

HB0388S01 compared with HB0388

~~{deleted text}~~ shows text that was in HB0388 but was deleted in HB0388S01.

inserted text shows text that was not in HB0388 but was inserted into HB0388S01.

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Representative Johnny Anderson proposes the following substitute bill:

AMENDMENTS TO TRANSPORTATION FUNDING

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Johnny Anderson

Senate Sponsor: _____

Cosponsor:

Joel K. Briscoe

LONG TITLE

General Description:

This bill addresses funding for transportation.

Highlighted Provisions:

This bill:

- ▶ ~~{authorizes a county, city, or town to increase certain local option sales and use tax rates for public transit;~~
- ~~restricts the use of certain revenue collected from a local option sales and use tax for public transit;~~
- } addresses the circumstances under which the state is required to impose a sales and use tax to be distributed to public transit districts;

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- ▶ authorizes a county or certain cities or towns to increase certain local option sales and use tax rates for public transit;
- ▶ addresses the use of certain revenue collected from a local option sales and use tax for public transit by a county of the first class;
- ▶ repeals obsolete language; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2014.

Utah Code Sections Affected:

AMENDS:

59-12-2003, as last amended by Laws of Utah 2010, Chapter 263

59-12-2213, as last amended by Laws of Utah 2011, Chapter 223

59-12-2214, as enacted by Laws of Utah 2010, Chapter 263

59-12-2218, as renumbered and amended by Laws of Utah 2010, Chapter 263

REPEALS:

59-12-2212.1, as enacted by Laws of Utah 2010, Chapter 263

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

Section 1. Section **59-12-2003** is amended to read:

59-12-2003. Imposition -- Base -- Rate -- Revenues distributed to certain public transit districts.

(1) Subject to the other provisions of this section and except as provided in Subsection (2) or (4), beginning on July 1, 2008, the state shall impose a tax under this part on the transactions described in Subsection 59-12-103(1) within a city, town, or the unincorporated area of a county of the first or second class if, on January 1, 2008, there is a public transit district within any portion of that county of the first or second class.

(2) The state may not impose a tax under this part within a county of the first or second class if within all of the cities, towns, and the unincorporated area of the county of the first or second class there is imposed a sales and use tax of:

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- (a) at least .30% under Section 59-12-2213;
- (b) .30% under Section 59-12-2215; or
- (c) .30% under Section 59-12-2216.

(3) (a) Subject to Subsection (3)(b), if the state imposes a tax under this part, the tax rate imposed within a city, town, or the unincorporated area of a county of the first or second class is a percentage equal to the difference between:

- (i) .30%; and
- (ii) (A) for a city within the county of the first or second class, the highest tax rate

imposed within that city under:

- (I) Section 59-12-2213;
- (II) Section 59-12-2215; or
- (III) Section 59-12-2216;

- (B) for a town within the county of the first or second class, the highest tax rate

imposed within that town under:

- (I) Section 59-12-2213;
- (II) Section 59-12-2215; or
- (III) Section 59-12-2216; or

(C) for the unincorporated area of the county of the first or second class, the highest tax rate imposed within that unincorporated area under:

- (I) Section 59-12-2213;
- (II) Section 59-12-2215; or
- (III) Section 59-12-2216.

(b) For purposes of Subsection (3)(a), if for a city, town, or the unincorporated area of a county of the first or second class, the highest tax rate imposed under Section 59-12-2213, 59-12-2215, or 59-12-2216 within that city, town, or unincorporated area of the county of the first or second class is at least .30%, the state may not impose a tax under this part within that city, town, or unincorporated area.

- (4) (a) The state may not impose a tax under this part on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; or

- (ii) except as provided in Subsection (4)(b), amounts paid or charged for food and food

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ingredients.

(b) The state shall impose a tax under this part on amounts paid or charged for food and food ingredients if the food and food ingredients are sold as part of a bundled transaction attributable to food and ingredients and tangible personal property other than food and food ingredients.

(5) For purposes of Subsection (1), the location of a transaction shall be determined in accordance with Sections 59-12-211 through 59-12-215.

(6) The commission shall distribute the revenues the state collects from the sales and use tax under this part, after subtracting amounts a seller retains in accordance with Section 59-12-108, to the public transit districts within the cities, towns, and unincorporated areas:

(a) within which the state imposes a tax under this part; and

(b) in proportion to the revenues collected from the sales and use tax under this part within each city, town, and unincorporated area within which the state imposes a tax under this part.

Section 2. Section **59-12-2213** is amended to read:

59-12-2213. County, city, or town option sales and use tax to fund a system for public transit -- Base -- Rate -- Expenditure of revenue.

(1) As used in this section, "qualified city or town" means a city or town that is:

(a) located within a county that is not annexed into a public transit district as defined in Section 17B-1-102; and

(b) annexed into a public transit district as defined in Section 17B-1-102.

[(1) Subject] (2) Except as provided in Subsection (3) and subject to the other provisions of this part, a county, city, or town may impose a sales and use tax under this section of up to:

(a) for a county, city, or town other than a county, city, or town described in Subsection [(1)] (2)(b), ~~{}~~.25%~~{}~~ {}.50% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town to fund a system for public transit; or

(b) for a county, city, or town within which a tax is not imposed under Section 59-12-2216, ~~{}~~.30%~~{}~~ {}.55% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town, to fund a system for public transit.

[(2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is

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not required to submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section if the county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July 1, 2011.]

(2)(a)3) For a county, city, or town or a qualified city or town may impose a sales and use tax under this section of up to the sum of:

(a) the maximum rate the county or qualified city or town is allowed to impose under Subsection (2); and

(b) .25%.

(4) A county of the first class that imposes a tax described in Subsection (1)3) (a), the county, city, or town may not expend more than the revenue collected from a the maximum tax rate of .25% the county is allowed to impose under Subsection (2) to pay:

(i)a) the costs of a project relating to the construction or extension of a fixed guideway that uses and occupies rail; or

(ii)b) principal, interest, and issuance costs of bonds used in conjunction with a project relating to the construction or extension of a fixed guideway that uses and occupies rail.

~~(b) For a county, city, or town that imposes a tax under Subsection (1)(b), the county, city, or town may not expend more than the revenue collected from a tax rate of .30% to pay the costs described in Subsection (2)(a):~~

† Section 3. Section 59-12-2214 is amended to read:

59-12-2214. County, city, or town option sales and use tax to fund a system for public transit, an airport facility, or to be deposited into the County of the First Class State Highway Projects Fund -- Base -- Rate.

(1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town.

(2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax:

(a) to fund a system for public transit;

(b) to fund a project or service related to an airport facility for the portion of the project

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or service that is performed within the county, city, or town within which the sales and use tax is imposed:

(i) for a county that imposes the sales and use tax, if the airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(ii) for a city or town that imposes the sales and use tax, if:

(A) that city or town is located within a county of the second class;

(B) that city or town owns or operates the airport facility; and

(C) an airline is headquartered in that city or town; or

(c) for a combination of Subsections (2)(a) and (b).

(3) A county of the first class that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax as follows:

(a) 80% of the revenues collected from the sales and use tax shall be expended to fund a system for public transit; and

(b) 20% of the revenues collected from the sales and use shall be deposited into the County of the First Class State Highway Projects Fund created by Section 72-2-121.

~~[(4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not required to submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section if:]~~

~~[(a) the county, city, or town imposes the sales and use tax under this section on or after July 1, 2010, but on or before July 1, 2011;]~~

~~[(b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:]~~

~~[(i) Section 59-12-2213; or]~~

~~[(ii) Section 59-12-2215; and]~~

~~[(c) the county, city, or town obtained voter approval to impose the sales and use tax under:]~~

~~[(i) Section 59-12-2213; or]~~

~~[(ii) Section 59-12-2215.]~~

Section 4. Section **59-12-2218** is amended to read:

59-12-2218. County, city, or town option sales and use tax for airports, highways, and a system for public transit -- Base -- Rate -- Administration of sales and use tax --

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Voter approval exception.

(1) (a) Subject to the other provisions of this part, the following may impose a sales and use tax under this section:

(i) if, on April 1, 2009, a county legislative body of a county of the second class imposes a sales and use tax under this section, the county legislative body of the county of the second class may impose the sales and use tax on the transactions:

(A) described in Subsection 59-12-103(1); and

(B) within the county, including the cities and towns within the county; or

(ii) if, on April 1, 2009, a county legislative body of a county of the second class does not impose a sales and use tax under this section:

(A) a city legislative body of a city within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that city;

(B) a town legislative body of a town within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that town; and

(C) the county legislative body of the county of the second class may impose a sales and use tax on the transactions described in Subsection 59-12-103(1):

(I) within the county, including the cities and towns within the county, if on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, no city or town within that county:

(Aa) imposes a sales and use tax under this section; or

(Bb) has provided the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section; or

(II) within the county, except for within a city or town within that county, if, on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, that city or town:

(Aa) imposes a sales and use tax under this section; or

(Bb) has provided the notice described in Section 59-12-2209 to the commission

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stating that the city or town will enact a sales and use tax under this section.

(b) For purposes of Subsection (1)(a), a county, city, or town legislative body that imposes a sales and use tax under this section may impose the tax at a rate of:

(i) .10%, to be:

(A) as determined by the county, city, or town legislative body, deposited as provided in Subsection (3)(b)(i) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;

(B) as determined by the county, city, or town legislative body, expended for a project or service relating to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the tax is imposed:

(I) for a county legislative body that imposes the sales and use tax, if that airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(II) for a city or town legislative body that imposes the sales and use tax, if:

(Aa) that city or town owns or operates the airport facility; and

(Bb) an airline is headquartered in that city or town; or

(C) as determined by the county, city, or town legislative body, deposited or expended for a combination of Subsections (1)(b)(i)(A) and (B); or

(ii) subject to Subsection (1)(c), .25%, to be expended as follows:

(A) .10% to be deposited as provided in Subsection (3)(b)(i) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;

(B) .05%, to be deposited as provided in Subsection (3)(b)(ii) into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5 and expended and distributed in accordance with Section 72-2-117.5; and

(C) as determined by the county, city, or town legislative body, .10% to be:

(I) deposited as provided in Subsection (3)(b)(i) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;

(II) expended for:

(Aa) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;

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(Bb) a local highway that is a principal arterial highway, minor arterial highway, major collector highway, or minor collector road; or

(Cc) a combination of Subsections (1)(b)(ii)(C)(II)(Aa) and (Bb);

(III) expended for a project or service relating to a system for public transit for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed;

(IV) expended for a project or service relating to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed:

(Aa) for a county legislative body that imposes the sales and use tax, if that airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(Bb) for a city or town legislative body that imposes the sales and use tax, if:

(Ii) that city or town owns or operates the airport facility; and

(IIii) an airline is headquartered in that city or town; or

(V) deposited or expended for a combination of Subsections (1)(b)(ii)(C)(I) through (IV).

(c) (i) Subject to the other provisions of this Subsection (1)(c), a city or town within which a sales and use tax is imposed at the tax rate described in Subsection (1)(b)(ii) may:

(A) expend the revenues in accordance with Subsection (1)(b)(ii); or

(B) expend the revenues in accordance with Subsections (1)(c)(ii) through (iv) if:

(I) that city or town owns or operates an airport facility; and

(II) an airline is headquartered in that city or town.

(ii) (A) A city or town legislative body of a city or town within which a sales and use tax is imposed at the tax rate described in Subsection (1)(b)(ii) may expend the revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of .25% for a purpose described in Subsection (1)(c)(ii)(B) if:

(I) that city or town owns or operates an airport facility; and

(II) an airline is headquartered in that city or town.

(B) A city or town described in Subsection (1)(c)(ii)(A) may expend the revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected from a

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tax rate of .25% for:

(I) a project or service relating to the airport facility; and

(II) the portion of the project or service that is performed within the city or town imposing the sales and use tax.

(iii) If a city or town legislative body described in Subsection (1)(c)(ii)(A) determines to expend the revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of .25% for a project or service relating to an airport facility as allowed by Subsection (1)(c)(ii), any remaining revenues that are collected from the sales and use tax imposed at the tax rate described in Subsection (1)(b)(ii) that are not expended for the project or service relating to an airport facility as allowed by Subsection (1)(c)(ii) shall be expended as follows:

(A) 75% of the remaining revenues shall be deposited as provided in Subsection (3)(c) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2; and

(B) 25% of the remaining revenues shall be deposited as provided in Subsection (3)(c) into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5 and expended and distributed in accordance with Section 72-2-117.5.

(iv) A city or town legislative body that expends the revenues collected from a sales and use tax imposed at the tax rate described in Subsection (1)(b)(ii) in accordance with Subsections (1)(c)(ii) and (iii):

(A) shall, on or before the date the city or town legislative body provides the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section:

(I) determine the tax rate:

(Aa) the collections from which the city or town legislative body will expend for a project or service relating to an airport facility as allowed by Subsection (1)(c)(ii); and

(Bb) at a percentage that is greater than .10% but does not exceed .25%; and

(II) notify the commission in writing of the tax rate the city or town legislative body determines in accordance with Subsection (1)(c)(iv)(A)(I);

(B) shall, on or before the April 1 immediately following the date the city or town legislative body provides the notice described in Subsection (1)(c)(iv)(A) to the commission:

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(I) determine the tax rate:

(Aa) the collections from which the city or town legislative body will expend for a project or service relating to an airport facility as allowed by Subsection (1)(c)(ii); and

(Bb) at a percentage that is greater than .10% but does not exceed .25%; and

(II) notify the commission in writing of the tax rate the city or town legislative body determines in accordance with Subsection (1)(c)(iv)(B)(I);

(C) shall, on or before April 1 of each year after the April 1 described in Subsection (1)(c)(iv)(B):

(I) determine the tax rate:

(Aa) the collections from which the city or town legislative body will expend for a project or service relating to an airport facility as allowed by Subsection (1)(c)(ii); and

(Bb) at a percentage that is greater than .10% but does not exceed .25%; and

(II) notify the commission in writing of the tax rate the city or town legislative body determines in accordance with Subsection (1)(c)(iv)(C)(I); and

(D) may not change the tax rate the city or town legislative body determines in accordance with Subsections (1)(c)(iv)(A) through (C) more frequently than as prescribed by Subsections (1)(c)(iv)(A) through (C).

(2) Before a city or town legislative body may impose a sales and use tax under this section, the city or town legislative body shall provide a copy of the notice described in Section 59-12-2209 that the city or town legislative body provides to the commission:

(a) to the county legislative body within which the city or town is located; and

(b) at the same time as the city or town legislative body provides the notice to the commission.

(3) (a) Subject to Subsections (3)(b) through (e) and Section 59-12-2207, the commission shall transmit revenues collected within a county, city, or town from a tax under this part that will be expended for a purpose described in Subsection (1)(b)(i)(B) or Subsections (1)(b)(ii)(C)(II) through (IV) to the county, city, or town legislative body in accordance with Section 59-12-2206.

(b) Except as provided in Subsection (3)(c) and subject to Section 59-12-2207, the commission shall deposit revenues collected within a county, city, or town from a sales and use tax under this section that:

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(i) are required to be expended for a purpose described in Subsection (1)(b)(ii)(A) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2;

(ii) are required to be expended for a purpose described in Subsection (1)(b)(ii)(B) into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5; or

(iii) a county, city, or town legislative body determines to expend for a purpose described in Subsection (1)(b)(i)(A) or (1)(b)(ii)(C)(I) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 if the county, city, or town legislative body provides written notice to the commission requesting the deposit.

(c) Subject to Subsection (3)(d) or (e), if a city or town legislative body provides notice to the commission in accordance with Subsection (1)(c)(iv), the commission shall:

(i) transmit the revenues collected from the tax rate stated on the notice to the city or town legislative body monthly by electronic funds transfer; and

(ii) deposit any remaining revenues described in Subsection (1)(c)(iii) in accordance with Subsection (1)(c)(iii).

(d) (i) If a city or town legislative body provides the notice described in Subsection (1)(c)(iv)(A) to the commission, the commission shall transmit or deposit the revenues collected from the sales and use tax:

(A) in accordance with Subsection (3)(c);

(B) beginning on the date the city or town legislative body enacts the sales and use tax; and

(C) ending on the earlier of:

(I) the June 30 immediately following the date the city or town legislative body provides the notice described in Subsection (1)(c)(iv)(B) to the commission; or

(II) the date the city or town legislative body repeals the sales and use tax.

(ii) If a city or town legislative body provides the notice described in Subsection (1)(c)(iv)(B) or (C) to the commission, the commission shall transmit or deposit the revenues collected from the sales and use tax:

(A) in accordance with Subsection (3)(c);

(B) beginning on the July 1 immediately following the date the city or town legislative body provides the notice described in Subsection (1)(c)(iv)(B) or (C) to the commission; and

(C) ending on the earlier of:

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(I) the June 30 of the year after the date the city or town legislative body provides the notice described in Subsection (1)(c)(iv)(B) or (C) to the commission; or

(II) the date the city or town legislative body repeals the sales and use tax.

(e) (i) If a city or town legislative body that is required to provide the notice described in Subsection (1)(c)(iv)(A) does not provide the notice described in Subsection (1)(c)(iv)(A) to the commission on or before the date required by Subsection (1)(c)(iv) for providing the notice, the commission shall transmit, transfer, or deposit the revenues collected from the sales and use tax within the city or town in accordance with Subsections (3)(a) and (b).

(ii) If a city or town legislative body that is required to provide the notice described in Subsection (1)(c)(iv)(B) or (C) does not provide the notice described in Subsection (1)(c)(iv)(B) or (C) to the commission on or before the date required by Subsection (1)(c)(iv) for providing the notice, the commission shall transmit or deposit the revenues collected from the sales and use tax within the city or town in accordance with:

(A) Subsection (3)(c); and

(B) the most recent notice the commission received from the city or town legislative body under Subsection (1)(c)(iv).

~~[(4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not required to submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section if:]~~

~~[(a) the county, city, or town imposes the sales and use tax under this section on or after July 1, 2010, but on or before July 1, 2011; and]~~

~~[(b) a purpose for which the county, city, or town will expend revenues collected from the sales and use tax under this section is:]~~

~~[(i) a project or service described in Subsection (1)(b)(i)(B); or]~~

~~[(ii) a project or service described in Subsection (1)(b)(ii)(C)(IV).]~~

Section 5. Repealer.

This bill repeals:

Section **59-12-2212.1, Transition provisions.**

Section 6. Effective date.

This bill takes effect on July 1, 2014.

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Legislative Review Note

~~as of 2-21-14 8:27 AM~~

~~Office of Legislative Research and General Counsel}~~