

**Rex P. Shipp** proposes the following substitute bill:

**Transportation Funding Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Rex P. Shipp**

Senate Sponsor: Evan J. Vickers

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**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 infrastructure and buildings; and

• prohibit the use of funds for salaries, vehicles, or operations and maintenance; and

▸ provides an exception for certain counties that have budgeted or spent revenue for salaries of law enforcement or public safety personnel to continue to use the funds for a certain period of time; 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

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*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

- 30 and use tax of up to .30% on the transactions described in Subsection 59-12-103(1)  
31 within the county, including the cities and towns within the county.
- 32 (2)(a) Subject to Subsection (3), before obtaining voter approval in accordance with  
33 Section 59-12-2208, a county legislative body shall adopt a resolution specifying the  
34 percentage of revenues the county will receive from the sales and use tax under this  
35 section that will be allocated to fund uses described in Section 59-12-2212.2.
- 36 (b) A county legislative body of a county of the third through sixth class that imposes a  
37 sales and use tax as described in Subsection (1) on or after January 1, 2024, shall  
38 specify the percentage of revenues the county will receive from the sales and use tax  
39 under this section that will be allocated to fund uses described in Section  
40 59-12-2212.2 or for public safety purposes as provided in Subsection (3)(b).
- 41 (3)(a) Except as provided in Subsection (2)(b), a county legislative body shall in the  
42 resolution described in Subsection (2) allocate 100% of the revenues the county will  
43 receive from the sales and use tax under this section for one or more of the purposes  
44 described in Section 59-12-2212.2.
- 45 (b) ~~[H]~~ Subject to Subsection (3)(c), in addition to the purposes described in Section  
46 59-12-2212.2, a county legislative body of a county of the third through sixth class  
47 that imposes a sales and use tax as authorized in this section on or after January 1,  
48 2024, may allocate revenues to public safety purposes.
- 49 (c) Except as provided in Subsection (3)(d), for any funds distributed for public safety  
50 purposes as allowed in Subsection (3)(b), a county legislative body of a county of the  
51 third through sixth class:
- 52 (i) may use the funds for public safety infrastructure, including jails or other  
53 buildings; and
- 54 (ii) may not use the funds for:
- 55 (A) operations or maintenance of public safety entities;  
56 (B) public safety or law enforcement vehicles or equipment; or  
57 (C) except as provided in Subsection (3)(d), salaries of public safety or law  
58 enforcement personnel.
- 59 (d) A county of the third through sixth class that imposed a tax under this section on or  
60 before January 1, 2025, that has used or budgeted the funds generated by a sales and  
61 use tax imposed under this section to pay for salaries of public safety or law  
62 enforcement personnel may continue to use the funds to pay for salaries of public  
63 safety or law enforcement personnel until December 31, 2027.

- 64 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section  
65 59-12-2208 shall state the allocations the county legislative body makes in accordance  
66 with this section.
- 67 (5) The revenues collected from a sales and use tax under this section shall be:  
68 (a) allocated in accordance with the allocations specified in the resolution under  
69 Subsection (2); and  
70 (b) expended as provided in this section.
- 71 (6) If a county legislative body allocates revenues collected from a sales and use tax under  
72 this section for a state highway project, before beginning the state highway project  
73 within the county, the county legislative body shall:  
74 (a) obtain approval from the Transportation Commission to complete the project; and  
75 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter  
76 13, Interlocal Cooperation Act, with the Department of Transportation to complete  
77 the project.
- 78 (7)(a) If after a county legislative body imposes a sales and use tax under this section the  
79 county legislative body seeks to change an allocation specified in the resolution  
80 under Subsection (2), the county legislative body may change the allocation by:  
81 (i) adopting a resolution specifying the percentage of revenues the county will  
82 receive from the sales and use tax under this section that will be allocated to fund  
83 one or more of the items described in Section 59-12-2212.2 or Subsection (2)(b);[  
84 and]  
85 (ii) obtaining approval to change the allocation of the sales and use tax by a majority  
86 of all of the members of the county legislative body; and  
87 (iii) subject to Subsection (8)(a):  
88 (A) in accordance with Section 59-12-2208, submitting an opinion question to the  
89 county's registered voters voting on changing the allocation so that each  
90 registered voter has the opportunity to express the registered voter's opinion on  
91 whether the allocation should be changed; and  
92 (B) in accordance with Section 59-12-2208, obtaining approval to change the  
93 allocation from a majority of the county's registered voters voting on changing  
94 the allocation.
- 95 (b) A county of the third through sixth class that imposes a sales and use tax as  
96 authorized in this section on or after January 1, 2024, that seeks to change the  
97 allocation of the revenues is not required to submit the opinion question to the

98 county's registered voters.

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

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

108 (9) Revenues collected from a sales and use tax under this section that a county allocates  
109 for a state highway within the county shall be:

110 (a) deposited into the Highway Projects Within Counties Fund created by Section  
111 72-2-121.1; and

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

113 (10)(a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b), revenues  
114 collected from a sales and use tax under this section that a county allocates for a  
115 project, debt service, or bond issuance cost relating to a highway that is a principal  
116 arterial highway or minor arterial highway that is included in a metropolitan planning  
117 organization's regional transportation plan, but is not a state highway, shall be  
118 transferred to the Department of Transportation if the transfer of the revenues is  
119 required under an interlocal agreement:

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

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

122 (b) The Department of Transportation shall expend the revenues described in Subsection  
123 (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).

124 Section 2. **Effective Date.**

125 This bill takes effect on January 1, 2026.