

1                   **AIRPORT TO UNIVERSITY OF UTAH LIGHT**  
2                   **RAIL RESTRICTED ACCOUNT AMENDMENTS**

3                                   2003 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Sponsor: David Ure**

6   **This act modifies the Utah Public Transit District Act and the Sales and Use Tax Act to**  
7   **end the deposit of certain local sales and use tax revenues in the Airport to University of**  
8   **Utah Light Rail Restricted Account. The act requires the Division of Finance to**  
9   **distribute any revenues in the Airport to University of Utah Light Rail Restricted**  
10   **Account to each city or town that has constructed within the boundaries of the city or**  
11   **town any portion of the Airport to University of Utah Light Rail. The act makes**  
12   **technical changes.**

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

14   AMENDS:

15           **17A-2-1064**, as last amended by Chapter 253, Laws of Utah 2000

16           **59-12-204**, as last amended by Chapters 2 and 253, Laws of Utah 2000

17           **59-12-205**, as last amended by Chapters 2, 253 and 318, Laws of Utah 2000

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

19           Section 1. Section **17A-2-1064** is amended to read:

20           **17A-2-1064. Airport to University of Utah Light Rail Restricted Account --**  
21   **Creation -- Use of revenues.**

22           (1) There is created within the General Fund a restricted account known as the "Airport  
23   to University of Utah Light Rail Restricted Account."

24           (2) The account shall be funded from the portion of the sales and use tax under  
25   Sections 59-12-204 and 59-12-205 that is:

26           (a) generated by a city or town that will have constructed within its boundaries the  
27   Airport to University of Utah Light Rail described in the Transportation Equity Act for the 21st



28 Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

29 (b) equal to the revenues generated by a 1/64% tax rate on the taxable transactions  
30 under Subsection 59-12-103(1).

31 (3) The Utah State Tax Commission shall deposit the revenues described in Subsection  
32 (2) into the account.

33 (4) The account shall earn interest which shall be deposited into the account.

34 (5) (a) [~~A~~] Except as provided in Subsection (6), a district may use the revenues in the  
35 account for a purpose described in Subsection (5)(b) if:

36 (i) more than 200,000 people reside within the district boundaries; and

37 (ii) the district receives a grant or a loan under 49 U.S.C. Sec. 5309:

38 (A) for the Airport to University of Utah Light Rail project described in the  
39 Transportation Equity Act for the 21st Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II),  
40 112 Stat. 107; and

41 (B) before the construction of the Airport to University of Utah Light Rail project  
42 described in Subsection (5)(a)(ii)(A) is completed.

43 (b) Subsection (5)(a) applies to:

44 (i) maintaining the Airport to University of Utah Light Rail described in Subsection  
45 (5)(a)(ii)(A); or

46 (ii) operating the Airport to University of Utah Light Rail described in Subsection  
47 (5)(a)(ii)(A).

48 (6) Notwithstanding Subsection (5), on or before June 30, 2003, the Division of  
49 Finance shall distribute any revenues in the Airport to University of Utah Light Rail Restricted  
50 Account to each city or town that has constructed within its boundaries any portion of the  
51 Airport to University of Utah Light Rail described in the Transportation Equity Act for the 21st  
52 Century, Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107.

53 Section 2. Section **59-12-204** is amended to read:

54 **59-12-204. Sales and use tax ordinance provisions -- Tax rate -- Distribution of**  
55 **tax revenues.**

56 (1) The tax ordinance adopted pursuant to this part shall impose a tax upon those  
57 transactions listed in Subsection 59-12-103(1).

58 (2) (a) Except as provided in Subsections (2)(b) and (c), (6)(b) and (c), and

59 59-12-205(2), such tax ordinance shall include a provision imposing a tax upon every  
60 transaction listed in Subsection 59-12-103(1) made within a county, including areas contained  
61 within the cities and towns thereof at the rate of 3/4% or any fractional part of such 3/4% of the  
62 purchase price paid or charged.

63 (b) (i) Notwithstanding Subsection (2)(a), a tax ordinance under this Subsection (2)  
64 shall include a provision prohibiting a county, city, or town from imposing a tax under this  
65 section on:

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

68 (B) subject to Subsection (2)(b)(ii), any amounts paid or charged by a vendor that  
69 collects a tax under Subsection 59-12-107(1)(b) unless all of the counties, cities, and towns in  
70 the state impose the tax under this section.

71 (ii) Notwithstanding Subsection (2)(a), if a county, city, or town imposes a tax under  
72 Subsection (2)(b)(i)(B), the tax ordinance under this Subsection (2) shall include a provision  
73 that the tax rate is equal to the lowest tax rate imposed by a county, city, or town under this  
74 section.

75 (c) (i) Notwithstanding Section 59-12-205, a tax ordinance under this Subsection (2)  
76 shall include a provision prohibiting a county, city, or town from imposing a tax under Section  
77 59-12-205 on:

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

80 (B) subject to Subsection (2)(c)(ii), any amounts paid or charged by a vendor that  
81 collects a tax under Subsection 59-12-107(1)(b) unless all of the counties, cities, and towns in  
82 the state impose the tax under Section 59-12-205.

83 (ii) Notwithstanding Section 59-12-205, if a county, city, or town imposes a tax under  
84 Subsection (2)(c)(i)(B), the tax ordinance under this Subsection (2) shall include a provision  
85 that the tax rate is equal to the lowest tax rate imposed by a county, city, or town under Section  
86 59-12-205.

87 (3) Such tax ordinance shall include provisions substantially the same as those  
88 contained in Part 1, Tax Collection, insofar as they relate to sales or use tax, except that the  
89 name of the county as the taxing agency shall be substituted for that of the state where

90 necessary for the purpose of this part and that an additional license is not required if one has  
91 been or is issued under Section 59-12-106.

92 (4) Such tax ordinance shall include a provision that the county shall contract, prior to  
93 the effective date of the ordinance, with the commission to perform all functions incident to the  
94 administration or operation of the ordinance.

95 (5) Such tax ordinance shall include a provision that the sale, storage, use, or other  
96 consumption of tangible personal property, the purchase price or the cost of which has been  
97 subject to sales or use tax under a sales and use tax ordinance enacted in accordance with this  
98 part by any county, city, or town in any other county in this state, shall be exempt from the tax  
99 due under this ordinance.

100 (6) Such tax ordinance shall include a provision that any person subject to the  
101 provisions of a city or town sales and use tax shall be exempt from the county sales and use tax  
102 if the city or town sales and use tax is levied under an ordinance including provisions in  
103 substance as follows:

104 (a) a provision imposing a tax upon every transaction listed in Section 59-12-103 made  
105 within the city or town at the rate imposed by the county in which it is situated pursuant to  
106 Subsection (2);

107 (b) (i) notwithstanding Subsection (2)(a), and subject to Subsection (6)(b)(ii), a  
108 provision prohibiting the city or town from imposing a tax under this section on any amounts  
109 paid or charged by a vendor that collects a tax under Subsection 59-12-107(1)(b) unless all of  
110 the counties, cities, and towns in the state impose a tax under this section; and

111 (ii) notwithstanding Subsection (2)(a), if a city or town imposes a tax under Subsection  
112 (6)(b)(i), a provision that the tax rate is equal to the lowest tax rate imposed by a county, city,  
113 or town under this section;

114 (c) (i) notwithstanding Section 59-12-205 and subject to Subsection (6)(c)(ii), a  
115 provision prohibiting the city or town from imposing a tax under Section 59-12-205 on any  
116 amounts paid or charged by a vendor that collects a tax under Subsection 59-12-107(1)(b)  
117 unless all of the counties, cities, and towns in the state impose a tax under Section 59-12-205;  
118 and

119 (ii) notwithstanding Section 59-12-205, if a city or town imposes a tax under  
120 Subsection (6)(c)(i), a provision that the tax rate is equal to the lowest tax rate imposed by a

121 county, city, or town under Section 59-12-205;

122 (d) provisions substantially the same as those contained in Part 1, Tax Collection,  
123 insofar as they relate to sales and use taxes, except that the name of the city or town as the  
124 taxing agency shall be substituted for that of the state where necessary for the purposes of this  
125 part;

126 (e) a provision that the city or town shall contract prior to the effective date of the city  
127 or town sales and use tax ordinance with the commission to perform all functions incident to  
128 the administration or operation of the sales and use tax ordinance of the city or town;

129 (f) a provision that the sale, storage, use, or other consumption of tangible personal  
130 property, the gross receipts from the sale of or the cost of which has been subject to sales or use  
131 tax under a sales and use tax ordinance enacted in accordance with this part by any county  
132 other than the county in which the city or town is located, or city or town in this state, shall be  
133 exempt from the tax; and

134 (g) a provision that the amount of any tax paid under Part 1, Tax Collection, shall not  
135 be included as a part of the purchase price paid or charged for a taxable item.

136 (7) (a) Notwithstanding any other provision of this section, from January 1, 1990,  
137 through June 30, 1999, the commission shall determine and retain the amount of revenue  
138 generated by a 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds  
139 provided for in Subsection 59-12-103(4) for the purposes of the Utah Sports Authority  
140 described in Title 63A, Chapter 7, Utah Sports Authority Act.

141 (b) Except for sales and use taxes deposited under Subsections (7)(c) and (d), beginning  
142 on July 1, 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (7)(a)  
143 shall be retained by the county, city, or town levying a tax under this section.

144 (c) Notwithstanding any other provision of this section, beginning on July 1, 1999,  
145 through May 5, 2003, the commission shall:

146 (i) determine and retain the portion of the sales and use tax imposed under this section:

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

150 (B) that is equal to the revenues generated by a 1/64% tax rate; and

151 (ii) deposit the revenues described in Subsection (7)(c)(i) in the Airport to University

152 of Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes  
153 described in Section 17A-2-1064.

154 (d) Notwithstanding any other provision of this section, beginning July 1, 2000, the  
155 commission shall:

156 (i) determine and retain the portion of sales and use tax imposed under this section:

157 (A) by each county and by each city and town within that county whose legislative  
158 body consents by resolution to the commission's retaining and depositing sales and use tax  
159 revenues as provided in this Subsection (7)(d); and

160 (B) that is equal to the revenues generated by a 1/64% tax rate;

161 (ii) deposit the revenues described in Subsection (7)(d)(i) into a special fund of the  
162 county, or a city, town, or other political subdivision of the state located within that county, that  
163 has issued bonds to finance sports or recreational facilities or that is leasing sports or  
164 recreational facilities, in order to repay those bonds or to pay the lease payments; and

165 (iii) continue to deposit those revenues into the special fund only as long as the bonds  
166 or leases are outstanding.

167 (8) If a county, city, or town imposes a tax under this section on any amounts paid or  
168 charged by a vendor that collects a tax under Subsection 59-12-107(1)(b), the revenues  
169 generated by the tax shall be distributed as provided in Subsection 59-12-103(3)(c).

170 Section 3. Section **59-12-205** is amended to read:

171 **59-12-205. Ordinances to conform with statutory amendments -- Distribution of**  
172 **tax revenues.**

173 (1) Each county, city, and town, in order to maintain in effect sales and use tax  
174 ordinances adopted pursuant to Section 59-12-204, shall, within 30 days of any amendment of  
175 any applicable provisions of Part 1, Tax Collection, adopt amendments of their respective sales  
176 and use tax ordinances to conform with the amendments to Part 1, Tax Collection, insofar as  
177 they relate to sales and use taxes.

178 (2) (a) Any county, city, or town may distribute its sales or use tax revenues by means  
179 other than point of sale or use by notifying the commission in writing of such decision, no later  
180 than 30 days before commencement of the next tax accrual period.

181 (b) Except as provided in Subsections 59-12-204(2)(b) and (c) and (6)(b) and (c), after  
182 such notice is given, beginning on January 1, 1990 a county, city, or town may increase the tax

183 authorized by this part to a total of 1% of the purchase price paid or charged.

184 (c) Except as provided in Subsections (2)(d), (3), and (4):

185 (i) 50% of each dollar collected from the sales and use tax authorized by this part shall  
186 be paid to each county, city, and town providing notice under this section, based upon the  
187 percentage that the population of the county, city, or town bears to the total population of all  
188 such entities providing notice under this section; and

189 (ii) 50% of each dollar collected from the sales and use tax authorized by this part shall  
190 be paid to each county, city, and town providing notice under this section, based upon the point  
191 of sale or use of the transaction.

192 (d) Notwithstanding Subsection (2)(c), if a county, city, or town imposes a tax under  
193 this section on any amounts paid or charged by a vendor that collects a tax under Subsection  
194 59-12-107(1)(b), the revenues generated by the tax shall be distributed as provided in  
195 Subsection 59-12-103(3)(c).

196 (3) (a) Notwithstanding any provision of Subsection (2), a county, city, or town that  
197 has given notice under this section may not receive a tax revenue distribution less than 3/4 of  
198 1% of the taxable sales within its boundaries.

199 (b) The commission shall proportionally reduce quarterly distributions to any county,  
200 city, or town, which, but for the reduction, would receive a distribution in excess of 1%  
201 beginning January 1, 1990, of the sales and use tax revenue collected within its boundaries.

202 (4) (a) Notwithstanding any other provision of this section, from January 1, 1990,  
203 through June 30, 1999, the commission shall determine and retain the amount of revenue  
204 generated by a 1/64% tax rate and deposit it in the Olympics Special Revenue Fund or funds  
205 provided for in Subsection 59-12-103(4) for the purposes of the Utah Sports Authority  
206 described in Title 63A, Chapter 7, Utah Sports Authority Act.

207 (b) Except for sales and use taxes deposited under Subsections (4)(c) and (d), beginning  
208 on July 1, 1999, the amount of revenue generated by the 1/64% tax rate under Subsection (4)(a)  
209 shall be distributed to each county, city, and town as provided in this section.

210 (c) Notwithstanding any other provision of this section, beginning on July 1, 1999,  
211 through May 5, 2003, the commission shall:

212 (i) determine and retain the portion of the sales and use tax imposed under this section:

213 (A) by a city or town that will have constructed within its boundaries the Airport to

214 University of Utah Light Rail described in the Transportation Equity Act for the 21st Century,  
215 Pub. L. No. 105-178, Sec. 3030(c)(2)(B)(i)(II), 112 Stat. 107; and

216 (B) that is equal to the revenues generated by a 1/64% tax rate; and

217 (ii) deposit the revenues described in Subsection (4)(c)(i) in the Airport to University  
218 of Utah Light Rail Restricted Account created in Section 17A-2-1064 for the purposes  
219 described in Section 17A-2-1064.

220 (d) Notwithstanding any other provision of this section, beginning July 1, 2000, the  
221 commission shall:

222 (i) determine and retain the portion of sales and use tax imposed under this section:

223 (A) by each county and by each city and town within that county whose legislative  
224 body consents by resolution to the commission's retaining and depositing sales and use tax  
225 revenues as provided in this Subsection (4)(d); and

226 (B) that is equal to the revenues generated by a 1/64% tax rate;

227 (ii) deposit the revenues described in Subsection (4)(d)(i) into a special fund of the  
228 county, or a city, town, or other political subdivision of the state located within that county, that  
229 has issued bonds to finance sports or recreational facilities or that is leasing sports or  
230 recreational facilities, in order to repay those bonds or to pay the lease payments; and

231 (iii) continue to deposit those revenues into the special fund only as long as the bonds  
232 or leases are outstanding.

233 (5) (a) Population figures for purposes of this section shall be based on the most recent  
234 official census or census estimate of the United States Census Bureau.

235 (b) If a needed population estimate is not available from the United States Census  
236 Bureau, population figures shall be derived from the estimate from the Utah Population  
237 Estimates Committee created by executive order of the governor.

238 (6) The population of a county for purposes of this section shall be determined solely  
239 from the unincorporated area of the county.



**Legislative Review Note**

as of 2-7-03 11:00 AM

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

**Office of Legislative Research and General Counsel**

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**Fiscal Note****Bill Number HB0271****Airport to University of Utah Light Rail Restricted Account  
Amendments***19-Feb-03**8:40 AM*

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**State Impact**

No net fiscal impact. Passage of this bill would shift funding from a restricted account to local governments.

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**Individual and Business Impact**

No fiscal impact.

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**Office of the Legislative Fiscal Analyst**