

Representative Rebecca D. Lockhart proposes the following substitute bill:

TRANSPORTATION FUNDING REVISIONS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca D. Lockhart

Senate Sponsor: Sheldon L. Killpack

Cosponsor: Lorie D. Fowlke

LONG TITLE

General Description:

This bill modifies the Sales and Use Tax Act and the Transportation Finances Act by amending provisions relating to funding for transportation.

Highlighted Provisions:

This bill:

▶ changes the percentage of the sales and use tax revenues dedicated to:

- the Centennial Highway Fund Restricted Account; and
- the Transportation Investment Fund of 2005 when certain general obligation bonds are paid off;

▶ requires the Division of Finance to deposit funds from the Centennial Highway Fund Restricted Account into the Transportation Investment Fund of 2005 if the fund monies are not required to pay certain costs for highway projects in the Centennial Highway Program in the current fiscal year;

▶ authorizes the executive director of the Department of Transportation to use a certain amount of monies deposited in the Transportation Investment Fund of 2005 for:

- congestion mitigation on existing state and federal highways; and
- right-of-way acquisition for future new transportation capacity projects; and

27 ▶ makes technical changes.

28 **Monies Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill takes effect on July 1, 2007.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **59-12-103**, as last amended by Chapter 9, Laws of Utah 2006, Third Special Session

35 **72-2-118**, as last amended by Chapter 1, Laws of Utah 2005, First Special Session

36 **72-2-124**, as last amended by Chapters 11 and 135, Laws of Utah 2006



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

39 Section 1. Section **59-12-103** is amended to read:

40 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
41 **tax revenues.**

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

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

45 (b) amounts paid:

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

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

48 (I) telephone service provider; or

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

50 (ii) for:

51 (A) telephone service, other than mobile telecommunications service, that originates
52 and terminates within the boundaries of this state;

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

56 (C) telegraph service;

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

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

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

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

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

94 (i) stored;

95 (ii) used; or

96 (iii) otherwise consumed;

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

99 (i) stored;

100 (ii) used; or

101 (iii) consumed; and

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

103 (2) (a) Except as provided in Subsection (2)(b) or (f), a state tax and a local tax is
104 imposed on a transaction described in Subsection (1) equal to the sum of:

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

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

108 (b) (i) A state tax and a local tax is imposed on a transaction described in Subsection
109 (1)(d) equal to the sum of:

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

111 (B) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
112 transaction under this chapter other than this part; or

113 (ii) if a seller collects a tax in accordance with Subsection 59-12-107(1)(b) on a
114 transaction described in Subsection (1), a state tax and a local tax is imposed on the transaction
115 equal to the sum of:

116 (A) a state tax imposed on the transaction at a rate of:

117 (I) 4.75% for a transaction other than a transaction described in Subsection (1)(d); or

118 (II) 2% for a transaction described in Subsection (1)(d); and

119 (B) a local tax imposed on the transaction at a rate equal to the sum of the following

120 rates:

121 (I) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
122 and towns in the state impose the tax under Section 59-12-204; and

123 (II) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
124 state impose the tax under Section 59-12-1102.

125 (iii) Except as provided in Subsection (2)(f), beginning on January 1, 2007, a state tax
126 and a local tax is imposed on amounts paid or charged for food and food ingredients equal to
127 the sum of:

128 (A) a state tax imposed on the amounts paid or charged for food and food ingredients
129 at a rate of 2.75%; and

130 (B) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
131 amounts paid or charged for food and food ingredients under this chapter other than this part.

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

134 (i) Subsection (2)(a)(i);

135 (ii) Subsection (2)(b)(i)(A);

136 (iii) Subsection (2)(b)(ii)(A); or

137 (iv) Subsection (2)(b)(iii)(A).

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

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

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

143 (I) Subsection (2)(a)(i);

144 (II) Subsection (2)(b)(i)(A); or

145 (III) Subsection (2)(b)(ii)(A).

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

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

150 (B) if the billing period for the transaction begins before the effective date of the repeal

151 of the tax or the tax rate decrease imposed under:

152 (I) Subsection (2)(a)(i);

153 (II) Subsection (2)(b)(i)(A); or

154 (III) Subsection (2)(b)(ii)(A).

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

156 (A) Subsection (1)(b);

157 (B) Subsection (1)(c);

158 (C) Subsection (1)(d);

159 (D) Subsection (1)(e);

160 (E) Subsection (1)(f);

161 (F) Subsection (1)(g);

162 (G) Subsection (1)(h);

163 (H) Subsection (1)(i);

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

165 (J) Subsection (1)(k).

166 (e) (i) If a tax due under Subsection (2)(a)(i) or (2)(b)(ii)(A) on a catalogue sale is
167 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
168 change in a tax rate imposed under Subsection (2)(a)(i) or (2)(b)(ii)(A) takes effect:

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

170 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change
171 under Subsection (2)(a)(i) or (2)(b)(ii)(A).

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

174 (f) If the price of a bundled transaction is attributable to food and food ingredients and
175 tangible personal property other than food and food ingredients, the tax imposed on the entire
176 bundled transaction is the sum of the tax rates described in Subsection (2)(a).

177 (3) (a) Except as provided in Subsections (4) through (9), the following state taxes
178 shall be deposited into the General Fund:

179 (i) the tax imposed by Subsection (2)(a)(i);

180 (ii) the tax imposed by Subsection (2)(b)(i)(A);

181 (iii) the tax imposed by Subsection (2)(b)(ii)(A); or

182 (iv) the tax imposed by Subsection (2)(b)(iii)(A).

183 (b) The local taxes described in Subsections (2)(a)(ii), (2)(b)(i)(B), and (2)(b)(iii)(B)
184 shall be distributed to a county, city, or town as provided in this chapter.

185 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the
186 state shall receive the county's, city's, or town's proportionate share of the revenues generated
187 by the local tax described in Subsection (2)(b)(ii)(B) as provided in Subsection (3)(c)(ii).

188 (ii) The commission shall determine a county's, city's, or town's proportionate share of
189 the revenues under Subsection (3)(c)(i) by:

190 (A) calculating an amount equal to the population of the unincorporated area of the
191 county, city, or town divided by the total population of the state; and

192 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total
193 amount of revenues generated by the local tax under Subsection (2)(b)(ii)(B) for all counties,
194 cities, and towns.

195 (iii) (A) Except as provided in Subsection (3)(c)(iii)(B), population figures for
196 purposes of this section shall be derived from the most recent official census or census estimate
197 of the United States Census Bureau.

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

201 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
202 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
203 through (g):

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

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

206 (B) for the fiscal year; or

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

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

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

213 (B) award grants, up to the amount authorized by the Legislature in an appropriations
214 act, to political subdivisions of the state to implement the measures described in Subsections
215 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

247 (A) conduct hydrologic and geotechnical investigations by the Division of Water
248 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
249 quantifying surface and ground water resources and describing the hydrologic systems of an
250 area in sufficient detail so as to enable local and state resource managers to plan for and
251 accommodate growth in water use without jeopardizing the resource;

252 (B) fund state required dam safety improvements; and

253 (C) protect the state's interest in interstate water compact allocations, including the
254 hiring of technical and legal staff.

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

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

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

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

264 (iii) develop surface water sources.

265 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
266 2006, the difference between the following amounts shall be expended as provided in this
267 Subsection (5), if that difference is greater than \$1:

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

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

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

272 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
273 credits; and

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

275 restoration.

276 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
277 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
278 created in Section 73-10-24.

279 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
280 remaining difference described in Subsection (5)(a) shall be:

281 (A) transferred each fiscal year to the Division of Water Resources as dedicated
282 credits; and

283 (B) expended by the Division of Water Resources for cloud-seeding projects
284 authorized by Title 73, Chapter 15, Modification of Weather.

285 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
286 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
287 created in Section 73-10-24.

288 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the
289 remaining difference described in Subsection (5)(a) shall be deposited into the Water
290 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
291 Division of Water Resources for:

292 (i) preconstruction costs:

293 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
294 26, Bear River Development Act; and

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

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

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

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

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

305 (f) After making the transfers required by Subsections (5)(b) and (c) and subject to

306 Subsection (5)(g), 6% of the remaining difference described in Subsection (5)(a) shall be
307 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
308 incurred for employing additional technical staff for the administration of water rights.

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

312 (6) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
313 2003, the lesser of the following amounts shall be used as provided in Subsections (6)(b)
314 through (d):

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

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

317 (B) for the fiscal year; or

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

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

322 (ii) At least 50% of the money deposited in the Transportation Corridor Preservation
323 Revolving Loan Fund under Subsection (6)(b)(i) shall be used to fund loan applications made
324 by the Department of Transportation at the request of local governments.

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

329 (d) For a fiscal year beginning on or after July 1, 2003, 94% of the amount described in
330 Subsection (6)(a) shall be deposited in the class B and class C roads account to be expended as
331 provided in Title 72, Chapter 2, Transportation Finances Act, for the use of class B and C
332 roads.

333 (7) (a) Notwithstanding Subsection (3)(a) and until Subsection (7)(b) applies,
334 beginning on January 1, 2000, the Division of Finance shall deposit into the Centennial
335 Highway Fund Restricted Account created in Section 72-2-118 a portion of the taxes listed
336 under Subsection (3)(a) equal to the revenues generated by a 1/64% tax rate on the taxable

337 transactions under Subsection (1).

338 (b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds
339 have been paid off and the highway projects completed that are intended to be paid from
340 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the
341 Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of
342 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section
343 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
344 by a 1/64% tax rate on the taxable transactions under Subsection (1).

345 (8) (a) Notwithstanding Subsection (3)(a), for fiscal years beginning on or after fiscal
346 year 2004-05, the commission shall each year on or before the September 30 immediately
347 following the last day of the fiscal year deposit the difference described in Subsection (8)(b)
348 into the Remote Sales Restricted Account created in Section 59-12-103.2 if that difference is
349 greater than \$0.

350 (b) The difference described in Subsection (8)(a) is equal to the difference between:

351 (i) the total amount of the revenues under Subsections (2)(b)(ii)(A) and (2)(b)(iii)(A)
352 the commission received from sellers collecting a tax in accordance with Subsection
353 59-12-107(1)(b) for the fiscal year immediately preceding the September 30 described in
354 Subsection (8)(a); and

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

356 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
357 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after
358 July 1, 2006, the Division of Finance shall deposit into the Centennial Highway Fund
359 Restricted Account created by Section 72-2-118 a portion of the taxes listed under Subsection
360 (3)(a) equal to [~~8.3%~~] 10.1% of the revenues collected from the taxes described in Subsections
361 (2)(a)(i), (2)(b)(i)(A), and (2)(b)(iii)(A), which represents a portion of the approximately 17%
362 of sales and use tax revenues generated annually by the sales and use tax on vehicles and
363 vehicle-related products.

364 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
365 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
366 highway projects completed that are intended to be paid from revenues deposited in the
367 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations

368 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
369 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
370 listed under Subsection (3)(a) equal to [~~8.3%~~] 10.1% of the revenues collected from the taxes
371 described in Subsections (2)(a)(i), (2)(b)(i)(A), and (2)(b)(iii)(A), which represents a portion of
372 the approximately 17% of sales and use tax revenues generated annually by the sales and use
373 tax on vehicles and vehicle-related products.

374 Section 2. Section **72-2-118** is amended to read:

375 **72-2-118. Centennial Highway Fund Restricted Account.**

376 (1) There is created a restricted account entitled the Centennial Highway Fund
377 Restricted Account within the Transportation Investment Fund of 2005 created by Section
378 72-2-124.

379 (2) The account consists of monies generated from the following revenue sources:

380 (a) any voluntary contributions received for the construction, major reconstruction, or
381 major renovation of state or federal highways;

382 (b) appropriations made to the fund by the Legislature;

383 (c) registration fees designated under Subsection 41-1a-1201(6)(a); and

384 (d) the sales and use tax amounts provided for in Section 59-12-103.

385 (3) (a) The account shall earn interest.

386 (b) All interest earned on account monies shall be deposited into the account.

387 (4) The executive director may use account monies, as prioritized by the Transportation
388 Commission, only to pay the costs of construction, major reconstruction, or major renovation
389 to state and federal highways.

390 (5) When the highway general obligation bonds have been paid off and the highway
391 projects completed that are intended to be paid from revenues deposited in the account as
392 determined by the Executive Appropriations Committee under Subsection (6)(d), the Division
393 of Finance shall transfer any existing balance in the account into the Transportation Investment
394 Fund of 2005 created by Section 72-2-124.

395 (6) (a) The Division of Finance shall monitor the highway general obligation bonds
396 that are being paid from revenues deposited in the account.

397 (b) The department shall monitor the highway construction, major reconstruction, or
398 major renovation projects that are being paid from revenues deposited in the account.

399 (c) Upon request by the Executive Appropriations Committee of the Legislature:

400 (i) the Division of Finance shall report to the committee the status of all highway
401 general obligation bonds that are being paid from revenues deposited in the account; and

402 (ii) the department shall report to the committee the status of all highway construction,
403 major reconstruction, or major renovation projects that are being paid from revenues deposited
404 in the account.

405 (d) The Executive Appropriations Committee of the Legislature shall notify the State
406 Tax Commission, the department, and the Division of Finance when:

407 (i) all highway general obligation bonds that are intended to be paid from revenues
408 deposited in the account have been paid off; and

409 (ii) all highway projects that are intended to be paid from revenues deposited in the
410 account have been completed.

411 (7) (a) The Division of Finance shall, from funds that are deposited into the Centennial
412 Highway Fund Restricted Account, transfer into the Transportation Investment Fund of 2005
413 created by Section 72-2-124 the amount of funds certified by the Transportation Commission
414 in accordance with Subsection (7)(b) that are not required to pay:

415 (i) principal, interest, and issuance costs of bonds issued for projects in the Centennial
416 Highway Program in the current fiscal year; or

417 (ii) construction or reconstruction costs for projects in the Centennial Highway
418 Program in the current fiscal year.

419 (b) The Division of Finance shall transfer the amount under Subsection (7)(a) when the
420 Division of Finance receives a written letter from the Transportation Commission certifying the
421 amount of funds available under Subsection (7)(a).

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

423 **72-2-124. Transportation Investment Fund of 2005.**

424 (1) There is created a special revenue fund within the Transportation Fund entitled the
425 Transportation Investment Fund of 2005.

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

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

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

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

- 435 (a) registration fees designated under Subsection 41-1a-1201(6)(a);
- 436 (b) the clean special fuel tax certificate surcharge under Subsection 59-13-304(3); and
- 437 (c) the sales and use tax amounts provided for in Section 59-12-103.

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

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

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

444 ~~[(b) The executive director may use fund monies deposited into the fund in fiscal year
445 2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state
446 and federal highways prioritized by the Transportation Commission.]~~

447 ~~[(c)]~~ (b) The executive director may use fund monies to exchange for an equal or
448 greater amount of federal transportation funds to be used as provided in Subsection (5)(a).

449 (c) (i) The executive director may use fund monies deposited into the fund to pay:

450 (A) the costs of congestion mitigation on existing state and federal highways
451 prioritized by the Transportation Commission; and

452 (B) for the acquisition of right-of-way for future new transportation capacity projects.

453 (ii) Congestion mitigation projects:

454 (A) are not required to be prioritized through the prioritization process for new
455 transportation capacity projects adopted under Section 72-1-304; and

456 (B) shall be included on the Statewide Transportation Improvement Program.

457 (iii) Monies spent for congestion mitigation projects and right-of-way purchase in
458 accordance with this Subsection (5)(c) may not exceed \$70,000,000.

459 Section 4. **Effective date.**

460 This bill takes effect on July 1, 2007.

H.B. 314 1st Sub. (Buff) - Transportation Funding Revisions

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill would require the Division of Finance to deposit 10.1% of the revenues collected from taxable sales to the Centennial Highway Fund Restricted Account. The FY 2008 deposit to that account is estimated to be \$207,112,000 which is \$36,911,000 above the current allocation.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
General Fund	\$0	\$0	\$0	\$0	(\$36,911,000)	(\$38,387,000)
Transportation Fund Restricted	\$0	\$0	\$0	\$0	\$36,911,000	\$38,387,000
Total	\$0	\$0	\$0	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.