

**EXPENDITURE OF LOCAL OPTION
TRANSPORTATION TAX REVENUE**

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ben C. Ferry

Senate Sponsor: Sheldon L. Killpack

LONG TITLE

General Description:

This bill amends the Public Transit Tax part to address the expenditure of public transit tax revenue.

Highlighted Provisions:

This bill:

► provides that beginning on July 1, 2006, and ending on June 30, 2007, a county of the first class may expend a certain amount of the 1/4% of the 1/4% public transit tax revenue dedicated for highway use to reconfigure railroad curves to decrease rail congestion;

~~§→ [←H→ provides that an expenditure of the revenues described above to reconfigure railroad curves to decrease rail congestion shall be called an Evans Allocation; ←H] ←§~~ and

► makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-502 (See **59-1-1201 re: Eff**), as last amended by Chapter 255, Laws of Utah 2004

72-2-121, as enacted by Chapter 217, Laws of Utah 2001



28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58

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

Section 1. Section **59-12-502 (See 59-1-1201 re: Eff)** is amended to read:

59-12-502 (See 59-1-1201 re: Eff). Additional public transit tax for expanded system and fixed guideway and interstate improvements -- Base -- Rate -- Voter approval.

(1) (a) (i) Except as provided in Subsections (1)(a)(ii) and 59-12-207.1(7)(c), 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 .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town, 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 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.

(b) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-207.1 through 59-12-207.4.

(c) (i) 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.

(ii) Notice of the election under Subsection (1)(c)(i) 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.

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

61 [~~(a)~~] (i) 75% shall be allocated to fund a fixed guideway and expanded public
62 transportation system; and

63 [~~(b)~~] (ii) except as provided in Subsection (5)(b), 25% shall be allocated to fund new
64 construction, major renovations, and improvements to Interstate 15 and state highways within
65 the county and to pay any debt service and bond issuance costs related to those projects.

66 (b) ~~H→~~ (i) ~~←H~~ Notwithstanding the designated use of revenues in Subsection (1),
66a beginning on
67 July 1, 2006, and ending on July 1, 2007, a county of the first class may expend an amount not
68 to exceed \$3,500,000 of the revenues described in Subsection (5)(a)(ii) for expenses relating to
69 reconfiguring railroad curves within that county to reduce rail congestion.

69a ~~S→~~ [~~H→~~] (ii) ~~An expenditure described in Subsection (5)(b)(i) shall be called an Evans~~
69b ~~Allocation. ←H~~ ~~←S~~

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

73 Section 2. Section **72-2-121** is amended to read:

74 **72-2-121. Public Transportation System Tax Highway Fund.**

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

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

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

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

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

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

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

Legislative Review Note

as of 2-13-06 12:11 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0372

Expenditure of Local Option Transportation Tax Revenue

15-Feb-06

2:17 PM

State Impact

Passage of this bill would have no net fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst