

1 **SPECIAL REVENUE FUND**

2 1998 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: LeRay McAllister**

5 AN ACT RELATING TO STATE AFFAIRS IN GENERAL; RECLASSIFYING THE
6 CENTENNIAL HIGHWAY TRUST FUND AS A SPECIAL REVENUE FUND.

7 This act affects sections of Utah Code Annotated 1953 as follows:

8 AMENDS:

9 **41-1a-1201**, as last amended by Chapters 262 and 384, Laws of Utah 1997

10 **59-12-103**, as last amended by Chapters 261 and 272, Laws of Utah 1997

11 **63-38c-103**, as last amended by Chapter 3, Laws of Utah 1997

12 **63-49-22**, as last amended by Chapters 261 and 262, Laws of Utah 1997

13 **63-49-24**, as enacted by Chapter 393, Laws of Utah 1997

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

15 Section 1. Section **41-1a-1201** is amended to read:

16 **41-1a-1201. Disposition of fees.**

17 (1) All fees received and collected under this part shall be transmitted daily to the state
18 treasurer.

19 (2) Except as provided in Subsections (3), (4), and (6), and Subsection 41-1a-408(8), all
20 fees collected under this part shall be deposited in the Transportation Fund.

21 (3) (a) Funds generated under Subsections 41-1a-1211(1)(a), (7)(a), and (8) and Section
22 41-1a-1212 may be used by the commission as a dedicated credit to cover the costs incurred in
23 issuing license plates under Part 4, License Plates and Registration Indicia.

24 (b) Funds collected under Subsections 41-1a-1211(3), (5)(b), and (5)(c), less the actual
25 cost incurred by the division in purchasing decals for special group license plates, shall be
26 deposited in the Transportation Fund.

27 (c) Fees for statehood centennial license plates shall be collected and deposited in the

1 Transportation Fund, less production and administrative costs incurred by the commission.

2 (d) Fees for Olympic special group license plates shall be collected and deposited as
3 provided under Section 41-1a-417.

4 (4) All funds available to the commission for purchase and distribution of license plates
5 and decals are nonlapsing.

6 (5) Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of the
7 commission in enforcing and administering this part shall be provided for by legislative
8 appropriation from the revenues of the Transportation Fund.

9 (6) The following portions of the registration fees imposed under Section 41-1a-1206 for
10 each vehicle shall be deposited in the Centennial Highway [Trust] Fund created under Section
11 63-49-22:

12 (a) \$10 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b), (2),
13 and (5);

14 (b) \$1 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i), (1)(c)(ii),
15 and (1)(d)(ii);

16 (c) \$2 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

17 (d) \$3 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i); and

18 (e) \$4.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i).

19 Section 2. Section **59-12-103** is amended to read:

20 **59-12-103. Sales and use tax base -- Rate -- Use of sales and use tax revenues.**

21 (1) There is levied a tax on the purchaser for the amount paid or charged for the following:

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

23 (b) amount paid to common carriers or to telephone or telegraph corporations, whether the
24 corporations are municipally or privately owned, for:

25 (i) all transportation;

26 (ii) intrastate telephone service; or

27 (iii) telegraph service;

28 (c) gas, electricity, heat, coal, fuel oil, or other fuels sold for commercial use;

29 (d) gas, electricity, heat, coal, fuel oil, or other fuels sold for residential use;

30 (e) meals sold;

31 (f) (i) admission or user fees for theaters, movies, operas, museums, planetariums, shows

1 of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides,
2 circuses, menageries, fairs, races, contests, sporting events, dances, boxing and wrestling matches,
3 closed circuit television broadcasts, billiard or pool parlors, bowling lanes, golf and miniature golf,
4 golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
5 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
6 horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition,
7 cultural, or athletic activity;

8 (ii) the tax imposed on admission or user fees in Subsection (1)(f)(i) does not affect an
9 entity's sales tax exempt status under Section 59-12-104.1;

10 (g) services for repairs or renovations of tangible personal property or services to install
11 tangible personal property in connection with other tangible personal property;

12 (h) except as provided in Subsection 59-12-104(8), cleaning or washing of tangible
13 personal property;

14 (i) tourist home, hotel, motel, or trailer court accommodations and services for less than
15 30 consecutive days;

16 (j) laundry and dry cleaning services;

17 (k) leases and rentals of tangible personal property if the property situs is in this state, if
18 the lessee took possession in this state, or if the property is stored, used, or otherwise consumed
19 in this state; and

20 (l) tangible personal property stored, used, or consumed in this state.

21 (2) Except for Subsection (1)(d), the rates of the tax levied under Subsection (1) shall be:

22 (a) 5% through June 30, 1994;

23 (b) 4.875% beginning on July 1, 1994 through June 30, 1997; and

24 (c) 4.75% beginning on July 1, 1997.

25 (3) The rates of the tax levied under Subsection (1)(d) shall be 2% from and after January
26 1, 1990.

27 (4) (a) From January 1, 1990, through December 31, 1999, there shall be deposited in an
28 Olympics special revenue fund or funds as determined by the Division of Finance under Section
29 51-5-4, for the use of the Utah Sports Authority created under Title 63A, Chapter 7, Utah Sports
30 Authority Act:

31 (i) the amount of sales and use tax generated by a 1/64% tax rate on the taxable items and

1 services under Subsection (1);

2 (ii) the amount of revenue generated by a 1/64% tax rate under Section 59-12-204 or
3 Section 59-12-205 on the taxable items and services under Subsection (1); and

4 (iii) interest earned on the amounts under Subsections (4)(a)(i) and (ii).

5 (b) These funds shall be used:

6 (i) by the Utah Sports Authority as follows:

7 (A) to the extent funds are available, to transfer directly to a debt service fund or to
8 otherwise reimburse to the state any amount expended on debt service or any other cost of any
9 bonds issued by the state to construct any public sports facility as defined in Section 63A-7-103;

10 (B) to pay for the actual and necessary operating, administrative, legal, and other expenses
11 of the Utah Sports Authority, but not including protocol expenses for seeking and obtaining the
12 right to host the Winter Olympic Games; and

13 (C) the Utah Sports Authority may not expend, loan, or pledge in the aggregate more than
14 \$59,000,000 of sales and use tax deposited into the Olympics special revenue fund under
15 Subsection (4)(a) unless the Legislature appropriates additional funds from the Olympics special
16 revenue fund to the Utah Sports Authority; or

17 (ii) to pay salary, benefits, or administrative costs associated with the State Olympic
18 Coordinator under Subsection 63A-10-103(3), except that the salary, benefits, or administrative
19 costs may not be paid from the sales and tax revenues generated by municipalities or counties and
20 deposited under Subsection (4)(a)(ii).

21 (c) A payment of salary, benefits, or administrative costs under Subsection 63A-10-103(3)
22 is not considered an expenditure of the Utah Sports Authority.

23 (d) If the Legislature appropriates additional funds under Subsection (4)(b)(i)(C), the
24 authority may not expend, loan, pledge, or enter into any agreement to expend, loan, or pledge the
25 appropriated funds unless the authority:

26 (i) contracts in writing for the full reimbursement of the monies to the Olympics special
27 revenue fund by a public sports entity or other person benefitting from the expenditure; and

28 (ii) obtains a security interest that secures payment or performance of the obligation to
29 reimburse.

30 (e) A contract or agreement entered into in violation of Subsection (4)(d) is void.

31 (f) Any monies in the Olympics special revenue fund or funds as of October 1, 2002, shall

1 be dispersed as follows:

2 (i) 50% shall be deposited into the General Fund; and

3 (ii) 50% to counties, cities, or towns in proportion to the sales and use taxes generated by
4 the county, city, or town and deposited under Subsection (4)(a)(ii).

5 (5) (a) From July 1, 1997, the annual amount of sales and use tax generated by a 1/8% tax
6 rate on the taxable items and services under Subsection (1) shall be used as follows:

7 (i) 50% shall be used for water and wastewater projects as provided in Subsections (5)(b)
8 through (f); and

9 (ii) 50% shall be used for transportation projects as provided in Subsections (5)(g) through
10 (h).

11 (b) Five hundred thousand dollars each year shall be transferred to the Agriculture
12 Resource Development Fund created in Section 4-18-6.

13 (c) Fifty percent of the remaining amount generated by 50% of the 1/8% tax rate shall be
14 transferred to the Water Resources Conservation and Development Fund created in Section
15 73-10-24 for use by the Division of Water Resources. In addition to the uses allowed of the fund
16 under Section 73-10-24, the fund may also be used to:

17 (i) provide a portion of the local cost share, not to exceed in any fiscal year 50% of the
18 funds made available to the Division of Water Resources under this section, of potential project
19 features of the Central Utah Project;

20 (ii) conduct hydrologic and geotechnical investigations by the Department of Natural
21 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
22 quantifying surface and ground water resources and describing the hydrologic systems of an area
23 in sufficient detail so as to enable local and state resource managers to plan for and accommodate
24 growth in water use without jeopardizing the resource;

25 (iii) fund state required dam safety improvements; and

26 (iv) protect the state's interest in interstate water compact allocations, including the hiring
27 of technical and legal staff.

28 (d) Twenty-five percent of the remaining amount generated by 50% of the 1/8% tax rate
29 shall be transferred to the Utah Wastewater Loan Program subaccount created in Section 73-10c-5
30 for use by the Water Quality Board to fund wastewater projects as defined in Section 73-10b-2.

31 (e) Twenty-five percent of the remaining amount generated by 50% of the 1/8% tax rate

1 shall be transferred to the Drinking Water Loan Program subaccount created in Section 73-10c-5
2 for use by the Division of Drinking Water to:

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

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

6 (iii) develop surface water sources.

7 (f) Notwithstanding Subsections (5)(b), (c), (d), and (e), \$100,000 of the remaining amount
8 generated by 50% of the 1/8% tax rate each year shall be transferred as dedicated credits to the
9 Division of Water Rights to cover the costs incurred in hiring legal and other technical staff for
10 the adjudication of water rights. Any remaining balance at the end of each fiscal year shall lapse
11 back to the contributing funds on a prorated basis.

12 (g) Fifty percent of the 1/8% tax rate shall be transferred to the class B and class C roads
13 account to be expended as provided in Title 27, Chapter 12, Article 11, Finances, except as
14 provided in Subsection (5)(h).

15 (h) (i) If H.B. 53, "Transportation Corridor Preservation," passes in the 1996 General
16 Session, \$500,000 each year shall be transferred to the Transportation Corridor Preservation
17 Revolving Loan Fund, and if H.B. 121, "State Park Access Roads," passes in the 1996 General
18 Session, from July 1, 1997, through June 30, 2006, \$500,000 shall be transferred to the Department
19 of Transportation for the State Park Access Highways Improvement Program. The remaining
20 amount generated by 50% of the 1/8% tax rate shall be transferred to the class B and class C roads
21 account.

22 (ii) At least 50% of the money transferred to the Transportation Corridor Preservation
23 Revolving Loan Fund under Subsection (5)(h)(i) shall be used to fund loan applications made by
24 the Department of Transportation at the request of local governments.

25 (6) (a) Beginning on January 1, 2000, the Division of Finance shall deposit into the
26 Centennial Highway [Trust] Fund created in Section 63-49-22 a portion of the state sales and use
27 tax under Subsections (2) and (3) equal to the revenues generated by a 1/64% tax rate on the
28 taxable items and services under Subsection (1).

29 (b) Beginning on January 1, 2000, the revenues generated by the 1/64% tax rate:

30 (i) retained under Subsection 59-12-204(7)(a) shall be retained by the counties, cities, or
31 towns as provided in Section 59-12-204; and

1 (ii) retained under Subsection 59-12-205(4)(a) shall be distributed to each county, city, and
2 town as provided in Section 59-12-205.

3 Section 3. Section **63-38c-103** is amended to read:

4 **63-38c-103. Definitions.**

5 As used in this chapter:

6 (1) (a) "Appropriations" means actual unrestricted capital and operating appropriations
7 from unrestricted General Fund, Uniform School Fund, and Transportation Fund sources as
8 presented in the governor's executive budgets.

9 (b) "Appropriation" includes appropriations that are contingent upon available surpluses
10 in the General Fund, Uniform School Fund, or Transportation Fund.

11 (c) "Appropriations" does not mean:

12 (i) debt service expenditures;

13 (ii) emergency expenditures;

14 (iii) expenditures from all other fund or subfund sources presented in the executive
15 budgets;

16 (iv) transfers into, or appropriations made to, the Budgetary Reserve Account established
17 in Section 63-38-2.5;

18 (v) monies appropriated to fund the total one-time project costs for the construction of
19 capital developments as defined in Section 63A-5-104; or

20 (vi) appropriations made to the Centennial Highway [Trust] Fund created by Section
21 63-49-22.

22 (2) "Base year real per capita appropriations" means the result obtained for the state by
23 dividing the fiscal year 1985 actual appropriations of the state less debt monies, less \$55 million
24 appropriated for flooding and less \$14.2 million appropriated for capital projects in Section 3 of
25 Chapter 265, Laws of Utah 1985 General Session, by:

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

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

28 (3) "Calendar year" means the time period beginning on January 1 of any given year and
29 ending on December 31 of the same year.

30 (4) "Fiscal emergency" means an extraordinary occurrence requiring immediate
31 expenditures and includes the settlement under Chapter 4, Laws of Utah 1988, Fourth Special

1 Session.

2 (5) "Fiscal year" means the time period beginning on July 1 of any given year and ending
3 on June 30 of the subsequent year.

4 (6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual capital
5 and operations appropriations from general, uniform school, and transportation fund sources, less
6 debt monies, less \$55 million appropriated for flooding, and less \$14.2 million appropriated for
7 capital projects in Section 3, Chapter 265, Laws of Utah 1985.

8 (7) "Inflation index" means the change in the general price level of goods and services as
9 measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic
10 Analysis, U.S. Department of Commerce calculated as provided in Section 63-38c-202.

11 (8) (a) "Maximum allowable appropriations limit" means the appropriations that could be,
12 or could have been, spent in any given year under the limitations of this chapter.

13 (b) "Maximum allowable appropriations limit" does not mean actual appropriations spent
14 or actual expenditures.

15 (9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two
16 fiscal years previous to the fiscal year for which the maximum allowable inflation and population
17 appropriations limit is being computed under this chapter.

18 (10) "Most recent fiscal year's personal income" means the fiscal year personal income two
19 fiscal years previous to the fiscal year for which the maximum allowable personal income
20 appropriations limit is being computed under this chapter.

21 (11) "Most recent fiscal year's population" means the fiscal year population two fiscal
22 years previous to the fiscal year for which the maximum allowable inflation and population
23 appropriations limit is being computed under this chapter.

24 (12) "Personal income" means the total personal income of the state as calculated by the
25 Office of Planning and Budget according to the procedures and requirements of Section
26 63-38c-202.

27 (13) "Population" means the number of residents of the state as of July 1 of each year as
28 calculated by the Office of Planning and Budget according to the procedures and requirements of
29 Section 63-38c-202.

30 (14) "Revenues" means the revenues of the state from every tax, penalty, receipt, and other
31 monetary exaction and interest connected with it that are recorded as unrestricted revenue of the

1 General Fund, Uniform School Fund, and Transportation Fund, except as specifically exempted
2 by this chapter.

3 (15) "Security" means any bond, note, warrant, or other evidence of indebtedness, whether
4 or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an "indebtedness"
5 within the meaning of any provision of the constitution or laws of this state.

6 Section 4. Section **63-49-22** is amended to read:

7 **63-49-22. Centennial Highway Fund.**

8 (1) There is created [~~an expendable trust~~] a special revenue fund entitled the Centennial
9 Highway [~~Trust~~] Fund.

10 (2) The fund consists of monies generated from the following revenue sources:

11 (a) any voluntary contributions received for the construction, major reconstruction, or
12 major renovation of state or federal highways;

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

14 (c) registration fees designated under Subsection 41-1a-1201(6); and

15 (d) the sales and use tax amounts provided for in Subsection 59-12-103(6).

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

17 (b) All interest earned on fund monies shall be deposited into the fund.

18 (4) The executive director may use fund monies, as prioritized by the Transportation
19 Commission, only to pay the costs of construction, major reconstruction, or major renovation to
20 state and federal highways.

21 Section 5. Section **63-49-24** is amended to read:

22 **63-49-24. Growth impact highway grants.**

23 (1) Notwithstanding the restrictions on the use of Centennial Highway [~~Trust~~] Fund
24 monies under Subsection 63-49-22(4), the commission may issue one grant annually of up to
25 \$1,000,000 from the Centennial Highway [~~Trust~~] Fund to a county for county highway
26 improvement projects needed because of significant impacts on local infrastructure resulting from
27 large business development within the county which adds more than 15% to the total locally
28 assessed value of taxable property in the county.

29 (2) A county recipient must provide matching funds from any available public or private
30 sources having a value that is at least 150% of the grant funds received from the commission under
31 this section.

Legislative Review Note
as of 12-22-97 12:33 PM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel