

**Representative Patrice M. Arent** proposes the following substitute bill:

**INFRASTRUCTURE FUNDING AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: J. Stuart Adams**

House Sponsor: Lee B. Perry

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to infrastructure funding.

**Highlighted Provisions:**

This bill:

- ▶ modifies certain sales and use tax revenue earmarks;
- ▶ provides that a certain amount of revenue shall annually be transferred from the Transportation Investment Fund of 2005 to the Transportation Fund; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-103**, as last amended by Laws of Utah 2015, Chapter 283

**72-2-107**, as last amended by Laws of Utah 2010, Chapter 391

**72-2-124**, as last amended by Laws of Utah 2015, Chapter 421

**73-10g-103**, as enacted by Laws of Utah 2015, Chapter 458



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

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

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

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

- (a) retail sales of tangible personal property made within the state;
- (b) amounts paid for:
  - (i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;
  - (ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
  - (iii) an ancillary service associated with a:
    - (A) telecommunications service described in Subsection (1)(b)(i); or
    - (B) mobile telecommunications service described in Subsection (1)(b)(ii);
  - (c) sales of the following for commercial use:
    - (i) gas;
    - (ii) electricity;
    - (iii) heat;
    - (iv) coal;
    - (v) fuel oil; or
    - (vi) other fuels;
  - (d) sales of the following for residential use:
    - (i) gas;
    - (ii) electricity;
    - (iii) heat;
    - (iv) coal;
    - (v) fuel oil; or
    - (vi) other fuels;

- 57 (e) sales of prepared food;
- 58 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 59 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 60 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 61 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 62 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 63 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 64 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 65 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 66 exhibition, cultural, or athletic activity;
- 67 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 68 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 69 (i) the tangible personal property; and
- 70 (ii) parts used in the repairs or renovations of the tangible personal property described
- 71 in Subsection (1)(g)(i), regardless of whether:
- 72 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 73 property; or
- 74 (B) the particular parts used in the repairs or renovations of that tangible personal
- 75 property are exempt from a tax under this chapter;
- 76 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 77 assisted cleaning or washing of tangible personal property;
- 78 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 79 accommodations and services that are regularly rented for less than 30 consecutive days;
- 80 (j) amounts paid or charged for laundry or dry cleaning services;
- 81 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 82 this state the tangible personal property is:
- 83 (i) stored;
- 84 (ii) used; or
- 85 (iii) otherwise consumed;
- 86 (l) amounts paid or charged for tangible personal property if within this state the
- 87 tangible personal property is:

- 88 (i) stored;
- 89 (ii) used; or
- 90 (iii) consumed; and
- 91 (m) amounts paid or charged for a sale:
  - 92 (i) (A) of a product transferred electronically; or
  - 93 (B) of a repair or renovation of a product transferred electronically; and
  - 94 (ii) regardless of whether the sale provides:
    - 95 (A) a right of permanent use of the product; or
    - 96 (B) a right to use the product that is less than a permanent use, including a right:
      - 97 (I) for a definite or specified length of time; and
      - 98 (II) that terminates upon the occurrence of a condition.
- 99 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 100 is imposed on a transaction described in Subsection (1) equal to the sum of:
  - 101 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
    - 102 (A) 4.70%; and
    - 103 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
    - 104 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
    - 105 through [59-12-215](#) is in a county in which the state imposes the tax under Part 18, Additional
    - 106 State Sales and Use Tax Act; and
    - 107 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
    - 108 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)
    - 109 through [59-12-215](#) is in a city, town, or the unincorporated area of a county in which the state
    - 110 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
    - 111 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
    - 112 transaction under this chapter other than this part.
  - 113 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
  - 114 on a transaction described in Subsection (1)(d) equal to the sum of:
    - 115 (i) a state tax imposed on the transaction at a tax rate of 2%; and
    - 116 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
    - 117 transaction under this chapter other than this part.
  - 118 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed

119 on amounts paid or charged for food and food ingredients equal to the sum of:

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

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

124 (d) (i) For a bundled transaction that is attributable to food and food ingredients and  
125 tangible personal property other than food and food ingredients, a state tax and a local tax is  
126 imposed on the entire bundled transaction equal to the sum of:

127 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

128 (I) the tax rate described in Subsection (2)(a)(i)(A); and

129 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
130 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
131 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
132 Additional State Sales and Use Tax Act; and

133 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
134 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
135 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
136 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

139 (ii) If an optional computer software maintenance contract is a bundled transaction that  
140 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
141 similar billing document, the purchase of the optional computer software maintenance contract  
142 is 40% taxable under this chapter and 60% nontaxable under this chapter.

143 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled  
144 transaction described in Subsection (2)(d)(i) or (ii):

145 (A) if the sales price of the bundled transaction is attributable to tangible personal  
146 property, a product, or a service that is subject to taxation under this chapter and tangible  
147 personal property, a product, or service that is not subject to taxation under this chapter, the  
148 entire bundled transaction is subject to taxation under this chapter unless:

149 (I) the seller is able to identify by reasonable and verifiable standards the tangible

150 personal property, product, or service that is not subject to taxation under this chapter from the  
151 books and records the seller keeps in the seller's regular course of business; or

152 (II) state or federal law provides otherwise; or

153 (B) if the sales price of a bundled transaction is attributable to two or more items of  
154 tangible personal property, products, or services that are subject to taxation under this chapter  
155 at different rates, the entire bundled transaction is subject to taxation under this chapter at the  
156 higher tax rate unless:

157 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
158 personal property, product, or service that is subject to taxation under this chapter at the lower  
159 tax rate from the books and records the seller keeps in the seller's regular course of business; or

160 (II) state or federal law provides otherwise.

161 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
162 seller's regular course of business includes books and records the seller keeps in the regular  
163 course of business for nontax purposes.

164 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
165 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
166 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
167 of tangible personal property, other property, a product, or a service that is not subject to  
168 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
169 the seller, at the time of the transaction:

170 (A) separately states the portion of the transaction that is not subject to taxation under  
171 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

172 (B) is able to identify by reasonable and verifiable standards, from the books and  
173 records the seller keeps in the seller's regular course of business, the portion of the transaction  
174 that is not subject to taxation under this chapter.

175 (ii) A purchaser and a seller may correct the taxability of a transaction if:

176 (A) after the transaction occurs, the purchaser and the seller discover that the portion of  
177 the transaction that is not subject to taxation under this chapter was not separately stated on an  
178 invoice, bill of sale, or similar document provided to the purchaser because of an error or  
179 ignorance of the law; and

180 (B) the seller is able to identify by reasonable and verifiable standards, from the books

181 and records the seller keeps in the seller's regular course of business, the portion of the  
182 transaction that is not subject to taxation under this chapter.

183 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
184 in the seller's regular course of business includes books and records the seller keeps in the  
185 regular course of business for nontax purposes.

186 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible  
187 personal property, products, or services that are subject to taxation under this chapter at  
188 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate  
189 unless the seller, at the time of the transaction:

190 (A) separately states the items subject to taxation under this chapter at each of the  
191 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

192 (B) is able to identify by reasonable and verifiable standards the tangible personal  
193 property, product, or service that is subject to taxation under this chapter at the lower tax rate  
194 from the books and records the seller keeps in the seller's regular course of business.

195 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the  
196 seller's regular course of business includes books and records the seller keeps in the regular  
197 course of business for nontax purposes.

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

200 (i) Subsection (2)(a)(i)(A);

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

202 (iii) Subsection (2)(c)(i); or

203 (iv) Subsection (2)(d)(i)(A)(I).

204 (h) (i) A tax rate increase takes effect on the first day of the first billing period that  
205 begins on or after the effective date of the tax rate increase if the billing period for the  
206 transaction begins before the effective date of a tax rate increase imposed under:

207 (A) Subsection (2)(a)(i)(A);

208 (B) Subsection (2)(b)(i);

209 (C) Subsection (2)(c)(i); or

210 (D) Subsection (2)(d)(i)(A)(I).

211 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing

212 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
213 or the tax rate decrease imposed under:

- 214 (A) Subsection (2)(a)(i)(A);
- 215 (B) Subsection (2)(b)(i);
- 216 (C) Subsection (2)(c)(i); or
- 217 (D) Subsection (2)(d)(i)(A)(I).

218 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is  
219 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or  
220 change in a tax rate takes effect:

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

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

- 224 (A) Subsection (2)(a)(i)(A);
- 225 (B) Subsection (2)(b)(i);
- 226 (C) Subsection (2)(c)(i); or
- 227 (D) Subsection (2)(d)(i)(A)(I).

228 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
229 the commission may by rule define the term "catalogue sale."

230 (3) (a) The following state taxes shall be deposited into the General Fund:

- 231 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 232 (ii) the tax imposed by Subsection (2)(b)(i);
- 233 (iii) the tax imposed by Subsection (2)(c)(i); or
- 234 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 237 (i) the tax imposed by Subsection (2)(a)(ii);
- 238 (ii) the tax imposed by Subsection (2)(b)(ii);
- 239 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 240 (iv) the tax imposed by Subsection (2)(d)(i)(B).

241 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
242 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)



243 through (g):

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

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

246 (B) for the fiscal year; or

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

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

251 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
252 protect sensitive plant and animal species; or

253 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
254 act, to political subdivisions of the state to implement the measures described in Subsections  
255 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

267 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
268 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
269 created in Section 4-18-106.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

304 (iii) develop surface water sources.

305 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
306 2006, the difference between the following amounts shall be expended as provided in this  
307 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

332 (i) preconstruction costs:

333 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
334 26, Bear River Development Act; and

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

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

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

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

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

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

347 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
348 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
349 Fund created in Section [73-10-24](#).

350 (6) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
351 ~~[2003]~~ 2016, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a  
352 ~~[1/16%]~~ 1/64% tax rate on the transactions described in Subsection (1) for the fiscal year shall  
353 be deposited ~~[in] into~~ the ~~[Transportation Fund created by Section [72-2-102](#)]~~ Water  
354 Infrastructure Restricted Account created in Section [73-10g-103](#).

355 (b) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
356 2016, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 3/64%  
357 tax rate on the transactions described in Subsection (1) for the fiscal year:

358 (i) except as provided in Subsection (6)(b)(ii), shall be deposited into the Uniform  
359 School Fund created by Section [53A-16-101](#); and

360 (ii) \$1,000,000 of the amount described in this Subsection (6)(b) shall be deposited  
361 into the Education Fund to be expended for the necessarily existent small schools program  
362 described in Section [53A-17a-109](#).

363 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
364 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section  
365 [72-2-124](#) a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
366 by a 1/64% tax rate on the taxable transactions under Subsection (1).

367 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
368 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,  
369 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
370 created by Section [72-2-124](#):

371 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
372 the revenues collected from the following taxes, which represents a portion of the  
373 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
374 on vehicles and vehicle-related products:

- 375 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 376 (B) the tax imposed by Subsection (2)(b)(i);
- 377 (C) the tax imposed by Subsection (2)(c)(i); and
- 378 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

379 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
380 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through  
381 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
382 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

383 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of  
384 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total  
385 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)  
386 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
387 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
388 (8)(a) equal to the product of:

389 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the  
390 previous fiscal year; and

391 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
392 (8)(a)(i)(A) through (D) in the current fiscal year.

393 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
394 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes  
395 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of  
396 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in  
397 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

398 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
399 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited  
400 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues  
401 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the  
402 current fiscal year under Subsection (8)(a).

403 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
404 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of  
405 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under  
406 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section  
407 [72-2-124](#).

408 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
409 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
410 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

411 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),  
412 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July  
413 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
414 created by Section [72-2-124](#) the amount of tax revenue generated by a .025% tax rate on the  
415 transactions described in Subsection (1).

416 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into  
417 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or  
418 charged for food and food ingredients, except for tax revenue generated by a bundled  
419 transaction attributable to food and food ingredients and tangible personal property other than  
420 food and food ingredients described in Subsection (2)(d).

421 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection  
422 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the  
423 Transportation Fund created by Section [72-2-102](#) the amount of tax revenue generated by a  
424 .025% tax rate on the transactions described in Subsection (1) to be expended to address  
425 chokepoints in construction management.

426 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into  
427 the Transportation Fund any tax revenue generated by amounts paid or charged for food and  
428 food ingredients, except for tax revenue generated by a bundled transaction attributable to food

429 and food ingredients and tangible personal property other than food and food ingredients  
430 described in Subsection (2)(d).

431 (13) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
432 fiscal year during which the Division of Finance receives notice under [~~Subsection~~] Section  
433 63N-2-510~~(3)~~ that construction on a qualified hotel, as defined in Section 63N-2-502, has  
434 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit  
435 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel  
436 Impact Mitigation Fund, created in Section 63N-2-512.

437 (14) Notwithstanding Subsections (4) through (13), an amount required to be expended  
438 or deposited in accordance with Subsections (4) through (13) may not include an amount the  
439 Division of Finance deposits in accordance with Section 59-12-103.2.

440 Section 2. Section **72-2-107** is amended to read:

441 **72-2-107. Appropriation from Transportation Fund -- Deposit into class B and**  
442 **class C roads account.**

443 (1) There is appropriated to the department from the Transportation Fund annually an  
444 amount equal to 30% of an amount which the director of finance shall compute in the  
445 following manner: The total revenue deposited into the Transportation Fund during the fiscal  
446 year from state highway-user taxes and fees, minus:

447 (a) those amounts appropriated or transferred from the Transportation Fund during the  
448 same fiscal year to:

449 (i) the Department of Public Safety;

450 (ii) the State Tax Commission;

451 (iii) the Division of Finance;

452 (iv) the Utah Travel Council; and

453 (v) any other amounts appropriated or transferred for any other state agencies not a part  
454 of the department; and

455 (b) the amount of [~~sales and use tax~~] revenue deposited [~~in~~] into the Transportation  
456 Fund in accordance with [~~Section~~] Sections 59-12-103 and 72-2-124.

457 (2) (a) Except as provided in Subsection (2)(b), all of this money shall be placed in an  
458 account to be known as the class B and class C roads account to be used as provided in this  
459 title.

460 (b) The director of finance shall annually transfer \$500,000 of the amount calculated  
461 under Subsection (1) to the department as dedicated credits for the State Park Access Highways  
462 Improvement Program created in Section 72-3-207.

463 (3) Each quarter of every year the director of finance shall make the necessary  
464 accounting entries to transfer the money appropriated under this section to the class B and class  
465 C roads account.

466 (4) The funds in the class B and class C roads account shall be expended under the  
467 direction of the department as the Legislature shall provide.

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

469 **72-2-124. Transportation Investment Fund of 2005.**

470 (1) There is created a capital projects fund entitled the Transportation Investment Fund  
471 of 2005.

472 (2) The fund consists of money generated from the following sources:

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

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

476 (c) the sales and use tax revenues deposited into the fund in accordance with Section  
477 59-12-103; and

478 (d) registration fees designated under Section 41-1a-1201.

479 (3) (a) The fund shall earn interest.

480 (b) All interest earned on fund money shall be deposited into the fund.

481 (4) (a) Except as provided in Subsection (4)(b), the executive director may use fund  
482 money only to pay:

483 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
484 federal highways prioritized by the Transportation Commission through the prioritization  
485 process for new transportation capacity projects adopted under Section 72-1-304;

486 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway  
487 projects described in Subsections 63B-18-401(2), (3), and (4);

488 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401  
489 minus the costs paid from the County of the First Class Highway Projects Fund in accordance  
490 with Subsection 72-2-121(4)(f);



491 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
492 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified  
493 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the  
494 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

495 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101  
496 for projects prioritized in accordance with Section 72-2-125;

497 (vi) all highway general obligation bonds that are intended to be paid from revenues in  
498 the Centennial Highway Fund created by Section 72-2-118; ~~and~~

499 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First  
500 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described  
501 in Section 72-2-121[-]; and

502 (viii) for a fiscal year beginning on or after July 1, 2016, to transfer an amount equal to  
503 the amount of revenue generated by a 1/16% tax rate on the transactions described in  
504 Subsection 59-12-103(1) for the fiscal year to the Transportation Fund created in Section  
505 72-2-102.

506 (b) The executive director may use fund money to exchange for an equal or greater  
507 amount of federal transportation funds to be used as provided in Subsection (4)(a).

508 (5) (a) Before bonds authorized by Section 63B-18-401 may be issued in any fiscal  
509 year, the department and the commission shall appear before the Executive Appropriations  
510 Committee of the Legislature and present the amount of bond proceeds that the department  
511 needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4)  
512 for the next fiscal year.

513 (b) The Executive Appropriations Committee of the Legislature shall review and  
514 comment on the amount of bond proceeds needed to fund the projects.

515 (6) The Division of Finance shall, from money deposited into the fund, transfer the  
516 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
517 Section 63B-18-401 in the current fiscal year to the appropriate debt service or sinking fund.

518 (7) (a) The commission shall develop prior to June 30, 2015, a funding plan and  
519 identify a highway construction program using the prioritization process for new transportation  
520 capacity projects adopted under Section 72-1-304 that meets long-term transportation needs  
521 beyond the normal four year programming horizon.

522 (b) The commission shall report the plan and program established under Subsection  
523 (7)(a) to the Transportation Interim Committee of the Legislature by no later than September  
524 30, 2015.

525 Section 4. Section **73-10g-103** is amended to read:

526 **73-10g-103. Creation of the Water Infrastructure Restricted Account.**

527 (1) (a) There is created a restricted account in the General Fund known as the "Water  
528 Infrastructure Restricted Account."

529 (b) The restricted account shall earn interest.

530 (2) The restricted account consists of money generated from the following sources:

531 (a) the sales and use tax revenue deposited into the account in accordance with Section  
532 59-12-103;

533 [~~(a)~~] (b) voluntary contributions made to the division for the construction, operation, or  
534 maintenance of state water projects;

535 [~~(b)~~] (c) appropriations made to the [~~fund~~] account by the Legislature; and

536 [~~(c)~~] (d) interest earned on the restricted account.

537 (3) Subject to appropriation, the division and the board shall manage the restricted  
538 account created in Subsection (1) in accordance with this chapter.

539 Section 5. **Effective date.**

540 This bill takes effect on July 1, 2016.