

Senator Michael G. Waddoups proposes to substitute the following bill:

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59-12-502 (Superseded 07/01/01), as last amended by Chapter 253, Laws of Utah 2000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 Section **59-12-502 (Superseded 07/01/01)** is amended to read:

59-12-502 (Superseded 07/01/01).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



26 within the county, city, or town for approval at a general or special election conducted in the
27 manner provided by statute. Notice of the election shall be given by the county, city, or town
28 governing body 15 days in advance in the manner prescribed by statute.

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

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

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

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

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

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

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

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

49 **59-12-502 (Effective 07/01/01). Additional public transit tax for expanded system and**
50 **fixed guideway and interstate improvements -- Base -- Rate -- Voter approval.**

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

56 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax

57 under this section on:

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

60 (B) any amounts paid or charged by a vendor that collects a tax under Subsection
61 59-12-107(1)(b).

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

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

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

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

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

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

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

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

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

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

87 **72-2-121. Public Transportation System Tax Highway Fund.**

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

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

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

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

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

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

97 (4) The executive director may use fund monies, as prioritized by the Transportation
98 Commission, only for new construction, major renovations, and improvements to Interstate 15 and
99 state highways within a county of the first class and to pay any debt service and bond issuance
100 costs related to those projects.

101 **Section 4. Effective date.**

102 If approved by two-thirds of all the members elected to each house, this act takes effect
103 upon approval by the governor, or the day following the constitutional time limit of Utah
104 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the
105 date of veto override, except that Section 59-12-502 (Effective 07/01/01) takes effect on July 1,
106 2001.