

PUBLIC TRANSIT TAX AMENDMENTS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Wayne A. Harper

This act modifies the Revenue and Taxation Code by modifying the allocation of a portion of the additional public transit tax. This act creates the Public Transportation System Tax Highway Fund, a special revenue fund, and restricts its use. This act provides an effective date.

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

AMENDS:

59-12-502 (Superseded 07/01/01), as last amended by Chapter 253, Laws of Utah 2000

59-12-502 (Effective 07/01/01), as last amended by Chapter 253, Laws of Utah 2000

ENACTS:

72-2-121, Utah Code Annotated 1953

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

Section 1. Section **59-12-502 (Superseded 07/01/01)** is amended to read:

59-12-502 (Superseded 07/01/01). Additional public transit tax for expanded system and fixed guideway and interstate improvements -- Rate -- Voter approval.

(1) (a) In addition to other sales and use taxes, and the public transit district tax authorized by Section 59-12-501, any county, city, or town within a transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and use tax of 1/4 of 1% on the sales and uses described in Subsection 59-12-103(1), subject to the exemptions provided in Section 59-12-104, to fund a fixed guideway and expanded public transportation system.

(b) A county, city, or town may impose the tax under this section only if the governing body of the county, city, or town submits, by resolution, the proposal to all the qualified voters within the county, city, or town for approval at a general or special election conducted in the manner provided by statute. Notice of the election shall be given by the county, city, or town governing body 15 days in advance in the manner prescribed by statute.

(2) If the majority of the voters voting in this election approve the proposal, it shall

become effective on the date provided by the county, city, or town governing body.

(3) This section may not be construed to require an election in jurisdictions where voters have previously approved a public transit sales or use tax. This section shall be construed to require an election to impose the sales and use tax authorized by this section, including jurisdictions where the voters have previously approved the transit district sales and use tax authorized by Section 59-12-501, but this section may not be construed to affect the sales and use tax authorized by Section 59-12-501.

(4) No public funds shall be spent to promote the required election.

(5) Notwithstanding the designated use of revenues in Subsection (1), of the revenues generated by the tax imposed under this section by any county of the first class[;]:

(a) 75% shall be allocated to fund a fixed guideway and expanded public transportation system; and

(b) 25% shall be allocated to fund new construction, major renovations, [repairs,] and improvements to Interstate 15 and state highways within the county and to pay any debt service and bond issuance costs related to those projects.

(6) A county of the first class may, through an interlocal agreement, authorize the deposit or transfer of the portion of the revenues described in Subsection 59-12-502(5)(b) to the Public Transportation System Tax Highway Fund created in Section 72-2-121.

Section 2. Section **59-12-502 (Effective 07/01/01)** is amended to read:

59-12-502 (Effective 07/01/01). Additional public transit tax for expanded system and fixed guideway and interstate improvements -- Base -- Rate -- Voter approval.

(1) (a) (i) Except as provided in Subsection (1)(a)(ii), and in addition to other sales and use taxes, including the public transit district tax authorized by Section 59-12-501, a county, city, or town within a transit district organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and use tax of 1/4 of 1% on the transactions described in Subsection 59-12-103(1), to fund a fixed guideway and expanded public transportation system.

(ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax under this section on:

(A) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and

(B) any amounts paid or charged by a vendor that collects a tax under Subsection 59-12-107(1)(b).

(b) A county, city, or town may impose the tax under this section only if the governing body of the county, city, or town submits, by resolution, the proposal to all the qualified voters within the county, city, or town for approval at a general or special election conducted in the manner provided by statute. Notice of the election shall be given by the county, city, or town governing body 15 days in advance in the manner prescribed by statute.

(2) If the majority of the voters voting in this election approve the proposal, it shall become effective on the date provided by the county, city, or town governing body.

(3) (a) This section may not be construed to require an election in jurisdictions where voters have previously approved a public transit sales or use tax.

(b) This section shall be construed to require an election to impose the sales and use tax authorized by this section, including jurisdictions where the voters have previously approved the sales and use tax authorized by Section 59-12-501, but this section may not be construed to affect the sales and use tax authorized by Section 59-12-501.

(4) No public funds shall be spent to promote the required election.

(5) Notwithstanding the designated use of revenues in Subsection (1), of the revenues generated by the tax imposed under this section by any county of the first class[;]:

(a) 75% shall be allocated to fund a fixed guideway and expanded public transportation system; and

(b) 25% shall be allocated to fund new construction, major renovations, [repairs,] and improvements to Interstate 15 and state highways within the county and to pay any debt service and bond issuance costs related to those projects.

(6) A county of the first class may, through an interlocal agreement, authorize the deposit or transfer of the portion of the revenues described in Subsection 59-12-502(5)(b) to the Public Transportation System Tax Highway Fund created in Section 72-2-121.

Section 3. Section **72-2-121** is enacted to read:

72-2-121. Public Transportation System Tax Highway Fund.

(1) There is created a special revenue fund entitled the Public Transportation System Tax Highway Fund.

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

(a) any voluntary contributions received for new construction, major renovations, and improvements to Interstate 15 and state highways within a county of the first class; and

(b) the portion of the sales and use tax described in Subsection 59-12-502(5)(b) deposited in or transferred to the fund through an interlocal agreement.

(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 for new construction, major renovations, and improvements to Interstate 15 and state highways within a county of the first class and to pay any debt service and bond issuance costs related to those projects.

Section 4. Effective date.

If approved by two-thirds of all the members elected to each house, this act takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override, except that Section 59-12-502 (Effective 07/01/01) takes effect on July 1, 2001.