

1 **SALES TAX DIVERSION FOR WATER**
2 **PROJECTS AND WATER FINANCING**

3 2006 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: David Ure**

6 Senate Sponsor: Peter C. Knudson

8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Sales and Use Tax Act to address the expenditure of certain state
11 sales and use tax revenues.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ requires that certain state sales and use tax revenues be transferred to the Water
15 Resources Conservation and Development Fund and used by the Division of Water
16 Resources for preconstruction costs for certain water projects;

17 ▶ requires that certain state sales and use tax revenues be transferred as dedicated
18 credits to and used by the Division of Water Rights for hiring staff;

19 ▶ requires that certain state sales and use tax revenues be transferred as dedicated
20 credits to and used by the Department of Natural Resources for watershed
21 rehabilitation or restoration;

22 ▶ requires that certain state sales and use tax revenues be transferred as dedicated
23 credits to and used by the Department of Water Resources for cloud seeding;

24 ▶ addresses the treatment of unexpended funds; and

25 ▶ makes technical changes.

26 **Monies Appropriated in this Bill:**

27 None

28 **Other Special Clauses:**

29 This bill takes effect on July 1, 2006.

30 This bill coordinates with S.B. 27, the Lake Powell Pipeline Development Act, and
31 H.B. 45, the Bear River Development Act by substantively modifying language.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **59-12-103 (Effective 07/01/06)**, as last amended by Chapter 1, Laws of Utah 2005,
35 First Special Session

36 **59-12-1201**, as last amended by Chapter 158, Laws of Utah 2005

37 **72-2-124**, as enacted by Chapter 1, Laws of Utah 2005, First Special Session



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

40 Section 1. Section **59-12-103 (Effective 07/01/06)** is amended to read:

41 **59-12-103 (Effective 07/01/06). Sales and use tax base -- Rates -- Effective dates --**
42 **Use of sales and use tax revenues.**

43 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or
44 charged for the following transactions:

45 (a) retail sales of tangible personal property made within the state;

46 (b) amounts paid:

47 (i) (A) to a common carrier; or

48 (B) whether the following are municipally or privately owned, to a:

49 (I) telephone service provider; or

50 (II) telegraph corporation as defined in Section 54-2-1; and

51 (ii) for:

52 (A) all transportation;

53 (B) telephone service, other than mobile telecommunications service, that originates
54 and terminates within the boundaries of this state;

55 (C) mobile telecommunications service that originates and terminates within the
56 boundaries of one state only to the extent permitted by the Mobile Telecommunications
57 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

- 58 (D) telegraph service;
- 59 (c) sales of the following for commercial use:
 - 60 (i) gas;
 - 61 (ii) electricity;
 - 62 (iii) heat;
 - 63 (iv) coal;
 - 64 (v) fuel oil; or
 - 65 (vi) other fuels;
- 66 (d) sales of the following for residential use:
 - 67 (i) gas;
 - 68 (ii) electricity;
 - 69 (iii) heat;
 - 70 (iv) coal;
 - 71 (v) fuel oil; or
 - 72 (vi) other fuels;
- 73 (e) sales of prepared food;
- 74 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 75 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 76 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 77 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 78 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 79 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 80 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 81 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 82 exhibition, cultural, or athletic activity;
- 83 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 84 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
 - 85 (i) the tangible personal property; and

86 (ii) parts used in the repairs or renovations of the tangible personal property described
87 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
88 of that tangible personal property;

89 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
90 cleaning or washing of tangible personal property;

91 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
92 accommodations and services that are regularly rented for less than 30 consecutive days;

93 (j) amounts paid or charged for laundry or dry cleaning services;

94 (k) amounts paid or charged for leases or rentals of tangible personal property if within
95 this state the tangible personal property is:

96 (i) stored;

97 (ii) used; or

98 (iii) otherwise consumed;

99 (l) amounts paid or charged for tangible personal property if within this state the
100 tangible personal property is:

101 (i) stored;

102 (ii) used; or

103 (iii) consumed; and

104 (m) amounts paid or charged for prepaid telephone calling cards.

105 (2) (a) Except as provided in Subsection (2)(b), beginning on July 1, 2001, a state tax
106 and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:

107 (i) a state tax imposed on the transaction at a rate of 4.75%; and

108 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
109 transaction under this chapter other than this part.

110 (b) Notwithstanding Subsection (2)(a), beginning on July 1, 2001, a state tax and a
111 local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:

112 (i) a state tax imposed on the transaction at a rate of 2%; and

113 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

114 transaction under this chapter other than this part.

115 (c) Subject to Subsections (2)(d) and (e), a tax rate repeal or tax rate change for a tax
116 rate imposed under the following shall take effect on the first day of a calendar quarter:

117 (i) Subsection (2)(a)(i); or

118 (ii) Subsection (2)(b)(i).

119 (d) (i) For a transaction described in Subsection (2)(d)(iii), a tax rate increase shall take
120 effect on the first day of the first billing period:

121 (A) that begins after the effective date of the tax rate increase; and

122 (B) if the billing period for the transaction begins before the effective date of a tax rate
123 increase imposed under:

124 (I) Subsection (2)(a)(i); or

125 (II) Subsection (2)(b)(i).

126 (ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate
127 decrease shall take effect on the first day of the last billing period:

128 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

129 and

130 (B) if the billing period for the transaction begins before the effective date of the repeal
131 of the tax or the tax rate decrease imposed under:

132 (I) Subsection (2)(a)(i); or

133 (II) Subsection (2)(b)(i).

134 (iii) Subsections (2)(d)(i) and (ii) apply to transactions subject to a tax under:

135 (A) Subsection (1)(b);

136 (B) Subsection (1)(c);

137 (C) Subsection (1)(d);

138 (D) Subsection (1)(e);

139 (E) Subsection (1)(f);

140 (F) Subsection (1)(g);

141 (G) Subsection (1)(h);

142 (H) Subsection (1)(i);

143 (I) Subsection (1)(j); or

144 (J) Subsection (1)(k).

145 (e) (i) If a tax due under Subsection (2)(a)(i) on a catalogue sale is computed on the
146 basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax
147 rate imposed under Subsection (2)(a)(i) takes effect:

148 (A) on the first day of a calendar quarter; and

149 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change
150 under Subsection (2)(a)(i).

151 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
152 the commission may by rule define the term "catalogue sale."

153 (3) (a) Except as provided in Subsections (4) through [~~(7)~~] (9), the following state
154 taxes shall be deposited into the General Fund:

155 (i) the tax imposed by Subsection (2)(a)(i); or

156 (ii) the tax imposed by Subsection (2)(b)(i).

157 (b) The local taxes described in Subsections (2)(a)(ii) and (2)(b)(ii) shall be distributed
158 to a county, city, or town as provided in this chapter.

159 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
160 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
161 through (g):

162 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

163 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

164 (B) for the fiscal year; or

165 (ii) \$17,500,000.

166 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
167 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
168 Department of Natural Resources to:

169 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to

170 protect sensitive plant and animal species; or

171 (B) award grants, up to the amount authorized by the Legislature in an appropriations
172 act, to political subdivisions of the state to implement the measures described in Subsections
173 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

174 (ii) Money transferred to the Department of Natural Resources under Subsection
175 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
176 person to list or attempt to have listed a species as threatened or endangered under the
177 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

178 (iii) At the end of each fiscal year:

179 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
180 Conservation and Development Fund created in Section 73-10-24;

181 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
182 Program Subaccount created in Section 73-10c-5; and

183 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
184 Program Subaccount created in Section 73-10c-5.

185 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
186 Subsection (4)(b)(i) shall be deposited each year in the Agriculture Resource Development
187 Fund created in Section 4-18-6.

188 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
189 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water
190 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of
191 water rights.

192 (ii) At the end of each fiscal year:

193 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources
194 Conservation and Development Fund created in Section 73-10-24;

195 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan
196 Program Subaccount created in Section 73-10c-5; and

197 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

198 Program Subaccount created in Section 73-10c-5.

199 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
200 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development
201 Fund created in Section 73-10-24 for use by the Division of Water Resources.

202 (ii) In addition to the uses allowed of the Water Resources Conservation and
203 Development Fund under Section 73-10-24, the Water Resources Conservation and
204 Development Fund may also be used to:

205 ~~[(A) provide a portion of the local cost share, not to exceed in any fiscal year 50% of~~
206 ~~the funds made available to the Division of Water Resources under this section, of potential~~
207 ~~project features of the Central Utah Project;]~~

208 ~~[(B)]~~ (A) conduct hydrologic and geotechnical investigations by the ~~[Department of~~
209 ~~Natural Resources]~~ Division of Water Resources in a cooperative effort with other state,
210 federal, or local entities, for the purpose of quantifying surface and ground water resources and
211 describing the hydrologic systems of an area in sufficient detail so as to enable local and state
212 resource managers to plan for and accommodate growth in water use without jeopardizing the
213 resource;

214 ~~[(C)]~~ (B) fund state required dam safety improvements; and

215 ~~[(D)]~~ (C) protect the state's interest in interstate water compact allocations, including
216 the hiring of technical and legal staff.

217 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
218 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount
219 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

220 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
221 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount
222 created in Section 73-10c-5 for use by the Division of Drinking Water to:

223 (i) provide for the installation and repair of collection, treatment, storage, and
224 distribution facilities for any public water system, as defined in Section 19-4-102;

225 (ii) develop underground sources of water, including springs and wells; and

226 (iii) develop surface water sources.

227 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

228 2006, the difference between the following amounts shall be expended as provided in this

229 Subsection (5), if that difference is greater than \$1:

230 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the

231 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

232 (ii) \$17,500,000.

233 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

234 (A) transferred each fiscal year to the Department of Natural Resources as dedicated

235 credits; and

236 (B) expended by the Department of Natural Resources for watershed rehabilitation or

237 restoration.

238 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described

239 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund

240 created in Section 73-10-24.

241 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the

242 remaining difference described in Subsection (5)(a) shall be:

243 (A) transferred each fiscal year to the Division of Water Resources as dedicated

244 credits; and

245 (B) expended by the Division of Water Resources for cloud-seeding projects

246 authorized by Title 73, Chapter 15, Modification of Weather.

247 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described

248 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund

249 created in Section 73-10-24.

250 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the

251 remaining difference described in Subsection (5)(a) shall be deposited into the Water

252 Resources Conservation and Development Fund created in Section 73-10-24 for use by the

253 Division of Water Resources for:

254 (i) the following costs incurred before construction begins on projects authorized by
255 Title 73, Chapter 26, Bear River Development Act, or projects developing more than 80,000
256 acre-feet of water:

257 (A) planning;

258 (B) design;

259 (C) engineering studies;

260 (D) legal work;

261 (E) permitting;

262 (F) acquisition of land and rights-of-way;

263 (G) compensation for impairment of existing water rights;

264 (H) environmental studies; or

265 (I) any combination of Subsections (5)(d)(i)(A) through (H);

266 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
267 Chapter 26, Bear River Development Act;

268 (iii) the cost of employing a civil engineer to oversee a project that develops more than
269 80,000 acre-feet of water; and

270 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and
271 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

272 (e) Any unexpended monies described in Subsection (5)(d) that remain in the Water
273 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

274 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to
275 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be
276 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
277 incurred for employing additional technical staff for the administration of water rights.

278 (g) At the end of each fiscal year, any unexpended dedicated credits described in
279 Subsection (5)(f) over \$150,000 lapse to the Water Resources Conservation and Development
280 Fund created in Section 73-10-24.

281 ~~[(5)]~~ (6) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after

282 July 1, 2003, the lesser of the following amounts shall be used as provided in Subsections [~~5~~]
283 6(b) through (d):

284 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

285 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

286 (B) for the fiscal year; or

287 (ii) \$18,743,000.

288 (b) (i) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described
289 in Subsection [~~5~~] 6(a) shall be deposited each year in the Transportation Corridor
290 Preservation Revolving Loan Fund created in Section 72-2-117.

291 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation
292 Revolving Loan Fund under Subsection [~~5~~] 6(b)(i) shall be used to fund loan applications
293 made by the Department of Transportation at the request of local governments.

294 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
295 Subsection [~~5~~] 6(a) shall be transferred each year as nonlapsing dedicated credits to the
296 Department of Transportation for the State Park Access Highways Improvement Program
297 created in Section 72-3-207.

298 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in
299 Subsection [~~5~~] 6(a) shall be deposited in the class B and class C roads account to be
300 expended as provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class
301 B and C roads.

302 [~~6~~] 7 (a) Notwithstanding Subsection (3)(a) and until Subsection [~~6~~] 7(b)
303 applies, beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
304 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
305 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
306 transactions under Subsection (1).

307 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
308 have been paid off and the highway projects completed that are intended to be paid from
309 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the

310 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
311 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
312 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
313 by a 1/64% tax rate on the taxable transactions under Subsection (1).

314 [~~7~~] (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after
315 fiscal year 2004-05, the commission shall each year on or before the September 30 immediately
316 following the last day of the fiscal year deposit the difference described in Subsection [~~7~~]
317 (8)(b) into the Remote Sales Restricted Account created in Section 59-12-103.2 if that
318 difference is greater than \$0.

319 (b) The difference described in Subsection [~~7~~] (8)(a) is equal to the difference
320 between:

321 (i) the total amount of the following revenues the commission received from sellers
322 collecting a tax in accordance with Subsection 59-12-107(1)(b) for the fiscal year immediately
323 preceding the September 30 described in Subsection [~~7~~] (8)(a):

- 324 (A) revenues under Subsection (2)(a)(i); and
- 325 (B) revenues under Subsection (2)(b)(i); and
- 326 (ii) \$7,279,673.

327 [~~8~~] (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
328 Subsection [~~6~~] (7)(a), and until Subsection [~~8~~] (9)(b) applies, for a fiscal year beginning on
329 or after July 1, 2005, the Division of Finance shall deposit \$59,594,700 of the revenues
330 generated by the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the Centennial
331 Highway Fund Restricted Account created by Section 72-2-118.

332 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
333 Subsection [~~6~~] (7)(b), when the highway general obligation bonds have been paid off and the
334 highway projects completed that are intended to be paid from revenues deposited in the
335 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
336 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit
337 \$59,594,700 of the revenues generated by the taxes described in Subsections (2)(a)(i) and

338 (2)(b)(i) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

339 Section 2. Section **59-12-1201** is amended to read:

340 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
341 **collection, and enforcement of tax -- Administrative fee -- Deposits.**

342 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all
343 short-term leases and rentals of motor vehicles not exceeding 30 days.

344 (b) The tax imposed in this section is in addition to all other state, county, or municipal
345 fees and taxes imposed on rentals of motor vehicles.

346 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
347 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

348 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
349 take effect on the first day of the first billing period:

350 (A) that begins after the effective date of the tax rate increase; and

351 (B) if the billing period for the transaction begins before the effective date of a tax rate
352 increase imposed under Subsection (1).

353 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
354 rate decrease shall take effect on the first day of the last billing period:

355 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
356 and

357 (B) if the billing period for the transaction begins before the effective date of the repeal
358 of the tax or the tax rate decrease imposed under Subsection (1).

359 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

360 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

361 (b) the motor vehicle is rented as a personal household goods moving van; or

362 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
363 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
364 insurance agreement.

365 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), the tax authorized under this

366 section shall be administered, collected, and enforced in accordance with:

367 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
368 Tax Collection; and

369 (B) Chapter 1, General Taxation Policies.

370 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to:

371 (A) Subsections 59-12-103(4) through [~~(7)~~] (8); or

372 (B) Sections 59-12-107.1 through 59-12-107.3.

373 (b) The commission may retain a maximum of 1-1/2% of the tax collected under this
374 section for the costs of rendering its services under this section.

375 (c) Except as provided under Subsection (4)(b), all revenue received by the
376 commission under this section shall be deposited daily with the state treasurer and credited
377 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section
378 72-2-117.

379 Section 3. Section **72-2-124** is amended to read:

380 **72-2-124. Transportation Investment Fund of 2005.**

381 (1) There is created a special revenue fund entitled the Transportation Investment Fund
382 of 2005.

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

384 (a) any voluntary contributions received for the maintenance, construction,
385 reconstruction, or renovation of state and federal highways; and

386 (b) appropriations made to the fund by the Legislature.

387 (3) When the highway general obligation bonds have been paid off and the highway
388 projects completed that are intended to be paid from revenues deposited in the Centennial
389 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
390 under Subsection 72-2-118(6)(d), the fund shall also consist of monies generated from the
391 following sources:

392 (a) registration fees designated under Subsection 41-1a-1201(6)(a);

393 (b) the clean special fuel tax certificate surcharge under Subsection 59-13-304(3); and

394 (c) the sales and use tax amounts provided for in Subsections 59-12-103[~~(6)~~](7)(b) and
395 [~~(8)~~] (9)(b).

396 (4) (a) The fund shall earn interest.

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

398 (5) (a) Except as provided in Subsection (5)(b), the executive director may use fund
399 monies only to pay the costs of maintenance, construction, reconstruction, or renovation to
400 state and federal highways prioritized by the Transportation Commission through the
401 prioritization process for new transportation capacity projects adopted under Section 72-1-304.

402 (b) The executive director may use fund monies deposited into the fund in fiscal year
403 2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state
404 and federal highways prioritized by the Transportation Commission.

405 Section 4. **Effective date.**

406 This bill takes effect on July 1, 2006.

407 Section 5. **Coordinating H.B. 47 with H.B. 45 and S.B. 27 -- Modifying substantive**
408 **language.**

409 If this H.B. 47, H.B. 45, Bear River Development Act, and S.B. 27, Lake Powell
410 Pipeline Development Act, all pass, it is the intent of the Legislature that the Office of
411 Legislative Research and General Counsel, in preparing the Utah Code database for
412 publication, shall:

413 (1) replace Subsection 59-12-103(5)(d)(i) to read as follows:

414 "(i) preconstruction costs:

415 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
416 26, Bear River Development Act; and

417 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
418 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;"; and

419 (2) replace Subsection 59-12-103(5)(d)(iii) to read as follows:

420 "(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
421 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and".

