

1 **SALES AND USE TAX REVENUES FOR QUALIFIED**
2 **EMERGENCY FOOD AGENCIES**

3 2008 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Larry B. Wiley**

6 Senate Sponsor: Mike Dmitrich

8 **LONG TITLE**

9 **General Description:**

10 This bill amends the State Community Services Act and the Sales and Use Tax Act
11 relating to qualified emergency food agencies.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ modifies the duties of the State Community Services Office relating to qualified
15 emergency food agencies;
- 16 ▶ creates the Qualified Emergency Food Agencies Fund;
- 17 ▶ dedicates certain state sales and use tax revenues to be distributed by the State
18 Community Services Office to qualified emergency food agencies;
- 19 ▶ establishes procedures and requirements for making or receiving a distribution of
20 those state sales and use tax revenues;
- 21 ▶ repeals a sales tax refund for qualified emergency food agencies; and
- 22 ▶ makes technical changes.

23 **Monies Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 This bill provides effective dates.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **9-4-1404**, as last amended by Laws of Utah 2001, Chapter 162

30 **59-12-103**, as last amended by Laws of Utah 2007, Chapters 9, 101, 126, 206, and 288

31 ENACTS:

32 **9-4-1409**, Utah Code Annotated 1953

33 REPEALS:

34 **59-12-901**, as last amended by Laws of Utah 2003, Chapter 312

35 **59-12-902**, as last amended by Laws of Utah 2004, Chapter 18

36

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

38 Section 1. Section **9-4-1404** is amended to read:

39 **9-4-1404. Duties of office.**

40 The office shall:

41 (1) coordinate state activities designed to reduce poverty;

42 (2) encourage entities in the private sector to participate in efforts to ameliorate poverty
43 in the community;

44 (3) cooperate with agencies of local, state, and federal government in reducing poverty
45 and implementing community, social, and economic programs;

46 (4) receive and expend funds for the purposes outlined in this part;

47 (5) enter into contracts with and award grants to public and private nonprofit agencies
48 and organizations;

49 (6) develop a state plan based on needs identified by community action agencies and
50 community action statewide organizations;

51 (7) designate community action agencies to receive funds through the Community
52 Services Block Grant program;

53 (8) fund community action agencies and community action statewide organizations;

54 (9) make rules in conjunction with the division pursuant to Title 63, Chapter 46a, Utah
55 Administrative Rulemaking Act, to carry out the purposes of this part;

56 (10) provide assistance to local governments or private organizations for the purpose of
57 establishing and operating a community action agency;

58 (11) provide technical assistance to community action agencies to improve program
59 planning, program development, administration, and the mobilization of public and private
60 resources;

61 (12) convene public meetings which provide citizens the opportunity to comment on
62 public policies and programs to reduce poverty;

63 (13) advise the governor and Legislature of the nature and extent of poverty in the state
64 and make recommendations concerning changes in state and federal policies and programs;

65 (14) encourage Utah's nonprofit humanitarian assistance agencies serving low-income
66 persons by facilitating, coordinating, training, partnerships, and providing technical assistance in
67 addressing Utah's low-income persons by enhancing management, improving service and
68 program delivery, and preserving flexibility and local initiative;

69 (15) develop and implement management goals which fulfill the Community Services
70 Block Grant mission, state requirements, and the mandates of federal legislation;

71 (16) prepare a Community Services Block Grant plan which contains provisions
72 describing how the state will carry out the assurances of the Community Services Block Grant
73 Act;

74 (17) act as the state agency responsible for the evaluation and improvement of
75 emergency food assistance services in the state;

76 (18) monitor the impact of social policies on the emergency food network;

77 (19) provide training and technical assistance to all grantees to assist them in program
78 development and implementation, compliance with state and federal regulations, and reporting
79 and management information systems;

80 [~~(20) certify, monitor, and decertify qualified emergency food agencies for purposes of~~
81 ~~the sales tax refund under Section 59-12-902; and]~~

82 (20) make the distributions required by Section 9-4-1409; and

83 (21) administer other programs to alleviate poverty assigned to the office.

84 Section 2. Section **9-4-1409** is enacted to read:

85 **9-4-1409. Qualified Emergency Food Agencies Fund -- Expenditure of revenues.**

86 (1) As used in this section:

87 (a) "Association of governments" means the following created under the authority of
88 Title 11, Chapter 13, Interlocal Cooperation Act:

89 (i) an association of governments; or

90 (ii) a regional council that acts as an association of governments.

91 (b) "Consumer price index" is as described in Section 1(f)(4), Internal Revenue Code,
92 and defined in Section 1(f)(5), Internal Revenue Code.

93 (c) "Food and food ingredients" is as defined in Section 59-12-102.

94 (d) "Pounds of food donated" means the aggregate number of pounds of food and food
95 ingredients that are donated:

96 (i) to a qualified emergency food agency; and

97 (ii) by a person, other than an organization that as part of its activities operates a
98 program that has as the program's primary purpose to:

99 (A) warehouse and distribute food to other agencies and organizations providing food
100 and food ingredients to low-income persons; or

101 (B) provide food and food ingredients directly to low-income persons.

102 (e) "Qualified emergency food agency" means an organization that:

103 (i) is:

104 (A) exempt from federal income taxation under Section 501(c)(3), Internal Revenue
105 Code; or

106 (B) an association of governments;

107 (ii) as part of its activities operates a program that has as the program's primary purpose
108 to:

109 (A) warehouse and distribute food to other agencies and organizations providing food
110 and food ingredients to low-income persons; or

111 (B) provide food and food ingredients directly to low-income persons; and

112 (iii) the office determines to be a qualified emergency food agency.

113 (2) There is created a restricted special revenue fund known as the Qualified Emergency

114 Food Agencies Fund.

115 (3) (a) The Qualified Emergency Food Agencies Fund shall be funded by the state sales
116 and use tax revenues described in Subsection 59-12-103(11).

117 (b) Any interest earned on the Qualified Emergency Food Agencies Fund shall be
118 deposited into the General Fund.

119 (4) The office shall for a fiscal year distribute monies deposited into the Qualified
120 Emergency Food Agencies Fund to qualified emergency food agencies within the state as
121 provided in this section.

122 (5) A qualified emergency food agency shall file an application with the office before
123 the qualified emergency food agency may receive a distribution under this section.

124 (6) Except as provided in Subsection (7), the office shall for a fiscal year distribute to a
125 qualified emergency food agency an amount equal to the product of:

126 (a) the pounds of food donated to the qualified emergency food agency during that
127 fiscal year; and

128 (b) \$.12.

129 (7) If the monies deposited into the Qualified Emergency Food Agencies Fund are
130 insufficient to make the distributions required by Subsection (6), the office shall make
131 distributions to qualified emergency food agencies in the order that the office receives
132 applications from the qualified emergency food agencies until all of the monies deposited into
133 the Qualified Emergency Food Agencies Fund for the fiscal year are expended.

134 (8) A qualified emergency food agency may expend a distribution received in
135 accordance with this section only for a purpose related to:

136 (a) warehousing and distributing food and food ingredients to other agencies and
137 organizations providing food and food ingredients to low-income persons; or

138 (b) providing food and food ingredients directly to low-income persons.

139 (9) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
140 Division of Housing and Community Development may make rules providing procedures for
141 implementing the distributions required by this section, including:

142 (a) standards for determining and verifying the amount of a distribution that a qualified
143 emergency food agency may receive;

144 (b) procedures for a qualified emergency food agency to apply for a distribution,
145 including the frequency with which a qualified emergency food agency may apply for a
146 distribution; and

147 (c) consistent with Subsection (1)(e), determining whether an entity is a qualified
148 emergency food agency.

149 Section 3. Section **59-12-103** is amended to read:

150 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
151 **tax revenues.**

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

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

155 (b) amounts paid:

156 (i) to a:

157 (A) telephone service provider regardless of whether the telephone service provider is
158 municipally or privately owned; or

159 (B) telegraph corporation:

160 (I) as defined in Section 54-2-1; and

161 (II) regardless of whether the telegraph corporation is municipally or privately owned;

162 and

163 (ii) for:

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

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

169 (C) telegraph service;

- 170 (c) sales of the following for commercial use:
- 171 (i) gas;
- 172 (ii) electricity;
- 173 (iii) heat;
- 174 (iv) coal;
- 175 (v) fuel oil; or
- 176 (vi) other fuels;
- 177 (d) sales of the following for residential use:
- 178 (i) gas;
- 179 (ii) electricity;
- 180 (iii) heat;
- 181 (iv) coal;
- 182 (v) fuel oil; or
- 183 (vi) other fuels;
- 184 (e) sales of prepared food;
- 185 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 186 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 187 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs,
- 188 races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 189 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 190 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis
- 191 courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 192 horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition,
- 193 cultural, or athletic activity;
- 194 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 195 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 196 (i) the tangible personal property; and
- 197 (ii) parts used in the repairs or renovations of the tangible personal property described

198 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
199 of that tangible personal property;

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

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

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

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

207 (i) stored;

208 (ii) used; or

209 (iii) otherwise consumed;

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

212 (i) stored;

213 (ii) used; or

214 (iii) consumed; and

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

216 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
217 is imposed on a transaction described in Subsection (1) equal to the sum of:

218 (i) a state tax imposed on the transaction at a tax rate of 4.65%; and

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

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

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

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

226 (c) Except as provided in Subsection (2)(d) or (e), beginning on January 1, 2007, a
227 state tax and a local tax is imposed on amounts paid or charged for food and food ingredients
228 equal to the sum of:

229 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
230 a tax rate of 1.75%; and

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

233 (d) Except as provided in Subsection (2)(e), if a seller collects a tax in accordance with
234 Subsection 59-12-107(1)(b) on a transaction described in Subsection (1), a state tax and a local
235 tax is imposed on the transaction equal to the sum of:

236 (i) a state tax imposed on the transaction at a tax rate of:

237 (A) 4.65% for a transaction other than a transaction described in Subsection
238 (2)(d)(i)(B) or (2)(d)(i)(C);

239 (B) 2% for a transaction described in Subsection (1)(d); or

240 (C) beginning on January 1, 2007, 1.75% on the amounts paid or charged for food and
241 food ingredients; and

242 (ii) a local tax imposed on the transaction at a tax rate equal to the sum of the following
243 tax rates:

244 (A) the tax rate authorized by Section 59-12-204, but only if all of the counties, cities,
245 and towns in the state impose the tax authorized by Section 59-12-204; and

246 (B) the tax rate authorized by Section 59-12-1102, but only if all of the counties in the
247 state impose the tax authorized by Section 59-12-1102.

248 (e) (i) A state tax and a local tax is imposed on an entire bundled transaction as
249 provided in this Subsection (2)(e) if the bundled transaction is attributable to food and food
250 ingredients and tangible personal property other than food and food ingredients.

251 (ii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a
252 seller other than a seller that collects a tax in accordance with Subsection 59-12-107(1)(b),
253 beginning on January 1, 2007, a state tax and a local tax is imposed on the entire bundled

254 transaction equal to the sum of:

255 (A) a state tax imposed on the entire bundled transaction at the tax rate described in
256 Subsection (2)(a)(i); and

257 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
258 described in Subsection (2)(a)(ii).

259 (iii) If the tax on a bundled transaction described in Subsection (2)(e)(i) is collected by a
260 seller in accordance with Subsection 59-12-107(1)(b), beginning on January 1, 2007, a state tax
261 and a local tax is imposed on the entire bundled transaction equal to the sum of:

262 (A) a state tax imposed on the entire bundled transaction at the tax rate described in
263 Subsection (2)(d)(i)(A); and

264 (B) a local tax imposed on the entire bundled transaction at a tax rate equal to the sum
265 of the following tax rates:

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

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

270 (f) Subject to Subsections (2)(g) and (h), a tax rate repeal or tax rate change for a tax
271 rate imposed under the following shall take effect on the first day of a calendar quarter:

272 (i) Subsection (2)(a)(i);

273 (ii) Subsection (2)(b)(i);

274 (iii) Subsection (2)(c)(i);

275 (iv) Subsection (2)(d)(i);

276 (v) Subsection (2)(e)(ii)(A); or

277 (vi) Subsection (2)(e)(iii)(A).

278 (g) (i) For a transaction described in Subsection (2)(g)(iii), a tax rate increase shall take
279 effect on the first day of the first billing period that begins after the effective date of the tax rate
280 increase if the billing period for the transaction begins before the effective date of a tax rate
281 increase imposed under:

- 282 (A) Subsection (2)(a)(i);
- 283 (B) Subsection (2)(b)(i);
- 284 (C) Subsection (2)(c)(i);
- 285 (D) Subsection (2)(d)(i);
- 286 (E) Subsection (2)(e)(ii)(A); or
- 287 (F) Subsection (2)(e)(iii)(A).
- 288 (ii) For a transaction described in Subsection (2)(g)(iii), the repeal of a tax or a tax rate
- 289 decrease shall take effect on the first day of the last billing period that began before the effective
- 290 date of the repeal of the tax or the tax rate decrease if the billing period for the transaction
- 291 begins before the effective date of the repeal of the tax or the tax rate decrease imposed under:
 - 292 (A) Subsection (2)(a)(i);
 - 293 (B) Subsection (2)(b)(i);
 - 294 (C) Subsection (2)(c)(i);
 - 295 (D) Subsection (2)(d)(i);
 - 296 (E) Subsection (2)(e)(ii)(A); or
 - 297 (F) Subsection (2)(e)(iii)(A).
- 298 (iii) Subsections (2)(g)(i) and (ii) apply to transactions subject to a tax under:
 - 299 (A) Subsection (1)(b);
 - 300 (B) Subsection (1)(c);
 - 301 (C) Subsection (1)(d);
 - 302 (D) Subsection (1)(e);
 - 303 (E) Subsection (1)(f);
 - 304 (F) Subsection (1)(g);
 - 305 (G) Subsection (1)(h);
 - 306 (H) Subsection (1)(i);
 - 307 (I) Subsection (1)(j); or
 - 308 (J) Subsection (1)(k).
- 309 (h) (i) For a tax rate described in Subsection (2)(h)(ii), if a tax due on a catalogue sale is

310 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
311 change in a tax rate takes effect:

- 312 (A) on the first day of a calendar quarter; and
- 313 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

314 (ii) Subsection (2)(h)(i) applies to the tax rates described in the following:

- 315 (A) Subsection (2)(a)(i);
- 316 (B) Subsection (2)(b)(i);
- 317 (C) Subsection (2)(c)(i);
- 318 (D) Subsection (2)(d)(i);
- 319 (E) Subsection (2)(e)(ii)(A); or
- 320 (F) Subsection (2)(e)(iii)(A).

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

323 (3) (a) [~~Except as provided in Subsections (4) through (10), the~~] The following state
324 taxes shall be deposited into the General Fund:

- 325 (i) the tax imposed by Subsection (2)(a)(i);
- 326 (ii) the tax imposed by Subsection (2)(b)(i);
- 327 (iii) the tax imposed by Subsection (2)(c)(i);
- 328 (iv) the tax imposed by Subsection (2) (d)(i);
- 329 (v) the tax imposed by Subsection (2)(e)(ii)(A); and
- 330 (vi) the tax imposed by Subsection (2)(e)(iii)(A).

331 (b) The following local taxes shall be distributed to a county, city, or town as provided
332 in this chapter:

- 333 (i) the tax imposed by Subsection (2)(a)(ii);
- 334 (ii) the tax imposed by Subsection (2)(b)(ii);
- 335 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 336 (iv) the tax imposed by Subsection (2)(e)(ii)(B).

337 (c) (i) Notwithstanding any provision of this chapter, each county, city, or town in the

338 state shall receive the county's, city's, or town's proportionate share of the revenues generated
339 by the following local taxes as provided in Subsection (3)(c)(ii):

340 (A) the local tax described in Subsection (2)(d)(ii); and

341 (B) the local tax described in Subsection (2)(e)(iii)(B).

342 (ii) For revenues generated by a tax described in Subsection (3)(c)(i), the commission
343 shall determine a county's, city's, or town's proportionate share of the revenues by:

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

346 (B) multiplying the amount determined under Subsection (3)(c)(ii)(A) by the total
347 amount of revenues generated by the taxes described in Subsection (3)(c)(i) for all counties,
348 cities, and towns.

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

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

355 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
356 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
357 through (g):

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

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

360 (B) for the fiscal year; or

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

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

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

366 protect sensitive plant and animal species; or

367 (B) award grants, up to the amount authorized by the Legislature in an appropriations
368 act, to political subdivisions of the state to implement the measures described in Subsections
369 63-34-14(4)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

418 (iii) develop surface water sources.

419 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
420 2006, the difference between the following amounts shall be expended as provided in this
421 Subsection (5), if that difference is greater than \$1:

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

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

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

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

428 (B) expended by the Department of Natural Resources for watershed rehabilitation or
429 restoration.

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

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

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

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

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

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

446 (i) preconstruction costs:

447 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
448 26, Bear River Development Act; and

449 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project

450 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

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

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

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

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

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

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

466 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
467 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
468 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
469 the Transportation Fund created by Section 72-2-102.

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

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

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

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

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

488 (i) the total amount of the revenues the commission received from sellers collecting the
489 taxes described in Subsections (2)(d)(i) and (2)(e)(iii)(A) for the fiscal year immediately
490 preceding the September 30 described in Subsection (8)(a); and

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

492 (9) (a) Notwithstanding Subsection (3)(a), in addition to the amount deposited in
493 Subsection (7)(a), and until Subsection (9)(b) applies, for a fiscal year beginning on or after July
494 1, 2007, the Division of Finance shall deposit into the Centennial Highway Fund Restricted
495 Account created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal
496 to 8.3% of the revenues collected from the following taxes, which represents a portion of the
497 approximately 17% of sales and use tax revenues generated annually by the sales and use tax on
498 vehicles and vehicle-related products:

- 499 (i) the tax imposed by Subsection (2)(a)(i);
- 500 (ii) the tax imposed by Subsection (2)(b)(i);
- 501 (iii) the tax imposed by Subsection (2)(c)(i); and
- 502 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

503 (b) Notwithstanding Subsection (3)(a) and in addition to the amounts deposited under
504 Subsection (7)(b), when the highway general obligation bonds have been paid off and the
505 highway projects completed that are intended to be paid from revenues deposited in the

506 Centennial Highway Fund Restricted Account as determined by the Executive Appropriations
 507 Committee under Subsection 72-2-118(6)(d), the Division of Finance shall deposit into the
 508 Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes
 509 listed under Subsection (3)(a) equal to 8.3% of the revenues collected from the following taxes,
 510 which represents a portion of the approximately 17% of sales and use tax revenues generated
 511 annually by the sales and use tax on vehicles and vehicle-related products:

- 512 (i) the tax imposed by Subsection (2)(a)(i);
- 513 (ii) the tax imposed by Subsection (2)(b)(i);
- 514 (iii) the tax imposed by Subsection (2)(c)(i); and
- 515 (iv) the tax imposed by Subsection (2)(e)(ii)(A).

516 (10) (a) Notwithstanding Subsection (3)(a) and until Subsection (10)(b) applies, the
 517 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes
 518 listed under Subsection (3)(a) into the Critical Highway Needs Fund created by Section
 519 72-2-125.

520 (b) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under
 521 Subsections (7) and (9), when the general obligation bonds authorized by Section 63B-16-101
 522 have been paid off and the highway projects completed that are included in the prioritized
 523 project list under Subsection 72-2-125(4) as determined in accordance with Subsection
 524 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues
 525 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund
 526 of 2005 created by Section 72-2-124.

527 (11) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
 528 2008-09, \$915,000 shall be deposited into the Qualified Emergency Food Agencies Fund
 529 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

530 **Section 4. Repealer.**

531 This bill repeals:

532 Section **59-12-901, Definitions.**

533 Section **59-12-902, Sales tax refund for qualified emergency food agencies -- Use of**

534 **amounts received as refund -- Administration -- Rulemaking authority.**

535 **Section 5. Effective date.**

536 (1) Except as provided in Subsection (2), this bill takes effect on May 5, 2008.

537 (2) The repeal of Sections 59-12-901 and 59-12-902 take effect on July 1, 2008.