

Senator Margaret Dayton proposes the following substitute bill:

**COUNTY OPTION SALES AND USE TAX FOR HIGHWAYS
AND PUBLIC TRANSIT AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jack R. Draxler

Senate Sponsor: Kevin T. Van Tassell

LONG TITLE

General Description:

This bill enacts a local option sales and use tax for highways and public transit.

Highlighted Provisions:

This bill:

- ▶ amends the distribution of revenue collected from the local option sales and use tax for highways and public transit;
- ▶ authorizes a county to impose a local option sales and use tax for highways and public transit;
- ▶ addresses the use of revenue collected from the local option sales and use tax for highways and public transit;
- ▶ requires a political subdivision that receives certain sales and use tax revenue to submit certain information in audits, reviews, compilations, or fiscal reports; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **51-2a-202**, as last amended by Laws of Utah 2015, Chapter 275

29 **59-12-2203**, as last amended by Laws of Utah 2015, Chapter 275

30 **59-12-2218**, as last amended by Laws of Utah 2014, Chapter 271

31 **59-12-2219**, as enacted by Laws of Utah 2015, Chapter 275

32 **63I-1-259**, as last amended by Laws of Utah 2015, Chapters 224, 275, and 467

33 ENACTS:

34 **59-12-2220**, Utah Code Annotated 1953



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

37 Section 1. Section **51-2a-202** is amended to read:

38 **51-2a-202. Reporting requirements.**

39 (1) The governing board of each entity required to have an audit, review, compilation,
40 or fiscal report shall ensure that the audit, review, compilation, or fiscal report is:

41 (a) made at least annually; and

42 (b) filed with the state auditor within six months of the close of the fiscal year of the
43 entity.

44 (2) If the political subdivision, interlocal organization, or other local entity receives
45 federal funding, the audit, review, or compilation shall be performed in accordance with both
46 federal and state auditing requirements.

47 (3) If a political subdivision receives revenue from a sales and use tax imposed under
48 Section **59-12-2219** or **59-12-2220**, the political subdivision shall identify the amount of
49 revenue the political subdivision budgets for transportation and verify compliance with
50 Subsection **59-12-2219**~~(10)~~(13) or **59-12-2220**(7) in the audit, review, compilation, or fiscal
51 report.

52 Section 2. Section **59-12-2203** is amended to read:

53 **59-12-2203. Authority to impose a sales and use tax under this part.**

54 (1) As provided in this Subsection (1), one of the following sales and use taxes may be
55 imposed within the boundaries of a local taxing jurisdiction:

56 (a) a county, city, or town may impose the sales and use tax authorized by Section

57 59-12-2213 in accordance with Section 59-12-2213; or

58 (b) a city or town may impose the sales and use tax authorized by Section 59-12-2215
59 in accordance with Section 59-12-2215.

60 (2) As provided in this Subsection (2), one of the following sales and use taxes may be
61 imposed within the boundaries of a local taxing jurisdiction:

62 (a) a county, city, or town may impose the sales and use tax authorized by Section
63 59-12-2214 in accordance with Section 59-12-2214; or

64 (b) a county may impose the sales and use tax authorized by Section 59-12-2216 in
65 accordance with Section 59-12-2216.

66 (3) As provided in this Subsection (3), one of the following sales and use taxes may be
67 imposed within the boundaries of a local taxing jurisdiction:

68 (a) a county may impose the sales and use tax authorized by Section 59-12-2217 in
69 accordance with Section 59-12-2217; or

70 (b) a county, city, or town may impose the sales and use tax authorized by Section
71 59-12-2218 in accordance with Section 59-12-2218.

72 (4) As provided in this Subsection (4), one of the following sales and use taxes may be
73 imposed within the boundaries of a local taxing jurisdiction:

74 ~~[(4)]~~ (a) a county may impose the sales and use tax authorized by Section 59-12-2219
75 in accordance with Section 59-12-2219~~[-]; or~~

76 (b) a county may impose the sales and use tax authorized by Section 59-12-2220 in
77 accordance with Section 59-12-2220.

78 Section 3. Section 59-12-2218 is amended to read:

79 **59-12-2218. County, city, or town option sales and use tax for airports, highways,**
80 **and systems for public transit -- Base -- Rate -- Administration of sales and use tax --**
81 **Voter approval exception.**

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

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

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

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

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

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

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

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

99 (A) within the county, including the cities and towns within the county, if on the date
100 the county legislative body provides the notice described in Section 59-12-2209 to the
101 commission stating that the county will enact a sales and use tax under this section, no city or
102 town within that county imposes a sales and use tax under this section or has provided the
103 notice described in Section 59-12-2209 to the commission stating that the city or town will
104 enact a sales and use tax under this section; or

105 (B) within the county, except for within a city or town within that county, if, on the
106 date the county legislative body provides the notice described in Section 59-12-2209 to the
107 commission stating that the county will enact a sales and use tax under this section, that city or
108 town imposes a sales and use tax under this section or has provided the notice described in
109 Section 59-12-2209 to the commission stating that the city or town will enact a sales and use
110 tax under this section.

111 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
112 county, city, or town legislative body that imposes a sales and use tax under this section may
113 impose the tax at a rate of:

114 (a) .10%; or

115 (b) .25%.

116 (3) A sales and use tax imposed at a rate described in Subsection (2)(a) shall be
117 expended as determined by the county, city, or town legislative body as follows:

118 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class

119 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
120 Section 72-2-121.2;

121 (b) expended for a project or service relating to an airport facility for the portion of the
122 project or service that is performed within the county, city, or town within which the tax is
123 imposed:

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

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

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

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

130 (c) deposited or expended for a combination of Subsections (3)(a) and (b).

131 (4) Subject to Subsections (5) through (7), a sales and use tax imposed at a rate
132 described in Subsection (2)(b) shall be expended as determined by the county, city, or town
133 legislative body as follows:

134 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
135 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
136 Section 72-2-121.2;

137 (b) expended for:

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

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

141 (iii) a combination of Subsections (4)(b)(i) and (ii);

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

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

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

- 150 if a metropolitan planning organization exists for the area; or
- 151 (ii) for a city or town legislative body that imposes the sales and use tax, if:
- 152 (A) that city or town owns or operates the airport facility; and
- 153 (B) an airline is headquartered in that city or town;
- 154 (e) expended for:
- 155 (i) a class B road, as defined in Section 72-3-103;
- 156 (ii) a class C road, as defined in Section 72-3-104; or
- 157 (iii) a combination of Subsections (4)(e)(i) and (ii);
- 158 (f) expended for traffic and pedestrian safety, including:
- 159 (i) for a class B road, as defined in Section 72-3-103, or class C road, as defined in
- 160 Section 72-3-104, for:
- 161 (A) a sidewalk;
- 162 (B) curb and gutter;
- 163 (C) a safety feature;
- 164 (D) a traffic sign;
- 165 (E) a traffic signal;
- 166 (F) street lighting; or
- 167 (G) a combination of Subsections (4)(f)(i)(A) through (F);
- 168 (ii) the construction of an active transportation facility that:
- 169 (A) is for nonmotorized vehicles and multimodal transportation; and
- 170 (B) connects an origin with a destination; or
- 171 (iii) a combination of Subsections (4)(f)(i) and (ii); or
- 172 (g) deposited or expended for a combination of Subsections (4)(a) through (f).
- 173 (5) A county, city, or town legislative body may not expend revenue collected within a
- 174 county, city, or town from a tax under this ~~[part]~~ section for a purpose described in Subsections
- 175 (4)(b) through (f) unless the purpose is recommended by:
- 176 (a) for a county that is part of a metropolitan planning organization, the metropolitan
- 177 planning organization of which the county is a part; or
- 178 (b) for a county that is not part of a metropolitan planning organization, the council of
- 179 governments of which the county is a part.
- 180 (6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes

181 a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax rate of .05%
182 as provided in Subsection (9)(b)(i) into the Local Transportation Corridor Preservation Fund
183 created by Section 72-2-117.5.

184 (ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and
185 distributed in accordance with Section 72-2-117.5.

186 (b) A county, city, or town is not required to make the deposit required by Subsection
187 (6)(a)(i) if the county, city, or town:

188 (i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or

189 (ii) has continuously imposed a tax described in Subsection (2)(b):

190 (A) beginning after July 1, 2010; and

191 (B) for a five-year period.

192 (7) (a) Subject to the other provisions of this Subsection (7), a city or town within
193 which a sales and use tax is imposed at the tax rate described in Subsection (2)(b) may:

194 (i) expend the revenues in accordance with Subsection (4); or

195 (ii) expend the revenues in accordance with Subsections (7)(b) through (d) if:

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

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

198 (b) (i) A city or town legislative body of a city or town within which a sales and use tax
199 is imposed at the tax rate described in Subsection (2)(b) may expend the revenues collected
200 from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of
201 .25% for a purpose described in Subsection (7)(b)(ii) if:

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

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

204 (ii) A city or town described in Subsection (7)(b)(i) may expend the revenues collected
205 from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of
206 .25% for:

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

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

210 (c) If a city or town legislative body described in Subsection (7)(b)(i) determines to
211 expend the revenues collected from a tax rate of greater than .10% but not to exceed the

212 revenues collected from a tax rate of .25% for a project or service relating to an airport facility
213 as allowed by Subsection (7)(b), any remaining revenue that is collected from the sales and use
214 tax imposed at the tax rate described in Subsection (2)(b) that is not expended for the project or
215 service relating to an airport facility as allowed by Subsection (7)(b) shall be expended as
216 follows:

217 (i) 75% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
218 into the County of the Second Class State Highway Projects Fund created by Section
219 [72-2-121.2](#) and expended as provided in Section [72-2-121.2](#); and

220 (ii) 25% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
221 into the Local Transportation Corridor Preservation Fund created by Section [72-2-117.5](#) and
222 expended and distributed in accordance with Section [72-2-117.5](#).

223 (d) A city or town legislative body that expends the revenues collected from a sales and
224 use tax imposed at the tax rate described in Subsection (2)(b) in accordance with Subsections
225 (7)(b) and (c):

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

229 (A) determine the tax rate, the percentage of which is greater than .10% but does not
230 exceed .25%, the collections from which the city or town legislative body will expend for a
231 project or service relating to an airport facility as allowed by Subsection (7)(b); and

232 (B) notify the commission in writing of the tax rate the city or town legislative body
233 determines in accordance with Subsection (7)(d)(i)(A);

234 (ii) shall, on or before the April 1 immediately following the date the city or town
235 legislative body provides the notice described in Subsection (7)(d)(i) to the commission:

236 (A) determine the tax rate, the percentage of which is greater than .10% but does not
237 exceed .25%, the collections from which the city or town legislative body will expend for a
238 project or service relating to an airport facility as allowed by Subsection (7)(b); and

239 (B) notify the commission in writing of the tax rate the city or town legislative body
240 determines in accordance with Subsection (7)(d)(ii)(A);

241 (iii) shall, on or before April 1 of each year after the April 1 described in Subsection
242 (7)(d)(ii):

243 (A) determine the tax rate, the percentage of which is greater than .10% but does not
244 exceed .25%, the collections from which the city or town legislative body will expend for a
245 project or service relating to an airport facility as allowed by Subsection (7)(b); and

246 (B) notify the commission in writing of the tax rate the city or town legislative body
247 determines in accordance with Subsection (7)(d)(iii)(A); and

248 (iv) may not change the tax rate the city or town legislative body determines in
249 accordance with Subsections (7)(d)(i) through (iii) more frequently than as prescribed by
250 Subsections (7)(d)(i) through (iii).

251 (8) Before a city or town legislative body may impose a sales and use tax under this
252 section, the city or town legislative body shall provide a copy of the notice described in Section
253 [59-12-2209](#) that the city or town legislative body provides to the commission:

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

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

257 (9) (a) Subject to Subsections (9)(b) through (e) and Section [59-12-2207](#), the
258 commission shall transmit revenues collected within a county, city, or town from a tax under
259 this part that will be expended for a purpose described in Subsection (3)(b) or Subsections
260 (4)(b) through (f) to the county, city, or town legislative body in accordance with Section
261 [59-12-2206](#).

262 (b) Except as provided in Subsection (9)(c) and subject to Section [59-12-2207](#), the
263 commission shall deposit revenues collected within a county, city, or town from a sales and use
264 tax under this section that:

265 (i) are required to be expended for a purpose described in Subsection (6)(a) into the
266 Local Transportation Corridor Preservation Fund created by Section [72-2-117.5](#); or

267 (ii) a county, city, or town legislative body determines to expend for a purpose
268 described in Subsection (3)(a) or (4)(a) into the County of the Second Class State Highway
269 Projects Fund created by Section [72-2-121.2](#) if the county, city, or town legislative body
270 provides written notice to the commission requesting the deposit.

271 (c) Subject to Subsection (9)(d) or (e), if a city or town legislative body provides notice
272 to the commission in accordance with Subsection (7)(d), the commission shall:

273 (i) transmit the revenues collected from the tax rate stated on the notice to the city or

274 town legislative body monthly by electronic funds transfer; and

275 (ii) deposit any remaining revenues described in Subsection (7)(c) in accordance with
276 Subsection (7)(c).

277 (d) (i) If a city or town legislative body provides the notice described in Subsection
278 (7)(d)(i) to the commission, the commission shall transmit or deposit the revenues collected
279 from the sales and use tax:

280 (A) in accordance with Subsection (9)(c);

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

282 and

283 (C) ending on the earlier of the June 30 immediately following the date the city or town
284 legislative body provides the notice described in Subsection (7)(d)(ii) to the commission or the
285 date the city or town legislative body repeals the sales and use tax.

286 (ii) If a city or town legislative body provides the notice described in Subsection
287 (7)(d)(ii) or (iii) to the commission, the commission shall transmit or deposit the revenues
288 collected from the sales and use tax:

289 (A) in accordance with Subsection (9)(c);

290 (B) beginning on the July 1 immediately following the date the city or town legislative
291 body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission; and

292 (C) ending on the earlier of the June 30 of the year after the date the city or town
293 legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission
294 or the date the city or town legislative body repeals the sales and use tax.

295 (e) (i) If a city or town legislative body that is required to provide the notice described
296 in Subsection (7)(d)(i) does not provide the notice described in Subsection (7)(d)(i) to the
297 commission on or before the date required by Subsection (7)(d) for providing the notice, the
298 commission shall transmit, transfer, or deposit the revenues collected from the sales and use
299 tax within the city or town in accordance with Subsections (9)(a) and (b).

300 (ii) If a city or town legislative body that is required to provide the notice described in
301 Subsection (7)(d)(ii) or (iii) does not provide the notice described in Subsection (7)(d)(ii) or
302 (iii) to the commission on or before the date required by Subsection (7)(d) for providing the
303 notice, the commission shall transmit or deposit the revenues collected from the sales and use
304 tax within the city or town in accordance with:

305 (A) Subsection (9)(c); and

306 (B) the most recent notice the commission received from the city or town legislative
307 body under Subsection (7)(d).

308 Section 4. Section 59-12-2219 is amended to read:

309 **59-12-2219. County option sales and use tax for highways and public transit --**
310 **Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant**
311 **existing budgeted transportation revenue.**

312 (1) As used in this section:

313 (a) "Class B road" means the same as that term is defined in Section 72-3-103.

314 (b) "Class C road" means the same as that term is defined in Section 72-3-104.

315 (c) "Eligible political subdivision" means a political subdivision that:

316 (i) (A) on May 12, 2015, provides public transit services; or

317 (B) after May 12, 2015, provides written notice to the commission in accordance with

318 Subsection (10)(b) that it intends to provide public transit service within a county;

319 (ii) is not a public transit district; and

320 (iii) is not annexed into a public transit district.

321 (d) "Public transit district" means a public transit district organized under Title 17B,
322 Chapter 2a, Part 8, Public Transit District Act.

323 (2) Subject to the other provisions of this part, a county legislative body may impose a
324 sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) within the
325 county, including the cities and towns within the county.

326 (3) The commission shall distribute sales and use tax revenue collected under this
327 section as provided in Subsections (4) through ~~[(7)]~~ (10).

328 (4) If the entire boundary of a county that imposes a sales and use tax under this section
329 is annexed into a single public transit district, the commission shall distribute the sales and use
330 tax revenue collected within the county as follows:

331 (a) .10% shall be transferred to the public transit district in accordance with Section
332 59-12-2206;

333 (b) .10% shall be distributed as provided in Subsection ~~[(6)]~~ (8); and

334 (c) .05% shall be distributed to the county legislative body.

335 (5) If the entire boundary of a county ~~[that imposes a sales and use tax under this~~

336 ~~section is not annexed into a single public transit district, or if there is not a public transit~~
337 ~~district within the county]~~ that imposes a sales and use tax under this section is not annexed
338 into a single public transit district, but a city or town within the county is annexed into a single
339 public transit district that also has a county of the first class annexed into the same public
340 transit district, the commission shall distribute the sales and use tax revenue collected within
341 the county as follows:

342 (a) for a city or town within the county that is annexed into a single public transit
343 district, the commission shall distribute the sales and use tax revenue collected within that city
344 or town as follows:

345 (i) .10% shall be transferred to the public transit district in accordance with Section
346 [59-12-2206](#);

347 (ii) .10% shall be distributed as provided in Subsection ~~[(6)]~~ (8); and

348 (iii) .05% shall be distributed to the county legislative body;

349 (b) for an eligible political subdivision within the county, the commission shall
350 distribute the sales and use tax revenue collected within that eligible political subdivision as
351 follows:

352 (i) .10% shall be transferred to the eligible political subdivision in accordance with
353 Section [59-12-2206](#);

354 (ii) .10% shall be distributed as provided in Subsection ~~[(6)]~~ (8); and

355 (iii) .05% shall be distributed to the county legislative body; and

356 (c) the commission shall distribute the sales and use tax revenue, except for the sales
357 and use tax revenue described in Subsections (5)(a) and (b), as follows:

358 (i) .10% shall be distributed as provided in Subsection ~~[(6)]~~ (8); and

359 (ii) .15% shall be distributed to the county legislative body.

360 (6) For a county not described in Subsection (4) or (5), if the entire boundary of a
361 county of the first or second class that imposes a sales and use tax under this section is not
362 annexed into a single public transit district, or if there is not a public transit district within the
363 county, the commission shall distribute the sales and use tax revenue collected within the
364 county as follows:

365 (a) for a city or town within the county that is annexed into a single public transit
366 district, the commission shall distribute the sales and use tax revenue collected within that city

367 or town as follows:

368 (i) .10% shall be transferred to the public transit district in accordance with Section
369 59-12-2206;

370 (ii) .10% shall be distributed as provided in Subsection (8); and

371 (iii) .05% shall be distributed to the county legislative body;

372 (b) for an eligible political subdivision within the county, the commission shall
373 distribute the sales and use tax revenue collected within that eligible political subdivision as
374 follows:

375 (i) .10% shall be transferred to the eligible political subdivision in accordance with
376 Section 59-12-2206;

377 (ii) .10% shall be distributed as provided in Subsection (8); and

378 (iii) .05% shall be distributed to the county legislative body; and

379 (c) the commission shall distribute the sales and use tax revenue, except for the sales
380 and use tax revenue described in Subsections (6)(a) and (b), as follows:

381 (i) .10% shall be distributed as provided in Subsection (8); and

382 (ii) .15% shall be distributed to the county legislative body.

383 (7) For a county not described in Subsection (4) or (5), if the entire boundary of a
384 county of the third, fourth, fifth, or sixth class that imposes a sales and use tax under this
385 section is not annexed into a single public transit district, or if there is not a public transit
386 district within the county, the commission shall distribute the sales and use tax revenue
387 collected within the county as follows:

388 (a) for a city or town within the county that is annexed into a single public transit
389 district, the commission shall distribute the sales and use tax revenue collected within that city
390 or town as follows:

391 (i) .10% shall be distributed as provided in Subsection (8);

392 (ii) .10% shall be distributed as provided in Subsection (9); and

393 (iii) .05% shall be distributed to the county legislative body;

394 (b) for an eligible political subdivision within the county, the commission shall
395 distribute the sales and use tax revenue collected within that eligible political subdivision as
396 follows:

397 (i) .10% shall be distributed as provided in Subsection (8);

398 (ii) .10% shall be distributed as provided in Subsection (9); and

399 (iii) .05% shall be distributed to the county legislative body; and

400 (c) the commission shall distribute the sales and use tax revenue, except for the sales
401 and use tax revenue described in Subsections (7)(a) and (b), as follows:

402 (i) .10% shall be distributed as provided in Subsection (8); and

403 (ii) .15% shall be distributed to the county legislative body.

404 ~~[(6)]~~ (8) (a) Subject to Subsection ~~[(6)]~~ (8)(b), the commission shall make the
405 distributions required by Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), ~~[and]~~ (5)(c)(i), (6)(a)(ii),
406 (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), and (9)(d)(ii)(A) as follows:

407 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),

408 ~~[and]~~ (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), and (9)(d)(ii)(A)

409 within the counties that impose a tax under this section shall be distributed to the
410 unincorporated areas, cities, and towns within those counties on the basis of the percentage that
411 the population of each unincorporated area, city, or town bears to the total population of all of
412 the counties that impose a tax under this section; and

413 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),

414 ~~[and]~~ (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), and (9)(d)(ii)(A)

415 within the counties that impose a tax under this section shall be distributed to the
416 unincorporated areas, cities, and towns within those counties on the basis of the location of the
417 transaction as determined under Sections 59-12-211 through 59-12-215.

418 (b) (i) Population for purposes of this Subsection ~~[(6)]~~ (8) shall be determined on the
419 basis of the most recent official census or census estimate of the United States Census Bureau.

420 (ii) If a needed population estimate is not available from the United States Census
421 Bureau, population figures shall be derived from an estimate from the Utah Population
422 Estimates Committee created by executive order of the governor.

423 (9) (a) (i) Subject to the requirements in Subsections (9)(b) and (c), a county legislative
424 body:

425 (A) for a county that obtained approval from a majority of the county's registered
426 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,
427 may, in consultation with any cities, towns, or eligible political subdivisions within the county,
428 and in compliance with the requirements for changing an allocation under Subsection (9)(e),

429 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
430 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
431 public transit district or an eligible political subdivision; or

432 (B) for a county that obtains approval from a majority of the county's registered voters
433 voting on the imposition of a sales and use tax under this section on or after May 10, 2016,
434 shall, in consultation with any cities, towns, or eligible political subdivisions within the county,
435 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
436 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
437 public transit district or an eligible political subdivision.

438 (ii) If a county described in Subsection (9)(a)(i)(A) does not allocate the revenue under
439 Subsection (7)(a)(ii) or (7)(b)(ii) in accordance with Subsection (9)(a)(i)(A), the commission
440 shall distribute 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to:

441 (A) a public transit district for a city or town within the county that is annexed into a
442 single public transit district; or

443 (B) an eligible political subdivision within the county.

444 (b) If a county legislative body allocates the revenue as described in Subsection
445 (9)(a)(i), the county legislative body shall allocate not less than 25% of the revenue under
446 Subsection (7)(a)(ii) or (7)(b)(ii) to:

447 (i) a public transit district for a city or town within the county that is annexed into a
448 single public transit district; or

449 (ii) an eligible political subdivision within the county.

450 (c) Notwithstanding Section [59-12-2208](#), the opinion question required by Section
451 [59-12-2208](#) shall state the allocations the county legislative body makes in accordance with this
452 Subsection (9).

453 (d) The commission shall make the distributions required by Subsection (7)(a)(ii) or
454 (7)(b)(ii) as follows:

455 (i) the percentage specified by a county legislative body shall be distributed in
456 accordance with a resolution adopted by a county legislative body under Subsection (9)(a) to an
457 eligible political subdivision or a public transit district within the county; and

458 (ii) except as provided in Subsection (9)(a)(ii), if a county legislative body allocates
459 less than 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to a public transit district

460 or an eligible political subdivision, the remainder of the revenue under Subsection (7)(a)(ii) or
461 (7)(b)(ii) not allocated by a county legislative body through a resolution under Subsection
462 (9)(a) shall be distributed as follows:

463 (A) 50% of the revenue as provided in Subsection (8); and

464 (B) 50% of the revenue to the county legislative body.

465 (e) If a county legislative body seeks to change an allocation specified in a resolution
466 under Subsection (9)(a), the county legislative body may change the allocation by:

467 (i) adopting a resolution in accordance with Subsection (9)(a) specifying the percentage
468 of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a public transit
469 district or an eligible political subdivision;

470 (ii) obtaining approval to change the allocation of the sales and use tax by a majority of
471 all the members of the county legislative body; and

472 (iii) subject to Subsection (9)(f):

473 (A) in accordance with Section [59-12-2208](#), submitting an opinion question to the
474 county's registered voters voting on changing the allocation so that each registered voter has the
475 opportunity to express the registered voter's opinion on whether the allocation should be
476 changed; and

477 (B) in accordance with Section [59-12-2208](#), obtaining approval to change the
478 allocation from a majority of the county's registered voters voting on changing the allocation.

479 (f) Notwithstanding Section [59-12-2208](#), the opinion question required by Subsection
480 (9)(e)(iii)(A) shall state the allocations specified in the resolution adopted in accordance with
481 Subsection (9)(e) and approved by the county legislative body in accordance with Subsection
482 (9)(e)(ii).

483 (g) (i) If a county makes an allocation by adopting a resolution under Subsection (9)(a)
484 or changes an allocation by adopting a resolution under Subsection (9)(e), the allocation shall
485 take effect on the first distribution the commission makes under this section after a 90-day
486 period that begins on the date the commission receives written notice meeting the requirements
487 of Subsection (9)(g)(ii) from the county.

488 (ii) The notice described in Subsection (9)(g)(i) shall state:

489 (A) that the county will make or change the percentage of an allocation under
490 Subsection (9)(a) or (e); and

491 (B) the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be
492 allocated to a public transit district or an eligible political subdivision.

493 ~~[(7)]~~ (10) (a) If a public transit district is organized after the date a county legislative
494 body first imposes a tax under this section, a change in a distribution required by this section
495 may not take effect until the first distribution the commission makes under this section after a
496 90-day period that begins on the date the commission receives written notice from the public
497 transit district of the organization of the public transit district.

498 (b) If an eligible political subdivision intends to provide public transit service within a
499 county after the date a county legislative body first imposes a tax under this section, a change
500 in a distribution required by this section may not take effect until the first distribution the
501 commission makes under this section after a 90-day period that begins on the date the
502 commission receives written notice from the eligible political subdivision stating that the
503 eligible political subdivision intends to provide public transit service within the county.

504 ~~[(8)]~~ (11) A county, city, or town may expend revenue collected from a tax under this
505 section, except for revenue the commission distributes in accordance with Subsection (4)(a),
506 (5)(a)(i), ~~[or]~~ (5)(b)(i), or (9)(d)(i) for:

- 507 (a) a class B road;
- 508 (b) a class C road;
- 509 (c) traffic and pedestrian safety, including for a class B road or class C road, for:
- 510 (i) a sidewalk;
- 511 (ii) curb and gutter;
- 512 (iii) a safety feature;
- 513 (iv) a traffic sign;
- 514 (v) a traffic signal;
- 515 (vi) street lighting; or
- 516 (vii) a combination of Subsections ~~[(8)]~~ (11)(c)(i) through (vi);
- 517 (d) the construction, maintenance, or operation of an active transportation facility that
518 is for nonmotorized vehicles and multimodal transportation and connects an origin with a
519 destination;
- 520 (e) public transit system services; or
- 521 (f) a combination of Subsections ~~[(8)]~~ (11)(a) through (e).

522 ~~[(9)]~~ (12) A public transit district or an eligible political subdivision may expend
 523 revenue the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), ~~[or]~~
 524 (5)(b)(i), or (9)(d)(i) for capital expenses and service delivery expenses of the public transit
 525 district or eligible political subdivision.

526 ~~[(10)]~~ (13) (a) Revenue collected from a sales and use tax under this section may not be
 527 used to supplant existing general fund appropriations that a county, city, or town has budgeted
 528 for transportation as of the date the tax becomes effective for a county, city, or town.

529 (b) The limitation under Subsection ~~[(10)]~~ (13)(a) does not apply to a designated
 530 transportation capital or reserve account a county, city, or town may have established prior to
 531 the date the tax becomes effective.

532 Section 5. Section **59-12-2220** is enacted to read:

533 **59-12-2220. County option sales and use tax for class B and class C roads -- Base**
 534 **-- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant existing**
 535 **budgeted transportation revenue.**

536 (1) As used in this section:

537 (a) "Class B road" means the same as that term is defined in Section [72-3-103](#).

538 (b) "Class C road" means the same as that term is defined in Section [72-3-104](#).

539 (2) Subject to the other provisions of this part, a county legislative body may impose a
 540 sales and use tax of .25% on the transactions described in Subsection [59-12-103\(1\)](#) within the
 541 county, including the cities and towns within the county.

542 (3) The commission shall distribute sales and use tax revenue collected under this
 543 section as provided in Subsections (4) and (5).

544 (4) The commission shall distribute the sales and use tax revenue collected within the
 545 county as follows:

546 (a) .20% shall be distributed as provided in Subsection (5); and

547 (b) .05% shall be distributed to the county legislative body.

548 (5) (a) Subject to Subsection (5)(b), the commission shall make the distributions
 549 required by Subsection (4)(a) as follows:

550 (i) 50% of the total revenue collected under Subsection (4)(a) within a county that
 551 imposes a tax under this section shall be distributed to the cities and towns within that county
 552 on the basis of the percentage that the population of each city or town bears to the total

553 population of all cities and towns within that county; and

554 (ii) 50% of the total revenue collected under Subsection (4)(a) within a county that
555 imposes a tax under this section shall be distributed to the cities and towns within that county
556 on the basis of the percentage that revenue generated based on location of the transaction that
557 occurs in each city or town, as determined under Sections [59-12-211](#) through [59-12-215](#), bears
558 to the total revenue generated based on the location of the transaction that occurs in all cities
559 and towns within that county.

560 (b) (i) Population for purposes of this Subsection (5) shall be determined on the basis
561 of the most recent official census or census estimate of the United States Census Bureau.

562 (ii) If a needed population estimate is not available from the United States Census
563 Bureau, population figures shall be derived from an estimate from the Utah Population
564 Estimates Committee created by executive order of the governor.

565 (6) A county, city, or town may expend revenue collected from a tax under this section
566 for:

567 (a) a class B road;

568 (b) a class C road;

569 (c) traffic and pedestrian safety, including for a class B road or class C road, for:

570 (i) a sidewalk;

571 (ii) curb and gutter;

572 (iii) a safety feature;

573 (iv) a traffic sign;

574 (v) a traffic signal;

575 (vi) street lighting; or

576 (vii) a combination of Subsections (6)(c)(i) through (vi);

577 (d) subject to the limitation in Subsection (7), public transit system services; or

578 (e) a combination of Subsections (6)(a) through (d).

579 (7) A county, city, or town may not expend more than 40% of the revenue distributed
580 to the county, city, or town from a tax collected under this section on public transit system
581 services.

582 (8) (a) Revenue collected from a sales and use tax under this section may not be used
583 to supplant existing general fund appropriations that a county, city, or town has budgeted for

584 transportation as of the date the tax becomes effective for a county, city, or town.

585 (b) The limitation under Subsection (8)(a) does not apply to a designated transportation
586 capital or reserve account a county, city, or town may have established prior to the date the tax
587 becomes effective.

588 Section 6. Section **63I-1-259** is amended to read:

589 **63I-1-259. Repeal dates, Title 59.**

590 (1) Subsection **59-2-924(3)(g)** is repealed on December 31, 2016.

591 (2) Subsection **59-2-924.2(9)** is repealed on December 31, 2017.

592 (3) Section **59-2-924.3** is repealed on December 31, 2016.

593 (4) Section **59-7-618** is repealed July 1, 2020.

594 (5) Section **59-9-102.5** is repealed December 31, 2020.

595 (6) Section **59-10-1033** is repealed July 1, 2020.

596 (7) Subsection **59-12-2219[(10)](13)** is repealed on June 30, 2020.