

SALES AND USE TAX ALLOCATION FOR SPECIES PROTECTION

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Thomas V. Hatch

AN ACT RELATING TO REVENUE AND TAXATION; MODIFYING THE ALLOCATION OF SALES AND USE TAX REVENUE BY PROVIDING FOR AN ALLOCATION TO THE DEPARTMENT OF NATURAL RESOURCES TO IMPLEMENT MEASURES TO PROTECT SENSITIVE PLANT AND ANIMAL SPECIES; MAKING TECHNICAL AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

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

AMENDS:

59-12-103, as last amended by Chapter 133, Laws of Utah 1999

72-2-118, as last amended by Chapter 12 and renumbered and amended by Chapter 270, Laws of Utah 1998

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

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

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

- (1) There is levied a tax on the purchaser for the amount paid or charged for the following:
- (a) retail sales of tangible personal property made within the state;
 - (b) amount paid to common carriers or to telephone or telegraph corporations, whether the corporations are municipally or privately owned, for:
 - (i) all transportation;
 - (ii) intrastate telephone service; or
 - (iii) telegraph service;
 - (c) gas, electricity, heat, coal, fuel oil, or other fuels sold for commercial use;
 - (d) gas, electricity, heat, coal, fuel oil, or other fuels sold for residential use;
 - (e) meals sold;
 - (f) admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,

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

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

(h) except as provided in Subsection 59-12-104(7), cleaning or washing of tangible personal property;

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

(j) laundry and dry cleaning services;

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

(l) tangible personal property stored, used, or consumed in this state; and

(m) prepaid telephone calling cards.

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

(a) 5% through June 30, 1994;

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

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

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

(4) (a) There shall be deposited in an Olympics special revenue fund or funds as determined by the Division of Finance under Section 51-5-4, for the use of the Utah Sports Authority created under Title 63A, Chapter 7, Utah Sports Authority Act:

(i) from January 1, 1990, through December 31, 1999, the amount of sales and use tax

generated by a 1/64% tax rate on the taxable items and services under Subsection (1);

(ii) from January 1, 1990, through June 30, 1999, the amount of revenue generated by a 1/64% tax rate under Section 59-12-204 or Section 59-12-205 on the taxable items and services under Subsection (1); and

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

(b) These funds shall be used:

(i) by the Utah Sports Authority as follows:

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

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

(C) unless the Legislature appropriates additional funds from the Olympics Special Revenue Fund to the Utah Sports Authority, the Utah Sports Authority may not expend, loan, or pledge in the aggregate more than:

(I) \$59,000,000 of sales and use tax deposited into the Olympics special revenue fund under Subsection (4)(a);

(II) the interest earned on the amount described in Subsection (4)(b)(i)(C)(I); and

(III) the revenues deposited into the Olympics Special Revenue Fund that are not sales and use taxes deposited under Subsection (4)(a) or interest on the sales and use taxes;

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

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

(d) If the Legislature appropriates additional funds under Subsection (4)(b)(i)(C), the

authority may not expend, loan, pledge, or enter into any agreement to expend, loan, or pledge the appropriated funds unless the authority:

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

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

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

(5) (a) ~~[From July 1, 1997, the annual]~~ The amount of sales and use tax generated annually by a ~~[1/8%]~~ 1/16% tax rate on the taxable items and services under Subsection (1) shall be used ~~[as follows: (i) 50% shall be used for water and wastewater projects]~~ as provided in Subsections (5)(b) through ~~[(f); and]~~ (5)(g).

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

(b) (i) Beginning on July 1, 2001, \$2,300,000 each year shall be transferred as dedicated credits to the Department of Natural Resources to:

(A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

(ii) Money transferred to the Department of Natural Resources under Subsection (5)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, U.S. C. 16 Sec. 1531 et seq.

(iii) At the end of each fiscal year:

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

(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

Program subaccount created in Section 73-10c-5; and

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

Program subaccount created in Section 73-10c-5.

~~[(b)]~~ (c) Five hundred thousand dollars each year shall be ~~[transferred to]~~ deposited in the Agriculture Resource Development Fund created in Section 4-18-6.

(d) (i) One hundred thousand dollars each year shall be transferred as dedicated credits to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(ii) At the end of each fiscal year:

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

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

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

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

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

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

(iii) fund state required dam safety improvements; and

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

~~[(d)]~~ (f) Twenty-five percent of the remaining amount generated by ~~[50% of]~~ the ~~[1/8%]~~ 1/16% tax rate shall be ~~[transferred to]~~ deposited in the Utah Wastewater Loan Program subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects as defined in Section 73-10b-2.

~~[(e)]~~ (g) Twenty-five percent of the remaining amount generated by ~~[50% of]~~ the ~~[1/8%]~~ 1/16% tax rate shall be ~~[transferred to]~~ deposited in the Drinking Water Loan Program subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

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

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

(iii) develop surface water sources.

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

~~[(g) Fifty percent of the 1/8% tax rate shall be transferred to the class B and class C roads account to be expended as provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C road funds except as provided in Subsection (5)(h).]~~

(6) (a) The amount of sales and use tax generated annually by a 1/16% tax rate on the taxable items and services under Subsection (1) shall be used as provided in Subsections (6)(b) through (6)(d).

~~[(h)]~~ (b) (i) ~~[If H.B. 53, "Transportation Corridor Preservation," passes in the 1996 General Session, \$500,000]~~ Five hundred thousand dollars each year shall be ~~[transferred to]~~ deposited in the Transportation Corridor Preservation Revolving Loan Fund~~[-, and if H.B. 121, "State Park Access Roads," passes in the 1996 General Session, from July 1, 1997, through June 30, 2006, \$500,000]~~

shall be transferred to the Department of Transportation for the State Park Access Highways Improvement Program. The remaining amount generated by 50% of the 1/8% tax rate shall be transferred to the class B and class C roads account] created in Section 72-2-117.

(ii) At least 50% of the money [~~transferred to~~] deposited in the Transportation Corridor Preservation Revolving Loan Fund under Subsection [~~(5)(b)~~] (6)(b)(i) shall be used to fund loan applications made by the Department of Transportation at the request of local governments.

(c) From July 1, 1997, through June 30, 2006, \$500,000 each year shall be transferred as nonlapsing dedicated credits to the Department of Transportation for the State Park Access Highways Improvement Program created in Section 72-3-207.

(d) The remaining amount generated by the 1/16% tax rate shall be deposited in the class B and class C roads account to be expended as provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C roads.

~~[(6)]~~ (7) (a) Beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial Highway Fund created in Section 72-2-118 a portion of the state sales and use tax under Subsections (2) and (3) equal to the revenues generated by a 1/64% tax rate on the taxable items and services under Subsection (1).

(b) Except for sales and use taxes deposited under Subsection [~~(7)~~] (8), beginning on July 1, 1999, the revenues generated by the 1/64% tax rate:

(i) retained under Subsection 59-12-204[~~(7)~~] (8)(a) shall be retained by the counties, cities, or towns as provided in Section 59-12-204; and

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

~~[(7)]~~ (8) Beginning on July 1, 1999, the commission shall deposit into the Airport to University of Utah Light Rail Restricted Account created in Section 17A-2-1064 the portion of the sales and use tax under Sections 59-12-204 and 59-12-205 that is:

(a) generated by a city or town that will have constructed within its boundaries the Airport to University of Utah Light Rail described in the Transportation Equity Act for the 21st Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

(b) equal to the revenues generated by a 1/64% tax rate on the taxable items and services under Subsection (1).

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

72-2-118. Centennial Highway Fund.

(1) There is created a special revenue fund entitled the Centennial Highway Fund.

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

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

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

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

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

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

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

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

Section 3. **Effective date.**

This act takes effect on July 1, 2001.