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H.B. 1008
3rd Sub. (Cherry)

Senator Sheldon L. Killpack proposes the following substitute bill:

TRANSPORTATION INVESTMENT ACT

2005 FIRST SPECIAL SESSION

STATE OF UTAH

Sponsor: Rebecca D. Lockhart

LONG TITLE

General Description:

This bill modifies the Motor Vehicles Code, the Sales and Use Tax Act, the Motor and Special Fuel Tax Act, the State Appropriations and Tax Limitation Act, and the Transportation Code by amending provisions to increase funding for transportation.

Highlighted Provisions:

This bill:

- creates the Transportation Investment Fund of 2005 to pay the costs of maintenance, reconstruction, or renovation to state and federal highways;
- redesignates the Centennial Highway Fund as a restricted account within the Transportation Investment Fund of 2005;
- transfers the Centennial Highway Fund Restricted Account revenue sources to the Transportation Investment Fund of 2005 when the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account;
- provides that a portion of the sales and use tax revenue shall be deposited into the Centennial Highway Fund Restricted Account;
- provides that a portion of the sales and use tax revenue shall be deposited annually into the Transportation Investment Fund of 2005;

26 ▸ provides that $90,000,000 of the revenues deposited in the Transportation
27 Investment Fund of 2005 shall annually be transferred to the Centennial Highway
28 Fund Restricted Account until the highway general obligation bonds have been paid
29 off and the highway projects completed that are intended to be paid from revenues
30 deposited in the Centennial Highway Fund Restricted Account;
31 ▸ requires the Division of Finance:
32 • to monitor the highway general obligation bonds that are being paid from
33 revenues deposited into the Centennial Highway Fund Restricted Account; and
34 • report on the status of the bonds to the Executive Appropriations Committee
35 upon request;
36 ▸ requires the Department of Transportation to:
37 • monitor the highway projects that are being funded by the Centennial Highway
38 Fund Restricted Account; and
39 • report on the status of the projects to the Executive Appropriations Committee
40 upon request;
41 ▸ requires the Executive Appropriations Committee to notify the Division of Finance,
42 the State Tax Commission, and the Department of Transportation when the highway
43 projects have been completed and the general highway obligation bonds have been
44 paid off that are intended to be paid from revenues deposited in the Centennial
45 Highway Fund Restricted Account;
46 ▸ exempts the Transportation Investment Fund of 2005 from spending limit
47 provisions; and
48 ▸ makes technical changes.
49 **Monies Appropriated in this Bill:**
50 This bill appropriates:
51 ▸ ($200,607,000) from the General Fund to the Centennial Highway Program;
52 ▸ $170,607,700 to the Centennial Highway Program from the Centennial Highway
53 Fund Restricted Account; and
54 ▸ $30,000,000 from the General Fund to the Transportation Investment Fund of 2005
55 for new state highway construction for the fiscal year 2005-06 only.
56 **Other Special Clauses:**

57 This bill takes effect on July 1, 2005.
58 **Utah Code Sections Affected:**
59 AMENDS:
60 **41-1a-1201**, as last amended by Chapters 1 and 212, Laws of Utah 2003
61 **59-12-103 (Superseded 07/01/06)**, as last amended by Chapter 233, Laws of Utah 2005
62 **59-12-103 (Effective 07/01/06)**, as last amended by Chapters 158 and 233, Laws of
63 Utah 2005
64 **59-13-304 (Effective 05/02/05)**, as last amended by Chapter 108, Laws of Utah 2005
65 **63-38c-103**, as last amended by Chapter 318, Laws of Utah 2004
66 **72-2-118**, as last amended by Chapter 147, Laws of Utah 2000
67 ENACTS:
68 **72-2-124**, Utah Code Annotated 1953
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70 *Be it enacted by the Legislature of the state of Utah:*
71 Section 1. Section **41-1a-1201** is amended to read:
72 **41-1a-1201. Disposition of fees.**
73 (1) All fees received and collected under this part shall be transmitted daily to the state
74 treasurer.
75 (2) Except as provided in Subsections (3), (4), and (6), and Sections 41-1a-422,
76 41-1a-1220, and 41-1a-1221, all fees collected under this part shall be deposited in the
77 Transportation Fund.
78 (3) (a) Funds generated under Subsections 41-1a-1211(1)(a), (6)(a), and (7) and
79 Section 41-1a-1212 may be used by the commission as a dedicated credit to cover the costs
80 incurred in issuing license plates under Part 4, License Plates and Registration Indicia.
81 (b) Fees for statehood centennial license plates shall be collected and deposited in the
82 Transportation Fund, less production and administrative costs incurred by the commission.
83 (4) All funds available to the commission for purchase and distribution of license
84 plates and decals are nonlapsing.
85 (5) Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of the
86 commission in enforcing and administering this part shall be provided for by legislative
87 appropriation from the revenues of the Transportation Fund.

88 (6) [~~The~~] (a) Except as provided in Subsection (6)(b), the following portions of the
89 registration fees imposed under Section 41-1a-1206 for each vehicle shall be deposited in the
90 Centennial Highway Fund Restricted Account created under Section 72-2-118:
91 [~~(a)~~] (i) $10 of the registration fees imposed under Subsections 41-1a-1206(1)(a),
92 (1)(b), (2), and (5);
93 [~~(b)~~] (ii) $1 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i),
94 (1)(c)(ii), and (1)(d)(ii);
95 [~~(c)~~] (iii) $2 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);
96 [~~(d)~~] (iv) $3 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i); and
97 [~~(e)~~] (v) $4.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i).
98 (b) When the highway general obligation bonds have been paid off and the highway
99 projects completed that are intended to be paid from revenues deposited in the Centennial
100 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
101 under Subsection 72-2-118(6)(d), the portions of the registration fees deposited under
102 Subsection (6)(a) for each vehicle shall be deposited in the Transportation Investment Fund of
103 2005 created by Section 72-2-124.
104 Section 2. Section **59-12-103 (Superseded 07/01/06)** is amended to read:
105 **59-12-103 (Superseded 07/01/06). Sales and use tax base -- Rates -- Effective dates**
106 **-- Use of sales and use tax revenues.**
107 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
108 charged for the following transactions:
109 (a) retail sales of tangible personal property made within the state;
110 (b) amounts paid:
111 (i) (A) to a common carrier; or
112 (B) whether the following are municipally or privately owned, to a:
113 (I) telephone service provider; or
114 (II) telegraph corporation as defined in Section 54-2-1; and
115 (ii) for:
116 (A) all transportation;
117 (B) telephone service, other than mobile telecommunications service, that originates
118 and terminates within the boundaries of this state;

119 (C) mobile telecommunications service that originates and terminates within the
120 boundaries of one state only to the extent permitted by the Mobile Telecommunications
121 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
122 (D) telegraph service;
123 (c) sales of the following for commercial use:
124 (i) gas;
125 (ii) electricity;
126 (iii) heat;
127 (iv) coal;
128 (v) fuel oil; or
129 (vi) other fuels;
130 (d) sales of the following for residential use:
131 (i) gas;
132 (ii) electricity;
133 (iii) heat;
134 (iv) coal;
135 (v) fuel oil; or
136 (vi) other fuels;
137 (e) sales of prepared food;
138 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
139 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
140 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
141 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
142 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
143 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
144 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
145 horseback rides, sports activities, or any other amusement, entertainment, recreation,
146 exhibition, cultural, or athletic activity;
147 (g) amounts paid or charged for services for repairs or renovations of tangible personal
148 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
149 (i) the tangible personal property; and

150 (ii) parts used in the repairs or renovations of the tangible personal property described
151 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
152 of that tangible personal property;
153 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
154 cleaning or washing of tangible personal property;
155 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
156 accommodations and services that are regularly rented for less than 30 consecutive days;
157 (j) amounts paid or charged for laundry or dry cleaning services;
158 (k) amounts paid or charged for leases or rentals of tangible personal property if within
159 this state the tangible personal property is:
160 (i) stored;
161 (ii) used; or
162 (iii) otherwise consumed;
163 (l) amounts paid or charged for tangible personal property if within this state the
164 tangible personal property is:
165 (i) stored;
166 (ii) used; or
167 (iii) consumed; and
168 (m) amounts paid or charged for prepaid telephone calling cards.
169 (2) (a) Except as provided in Subsection (2)(b), beginning on July 1, 2001, a state tax
170 and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:
171 (i) a state tax imposed on the transaction at a rate of 4.75%; and
172 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
173 transaction under this chapter other than this part.
174 (b) Notwithstanding Subsection (2)(a), beginning on July 1, 2001:
175 (i) a state tax and a local tax is imposed on a transaction described in Subsection (1)(d)
176 equal to the sum of:
177 (A) a state tax imposed on the transaction at a rate of 2%; and
178 (B) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
179 transaction under this chapter other than this part; or
180 (ii) if a seller collects a tax in accordance with Subsection 59-12-107(1)(b) on a

181 transaction described in Subsection (1), a state tax and a local tax is imposed on the transaction
182 equal to the sum of:
183 (A) a state tax imposed on the transaction at a rate of:
184 (I) 4.75% for a transaction other than a transaction described in Subsection (1)(d); or
185 (II) 2% for a transaction described in Subsection (1)(d); and
186 (B) a local tax imposed on the transaction at a rate equal to the sum of the following
187 rates:
188 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
189 and towns in the state impose the tax under Section 59-12-204; and
190 (II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
191 state impose the tax under Section 59-12-1102.
192 (c) Subject to Subsections (2)(d) and (e), a tax rate repeal or tax rate change for a tax
193 rate imposed under the following shall take effect on the first day of a calendar quarter:
194 (i) Subsection (2)(a)(i);
195 (ii) Subsection (2)(b)(i)(A); or
196 (iii) Subsection (2)(b)(ii)(A).
197 (d) (i) For a transaction described in Subsection (2)(d)(iii), a tax rate increase shall take
198 effect on the first day of the first billing period:
199 (A) that begins after the effective date of the tax rate increase; and
200 (B) if the billing period for the transaction begins before the effective date of a tax rate
201 increase imposed under:
202 (I) Subsection (2)(a)(i);
203 (II) Subsection (2)(b)(i)(A); or
204 (III) Subsection (2)(b)(ii)(A).
205 (ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate
206 decrease shall take effect on the first day of the last billing period:
207 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
208 and
209 (B) if the billing period for the transaction begins before the effective date of the repeal
210 of the tax or the tax rate decrease imposed under:
211 (I) Subsection (2)(a)(i);

212 (II) Subsection (2)(b)(i)(A); or
213 (III) Subsection (2)(b)(ii)(A).
214 (iii) Subsections (2)(d)(i) and (ii) apply to transactions subject to a tax under:
215 (A) Subsection (1)(b);
216 (B) Subsection (1)(c);
217 (C) Subsection (1)(d);
218 (D) Subsection (1)(e);
219 (E) Subsection (1)(f);
220 (F) Subsection (1)(g);
221 (G) Subsection (1)(h);
222 (H) Subsection (1)(i);
223 (I) Subsection (1)(j); or
224 (J) Subsection (1)(k).
225 (e) (i) If a tax due under Subsection (2)(a)(i) or (2)(b)(ii)(A) on a catalogue sale is
226 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
227 change in a tax rate imposed under Subsection (2)(a)(i) or (2)(b)(ii)(A) takes effect:
228 (A) on the first day of a calendar quarter; and
229 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change
230 under Subsection (2)(a)(i) or (2)(b)(ii)(A).
231 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
232 the commission may by rule define the term "catalogue sale."
233 (3) (a) Except as provided in Subsections (4) through (7), the following state taxes
234 shall be deposited into the General Fund:
235 (i) the tax imposed by Subsection (2)(a)(i);
236 (ii) the tax imposed by Subsection (2)(b)(i)(A); or
237 (iii) the tax imposed by Subsection (2)(b)(ii)(A).
238 (b) The local taxes described in Subsections (2)(a)(ii) and (2)(b)(i)(B) shall be
239 distributed to a county, city, or town as provided in this chapter.
240 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the
241 state shall receive the county's, city's, or town's proportionate share of the revenues generated
242 by the local tax described in Subsection (2)(b)(ii)(B) as provided in Subsection (3)(c)(ii).

243 (ii) The commission shall determine a county's, city's, or town's proportionate share of
244 the revenues under Subsection (3)(c)(i) by:
245 (A) calculating an amount equal to the population of the county, city, or town divided
246 by the total population of the state; and
247 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total
248 amount of revenues generated by the local tax under Subsection (2)(b)(ii)(B) for all counties,
249 cities, and towns.
250 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for
251 purposes of this section shall be derived from the most recent official census or census estimate
252 of the United States Census Bureau.
253 (B) Notwithstanding Subsection (3)(c)(iii)(A), if a needed population estimate is not
254 available from the United States Census Bureau, population figures shall be derived from the
255 estimate from the Utah Population Estimates Committee created by executive order of the
256 governor.
257 (C) For purposes of this section, the population of a county may only include the
258 population of the unincorporated areas of the county.
259 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
260 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
261 through (g):
262 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
263 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
264 (B) for the fiscal year; or
265 (ii) $17,500,000.
266 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
267 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
268 Department of Natural Resources to:
269 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
270 protect sensitive plant and animal species; or
271 (B) award grants, up to the amount authorized by the Legislature in an appropriations
272 act, to political subdivisions of the state to implement the measures described in Subsections
273 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

274 (ii) Money transferred to the Department of Natural Resources under Subsection
275 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
276 person to list or attempt to have listed a species as threatened or endangered under the
277 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
278 (iii) At the end of each fiscal year:
279 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
280 Conservation and Development Fund created in Section 73-10-24;
281 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
282 Program Subaccount created in Section 73-10c-5; and
283 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
284 Program Subaccount created in Section 73-10c-5.
285 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
286 Subsection (4)(b)(i) shall be deposited each year in the Agriculture Resource Development
287 Fund created in Section 4-18-6.
288 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
289 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
290 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
291 water rights.
292 (ii) At the end of each fiscal year:
293 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
294 Conservation and Development Fund created in Section 73-10-24;
295 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
296 Program Subaccount created in Section 73-10c-5; and
297 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
298 Program Subaccount created in Section 73-10c-5.
299 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
300 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
301 Fund created in Section 73-10-24 for use by the Division of Water Resources.
302 (ii) In addition to the uses allowed of the Water Resources Conservation and
303 Development Fund under Section 73-10-24, the Water Resources Conservation and
304 Development Fund may also be used to:

305 (A) provide a portion of the local cost share, not to exceed in any fiscal year 50% of the
306 funds made available to the Division of Water Resources under this section, of potential project
307 features of the Central Utah Project;
308 (B) conduct hydrologic and geotechnical investigations by the Department of Natural
309 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
310 quantifying surface and ground water resources and describing the hydrologic systems of an
311 area in sufficient detail so as to enable local and state resource managers to plan for and
312 accommodate growth in water use without jeopardizing the resource;
313 (C) fund state required dam safety improvements; and
314 (D) protect the state's interest in interstate water compact allocations, including the
315 hiring of technical and legal staff.
316 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
317 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
318 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.
319 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
320 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
321 created in Section 73-10c-5 for use by the Division of Drinking Water to:
322 (i) provide for the installation and repair of collection, treatment, storage, and
323 distribution facilities for any public water system, as defined in Section 19-4-102;
324 (ii) develop underground sources of water, including springs and wells; and
325 (iii) develop surface water sources.
326 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
327 2003, the lesser of the following amounts shall be used as provided in Subsections (5)(b)
328 through (d):
329 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
330 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
331 (B) for the fiscal year; or
332 (ii) $18,743,000.
333 (b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described
334 in Subsection (5)(a) shall be deposited each year in the Transportation Corridor Preservation
335 Revolving Loan Fund created in Section 72-2-117.

336 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation
337 Revolving Loan Fund under Subsection (5)(b)(i) shall be used to fund loan applications made
338 by the Department of Transportation at the request of local governments.
339 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
340 Subsection (5)(a) shall be transferred each year as nonlapsing dedicated credits to the
341 Department of Transportation for the State Park Access Highways Improvement Program
342 created in Section 72-3-207.
343 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in
344 Subsection (5)(a) shall be deposited in the class B and class C roads account to be expended as
345 provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C
346 roads.
347 (6) (a) Notwithstanding Subsection (3)(a) and until Subsection (6)(b) applies,
348 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
349 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
350 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
351 transactions under Subsection (1).
352 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
353 have been paid off and the highway projects completed that are intended to be paid from
354 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
355 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
356 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
357 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
358 by a 1/64% tax rate on the taxable transactions under Subsection (1).
359 (7) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal
360 year 2004-05, the commission shall each year on or before the September 30 immediately
361 following the last day of the fiscal year deposit the difference described in Subsection (7)(b)
362 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is
363 greater than $0.
364 (b) The difference described in Subsection (7)(a) is equal to the difference between:
365 (i) the total amount of the revenues under Subsection (2)(b)(ii)(A) the commission
366 received from sellers collecting a tax in accordance with Subsection 59-12-107(1)(b) for the

367 fiscal year immediately preceding the September 30 described in Subsection (7)(a); and
368 (ii) $7,279,673.
369 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
370 Subsection (6)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
371 July 1, 2005, the Division of Finance shall deposit $59,594,700 of the revenues generated by
372 the taxes described in Subsections (2)(a)(i), (2)(b)(i)(A), and (2)(b)(ii)(A) into the Centennial
373 Highway Fund Restricted Account created by Section 72-2-118.
374 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
375 Subsections (6)(b) and (9), when the highway general obligation bonds have been paid off and
376 the highway projects completed that are intended to be paid from revenues deposited in the
377 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
378 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit
379 $59,594,700 of the revenues generated by the taxes described in Subsections (2)(a)(i) and
380 (2)(b)(i) into the Transportation Investment Fund of 2005 created by Section 72-2-124.
381 (9) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
382 2005, the Division of Finance shall deposit $90,000,000 of the revenues generated by the taxes
383 described in Subsections (2)(a)(i) and (2)(b)(i) into the Transportation Investment Fund of
384 2005 created by Section 72-2-124.
385 (b) Notwithstanding Subsection (3)(a), for the fiscal year 2007 only, the Division of
386 Finance shall, subject to legislative appropriation, deposit into the Transportation Investment
387 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
388 equal to the revenues generated by a .36% tax rate on the taxable transactions under Subsection
389 (1) minus the amounts deposited under Subsections (8) and (9)(a), which represents a portion
390 of the amount of revenue generated by the sales and use tax on vehicle and vehicle-related
391 products.
392 (c) Notwithstanding Subsection (3)(a) and in addition to any amount deposited under
393 Subsection (6)(b), for a fiscal year beginning on or after July 1, 2007, the Division of Finance
394 shall, subject to legislative appropriation, deposit into the Transportation Investment Fund of
395 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to
396 the revenues generated by a .56% tax rate on the taxable transactions under Subsection (1)
397 minus the amounts deposited under Subsections (8) and (9)(a), which represents a portion of

398 the amount of revenue generated by the sales and use tax on vehicles and vehicle-related
399 products.
400 Section 3. Section **59-12-103 (Effective 07/01/06)** is amended to read:
401 **59-12-103 (Effective 07/01/06). Sales and use tax base -- Rates -- Effective dates --**
402 **Use of sales and use tax revenues.**
403 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
404 charged for the following transactions:
405 (a) retail sales of tangible personal property made within the state;
406 (b) amounts paid:
407 (i) (A) to a common carrier; or
408 (B) whether the following are municipally or privately owned, to a:
409 (I) telephone service provider; or
410 (II) telegraph corporation as defined in Section 54-2-1; and
411 (ii) for:
412 (A) all transportation;
413 (B) telephone service, other than mobile telecommunications service, that originates
414 and terminates within the boundaries of this state;
415 (C) mobile telecommunications service that originates and terminates within the
416 boundaries of one state only to the extent permitted by the Mobile Telecommunications
417 Sourcing Act, 4 U.S.C. Sec.116 et seq.; or
418 (D) telegraph service;
419 (c) sales of the following for commercial use:
420 (i) gas;
421 (ii) electricity;
422 (iii) heat;
423 (iv) coal;
424 (v) fuel oil; or
425 (vi) other fuels;
426 (d) sales of the following for residential use:
427 (i) gas;
428 (ii) electricity;

429 (iii) heat;
430 (iv) coal;
431 (v) fuel oil; or
432 (vi) other fuels;
433 (e) sales of prepared food;
434 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
435 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
436 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
437 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
438 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
439 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
440 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
441 horseback rides, sports activities, or any other amusement, entertainment, recreation,
442 exhibition, cultural, or athletic activity;
443 (g) amounts paid or charged for services for repairs or renovations of tangible personal
444 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
445 (i) the tangible personal property; and
446 (ii) parts used in the repairs or renovations of the tangible personal property described
447 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
448 of that tangible personal property;
449 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
450 cleaning or washing of tangible personal property;
451 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
452 accommodations and services that are regularly rented for less than 30 consecutive days;
453 (j) amounts paid or charged for laundry or dry cleaning services;
454 (k) amounts paid or charged for leases or rentals of tangible personal property if within
455 this state the tangible personal property is:
456 (i) stored;
457 (ii) used; or
458 (iii) otherwise consumed;
459 (l) amounts paid or charged for tangible personal property if within this state the

460 tangible personal property is:
461 (i) stored;
462 (ii) used; or
463 (iii) consumed; and
464 (m) amounts paid or charged for prepaid telephone calling cards.
465 (2) (a) Except as provided in Subsection (2)(b), beginning on July 1, 2001, a state tax
466 and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:
467 (i) a state tax imposed on the transaction at a rate of 4.75%; and
468 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
469 transaction under this chapter other than this part.
470 (b) Notwithstanding Subsection (2)(a), beginning on July 1, 2001, a state tax and a
471 local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:
472 (i) a state tax imposed on the transaction at a rate of 2%; and
473 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
474 transaction under this chapter other than this part.
475 (c) Subject to Subsections (2)(d) and (e), a tax rate repeal or tax rate change for a tax
476 rate imposed under the following shall take effect on the first day of a calendar quarter:
477 (i) Subsection (2)(a)(i); or
478 (ii) Subsection (2)(b)(i).
479 (d) (i) For a transaction described in Subsection (2)(d)(iii), a tax rate increase shall take
480 effect on the first day of the first billing period:
481 (A) that begins after the effective date of the tax rate increase; and
482 (B) if the billing period for the transaction begins before the effective date of a tax rate
483 increase imposed under:
484 (I) Subsection (2)(a)(i); or
485 (II) Subsection (2)(b)(i).
486 (ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate
487 decrease shall take effect on the first day of the last billing period:
488 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
489 and
490 (B) if the billing period for the transaction begins before the effective date of the repeal

491 of the tax or the tax rate decrease imposed under:
492 (I) Subsection (2)(a)(i); or
493 (II) Subsection (2)(b)(i).
494 (iii) Subsections (2)(d)(i) and (ii) apply to transactions subject to a tax under:
495 (A) Subsection (1)(b);
496 (B) Subsection (1)(c);
497 (C) Subsection (1)(d);
498 (D) Subsection (1)(e);
499 (E) Subsection (1)(f);
500 (F) Subsection (1)(g);
501 (G) Subsection (1)(h);
502 (H) Subsection (1)(i);
503 (I) Subsection (1)(j); or
504 (J) Subsection (1)(k).
505 (e) (i) If a tax due under Subsection (2)(a)(i) on a catalogue sale is computed on the
506 basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax
507 rate imposed under Subsection (2)(a)(i) takes effect:
508 (A) on the first day of a calendar quarter; and
509 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change
510 under Subsection (2)(a)(i).
511 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
512 the commission may by rule define the term "catalogue sale."
513 (3) (a) Except as provided in Subsections (4) through (7), the following state taxes
514 shall be deposited into the General Fund:
515 (i) the tax imposed by Subsection (2)(a)(i); or
516 (ii) the tax imposed by Subsection (2)(b)(i).
517 (b) The local taxes described in Subsections (2)(a)(ii) and (2)(b)(ii) shall be distributed
518 to a county, city, or town as provided in this chapter.
519 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
520 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
521 through (g):

522 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
523 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
524 (B) for the fiscal year; or
525 (ii) $17,500,000.
526 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
527 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
528 Department of Natural Resources to:
529 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
530 protect sensitive plant and animal species; or
531 (B) award grants, up to the amount authorized by the Legislature in an appropriations
532 act, to political subdivisions of the state to implement the measures described in Subsections
533 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.
534 (ii) Money transferred to the Department of Natural Resources under Subsection
535 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
536 person to list or attempt to have listed a species as threatened or endangered under the
537 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
538 (iii) At the end of each fiscal year:
539 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
540 Conservation and Development Fund created in Section 73-10-24;
541 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
542 Program Subaccount created in Section 73-10c-5; and
543 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
544 Program Subaccount created in Section 73-10c-5.
545 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
546 Subsection (4)(b)(i) shall be deposited each year in the Agriculture Resource Development
547 Fund created in Section 4-18-6.
548 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
549 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
550 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
551 water rights.
552 (ii) At the end of each fiscal year:

553 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
554 Conservation and Development Fund created in Section 73-10-24;
555 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
556 Program Subaccount created in Section 73-10c-5; and
557 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
558 Program Subaccount created in Section 73-10c-5.
559 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
560 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
561 Fund created in Section 73-10-24 for use by the Division of Water Resources.
562 (ii) In addition to the uses allowed of the Water Resources Conservation and
563 Development Fund under Section 73-10-24, the Water Resources Conservation and
564 Development Fund may also be used to:
565 (A) provide a portion of the local cost share, not to exceed in any fiscal year 50% of the
566 funds made available to the Division of Water Resources under this section, of potential project
567 features of the Central Utah Project;
568 (B) conduct hydrologic and geotechnical investigations by the Department of Natural
569 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
570 quantifying surface and ground water resources and describing the hydrologic systems of an
571 area in sufficient detail so as to enable local and state resource managers to plan for and
572 accommodate growth in water use without jeopardizing the resource;
573 (C) fund state required dam safety improvements; and
574 (D) protect the state's interest in interstate water compact allocations, including the
575 hiring of technical and legal staff.
576 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
577 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
578 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.
579 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
580 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
581 created in Section 73-10c-5 for use by the Division of Drinking Water to:
582 (i) provide for the installation and repair of collection, treatment, storage, and
583 distribution facilities for any public water system, as defined in Section 19-4-102;

584 (ii) develop underground sources of water, including springs and wells; and
585 (iii) develop surface water sources.
586 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
587 2003, the lesser of the following amounts shall be used as provided in Subsections (5)(b)
588 through (d):
589 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
590 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
591 (B) for the fiscal year; or
592 (ii) $18,743,000.
593 (b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described
594 in Subsection (5)(a) shall be deposited each year in the Transportation Corridor Preservation
595 Revolving Loan Fund created in Section 72-2-117.
596 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation
597 Revolving Loan Fund under Subsection (5)(b)(i) shall be used to fund loan applications made
598 by the Department of Transportation at the request of local governments.
599 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
600 Subsection (5)(a) shall be transferred each year as nonlapsing dedicated credits to the
601 Department of Transportation for the State Park Access Highways Improvement Program
602 created in Section 72-3-207.
603 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in
604 Subsection (5)(a) shall be deposited in the class B and class C roads account to be expended as
605 provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C
606 roads.
607 (6) <u>(a)</u> Notwithstanding Subsection (3)(a) <u>and until Subsection (6)(b) applies</u>,
608 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
609 Highway Fund <u>Restricted Account</u> created in Section 72-2-118 a portion of the taxes listed
610 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
611 transactions under Subsection (1).
612 <u>(b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds</u>
613 <u>have been paid off and the highway projects completed that are intended to be paid from</u>
614 <u>revenues deposited in the Centennial Highway Fund Restricted Account as determined by the</u>

615 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
616 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
617 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
618 by a 1/64% tax rate on the taxable transactions under Subsection (1).
619 (7) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal
620 year 2004-05, the commission shall each year on or before the September 30 immediately
621 following the last day of the fiscal year deposit the difference described in Subsection (7)(b)
622 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is
623 greater than $0.
624 (b) The difference described in Subsection (7)(a) is equal to the difference between:
625 (i) the total amount of the following revenues the commission received from sellers
626 collecting a tax in accordance with Subsection 59-12-107(1)(b) for the fiscal year immediately
627 preceding the September 30 described in Subsection (7)(a):
628 (A) revenues under Subsection (2)(a)(i); and
629 (B) revenues under Subsection (2)(b)(i); and
630 (ii) $7,279,673.
631 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
632 Subsection (6)(a), and until Subsection (8)(b) applies, for a fiscal year beginning on or after
633 July 1, 2005, the Division of Finance shall deposit $59,594,700 of the revenues generated by
634 the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the Centennial Highway Fund
635 Restricted Account created by Section 72-2-118.
636 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
637 Subsections (6)(b) and (9), when the highway general obligation bonds have been paid off and
638 the highway projects completed that are intended to be paid from revenues deposited in the
639 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
640 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit
641 $59,594,700 of the revenues generated by the taxes described in Subsections (2)(a)(i) and
642 (2)(b)(i) into the Transportation Investment Fund of 2005 created by Section 72-2-124.
643 (9) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
644 2005, the Division of Finance shall deposit $90,000,000 of the revenues generated by the taxes
645 described in Subsections (2)(a)(i) and (2)(b)(i) into the Transportation Investment Fund of

646 2005 created by Section 72-2-124.
647 (b) Notwithstanding Subsection (3)(a), for the fiscal year 2007 only, the Division of
648 Finance shall, subject to legislative appropriation, deposit into the Transportation Investment
649 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
650 equal to the revenues generated by a .36% tax rate on the taxable transactions under Subsection
651 (1) minus the amounts deposited under Subsections (8) and (9)(a), which represents a portion
652 of the amount of revenue generated by the sales and use tax on vehicles and vehicle-related
653 products.
654 (c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
655 Subsection (6)(b), for a fiscal year beginning on or after July 1, 2007, the Division of Finance
656 shall, subject to legislative appropriation, deposit into the Transportation Investment Fund of
657 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to
658 the revenues generated by a .56% tax rate on the taxable transactions under Subsection (1)
659 minus the amounts deposited under Subsections (8) and (9)(a), which represents a portion of
660 the amount of revenue generated by the sales and use tax on vehicles and vehicle-related
661 products.
662 Section 4. Section **59-13-304 (Effective 05/02/05)** is amended to read:
663 **59-13-304 (Effective 05/02/05). Exemptions from Special Fuel Tax -- Clean**
664 **Special Fuel Tax -- Certificate required -- Fees for certificates -- Inspection of vehicles --**
665 **Exemptions.**
666 (1) (a) Except as provided in Subsection (4), a user of special fuel who owns a vehicle
667 powered by a clean special fuel as defined under Section 59-13-102 shall pay a clean special
668 fuel tax as provided under this section for use of clean special fuel.
669 (b) A user of special fuel who qualifies for the clean special fuel tax shall annually
670 purchase from the commission a clean special fuel tax certificate for each vehicle owned or
671 leased that is powered by a clean special fuel.
672 (c) Clean special fuel tax certificates are provided to encourage the use of clean fuels to
673 reduce air pollution.
674 (2) (a) The fee for a clean special fuel tax certificate is:
675 (i) 70/.19 of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up
676 to the nearest dollar, for qualified motor vehicles as defined under Section 59-13-102; and

677 (ii) 36/.19 of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up
678 to the nearest dollar, for other vehicles.
679 (b) The commission may require each vehicle to be inspected for safe operation before
680 issuing the certificate.
681 (c) Each vehicle shall be equipped with an approved and properly installed carburetion
682 system if it is powered by a fuel that is gaseous at standard atmospheric conditions.
683 (3) (a) Beginning January 1, 2001 through December 31, 2010, there is imposed a
684 surcharge of $35 on each clean special fuel tax certificate issued under this section.
685 (b) [~~Surcharges~~] (i) Until Subsection (3)(b)(ii) applies, surcharges imposed under
686 Subsection (3)(a) shall be deposited into the Centennial Highway Fund Restricted Account
687 created under Section 72-2-118.
688 (ii) When the highway general obligation bonds have been paid off and the highway
689 projects completed that are intended to be paid from revenues deposited in the Centennial
690 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
691 under Subsection 72-2-118(6)(d), the surcharge imposed under Subsection (3)(a) shall be
692 deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124.
693 (4) A governmental entity identified in Subsection 59-13-301(9) that owns or leases a
694 vehicle powered by a special fuel that qualifies as a clean special fuel is exempt from the clean
695 special fuel tax imposed under this section.
696 Section 5. Section **63-38c-103** is amended to read:
697 **63-38c-103. Definitions.**
698 As used in this chapter:
699 (1) (a) "Appropriations" means actual unrestricted capital and operating appropriations
700 from unrestricted General Fund sources and from non-Uniform School Fund income tax
701 revenues as presented in the governor's executive budgets.
702 (b) "Appropriation" includes appropriations that are contingent upon available
703 surpluses in the General Fund.
704 (c) "Appropriations" does not mean:
705 (i) debt service expenditures;
706 (ii) emergency expenditures;
707 (iii) expenditures from all other fund or subfund sources presented in the executive

708 budgets;
709 (iv) transfers into, or appropriations made to, the General Fund Budget Reserve
710 Account established in Section 63-38-2.5;
711 (v) transfers into, or appropriations made to, the Education Budget Reserve Account
712 established in Section 63-38-2.6;
713 (vi) monies appropriated to fund the total one-time project costs for the construction of
714 capital developments as defined in Section 63A-5-104; [~~or~~]
715 (vii) appropriations made to the Centennial Highway Fund Restricted Account created
716 by Section 72-2-118[~~.~~]; or
717 (viii) appropriations made to the Transportation Investment Fund of 2005 created by
718 Section 72-2-124.
719 (2) "Base year real per capita appropriations" means the result obtained for the state by
720 dividing the fiscal year 1985 actual appropriations of the state less debt monies by:
721 (a) the state's July 1, 1983 population; and
722 (b) the fiscal year 1983 inflation index divided by 100.
723 (3) "Calendar year" means the time period beginning on January 1 of any given year
724 and ending on December 31 of the same year.
725 (4) "Fiscal emergency" means an extraordinary occurrence requiring immediate
726 expenditures and includes the settlement under Chapter 4, Laws of Utah 1988, Fourth Special
727 Session.
728 (5) "Fiscal year" means the time period beginning on July 1 of any given year and
729 ending on June 30 of the subsequent year.
730 (6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual
731 capital and operations appropriations from General Fund and non-Uniform School Fund
732 income tax revenue sources, less debt monies.
733 (7) "Inflation index" means the change in the general price level of goods and services
734 as measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic
735 Analysis, U.S. Department of Commerce calculated as provided in Section 63-38c-202.
736 (8) (a) "Maximum allowable appropriations limit" means the appropriations that could
737 be, or could have been, spent in any given year under the limitations of this chapter.
738 (b) "Maximum allowable appropriations limit" does not mean actual appropriations

739 spent or actual expenditures.
740 (9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two
741 fiscal years previous to the fiscal year for which the maximum allowable inflation and
742 population appropriations limit is being computed under this chapter.
743 (10) "Most recent fiscal year's population" means the fiscal year population two fiscal
744 years previous to the fiscal year for which the maximum allowable inflation and population
745 appropriations limit is being computed under this chapter.
746 (11) "Population" means the number of residents of the state as of July 1 of each year
747 as calculated by the Governor's Office of Planning and Budget according to the procedures and
748 requirements of Section 63-38c-202.
749 (12) "Revenues" means the revenues of the state from every tax, penalty, receipt, and
750 other monetary exaction and interest connected with it that are recorded as unrestricted revenue
751 of the General Fund and from non-Uniform School Fund income tax revenues, except as
752 specifically exempted by this chapter.
753 (13) "Security" means any bond, note, warrant, or other evidence of indebtedness,
754 whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an
755 "indebtedness" within the meaning of any provision of the constitution or laws of this state.
756 Section 6. Section **72-2-118** is amended to read:
757 **72-2-118. Centennial Highway Fund Restricted Account.**
758 (1) There is created [~~a special revenue fund~~] a restricted account entitled the Centennial
759 Highway Fund Restricted Account within the Transportation Investment Fund of 2005 created
760 by Section 72-2-124.
761 (2) The [~~fund~~] account consists of monies generated from the following revenue
762 sources:
763 (a) any voluntary contributions received for the construction, major reconstruction, or
764 major renovation of state or federal highways;
765 (b) appropriations made to the fund by the Legislature;
766 (c) registration fees designated under Subsection 41-1a-1201(6)(a); and
767 (d) the sales and use tax amounts provided for in Section 59-12-103.
768 (3) (a) The [~~fund~~] account shall earn interest.
769 (b) All interest earned on [~~fund~~] account monies shall be deposited into the [~~fund~~]

770 account.
771 (4) The executive director may use [~~fund~~] account monies, as prioritized by the
772 Transportation Commission, only to pay the costs of construction, major reconstruction, or
773 major renovation to state and federal highways.
774 (5) When the highway general obligation bonds have been paid off and the highway
775 projects completed that are intended to be paid from revenues deposited in the account as
776 determined by the Executive Appropriations Committee under Subsection (6)(d), the Division
777 of Finance shall transfer any existing balance in the account into the Transportation Investment
778 Fund of 2005 created by Section 72-2-124.
779 (6) (a) The Division of Finance shall monitor the highway general obligation bonds
780 that are being paid from revenues deposited in the account.
781 (b) The department shall monitor the highway construction, major reconstruction, or
782 major renovation projects that are being paid from revenues deposited in the account.
783 (c) Upon request by the Executive Appropriations Committee of the Legislature:
784 (i) the Division of Finance shall report to the committee the status of all highway
785 general obligation bonds that are being paid from revenues deposited in the account; and
786 (ii) the department shall report to the committee the status of all highway construction,
787 major reconstruction, or major renovation projects that are being paid from revenues deposited
788 in the account.
789 (d) The Executive Appropriations Committee of the Legislature shall notify the State
790 Tax Commission, the department, and the Division of Finance when:
791 (i) all highway general obligation bonds that are intended to paid from revenues
792 deposited in the account have been paid off; and
793 (ii) all highway projects that are intended to be paid from revenues deposited in the
794 account have been completed.
795 Section 7. Section **72-2-124** is enacted to read:
796 **72-2-124. Transportation Investment Fund of 2005.**
797 (1) There is created a special revenue fund entitled the Transportation Investment Fund
798 of 2005.
799 (2) The fund consists of monies generated from the following sources:
800 (a) any voluntary contributions received for the maintenance, construction,

801 reconstruction, or renovation of state and federal highways;
802 (b) appropriations made to the fund by the Legislature; and
803 (c) the sales and use tax amounts provided for in Subsection 59-12-103(9).
804 (3) When the highway general obligation bonds have been paid off and the highway
805 projects completed that are intended to be paid from revenues deposited in the Centennial
806 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
807 under Subsection 72-2-118(6)(d), the fund shall also consist of monies generated from the
808 following sources:
809 (a) registration fees designated under Subsection 41-1a-1201(6)(a);
810 (b) the clean special fuel tax certificate surcharge under Subsection 59-13-304(3); and
811 (c) the sales and use tax amounts provided for in Subsections 59-12-103(6)(b) and
812 (8)(b).
813 (4) (a) The fund shall earn interest.
814 (b) All interest earned on fund monies shall be deposited into the fund.
815 (5) (a) Except as provided in Subsection (5)(b), the executive director may use fund
816 monies only to pay the costs of maintenance, construction, reconstruction, or renovation to
817 state and federal highways prioritized by the Transportation Commission through the
818 prioritization process for new transportation capacity projects adopted under Section 72-1-304.
819 (b) The executive director may use fund monies deposited into the fund in fiscal year
820 2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state
821 and federal highways prioritized by the Transportation Commission.
822 (6) On July 1 of each year until the highway general obligation bonds have been paid
823 off and the highway projects completed that are intended to be paid from revenues deposited in
824 the Centennial Highway Fund Restricted Account as determined by the Executive
825 Appropriations Committee under Subsection 72-2-118(6)(d), the Division of Finance shall
826 annually transfer $90,000,000 of the revenues deposited in the Transportation Investment Fund
827 of 2005 to the Centennial Highway Fund Restricted Account created by Section 72-2-118.
828 Section 8. **Appropriation.**
829 Under the terms and conditions of Section 63-38-3, the following sums of money are
830 appropriated from resources not otherwise appropriated, or reduced from amounts previously
831 appropriated, out of the funds or fund accounts indicated for the use and support of the

832 government of the State of Utah for the fiscal year beginning July 1, 2005 and ending June 30,
833 2006. This is in addition to or a subtraction from amounts previously appropriated for fiscal
834 year 2006.
835 To Department of Transportation - Centennial Highway Program
836 From General Fund (149,594,700)
837 From General Fund, One-time (30,000,000)
838 From Centennial Highway Fund (21,013,000)
839 Schedule of Programs:
840 Centennial Highway Program (200,607,700)
841 To Department of Transportation - Centennial Highway Program
842 From Centennial Highway Fund Restricted Account 170,607,700
843 Schedule of Programs:
844 Centennial Highway Program 170,607,700
845 To Department of Transportation - Transportation Investment Fund of 2005
846 From General Fund, One-time 30,000,000
847 Schedule of Programs:
848 Transportation Investment Fund of 2005 30,000,000
849 To Department of Transportation - Construction Management
850 From Transportation Investment Fund of 2005 30,000,000
851 Schedule of Programs:
852 State Construction - New 30,000,000
853 Section 9. **Effective date.**
854 This bill takes effect on July 1, 2005.