) on or after January 1, 2024, shall
37 specify the percentage of revenues the county will receive from the sales and use tax
38 under this section that will be allocated to fund uses described in Section
39 59-12-2212.2 or for public safety purposes as provided in Subsection (3)(b).
- 40 (3)(a) Except as provided in Subsection (2)(b), a county legislative body shall in the
41 resolution described in Subsection (2) allocate 100% of the revenues the county will
42 receive from the sales and use tax under this section for one or more of the purposes
43 described in Section 59-12-2212.2.
- 44 (b) ~~[H]~~ Subject to Subsection (3)(c), in addition to the purposes described in Section
45 59-12-2212.2, a county legislative body of a county of the third through sixth class
46 that imposes a sales and use tax as authorized in this section on or after January 1,
47 2024, may allocate revenues to public safety purposes.
- 48 (c) For any funds distributed for public safety purposes as allowed in Subsection (3)(b),
49 a county legislative body of a county of the third through sixth class:
- 50 (i) may use the funds for public safety infrastructure, including jails or other
51 buildings; and
- 52 (ii) may not use the funds for:
- 53 (A) operations or maintenance of public safety entities;
54 (B) public safety or law enforcement vehicles; or
55 (C) salaries of public safety or law enforcement personnel.
- 56 (d) Revenue used for public safety purposes as provided in Subsection (3)(c) may not be
57 used to supplant existing appropriations that a county budgeted for public safety
58 infrastructure, operations, maintenance, vehicles, personnel, or salaries related to
59 public safety as of:
- 60 (i) January 1, 2026, if the county has enacted a sales and use tax under this section on
61 or before January 1, 2026; or
- 62 (ii) the date a sales and use tax imposed under this section becomes effective if the
63 county has not enacted a sales and use tax under this section on or before January

64 1, 2026.

65 (4) A county legislative body may not expend revenue collected within a county from a tax
66 under this section for a purpose described in Section 59-12-2212.2 unless the purpose is
67 recommended by:

68 (a) for a county that is part of a metropolitan planning organization, the metropolitan
69 planning organization of which the county is a part; or

70 (b) for a county that is not part of a metropolitan planning organization, the council of
71 governments of which the county is a part.

72 [~~4~~] (5) Notwithstanding Section 59-12-2208, the opinion question required by Section
73 59-12-2208 shall state the allocations the county legislative body makes in accordance
74 with this section.

75 [~~5~~] (6) The revenues collected from a sales and use tax under this section shall be:

76 (a) allocated in accordance with the allocations specified in the resolution under
77 Subsection (2); and

78 (b) expended as provided in this section.

79 [~~6~~] (7) If a county legislative body allocates revenues collected from a sales and use tax
80 under this section for a state highway project, before beginning the state highway project
81 within the county, the county legislative body shall:

82 (a) obtain approval from the Transportation Commission to complete the project; and

83 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter
84 13, Interlocal Cooperation Act, with the Department of Transportation to complete
85 the project.

86 [~~7~~] (8)(a) If after a county legislative body imposes a sales and use tax under this
87 section the county legislative body seeks to change an allocation specified in the
88 resolution under Subsection (2), the county legislative body may change the
89 allocation by:

90 (i) adopting a resolution specifying the percentage of revenues the county will
91 receive from the sales and use tax under this section that will be allocated to fund
92 one or more of the items described in Section 59-12-2212.2 or Subsection (2)(b); [
93 and]

94 (ii) obtaining approval to change the allocation of the sales and use tax by a majority
95 of all of the members of the county legislative body; and

96 (iii) subject to Subsection [~~8~~](a) (9)(a):

97 (A) in accordance with Section 59-12-2208, submitting an opinion question to the

98 county's registered voters voting on changing the allocation so that each
99 registered voter has the opportunity to express the registered voter's opinion on
100 whether the allocation should be changed; and

101 (B) in accordance with Section 59-12-2208, obtaining approval to change the
102 allocation from a majority of the county's registered voters voting on changing
103 the allocation.

104 (b) A county of the third through sixth class that imposes a sales and use tax as
105 authorized in this section on or after January 1, 2024, that seeks to change the
106 allocation of the revenues is not required to submit the opinion question to the
107 county's registered voters.

108 ~~[(8)]~~ (9)(a) Notwithstanding Section 59-12-2208, the opinion question required by
109 Subsection ~~[(7)(e)(i)]~~ (8)(a)(iii) shall state the allocations specified in the resolution
110 adopted in accordance with Subsection ~~[(7)(a)]~~ (8)(a)(i) and approved by the county
111 legislative body in accordance with Subsection ~~[(7)(b)]~~ (8)(a)(ii).

112 (b) Notwithstanding Section 59-12-2208, a county legislative body of a county of the
113 third through sixth class that imposes a sales and use tax under this section on or after
114 January 1, 2024, may, but is not required to, submit an opinion question to the
115 county's registered voters in accordance with Section 59-12-2208 to impose a sales
116 and use tax under this section.

117 ~~[(9)]~~ (10) Revenues collected from a sales and use tax under this section that a county
118 allocates for a state highway within the county shall be:

119 (a) deposited into the Highway Projects Within Counties Fund created by Section
120 72-2-121.1; and

121 (b) expended as provided in Section 72-2-121.1.

122 ~~[(10)]~~ (11)(a) Notwithstanding Section 59-12-2206 and subject to Subsection ~~[(10)(b)]~~
123 (11)(b), revenues collected from a sales and use tax under this section that a county
124 allocates for a project, debt service, or bond issuance cost relating to a highway that
125 is a principal arterial highway or minor arterial highway that is included in a
126 metropolitan planning organization's regional transportation plan, but is not a state
127 highway, shall be transferred to the Department of Transportation if the transfer of
128 the revenues is required under an interlocal agreement:

129 (i) entered into on or before January 1, 2010; and

130 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

131 (b) The Department of Transportation shall expend the revenues described in Subsection [

132 ~~(10)(a)~~ (11)(a) as provided in the interlocal agreement described in Subsection [

133 ~~(10)(a)~~ (11)(a).

134 Section 2. **Effective Date.**

135 This bill takes effect on January 1, 2026.