

Representative David Ure proposes the following substitute bill:

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

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David Ure

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

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

- addresses the treatment of unexpended funds; and

- makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2006.

This bill coordinates with S.B. 27, the Lake Powell Pipeline Development Act, and



26 H.B. 45, the Bear River Development Act by substantively modifying language.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **59-12-103 (Effective 07/01/06)**, as last amended by Chapter 1, Laws of Utah 2005,
30 First Special Session

31 **59-12-1201**, as last amended by Chapter 158, Laws of Utah 2005

32 **72-2-124**, as enacted by Chapter 1, Laws of Utah 2005, First Special Session

33

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

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

36 **59-12-103 (Effective 07/01/06). Sales and use tax base -- Rates -- Effective dates --**
37 **Use of sales and use tax revenues.**

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

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

41 (b) amounts paid:

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

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

44 (I) telephone service provider; or

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

46 (ii) for:

47 (A) all transportation;

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

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

53 (D) telegraph service;

54 (c) sales of the following for commercial use:

55 (i) gas;

56 (ii) electricity;

- 57 (iii) heat;
- 58 (iv) coal;
- 59 (v) fuel oil; or
- 60 (vi) other fuels;
- 61 (d) sales of the following for residential use:
 - 62 (i) gas;
 - 63 (ii) electricity;
 - 64 (iii) heat;
 - 65 (iv) coal;
 - 66 (v) fuel oil; or
 - 67 (vi) other fuels;
 - 68 (e) sales of prepared food;
 - 69 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
 - 70 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
 - 71 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
 - 72 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
 - 73 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
 - 74 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
 - 75 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
 - 76 horseback rides, sports activities, or any other amusement, entertainment, recreation,
 - 77 exhibition, cultural, or athletic activity;
 - 78 (g) amounts paid or charged for services for repairs or renovations of tangible personal
 - 79 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
 - 80 (i) the tangible personal property; and
 - 81 (ii) parts used in the repairs or renovations of the tangible personal property described
 - 82 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
 - 83 of that tangible personal property;
 - 84 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
 - 85 cleaning or washing of tangible personal property;
 - 86 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
 - 87 accommodations and services that are regularly rented for less than 30 consecutive days;

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

89 (k) amounts paid or charged for leases or rentals of tangible personal property if within

90 this state the tangible personal property is:

91 (i) stored;

92 (ii) used; or

93 (iii) otherwise consumed;

94 (l) amounts paid or charged for tangible personal property if within this state the

95 tangible personal property is:

96 (i) stored;

97 (ii) used; or

98 (iii) consumed; and

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

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

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

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

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

107 (i) a state tax imposed on the transaction at a rate of 2%; 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 (c) Subject to Subsections (2)(d) and (e), a tax rate repeal or tax rate change for a tax
111 rate imposed under the following shall take effect on the first day of a calendar quarter:

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

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

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

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

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

- 119 (I) Subsection (2)(a)(i); or
- 120 (II) Subsection (2)(b)(i).
- 121 (ii) For a transaction described in Subsection (2)(d)(iii), the repeal of a tax or a tax rate
- 122 decrease shall take effect on the first day of the last billing period:
- 123 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
- 124 and
- 125 (B) if the billing period for the transaction begins before the effective date of the repeal
- 126 of the tax or the tax rate decrease imposed under:
- 127 (I) Subsection (2)(a)(i); or
- 128 (II) Subsection (2)(b)(i).
- 129 (iii) Subsections (2)(d)(i) and (ii) apply to transactions subject to a tax under:
- 130 (A) Subsection (1)(b);
- 131 (B) Subsection (1)(c);
- 132 (C) Subsection (1)(d);
- 133 (D) Subsection (1)(e);
- 134 (E) Subsection (1)(f);
- 135 (F) Subsection (1)(g);
- 136 (G) Subsection (1)(h);
- 137 (H) Subsection (1)(i);
- 138 (I) Subsection (1)(j); or
- 139 (J) Subsection (1)(k).
- 140 (e) (i) If a tax due under Subsection (2)(a)(i) on a catalogue sale is computed on the
- 141 basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax
- 142 rate imposed under Subsection (2)(a)(i) takes effect:
- 143 (A) on the first day of a calendar quarter; and
- 144 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change
- 145 under Subsection (2)(a)(i).
- 146 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
- 147 the commission may by rule define the term "catalogue sale."
- 148 (3) (a) Except as provided in Subsections (4) through [~~(7)~~] (9), the following state
- 149 taxes shall be deposited into the General Fund:

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

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

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

154 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
155 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
156 through (g):

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

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

159 (B) for the fiscal year; or

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

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

164 (A) implement the measures described in Subsections 63-34-14(4)(a) through (d) to
165 protect sensitive plant and animal species; or

166 (B) award grants, up to the amount authorized by the Legislature in an appropriations
167 act, to political subdivisions of the state to implement the measures described in Subsections
168 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

180 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in

181 Subsection (4)(b)(i) shall be deposited each year in the Agriculture Resource Development
182 Fund created in Section 4-18-6.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

221 (iii) develop surface water sources.

222 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
223 2006, the difference between the following amounts shall be expended as provided in this
224 Subsection (5), if that difference is greater than \$1:

225 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
226 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

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

228 (b) Ninety-four percent of the difference described in Subsection (5)(a) shall be
229 deposited into the Water Resources Conservation and Development Fund created in Section
230 73-10-24 for use by the Division of Water Resources for:

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

234 (A) planning;

235 (B) design;

236 (C) engineering studies;

237 (D) legal work;

238 (E) permitting;

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

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

241 (H) environmental studies; or

242 (I) any combination of Subsections (5)(b)(i)(A) through (H);

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

245 (iii) the cost of employing a civil engineer to oversee a project that develops more than
246 80,000 acre-feet of water; and

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

249 (c) Any unexpended monies described in Subsection (5)(b) that remain in the Water
250 Resources Conservation and Development Fund at the end of the fiscal year are nonlapsing.

251 (d) Subject to Subsection (5)(e), 6% of the difference described in Subsection (5)(a)
252 shall be transferred each year as dedicated credits to the Division of Water Rights to cover the
253 costs incurred for employing additional technical staff for the administration of water rights.

254 (e) At the end of each fiscal year, any unexpended dedicated credits described in
255 Subsection (5)(d) over \$150,000 lapse to the Water Resources Conservation and Development
256 Fund created in Section 73-10-24.

257 ~~[(5)]~~ (6) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after
258 July 1, 2003, the lesser of the following amounts shall be used as provided in Subsections ~~[(5)]~~
259 ~~(6)(b)~~ through (d):

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

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

262 (B) for the fiscal year; or

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

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

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

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

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

278 [~~(6)~~] (7) (a) Notwithstanding Subsection (3)(a) and until Subsection [~~(6)~~] (7)(b)
279 applies, beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
280 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
281 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable
282 transactions under Subsection (1).

283 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
284 have been paid off and the highway projects completed that are intended to be paid from
285 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
286 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
287 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
288 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
289 by a 1/64% tax rate on the taxable transactions under Subsection (1).

290 [~~(7)~~] (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after
291 fiscal year 2004-05, the commission shall each year on or before the September 30 immediately
292 following the last day of the fiscal year deposit the difference described in Subsection [~~(7)~~]
293 (8)(b) into the Remote Sales Restricted Account created in Section 59-12-103.2 if that
294 difference is greater than \$0.

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

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

300 (A) revenues under Subsection (2)(a)(i); and

301 (B) revenues under Subsection (2)(b)(i); and

302 (ii) \$7,279,673.

303 [~~(8)~~] (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
304 Subsection [~~(6)~~] (7)(a), and until Subsection [~~(8)~~] (9)(b) applies, for a fiscal year beginning on

305 or after July 1, 2005, the Division of Finance shall deposit \$59,594,700 of the revenues
306 generated by the taxes described in Subsections (2)(a)(i) and (2)(b)(i) into the Centennial
307 Highway Fund Restricted Account created by Section 72-2-118.

308 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
309 Subsection [~~(6)~~] (7)(b), when the highway general obligation bonds have been paid off and the
310 highway projects completed that are intended to be paid from revenues deposited in the
311 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
312 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit
313 \$59,594,700 of the revenues generated by the taxes described in Subsections (2)(a)(i) and
314 (2)(b)(i) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

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

316 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
317 **collection, and enforcement of tax -- Administrative fee -- Deposits.**

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

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

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

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

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

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

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

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

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

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

336 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;
337 (b) the motor vehicle is rented as a personal household goods moving van; or
338 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
339 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
340 insurance agreement.

341 (4) (a) (i) Except as provided in Subsection (4)(a)(ii), the tax authorized under this
342 section shall be administered, collected, and enforced in accordance with:

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

345 (B) Chapter 1, General Taxation Policies.

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

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

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

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

351 (c) Except as provided under Subsection (4)(b), all revenue received by the
352 commission under this section shall be deposited daily with the state treasurer and credited
353 monthly to the Transportation Corridor Preservation Revolving Loan Fund under Section
354 72-2-117.

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

356 **72-2-124. Transportation Investment Fund of 2005.**

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

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

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

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

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

367 following sources:

- 368 (a) registration fees designated under Subsection 41-1a-1201(6)(a);
369 (b) the clean special fuel tax certificate surcharge under Subsection 59-13-304(3); and
370 (c) the sales and use tax amounts provided for in Subsections 59-12-103[~~(6)~~](7)(b) and
371 [~~(8)~~] (9)(b).

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

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

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

378 (b) The executive director may use fund monies deposited into the fund in fiscal year
379 2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state
380 and federal highways prioritized by the Transportation Commission.

381 Section 4. **Effective date.**

382 This bill takes effect on July 1, 2006.

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

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

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

390 "(i) preconstruction costs:

391 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
392 26, Bear River Development Act; and

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

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

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