

1                                   **FUNDING FOR INFRASTRUCTURE REVISIONS**

2   2016 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: J. Stuart Adams**

5                                   House Sponsor: \_\_\_\_\_

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7   **LONG TITLE**

8   **General Description:**

9           This bill modifies and enacts provisions relating to funding for infrastructure projects.

10 **Highlighted Provisions:**

11       This bill:

- 12       ▶ provides definitions;
- 13       ▶ reduces certain sales and use tax earmarks that are deposited into the Transportation  
14 Investment Fund of 2005;
- 15       ▶ provides that certain sales and use tax revenue shall be deposited into the Industrial  
16 Assistance Account;
- 17       ▶ provides that certain revenues shall be appropriated from the Mineral Lease  
18 Account to the Impacted Communities Transportation Development Restricted  
19 Account;
- 20       ▶ requires the administrator of the Industrial Assistance Account to use certain money  
21 in the Industrial Assistance Account to provide a loan for a throughput  
22 infrastructure project;
- 23       ▶ creates the Impacted Communities Transportation Development Restricted  
24 Account;
- 25       ▶ enacts provisions related to deposits into and use of funds in the Impacted  
26 Communities Transportation Development Restricted Account; and
- 27       ▶ makes technical changes.



28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **59-12-103**, as last amended by Laws of Utah 2015, Chapter 283

35 **59-12-1201**, as last amended by Laws of Utah 2012, Chapter 121

36 **59-21-2**, as last amended by Laws of Utah 2012, Chapters 212 and 242

37 **63I-2-263**, as last amended by Laws of Utah 2015, Chapters 182, 258, 283, 292, and  
38 297

39 **63N-3-102**, as last amended by Laws of Utah 2015, Chapter 115 and renumbered and  
40 amended by Laws of Utah 2015, Chapter 283

41 **63N-3-103**, as renumbered and amended by Laws of Utah 2015, Chapter 283

42 **63N-3-104**, as last amended by Laws of Utah 2015, Chapter 115 and renumbered and  
43 amended by Laws of Utah 2015, Chapter 283

44 ENACTS:

45 **72-2-128**, Utah Code Annotated 1953



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

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

49 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
50 **tax revenues.**

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

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

54 (b) amounts paid for:

55 (i) telecommunications service, other than mobile telecommunications service, that  
56 originates and terminates within the boundaries of this state;

57 (ii) mobile telecommunications service that originates and terminates within the  
58 boundaries of one state only to the extent permitted by the Mobile Telecommunications

59 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or  
60 (iii) an ancillary service associated with a:  
61 (A) telecommunications service described in Subsection (1)(b)(i); or  
62 (B) mobile telecommunications service described in Subsection (1)(b)(ii);  
63 (c) sales of the following for commercial use:  
64 (i) gas;  
65 (ii) electricity;  
66 (iii) heat;  
67 (iv) coal;  
68 (v) fuel oil; or  
69 (vi) other fuels;  
70 (d) sales of the following for residential use:  
71 (i) gas;  
72 (ii) electricity;  
73 (iii) heat;  
74 (iv) coal;  
75 (v) fuel oil; or  
76 (vi) other fuels;  
77 (e) sales of prepared food;  
78 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or  
79 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,  
80 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,  
81 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit  
82 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf  
83 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,  
84 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,  
85 horseback rides, sports activities, or any other amusement, entertainment, recreation,  
86 exhibition, cultural, or athletic activity;  
87 (g) amounts paid or charged for services for repairs or renovations of tangible personal  
88 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:  
89 (i) the tangible personal property; and

90 (ii) parts used in the repairs or renovations of the tangible personal property described  
91 in Subsection (1)(g)(i), regardless of whether:

92 (A) any parts are actually used in the repairs or renovations of that tangible personal  
93 property; or

94 (B) the particular parts used in the repairs or renovations of that tangible personal  
95 property are exempt from a tax under this chapter;

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

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

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

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

103 (i) stored;

104 (ii) used; or

105 (iii) otherwise consumed;

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

108 (i) stored;

109 (ii) used; or

110 (iii) consumed; and

111 (m) amounts paid or charged for a sale:

112 (i) (A) of a product transferred electronically; or

113 (B) of a repair or renovation of a product transferred electronically; and

114 (ii) regardless of whether the sale provides:

115 (A) a right of permanent use of the product; or

116 (B) a right to use the product that is less than a permanent use, including a right:

117 (I) for a definite or specified length of time; and

118 (II) that terminates upon the occurrence of a condition.

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

121 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:  
122 (A) 4.70%; and  
123 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
124 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
125 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
126 State Sales and Use Tax Act; and  
127 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
128 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
129 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
130 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and  
131 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
132 transaction under this chapter other than this part.  
133 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
134 on a transaction described in Subsection (1)(d) equal to the sum of:  
135 (i) a state tax imposed on the transaction at a tax rate of 2%; and  
136 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
137 transaction under this chapter other than this part.  
138 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
139 on amounts paid or charged for food and food ingredients equal to the sum of:  
140 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at  
141 a tax rate of 1.75%; and  
142 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
143 amounts paid or charged for food and food ingredients under this chapter other than this part.  
144 (d) (i) For a bundled transaction that is attributable to food and food ingredients and  
145 tangible personal property other than food and food ingredients, a state tax and a local tax is  
146 imposed on the entire bundled transaction equal to the sum of:  
147 (A) a state tax imposed on the entire bundled transaction equal to the sum of:  
148 (I) the tax rate described in Subsection (2)(a)(i)(A); and  
149 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
150 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
151 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

152 Additional State Sales and Use Tax Act; and

153 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
154 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
155 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
156 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

169 (I) the seller is able to identify by reasonable and verifiable standards the tangible  
170 personal property, product, or service that is not subject to taxation under this chapter from the  
171 books and records the seller keeps in the seller's regular course of business; or

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

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

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

180 (II) state or federal law provides otherwise.

181 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
182 seller's regular course of business includes books and records the seller keeps in the regular

183 course of business for nontax purposes.

184 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
185 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
186 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
187 of tangible personal property, other property, a product, or a service that is not subject to  
188 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
189 the seller, at the time of the transaction:

190 (A) separately states the portion of the transaction that is not subject to taxation under  
191 this chapter 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, from the books and  
193 records the seller keeps in the seller's regular course of business, the portion of the transaction  
194 that is not subject to taxation under this chapter.

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

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

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

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

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

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

212 (B) is able to identify by reasonable and verifiable standards the tangible personal  
213 property, product, or service that is subject to taxation under this chapter at the lower tax rate

214 from the books and records the seller keeps in the seller's regular course of business.

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

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

- 220 (i) Subsection (2)(a)(i)(A);
- 221 (ii) Subsection (2)(b)(i);
- 222 (iii) Subsection (2)(c)(i); or
- 223 (iv) Subsection (2)(d)(i)(A)(I).

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

- 227 (A) Subsection (2)(a)(i)(A);
- 228 (B) Subsection (2)(b)(i);
- 229 (C) Subsection (2)(c)(i); or
- 230 (D) Subsection (2)(d)(i)(A)(I).

231 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
232 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
233 or the tax rate decrease imposed under:

- 234 (A) Subsection (2)(a)(i)(A);
- 235 (B) Subsection (2)(b)(i);
- 236 (C) Subsection (2)(c)(i); or
- 237 (D) Subsection (2)(d)(i)(A)(I).

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

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

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

- 244 (A) Subsection (2)(a)(i)(A);

- 245 (B) Subsection (2)(b)(i);
- 246 (C) Subsection (2)(c)(i); or
- 247 (D) Subsection (2)(d)(i)(A)(I).

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

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

- 251 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 252 (ii) the tax imposed by Subsection (2)(b)(i);
- 253 (iii) the tax imposed by Subsection (2)(c)(i); or
- 254 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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

- 257 (i) the tax imposed by Subsection (2)(a)(ii);
- 258 (ii) the tax imposed by Subsection (2)(b)(ii);
- 259 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 260 (iv) the tax imposed by Subsection (2)(d)(i)(B).

261 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
262 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
263 through (g):

- 264 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
  - 265 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
  - 266 (B) for the fiscal year; or
  - 267 (ii) \$17,500,000.

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

- 271 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
272 protect sensitive plant and animal species; or
- 273 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
274 act, to political subdivisions of the state to implement the measures described in Subsections  
275 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

324 (iii) develop surface water sources.

325 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
326 2006, the difference between the following amounts shall be expended as provided in this  
327 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

336 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
337 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund

338 created in Section 73-10-24.

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

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

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

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

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

352 (i) preconstruction costs:

353 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
354 26, Bear River Development Act; and

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

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

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

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

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

367 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
368 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development

369 Fund created in Section 73-10-24.

370 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
371 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
372 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
373 the Transportation Fund created by Section 72-2-102.

374 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
375 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section  
376 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
377 by a 1/64% tax rate on the taxable transactions under Subsection (1).

378 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
379 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,  
380 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
381 created by Section 72-2-124:

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

- 386 (A) the tax imposed by Subsection (2)(a)(i)(A);  
387 (B) the tax imposed by Subsection (2)(b)(i);  
388 (C) the tax imposed by Subsection (2)(c)(i); and  
389 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

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

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

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

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

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

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

414 (9) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited  
415 under Subsections (7) and (8), for the 2016-17 fiscal year only, the Division of Finance shall  
416 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into  
417 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

418 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
419 Subsections (7) and (8), for the 2017-18 fiscal year only, the Division of Finance shall deposit  
420 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the  
421 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

422 ~~[(9)]~~ (c) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited  
423 under Subsections (7) and (8), for a fiscal year beginning on or after July 1, ~~[2012]~~ 2018, the  
424 Division of Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes  
425 listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by  
426 Section [72-2-124](#).

427 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
428 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
429 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

430 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),

431 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July  
432 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
433 created by Section [72-2-124](#) the amount of tax revenue generated by a .025% tax rate on the  
434 transactions described in Subsection (1).

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

440 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection  
441 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the  
442 Transportation Fund created by Section [72-2-102](#) the amount of tax revenue generated by a  
443 .025% tax rate on the transactions described in Subsection (1) to be expended to address  
444 chokepoints in construction management.

445 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into  
446 the Transportation Fund any tax revenue generated by amounts paid or charged for food and  
447 food ingredients, except for tax revenue generated by a bundled transaction attributable to food  
448 and food ingredients and tangible personal property other than food and food ingredients  
449 described in Subsection (2)(d).

450 (13) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
451 fiscal year during which the Division of Finance receives notice under Subsection  
452 [63N-2-510](#)(3) that construction on a qualified hotel, as defined in Section [63N-2-502](#), has  
453 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit  
454 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel  
455 Impact Mitigation Fund, created in Section [63N-2-512](#).

456 (14) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the  
457 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed  
458 under Subsection (3)(a) into the Industrial Assistance Account created by Section [63N-3-103](#).

459 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of  
460 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under  
461 Subsection (3)(a) into the Industrial Assistance Account created by Section [63N-3-103](#).

462            [~~(14)~~] (15) Notwithstanding Subsections (4) through [~~(13)~~] (14), an amount required to  
463 be expended or deposited in accordance with Subsections (4) through [~~(13)~~] (14) may not  
464 include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.

465            Section 2. Section 59-12-1201 is amended to read:

466            **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
467 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

468            (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all  
469 short-term leases and rentals of motor vehicles not exceeding 30 days.

470            (b) The tax imposed in this section is in addition to all other state, county, or municipal  
471 fees and taxes imposed on rentals of motor vehicles.

472            (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
473 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

474            (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
475 take effect on the first day of the first billing period:

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

477            (B) if the billing period for the transaction begins before the effective date of a tax rate  
478 increase imposed under Subsection (1).

479            (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
480 rate decrease shall take effect on the first day of the last billing period:

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

483            (B) if the billing period for the transaction begins before the effective date of the repeal  
484 of the tax or the tax rate decrease imposed under Subsection (1).

485            (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

486            (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

487            (b) the motor vehicle is rented as a personal household goods moving van; or

488            (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
489 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
490 insurance agreement.

491            (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
492 enforced in accordance with:

493 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
494 Tax Collection; and

495 (B) Chapter 1, General Taxation Policies.

496 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
497 Subsections 59-12-103(4) through ~~[(12)]~~ (14) or Section 59-12-107.1 or 59-12-123.

498 (b) The commission shall retain and deposit an administrative charge in accordance  
499 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

500 (c) Except as provided under Subsection (4)(b), all revenue received by the  
501 commission under this section shall be deposited daily with the state treasurer and credited  
502 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

503 Section 3. Section 59-21-2 is amended to read:

504 **59-21-2. Mineral Bonus Account created -- Contents -- Use of Mineral Bonus**  
505 **Account money -- Mineral Lease Account created -- Contents -- Appropriation of money**  
506 **from Mineral Lease Account.**

507 (1) (a) There is created a restricted account within the General Fund known as the  
508 "Mineral Bonus Account."

509 (b) The Mineral Bonus Account consists of federal mineral lease bonus payments  
510 deposited pursuant to Subsection 59-21-1(3).

511 (c) The Legislature shall make appropriations from the Mineral Bonus Account in  
512 accordance with Section 35 of the Mineral Lands Leasing Act of 1920, 30 U.S.C. Sec. 191.

513 (d) The state treasurer shall:

514 (i) invest the money in the Mineral Bonus Account by following the procedures and  
515 requirements of Title 51, Chapter 7, State Money Management Act; and

516 (ii) deposit all interest or other earnings derived from the account into the Mineral  
517 Bonus Account.

518 (2) (a) There is created a restricted account within the General Fund known as the  
519 "Mineral Lease Account."

520 (b) The Mineral Lease Account consists of federal mineral lease money deposited  
521 pursuant to Subsection 59-21-1(1).

522 (c) The Legislature shall make appropriations from the Mineral Lease Account as  
523 provided in Subsection 59-21-1(1) and this Subsection (2).

524 (d) ~~[The]~~ (i) Except as provided in Subsections (2)(d)(ii) and (iii), the Legislature shall  
525 annually appropriate 32.5% of all deposits made to the Mineral Lease Account to the  
526 Permanent Community Impact Fund established by Section 35A-8-303.

527 (ii) For fiscal year 2016-17 only and before appropriating the deposits under  
528 Subsection (1)(d)(i), the Legislature shall appropriate \$26,000,000 of the deposits made to the  
529 Mineral Lease Account to the Impacted Communities Transportation Development Restricted  
530 Account established by Section 72-2-128.

531 (iii) For fiscal year 2017-18 only and before appropriating the deposits under  
532 Subsection (1)(d)(i), the Legislature shall appropriate \$27,000,000 of the deposits made to the  
533 Mineral Lease Account to the Impacted Communities Transportation Development Restricted  
534 Account established by Section 72-2-128.

535 (e) The Legislature shall annually appropriate 2.25% of all deposits made to the  
536 Mineral Lease Account to the State Board of Education, to be used for education research and  
537 experimentation in the use of staff and facilities designed to improve the quality of education in  
538 Utah.

539 (f) The Legislature shall annually appropriate 2.25% of all deposits made to the  
540 Mineral Lease Account to the Utah Geological Survey, to be used for activities carried on by  
541 the survey having as a purpose the development and exploitation of natural resources in the  
542 state.

543 (g) The Legislature shall annually appropriate 2.25% of all deposits made to the  
544 Mineral Lease Account to the Water Research Laboratory at Utah State University, to be used  
545 for activities carried on by the laboratory having as a purpose the development and exploitation  
546 of water resources in the state.

547 (h) (i) The Legislature shall annually appropriate to the Department of Transportation  
548 40% of all deposits made to the Mineral Lease Account to be distributed as provided in  
549 Subsection (2)(h)(ii) to:

550 (A) counties;

551 (B) special service districts established:

552 (I) by counties;

553 (II) under Title 17D, Chapter 1, Special Service District Act; and

554 (III) for the purpose of constructing, repairing, or maintaining roads; or

555 (C) special service districts established:  
556 (I) by counties;  
557 (II) under Title 17D, Chapter 1, Special Service District Act; and  
558 (III) for other purposes authorized by statute.  
559 (ii) The Department of Transportation shall allocate the funds specified in Subsection  
560 (2)(h)(i):  
561 (A) in amounts proportionate to the amount of mineral lease money generated by each  
562 county; and  
563 (B) to a county or special service district established by a county under Title 17D,  
564 Chapter 1, Special Service District Act, as determined by the county legislative body.  
565 (i) (i) The Legislature shall annually appropriate 5% of all deposits made to the  
566 Mineral Lease Account to the Department of Workforce Services to be distributed to:  
567 (A) special service districts established:  
568 (I) by counties;  
569 (II) under Title 17D, Chapter 1, Special Service District Act; and  
570 (III) for the purpose of constructing, repairing, or maintaining roads; or  
571 (B) special service districts established:  
572 (I) by counties;  
573 (II) under Title 17D, Chapter 1, Special Service District Act; and  
574 (III) for other purposes authorized by statute.  
575 (ii) The Department of Workforce Services may distribute the amounts described in  
576 Subsection (2)(i)(i) only to special service districts established under Title 17D, Chapter 1,  
577 Special Service District Act, by counties:  
578 (A) of the third, fourth, fifth, or sixth class;  
579 (B) in which 4.5% or less of the mineral lease money within the state is generated; and  
580 (C) that are significantly socially or economically impacted as provided in Subsection  
581 (2)(i)(iii) by the development of minerals under the Mineral Lands Leasing Act, 30 U.S.C. Sec.  
582 181 et seq.  
583 (iii) The significant social or economic impact required under Subsection (2)(i)(ii)(C)  
584 shall be as a result of:  
585 (A) the transportation within the county of hydrocarbons, including solid hydrocarbons

586 as defined in Section 59-5-101;

587 (B) the employment of persons residing within the county in hydrocarbon extraction,  
588 including the extraction of solid hydrocarbons as defined in Section 59-5-101; or

589 (C) a combination of Subsections (2)(i)(iii)(A) and (B).

590 (iv) For purposes of distributing the appropriations under this Subsection (2)(i) to  
591 special service districts established by counties under Title 17D, Chapter 1, Special Service  
592 District Act, the Department of Workforce Services shall:

593 (A) (I) allocate 50% of the appropriations equally among the counties meeting the  
594 requirements of Subsections (2)(i)(ii) and (iii); and

595 (II) allocate 50% of the appropriations based on the ratio that the population of each  
596 county meeting the requirements of Subsections (2)(i)(ii) and (iii) bears to the total population  
597 of all of the counties meeting the requirements of Subsections (2)(i)(ii) and (iii); and

598 (B) after making the allocations described in Subsection (2)(i)(iv)(A), distribute the  
599 allocated revenues to special service districts established by the counties under Title 17D,  
600 Chapter 1, Special Service District Act, as determined by the executive director of the  
601 Department of Workforce Services after consulting with the county legislative bodies of the  
602 counties meeting the requirements of Subsections (2)(i)(ii) and (iii).

603 (v) The executive director of the Department of Workforce Services:

604 (A) shall determine whether a county meets the requirements of Subsections (2)(i)(ii)  
605 and (iii);

606 (B) shall distribute the appropriations under Subsection (2)(i)(i) to special service  
607 districts established by counties under Title 17D, Chapter 1, Special Service District Act, that  
608 meet the requirements of Subsections (2)(i)(ii) and (iii); and

609 (C) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
610 may make rules:

611 (I) providing a procedure for making the distributions under this Subsection (2)(i) to  
612 special service districts; and

613 (II) defining the term "population" for purposes of Subsection (2)(i)(iv).

614 (j) (i) The Legislature shall annually make the following appropriations from the  
615 Mineral Lease Account:

616 (A) an amount equal to 52 cents multiplied by the number of acres of school or

617 institutional trust lands, lands owned by the Division of Parks and Recreation, and lands owned  
618 by the Division of Wildlife Resources that are not under an in lieu of taxes contract, to each  
619 county in which those lands are located;

620 (B) to each county in which school or institutional trust lands are transferred to the  
621 federal government after December 31, 1992, an amount equal to the number of transferred  
622 acres in the county multiplied by a payment per acre equal to the difference between 52 cents  
623 per acre and the per acre payment made to that county in the most recent payment under the  
624 federal payment in lieu of taxes program, 31 U.S.C. Sec. 6901 et seq., unless the federal  
625 payment was equal to or exceeded the 52 cents per acre, in which case a payment under this  
626 Subsection (2)(j)(i)(B) may not be made for the transferred lands;

627 (C) to each county in which federal lands, which are entitlement lands under the federal  
628 in lieu of taxes program, are transferred to the school or institutional trust, an amount equal to  
629 the number of transferred acres in the county multiplied by a payment per acre equal to the  
630 difference between the most recent per acre payment made under the federal payment in lieu of  
631 taxes program and 52 cents per acre, unless the federal payment was equal to or less than 52  
632 cents per acre, in which case a payment under this Subsection (2)(j)(i)(C) may not be made for  
633 the transferred land; and

634 (D) to a county of the fifth or sixth class, an amount equal to the product of:

635 (I) \$1,000; and

636 (II) the number of residences described in Subsection (2)(j)(iv) that are located within  
637 the county.

638 (ii) A county receiving money under Subsection (2)(j)(i) may, as determined by the  
639 county legislative body, distribute the money or a portion of the money to:

640 (A) special service districts established by the county under Title 17D, Chapter 1,  
641 Special Service District Act;

642 (B) school districts; or

643 (C) public institutions of higher education.

644 (iii) (A) Beginning in fiscal year 1994-95 and in each year after fiscal year 1994-95, the  
645 Division of Finance shall increase or decrease the amounts per acre provided for in Subsections  
646 (2)(j)(i)(A) through (C) by the average annual change in the Consumer Price Index for all urban  
647 consumers published by the Department of Labor.

648 (B) For fiscal years beginning on or after fiscal year 2001-02, the Division of Finance  
649 shall increase or decrease the amount described in Subsection (2)(j)(i)(D)(I) by the average  
650 annual change in the Consumer Price Index for all urban consumers published by the  
651 Department of Labor.

652 (iv) Residences for purposes of Subsection (2)(j)(i)(D)(II) are residences that are:

653 (A) owned by:

654 (I) the Division of Parks and Recreation; or

655 (II) the Division of Wildlife Resources;

656 (B) located on lands that are owned by:

657 (I) the Division of Parks and Recreation; or

658 (II) the Division of Wildlife Resources; and

659 (C) are not subject to taxation under:

660 (I) Chapter 2, Property Tax Act; or

661 (II) Chapter 4, Privilege Tax.

662 (k) The Legislature shall annually appropriate to the Permanent Community Impact  
663 Fund all deposits remaining in the Mineral Lease Account after making the appropriations  
664 provided for in Subsections (2)(d) through (j).

665 (3) (a) Each agency, board, institution of higher education, and political subdivision  
666 receiving money under this chapter shall provide the Legislature, through the Office of the  
667 Legislative Fiscal Analyst, with a complete accounting of the use of that money on an annual  
668 basis.

669 (b) The accounting required under Subsection (3)(a) shall:

670 (i) include actual expenditures for the prior fiscal year, budgeted expenditures for the  
671 current fiscal year, and planned expenditures for the following fiscal year; and

672 (ii) be reviewed by the Business, Economic Development, and Labor Appropriations  
673 Subcommittee as part of its normal budgetary process under Title 63J, Chapter 1, Budgetary  
674 Procedures Act.

675 Section 4. Section **63I-2-263** is amended to read:

676 **63I-2-263. Repeal dates, Title 63A to Title 63N.**

677 (1) Section **63A-5-104.1** is repealed on January 1, 2016.

678 (2) Section **63C-9-501.1** is repealed on July 1, 2015.

679 (3) Title 63C, Chapter 15, Prison Relocation Commission, is repealed on January 1,  
680 2016.

681 [~~(4)~~ Subsection ~~63N-3-103~~(1)(d) is repealed on July 1, 2015.]

682 [~~(5)~~ (4) Subsection ~~63N-12-208~~(3) is repealed on January 1, 2016.

683 Section 5. Section ~~63N-3-102~~ is amended to read:

684 **~~63N-3-102. Definitions.~~**

685 As used in this part:

686 (1) "Administrator" means the executive director or the executive director's designee.

687 (2) "Company creating an economic impediment" means a company that discourages  
688 economic development within a reasonable radius of its location because of:

689 (a) odors;

690 (b) noise;

691 (c) pollution;

692 (d) health hazards; or

693 (e) other activities similar to those described in Subsections (2)(a) through (d).

694 [~~(4)~~ (3) "Economically disadvantaged rural area" means a geographic area designated  
695 by the board under Section ~~63N-3-111~~.

696 [~~(3)~~ (4) "Economic opportunities" means unique business situations or community  
697 circumstances, including the development of recreation infrastructure, which lend themselves  
698 to the furtherance of the economic interests of the state by providing a catalyst or stimulus to  
699 the growth or retention, or both, of commerce and industry in the state, including retention of  
700 companies whose relocation outside the state would have a significant detrimental economic  
701 impact on the state as a whole, regions of the state, or specific components of the state as  
702 determined by the board.

703 (5) "Replacement company" means a company locating its business or part of its  
704 business in a location vacated by a company creating an economic impediment.

705 (6) "Restricted Account" means the restricted account known as the Industrial  
706 Assistance Account created in Section ~~63N-3-103~~.

707 (7) "Targeted industry" means an industry or group of industries targeted by the board  
708 under Section ~~63N-3-111~~, for economic development in the state.

709 (8) (a) "Throughput infrastructure project" means the following facilities, whether

710 located within or outside of the state:

711 (i) a bulk commodities ocean terminal;

712 (ii) a pipeline for the transportation of liquid or gaseous hydrocarbons; and

713 (iii) electric transmission lines and ancillary facilities.

714 (b) "Throughput infrastructure project" includes:

715 (i) an ownership interest or a joint or undivided ownership interest in a facility;

716 (ii) a membership interest in the owner of a facility; and

717 (iii) a contractual right, whether secured or unsecured, to use all or a portion of the

718 throughput, transportation or transmission capacity of a facility.

719 Section 6. Section **63N-3-103** is amended to read:

720 **63N-3-103. Industrial Assistance Account created -- Uses -- Administrator duties**

721 **-- Costs.**

722 (1) (a) There is created a restricted account within the General Fund known as the  
723 "Industrial Assistance Account." ~~[of which:]~~

724 (b) Except as provided in Subsection (1)(c), money in the account may be used as  
725 follows:

726 ~~[(a)]~~ (i) up to 50% may be used in economically disadvantaged rural areas;

727 ~~[(b)]~~ (ii) up to 25% may be used to take timely advantage of economic opportunities as  
728 they arise; and

729 ~~[(c)]~~ (iii) up to 4% may be used to promote business and economic development in  
730 rural areas of the state with the Business Expansion and Retention Initiative.

731 (c) (i) The administrator shall use money transferred to the account in accordance with  
732 Subsection 59-12-103(14) to provide a loan to finance the cost of acquisition or construction of  
733 a throughput infrastructure project described in Subsection 63N-3-102(8)(a)(i) to one or more  
734 political subdivisions, including a Utah interlocal entity created under the Interlocal  
735 Cooperation Act, Title 11, Chapter 13.

736 (ii) A loan for a throughput infrastructure project is not subject to Sections 63N-3-103  
737 to 63N-3-111.

738 (iii) The cost of acquisition or construction of a throughput infrastructure project  
739 includes amounts for working capital, reserves, transaction costs, and other amounts  
740 determined by the administrator to be allocable to a throughput infrastructure project.

- 741 (2) The administrator shall administer:
- 742 (a) the restricted account created under Subsection (1), under the policy direction of the
- 743 board; and
- 744 (b) the Business Expansion and Retention Initiative for the rural areas of the state.
- 745 (3) The administrator may hire appropriate support staff to perform the duties required
- 746 under this section.
- 747 (4) The cost of administering the restricted account shall be paid from money in the
- 748 restricted account.
- 749 (5) Interest accrued from investment of money in the restricted account shall remain in
- 750 the restricted account.

751 Section 7. Section **63N-3-104** is amended to read:

752 **63N-3-104. Rural Fast Track Program -- Creation -- Funding -- Qualifications**

753 **for program participation -- Awards -- Reports.**

- 754 (1) (a) There is created the Rural Fast Track Program.
- 755 (b) The program is a funded component of the economically disadvantaged rural areas
- 756 designation in Subsection [63N-3-103\(1\)\(a\)\(i\)](#).
- 757 (2) The purpose of the program is to provide an efficient way for small companies in
- 758 rural areas of the state to receive incentives for creating high paying jobs in those areas of the
- 759 state.
- 760 (3) (a) Twenty percent of the unencumbered amount in the Industrial Assistance
- 761 Account created in Subsection [63N-3-103\(1\)](#) at the beginning of each fiscal year shall be used
- 762 to fund the program.
- 763 (b) The 20% referred to in Subsection (3)(a) is not in addition to but is a part of the up
- 764 to 50% designation for economically disadvantaged rural areas referred to in Subsection
- 765 [63N-3-103\(1\)\(a\)\(i\)](#).
- 766 (c) If any of the 20% allocation referred to in Subsection (3)(a) has not been used in the
- 767 program by the end of the third quarter of each fiscal year, that money may be used for any
- 768 other loan, grant, or assistance program offered through the Industrial Assistance Account
- 769 during the fiscal year.
- 770 (4) (a) To qualify for participation in the program a company:
- 771 (i) shall complete and file with the office an application for participation in the

772 program, signed by an officer of the company;

773 (ii) shall be located and conduct its business operations in a county in the state of the  
774 third, fourth, fifth, or sixth class as described in Section 17-50-501;

775 (iii) which is located and conducts its business operations in a third class county as  
776 described in Section 17-50-501, may not be located and conduct its business operations within  
777 a city that has a:

778 (A) population of more than 20,000; or

779 (B) median household income of more than \$70,000 as reflected in the most recently  
780 available data collected and reported by the United States Census Bureau;

781 (iv) shall have been in business in the state for at least two years; and

782 (v) shall have at least two employees.

783 (b) (i) The office shall verify an applicant's qualifications under Subsection (4)(a).

784 (ii) The application must be approved by the administrator in order for a company to  
785 receive an incentive or other assistance under this section.

786 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
787 administrator may make rules governing:

788 (i) the content of the application form referred to in Subsection (4)(a)(i);

789 (ii) who qualifies as an employee under Subsection (4)(a)(iv); and

790 (iii) the verification procedure referred to in Subsection (4)(b).

791 (5) (a) The administrator shall make incentive cash awards to small companies under  
792 this section based on the following criteria:

793 (i) \$1,000 for each new incremental job that pays over 110% of the county's median  
794 annual wage;

795 (ii) \$1,250 for each incremental job that pays over 115% of the county's median annual  
796 wage; and

797 (iii) \$1,500 for each incremental job that pays over 125% of the county's median  
798 annual wage.

799 (b) The administrator shall make a cash award under Subsection (5)(a) when a new  
800 incremental job has been in place for at least 12 months.

801 (c) The creation of a new incremental job by a company is based on the number of  
802 employees at the company during the previous 24 months.

803 (d) (i) A small company may also apply for grants, loans, or other financial assistance  
804 under the program to help develop its business in rural Utah and may receive up to \$50,000  
805 under the program if approved by the administrator.

806 (ii) The board must approve a distribution that exceeds the \$50,000 cap under  
807 Subsection (5)(d)(i).

808 (6) The administrator shall make a quarterly report to the board of the awards made by  
809 the administrator under this section and submit a report to the office on the awards and their  
810 impact on economic development in the state's rural areas for inclusion in the office's annual  
811 written report described in Section [63N-1-301](#).

812 Section 8. Section **72-2-128** is enacted to read:

813 **72-2-128. Impacted Communities Transportation Development Restricted**  
814 **Account.**

815 (1) There is created a restricted account known as the Impacted Communities  
816 Transportation Development Restricted Account within the Transportation Investment Fund of  
817 2005 created by Section [72-2-124](#).

818 (2) The account consists of money generated from the following revenue sources:

819 (a) Mineral Lease Account money deposited into the account in accordance with  
820 Section [59-21-2](#);

821 (b) any voluntary contributions received for the construction, major reconstruction, or  
822 major renovation of state or federal highways; and

823 (c) appropriations made to the fund by the Legislature.

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

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

826 (4) The executive director may use fund money, as prioritized by the Transportation  
827 Commission, only to pay the costs of construction, reconstruction, or renovation to state and  
828 federal highways that are qualified projects under the Mineral Lands Leasing Act, 30 U.S.C.  
829 Sec. 181 et seq.

830 Section 9. **Effective date.**

831 This bill takes effect on July 1, 2016.

**Legislative Review Note**  
**Office of Legislative Research and General Counsel**