

Senator Jim Dabakis proposes the following substitute bill:

TRANSPORTATION GOVERNANCE AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Mike Schultz

LONG TITLE

General Description:

This bill modifies governance of certain public transit districts, amends provisions related to registration fees, modifies taxes related to transportation, modifies the governance of the Department of Transportation, and makes other changes.

Highlighted Provisions:

This bill:

- ▶ amends and enacts provisions to allow local jurisdictions to share property tax revenue for transportation capital development projects;
- ▶ defines "large public transit district" and "small public transit district";
- ▶ vests in the Legislature the authority to name a large public transit district;
- ▶ modifies the makeup of the board of trustees of a large public transit district by:
 - reducing membership from 16 to three;
 - vesting nomination responsibilities in executives of local governments and appointment responsibilities in the governor; and
 - defining responsibilities of the members of the board of trustees;
- ▶ creates a local advisory board for a large public transit district and defines the membership and duties of a local advisory board;
- ▶ requires a large public transit district to transition retirement benefits to fall under



- 26 the provisions and oversight provided in the Utah State Retirement and Insurance Benefit Act;
- 27 ▶ exempts certain meetings of members of the board of trustees of a large public
- 28 transit district from the Open and Public Meetings Act;
- 29 ▶ defines "alternative fuel vehicle," "diesel fuel," "electric motor vehicle," "hybrid
- 30 electric motor vehicle," "motor fuel," "natural gas," and "plug-in hybrid electric
- 31 motor vehicle";
- 32 ▶ modifies provisions imposing registration fees on motor vehicles based on the type
- 33 of motor vehicle and fuel used to propel the vehicle;
- 34 ▶ repeals certain sales and use tax dedications;
- 35 ▶ creates the "Transit Transportation Investment Fund" within the Transportation
- 36 Investment Fund of 2005;
- 37 ▶ imposes a deadline for a local government to impose certain local option sales and
- 38 use taxes;
- 39 ▶ authorizes a new local option sales and use tax for transportation;
- 40 ▶ allows a county, city, or town to impose certain local option sales and use taxes
- 41 without submitting the question to the county's, city's, or town's registered voters;
- 42 ▶ allows a city to impose certain local option sales and use taxes not imposed by the
- 43 county;
- 44 ▶ amends provisions related to the expenditure of certain local option sales and use
- 45 taxes;
- 46 ▶ imposes a statewide sales and use tax to generate revenue for transportation;
- 47 ▶ increases the percentage tax per gallon on motor fuel and special fuel based on the
- 48 statewide average rack price of a gallon of regular unleaded motor fuel;
- 49 ▶ provides that a portion of the motor fuel and special fuel tax revenue shall be
- 50 deposited into the Transportation Investment Fund of 2005;
- 51 ▶ modifies certain responsibilities of the Department of Transportation and the
- 52 executive director of the Department of Transportation related to supervision and
- 53 oversight of certain projects and cooperation with other entities involved in a
- 54 project;
- 55 ▶ modifies governance of the Department of Transportation, including:
- 56 • requiring a second deputy director;

- 57 • describing the qualifications for each deputy; and
- 58 • describing the responsibilities of each deputy director;
- 59 ▶ creates the Planning and Investment Division within the Department of
- 60 Transportation;
- 61 ▶ modifies requirements for the Department of Transportation to develop statewide
- 62 strategic initiatives for coordinating and planning multimodal transportation;
- 63 ▶ requires the Department of Transportation to study a road user charge and
- 64 implement a demonstration program;
- 65 ▶ requires the Transportation Commission to consider public transit projects in the
- 66 prioritization process to allocate funds;
- 67 ▶ modifies criteria for the Transportation Commission to consider while prioritizing
- 68 transportation and public transit projects;
- 69 ▶ allows corridor preservation funds to be used for public transit district corridors;
- 70 and
- 71 ▶ requires the Department of Transportation to assume responsibilities for review and
- 72 approval of projects under the requirements of the National Environmental Policy
- 73 Act of 1969.

74 **Money Appropriated in this Bill:**

75 None

76 **Other Special Clauses:**

77 This bill provides a special effective date.

78 **Utah Code Sections Affected:**

79 AMENDS:

80 **11-13-103**, as last amended by Laws of Utah 2016, Chapter 382

81 **11-13-202**, as last amended by Laws of Utah 2009, Chapter 218

82 **11-13-206**, as last amended by Laws of Utah 2015, Chapter 265

83 **11-13-207**, as last amended by Laws of Utah 2015, Chapter 265

84 **17B-1-301**, as last amended by Laws of Utah 2014, Chapter 362

85 **17B-1-702**, as renumbered and amended by Laws of Utah 2007, Chapter 329

86 **17B-1-703**, as renumbered and amended by Laws of Utah 2007, Chapter 329

87 **17B-2a-802**, as last amended by Laws of Utah 2016, Chapter 387

- 88 **17B-2a-804**, as last amended by Laws of Utah 2017, Chapters 181 and 427
- 89 **17B-2a-807**, as last amended by Laws of Utah 2017, Chapter 70
- 90 **17B-2a-808**, as last amended by Laws of Utah 2010, Chapter 281
- 91 **17B-2a-810**, as last amended by Laws of Utah 2016, Chapter 56
- 92 **17B-2a-811**, as last amended by Laws of Utah 2010, Chapter 281
- 93 **17B-2a-826**, as enacted by Laws of Utah 2017, Chapter 427
- 94 **35A-8-308**, as last amended by Laws of Utah 2017, Chapters 181 and 421
- 95 **35A-8-309**, as last amended by Laws of Utah 2017, Chapters 181 and 421
- 96 **41-1a-102**, as last amended by Laws of Utah 2016, Chapter 40
- 97 **41-1a-1201**, as last amended by Laws of Utah 2017, Chapters 261 and 406
- 98 **41-1a-1206**, as last amended by Laws of Utah 2017, Chapters 261, 406 and last
- 99 amended by Coordination Clause, Laws of Utah 2017, Chapter 261
- 100 **52-4-103**, as last amended by Laws of Utah 2017, Chapters 196, 277, and 441
- 101 **59-12-102**, as last amended by Laws of Utah 2017, Chapters 181, 382, and 422
- 102 **59-12-103**, as last amended by Laws of Utah 2017, Chapters 234, 421, and 422
- 103 **59-12-1201**, as last amended by Laws of Utah 2016, Chapters 184, 291, and 291
- 104 **59-12-2202**, as enacted by Laws of Utah 2010, Chapter 263
- 105 **59-12-2203**, as last amended by Laws of Utah 2015, Chapter 275
- 106 **59-12-2213**, as last amended by Laws of Utah 2011, Chapter 223
- 107 **59-12-2214**, as last amended by Laws of Utah 2015, Chapter 421
- 108 **59-12-2215**, as enacted by Laws of Utah 2010, Chapter 263
- 109 **59-12-2216**, as enacted by Laws of Utah 2010, Chapter 263
- 110 **59-12-2217**, as last amended by Laws of Utah 2017, Chapter 240
- 111 **59-12-2218**, as last amended by Laws of Utah 2017, Chapter 240
- 112 **59-12-2219**, as last amended by Laws of Utah 2016, Chapter 373
- 113 **59-13-201**, as last amended by Laws of Utah 2017, Chapter 234
- 114 **59-13-301**, as last amended by Laws of Utah 2017, Chapter 234
- 115 **63G-6a-1402**, as last amended by Laws of Utah 2017, Chapter 348
- 116 **63N-2-510**, as last amended by Laws of Utah 2015, Chapter 417 and renumbered and
- 117 amended by Laws of Utah 2015, Chapter 283
- 118 **63N-2-512**, as last amended by Laws of Utah 2016, Chapter 291

- 119 **72-1-102**, as last amended by Laws of Utah 2001, Chapter 372
- 120 **72-1-202**, as last amended by Laws of Utah 2013, Chapter 78
- 121 **72-1-203**, as last amended by Laws of Utah 2006, Chapter 139
- 122 **72-1-204**, as last amended by Laws of Utah 2017, Chapter 97
- 123 **72-1-208**, as last amended by Laws of Utah 2016, Chapter 350
- 124 **72-1-211**, as last amended by Laws of Utah 2008, Chapter 382
- 125 **72-1-213**, as enacted by Laws of Utah 2015, Chapter 275
- 126 **72-1-214**, as enacted by Laws of Utah 2017, Chapter 160
- 127 **72-1-303**, as last amended by Laws of Utah 2011, Chapter 256
- 128 **72-1-304**, as last amended by Laws of Utah 2008, Chapter 382
- 129 **72-1-305**, as last amended by Laws of Utah 2009, Chapter 364
- 130 **72-2-117.5**, as last amended by Laws of Utah 2017, Chapter 240
- 131 **72-2-121**, as last amended by Laws of Utah 2017, Chapter 436
- 132 **72-2-124**, as last amended by Laws of Utah 2017, Chapter 436
- 133 **72-5-401**, as last amended by Laws of Utah 2005, Chapter 254
- 134 **72-6-120**, as last amended by Laws of Utah 2015, Chapter 144

135 ENACTS:

- 136 **11-13-227**, Utah Code Annotated 1953
- 137 **17B-2a-803.1**, Utah Code Annotated 1953
- 138 **17B-2a-807.1**, Utah Code Annotated 1953
- 139 **17B-2a-808.1**, Utah Code Annotated 1953
- 140 **17B-2a-808.2**, Utah Code Annotated 1953
- 141 **17B-2a-811.1**, Utah Code Annotated 1953
- 142 **59-12-2220**, Utah Code Annotated 1953
- 143 **59-12-2221**, Utah Code Annotated 1953

144 REPEALS:

- 145 **17B-2a-807.5**, as enacted by Laws of Utah 2009, Chapter 364

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

148 Section 1. Section **11-13-103** is amended to read:

149 **11-13-103. Definitions.**

150 As used in this chapter:

151 (1) (a) "Additional project capacity" means electric generating capacity provided by a
152 generating unit that first produces electricity on or after May 6, 2002, and that is constructed or
153 installed at or adjacent to the site of a project that first produced electricity before May 6, 2002,
154 regardless of whether:

155 (i) the owners of the new generating unit are the same as or different from the owner of
156 the project; and

157 (ii) the purchasers of electricity from the new generating unit are the same as or
158 different from the purchasers of electricity from the project.

159 (b) "Additional project capacity" does not mean or include replacement project
160 capacity.

161 (2) "Board" means the Permanent Community Impact Fund Board created by Section
162 [35A-8-304](#), and its successors.

163 (3) "Candidate" means one or more of:

164 (a) the state;

165 (b) a county, municipality, school district, local district, special service district, or other
166 political subdivision of the state; and

167 (c) a prosecution district.

168 (4) "Commercial project entity" means a project entity, defined in Subsection (18),
169 that:

170 (a) has no taxing authority; and

171 (b) is not supported in whole or in part by and does not expend or disburse tax
172 revenues.

173 (5) "Direct impacts" means an increase in the need for public facilities or services that
174 is attributable to the project or facilities providing additional project capacity, except impacts
175 resulting from the construction or operation of a facility that is:

176 (a) owned by an owner other than the owner of the project or of the facilities providing
177 additional project capacity; and

178 (b) used to furnish fuel, construction, or operation materials for use in the project.

179 (6) "Electric interlocal entity" means an interlocal entity described in Subsection
180 [11-13-203](#)(3).

181 (7) "Energy services interlocal entity" means an interlocal entity that is described in
182 Subsection 11-13-203(4).

183 (8) (a) "Estimated electric requirements," when used with respect to a qualified energy
184 services interlocal entity, includes any of the following that meets the requirements of
185 Subsection (8)(b):

- 186 (i) generation capacity;
- 187 (ii) generation output; or
- 188 (iii) an electric energy production facility.

189 (b) An item listed in Subsection (8)(a) is included in "estimated electric requirements"
190 if it is needed by the qualified energy services interlocal entity to perform the qualified energy
191 services interlocal entity's contractual or legal obligations to any of its members.

192 (9) (a) "Facilities providing replacement project capacity" means facilities that have
193 been, are being, or are proposed to be constructed, reconstructed, converted, repowered,
194 acquired, leased, used, or installed to provide replacement project capacity.

195 (b) "Facilities providing replacement project capacity" includes facilities that have
196 been, are being, or are proposed to be constructed, reconstructed, converted, repowered,
197 acquired, leased, used, or installed:

- 198 (i) to support and facilitate the construction, reconstruction, conversion, repowering,
199 installation, financing, operation, management, or use of replacement project capacity; or
- 200 (ii) for the distribution of power generated from existing capacity or replacement
201 project capacity to facilities located on real property in which the project entity that owns the
202 project has an ownership, leasehold, right-of-way, or permitted interest.

203 (10) "Governing authority" means a governing board or joint administrator.

204 (11) (a) "Governing board" means the body established in reliance on the authority
205 provided under Subsection 11-13-206(1)(b) to govern an interlocal entity.

206 (b) "Governing board" includes a board of directors described in an agreement, as
207 amended, that creates a project entity.

208 (c) "Governing board" does not include a board as defined in Subsection (2).

209 (12) "Interlocal entity" means:

210 (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal
211 entity; or

- 212 (b) a separate legal or administrative entity created under Section 11-13-205.
- 213 (13) "Joint administrator" means an administrator or joint board described in Section
- 214 11-13-207 to administer a joint or cooperative undertaking.
- 215 (14) "Joint or cooperative undertaking" means an undertaking described in Section
- 216 11-13-207 that is not conducted by an interlocal entity.
- 217 (15) "Member" means a public agency that, with another public agency, creates an
- 218 interlocal entity under Section 11-13-203.
- 219 (16) "Out-of-state public agency" means a public agency as defined in Subsection
- 220 (19)(c), (d), or (e).
- 221 (17) (a) "Project":
- 222 (i) means an electric generation and transmission facility owned by a Utah interlocal
- 223 entity or an electric interlocal entity; and
- 224 (ii) includes fuel or fuel transportation facilities and water facilities owned by that Utah
- 225 interlocal entity or electric interlocal entity and required for the generation and transmission
- 226 facility.
- 227 (b) "Project" includes a project entity's ownership interest in:
- 228 (i) facilities that provide additional project capacity;
- 229 (ii) facilities providing replacement project capacity; and
- 230 (iii) additional generating, transmission, fuel, fuel transportation, water, or other
- 231 facilities added to a project.
- 232 (18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that
- 233 owns a project as defined in this section.
- 234 (19) "Public agency" means:
- 235 (a) a city, town, county, school district, local district, special service district, an
- 236 interlocal entity, or other political subdivision of the state;
- 237 (b) the state or any department, division, or agency of the state;
- 238 (c) any agency of the United States;
- 239 (d) any political subdivision or agency of another state or the District of Columbia
- 240 including any interlocal cooperation or joint powers agency formed under the authority of the
- 241 law of the other state or the District of Columbia; or
- 242 (e) any Indian tribe, band, nation, or other organized group or community which is

243 recognized as eligible for the special programs and services provided by the United States to
244 Indians because of their status as Indians.

245 (20) "Qualified energy services interlocal entity" means an energy services interlocal
246 entity that at the time that the energy services interlocal entity acquires its interest in facilities
247 providing additional project capacity has at least five members that are Utah public agencies.

248 (21) "Replacement project capacity" means electric generating capacity or transmission
249 capacity that:

250 (a) replaces all or a portion of the existing electric generating or transmission capacity
251 of a project; and

252 (b) is provided by a facility that is on, adjacent to, in proximity to, or interconnected
253 with the site of a project, regardless of whether:

254 (i) the capacity replacing existing capacity is less than or exceeds the generating or
255 transmission capacity of the project existing before installation of the capacity replacing
256 existing capacity;

257 (ii) the capacity replacing existing capacity is owned by the project entity that is the
258 owner of the project, a segment established by the project entity, or a person with whom the
259 project entity or a segment established by the project entity has contracted; or

260 (iii) the facility that provides the capacity replacing existing capacity is constructed,
261 reconstructed, converted, repowered, acquired, leased, used, or installed before or after any
262 actual or anticipated reduction or modification to existing capacity of the project.

263 (22) "Transportation reinvestment zone" means an area created by two or more public
264 agencies by interlocal agreement to capture increased property or sales tax revenue generated
265 by a transportation infrastructure project as described in Section [11-13-227](#).

266 [~~22~~] (23) "Utah interlocal entity":

267 (a) means an interlocal entity described in Subsection [11-13-203\(2\)](#); and

268 (b) includes a separate legal or administrative entity created under Laws of Utah 1977,
269 Chapter 47, Section 3, as amended.

270 [~~23~~] (24) "Utah public agency" means a public agency under Subsection (19)(a) or

271 (b).

272 Section 2. Section **11-13-202** is amended to read:

273 **11-13-202. Agreements for joint or cooperative undertaking, for providing or**

274 exchanging services, or for law enforcement services -- Effective date of agreement --
275 Public agencies may restrict their authority or exempt each other regarding permits and
276 fees.

277 (1) Any two or more public agencies may enter into an agreement with one another
278 under this chapter:

279 (a) for joint or cooperative action;

280 (b) to provide services that they are each authorized by statute to provide;

281 (c) to exchange services that they are each authorized by statute to provide;

282 (d) for a public agency to provide law enforcement services to one or more other public
283 agencies, if the public agency providing law enforcement services under the interlocal
284 agreement is authorized by law to provide those services, or to provide joint or cooperative law
285 enforcement services between or among public agencies that are each authorized by law to
286 provide those services; [~~or~~]

287 (e) to create a transportation reinvestment zone as defined in Section [11-13-103](#); or

288 [~~(f)~~] (f) to do anything else that they are each authorized by statute to do.

289 (2) An agreement under Subsection (1) does not take effect until it has been approved,
290 as provided in Section [11-13-202.5](#), by each public agency that is a party to it.

291 (3) (a) In an agreement under Subsection (1), a public agency that is a party to the
292 agreement may agree:

293 (i) to restrict its authority to issue permits to or assess fees from another public agency
294 that is a party to the agreement; and

295 (ii) to exempt another public agency that is a party to the agreement from permit or fee
296 requirements.

297 (b) A provision in an agreement under Subsection (1) whereby the parties agree as
298 provided in Subsection (3)(a) is subject to all remedies provided by law and in the agreement,
299 including injunction, mandamus, abatement, or other remedy to prevent, enjoin, abate, or
300 enforce the provision.

301 (4) An interlocal agreement between a county and one or more municipalities for law
302 enforcement service within an area that includes some or all of the unincorporated area of the
303 county shall require the law enforcement service provided under the agreement to be provided
304 by or under the direction of the county sheriff.

305 Section 3. Section **11-13-206** is amended to read:

306 **11-13-206. Requirements for agreements for joint or cooperative action.**

307 (1) Each agreement under Section [11-13-202](#), [11-13-203](#), [~~or~~] [11-13-205](#), or [11-13-227](#)
308 shall specify:

309 (a) its duration;

310 (b) if the agreement creates an interlocal entity:

311 (i) the precise organization, composition, and nature of the interlocal entity;

312 (ii) the powers delegated to the interlocal entity;

313 (iii) the manner in which the interlocal entity is to be governed; and

314 (iv) subject to Subsection (2), the manner in which the members of its governing board
315 are to be appointed or selected;

316 (c) its purpose or purposes;

317 (d) the manner of financing the joint or cooperative action and of establishing and
318 maintaining a budget for it;

319 (e) the permissible method or methods to be employed in accomplishing the partial or
320 complete termination of the agreement and for disposing of property upon such partial or
321 complete termination;

322 (f) the process, conditions, and terms for withdrawal of a participating public agency
323 from the interlocal entity or the joint or cooperative undertaking;

324 (g) (i) whether voting is based upon one vote per member or weighted; and

325 (ii) if weighted voting is allowed, the basis upon which the vote weight will be
326 determined; and

327 (h) any other necessary and proper matters.

328 (2) Each agreement under Section [11-13-203](#) or [11-13-205](#) that creates an interlocal
329 entity shall require that Utah public agencies that are parties to the agreement have the right to
330 appoint or select members of the interlocal entity's governing board with a majority of the
331 voting power.

332 Section 4. Section **11-13-207** is amended to read:

333 **11-13-207. Additional requirements for agreement not establishing interlocal**
334 **entity.**

335 (1) If an agreement under Section [11-13-202](#) or [11-13-227](#) does not establish an

336 interlocal entity to conduct the joint or cooperative undertaking, the agreement shall, in
337 addition to the items specified in Section 11-13-206, provide for:

338 (a) the joint or cooperative undertaking to be administered by:

339 (i) an administrator; or

340 (ii) a joint board with representation from the public agencies that are parties to the
341 agreement;

342 (b) the manner of acquiring, holding, and disposing of real and personal property used
343 in the joint or cooperative undertaking;

344 (c) the functions to be performed by the joint or cooperative undertaking; and

345 (d) the powers of the joint administrator.

346 (2) The creation, operation, governance, and fiscal procedures of a joint or cooperative
347 undertaking are governed by this chapter.

348 Section 5. Section 11-13-227 is enacted to read:

349 **11-13-227. Transportation reinvestment zones.**

350 (1) Subject to the provisions of this part, any two or more public agencies may enter
351 into an agreement with one another to create a transportation reinvestment zone as described in
352 this section.

353 (2) To create a transportation reinvestment zone, two or more public agencies, at least
354 one of which has land use authority over the transportation reinvestment zone area, shall:

355 (a) define the transportation infrastructure need and proposed improvement;

356 (b) define the boundaries of the zone;

357 (c) establish terms for sharing sales tax revenue among the members of the agreement;

358 (d) establish a base year to calculate the increase of property tax revenue within the
359 zone;

360 (e) establish terms for sharing any increase in property tax revenue within the zone;

361 and

362 (f) before an agreement is approved as required in Section 11-13-202.5, hold a public
363 hearing regarding the details of the proposed transportation reinvestment zone.

364 (3) Any agreement to establish a transportation reinvestment zone is subject to the
365 requirements of Sections 11-13-202, 11-13-202.5, 11-13-206, and 11-13-207.

366 (4) (a) Each public agency that is party to an agreement under this section shall

367 annually publish a report including a statement of the increased tax revenue and the
368 expenditures made in accordance with the agreement.

369 (b) Each public agency that is party to an agreement under this section shall transmit a
370 copy of the report described in Subsection (4)(a) to the state auditor.

371 (5) If any surplus revenue remains in a tax revenue account created as part of a
372 transportation reinvestment zone agreement, the parties may use the surplus for other purposes
373 as determined by agreement of the parties.

374 Section 6. Section **17B-1-301** is amended to read:

375 **17B-1-301. Board of trustees duties and powers.**

376 (1) (a) Each local district shall be governed by a board of trustees which shall manage
377 and conduct the business and affairs of the district and shall determine all questions of district
378 policy.

379 (b) All powers of a local district are exercised through the board of trustees.

380 (2) The board of trustees may:

381 (a) fix the location of the local district's principal place of business and the location of
382 all offices and departments, if any;

383 (b) fix the times of meetings of the board of trustees;

384 (c) select and use an official district seal;

385 (d) subject to Subsections (3) and (4), employ employees and agents, or delegate to
386 district officers power to employ employees and agents, for the operation of the local district
387 and its properties and prescribe or delegate to district officers the power to prescribe the duties,
388 compensation, and terms and conditions of employment of those employees and agents;

389 (e) require district officers and employees charged with the handling of district funds to
390 provide surety bonds in an amount set by the board or provide a blanket surety bond to cover
391 officers and employees;

392 (f) contract for or employ professionals to perform work or services for the local
393 district that cannot satisfactorily be performed by the officers or employees of the district;

394 (g) through counsel, prosecute on behalf of or defend the local district in all court
395 actions or other proceedings in which the district is a party or is otherwise involved;

396 (h) adopt bylaws for the orderly functioning of the board;

397 (i) adopt and enforce rules and regulations for the orderly operation of the local district

398 or for carrying out the district's purposes;

399 (j) prescribe a system of civil service for district employees;

400 (k) on behalf of the local district, enter into contracts that the board considers to be for
401 the benefit of the district;

402 (l) acquire, construct or cause to be constructed, operate, occupy, control, and use
403 buildings, works, or other facilities for carrying out the purposes of the local district;

404 (m) on behalf of the local district, acquire, use, hold, manage, occupy, and possess
405 property necessary to carry out the purposes of the district, dispose of property when the board
406 considers it appropriate, and institute and maintain in the name of the district any action or
407 proceeding to enforce, maintain, protect, or preserve rights or privileges associated with district
408 property;

409 (n) delegate to a district officer the exercise of a district duty; and

410 (o) exercise all powers and perform all functions in the operation of the local district
411 and its properties as are ordinarily exercised by the governing body of a political subdivision of
412 the state and as are necessary to accomplish the purposes of the district.

413 (3) (a) As used in this Subsection (3), "interim vacancy period" means:

414 (i) if any member of the local district board is elected, the period of time that:

415 (A) begins on the day on which an election is held to elect a local district board
416 member; and

417 (B) ends on the day on which the local district board member-elect begins the
418 member's term; or

419 (ii) if any member of the local district board is appointed, the period of time that:

420 (A) begins on the day on which an appointing authority posts a notice of vacancy in
421 accordance with Section 17B-1-304; and

422 (B) ends on the day on which the person who is appointed by the local district board to
423 fill the vacancy begins the person's term.

424 (b) (i) The local district may not hire during an interim vacancy period a manager, a
425 chief executive officer, a chief administrative officer, an executive director, or a similar
426 position to perform executive and administrative duties or functions.

427 (ii) Notwithstanding Subsection (3)(b)(i):

428 (A) the local district may hire an interim manager, a chief executive officer, a chief

429 administrative officer, an executive director, or a similar position during an interim vacancy
430 period; and

431 (B) the interim manager's, chief executive officer's, chief administrative officer's, or
432 similar position's employment shall terminate once a new manager, chief executive officer,
433 chief administrative officer, or similar position is hired by the new local district board after the
434 interim vacancy period has ended.

435 (c) Subsection (3)(b) does not apply if:

436 (i) all the elected local district board members who held office on the day of the
437 election for the local district board members, whose term of office was vacant for the election
438 are re-elected to the local district board; and

439 (ii) all the appointed local district board members who were appointed whose term of
440 appointment was expiring are re-appointed to the local district board.

441 (4) A local district board that hires an interim manager, a chief executive officer, a
442 chief administrative officer, an executive director, or a similar position in accordance with this
443 section may not, on or after May 10, 2011, enter into an employment contract that contains an
444 automatic renewal provision with the interim manager, chief executive officer, chief
445 administrative officer, executive director, or similar position.

446 Section 7. Section **17B-1-702** is amended to read:

447 **17B-1-702. Local districts to submit budgets.**

448 (1) (a) Except as provided in Subsection (1)(b), within 30 days after it is approved by
449 the board, and at least 30 days before the board adopts a final budget, the board of each local
450 district with an annual budget of \$50,000 or more shall send a copy of its tentative budget and
451 notice of the time and place for its budget hearing to:

452 (i) each of its constituent entities that has in writing requested a copy; and

453 (ii) to each of its customer agencies that has in writing requested a copy.

454 (b) Within 30 days after it is approved by the board, and at least 30 days before the
455 board adopts a final budget, the board of trustees of a large public transit district [~~servicing a~~
456 ~~population of more than 200,000 people~~] as defined in Section 17B-2a-802 shall send a copy of
457 its tentative budget and notice of the time and place for its budget hearing to:

458 (i) each of its constituent entities;

459 (ii) each of its customer agencies that has in writing requested a copy;

460 (iii) the governor; and
461 (iv) the Legislature.
462 (c) The local district shall include with the tentative budget a signature sheet that
463 includes:
464 (i) language that the constituent entity or customer agency received the tentative budget
465 and has no objection to it; and
466 (ii) a place for the chairperson or other designee of the constituent entity or customer
467 agency to sign.
468 (2) Each constituent entity and each customer agency that receives the tentative budget
469 shall review the tentative budget submitted by the district and either:
470 (a) sign the signature sheet and return it to the district; or
471 (b) attend the budget hearing or other meeting scheduled by the district to discuss the
472 objections to the proposed budget.
473 (3) (a) If any constituent entity or customer agency that received the tentative budget
474 has not returned the signature sheet to the local district within 15 calendar days after the
475 tentative budget was mailed, the local district shall send a written notice of the budget hearing
476 to each constituent entity or customer agency that did not return a signature sheet and invite
477 them to attend that hearing.
478 (b) If requested to do so by any constituent entity or customer agency, the local district
479 shall schedule a meeting to discuss the budget with the constituent entities and customer
480 agencies.
481 (c) At the budget hearing, the local district board shall:
482 (i) explain its budget and answer any questions about it;
483 (ii) specifically address any questions or objections raised by the constituent entity,
484 customer agency, or those attending the meeting; and
485 (iii) seek to resolve the objections.
486 (4) Nothing in this part prevents a local district board from approving or implementing
487 a budget over any or all constituent entity's or customer agency's protests, objections, or failure
488 to respond.
489 Section 8. Section **17B-1-703** is amended to read:
490 **17B-1-703. Local districts to submit audit reports.**

491 (1) (a) Except as provided in Subsection (1)(b), within 30 days after it is presented to
492 the board, the board of each local district with an annual budget of \$50,000 or more shall send
493 a copy of any audit report to:

494 (i) each of its constituent entities that has in writing requested a copy; and

495 (ii) each of its customer agencies that has in writing requested a copy.

496 (b) Within 30 days after it is presented to the board, the board of a large public transit
497 district [~~servicing a population of more than 200,000 people~~] as defined in Section 17B-2a-802
498 shall send a copy of its annual audit report to:

499 (i) each of its constituent entities; and

500 (ii) each of its customer agencies that has in writing requested a copy.

501 (2) Each constituent entity and each customer agency that received the audit report
502 shall review the audit report submitted by the district and, if necessary, request a meeting with
503 the district board to discuss the audit report.

504 (3) At the meeting, the local district board shall:

505 (a) answer any questions about the audit report; and

506 (b) discuss their plans to implement suggestions made by the auditor.

507 Section 9. Section **17B-2a-802** is amended to read:

508 **17B-2a-802. Definitions.**

509 As used in this part:

510 (1) "Affordable housing" means housing occupied or reserved for occupancy by
511 households that meet certain gross household income requirements based on the area median
512 income for households of the same size.

513 (a) "Affordable housing" may include housing occupied or reserved for occupancy by
514 households that meet specific area median income targets or ranges of area median income
515 targets.

516 (b) "Affordable housing" does not include housing occupied or reserved for occupancy
517 by households with gross household incomes that are more than 60% of the area median
518 income for households of the same size.

519 (2) "Appointing entity" means the person, county, unincorporated area of a county, or
520 municipality appointing a member to a public transit district board of trustees.

521 (3) (a) "Chief executive officer" means a person appointed by the board of trustees of a

522 small public transit district to serve as chief executive officer.

523 (b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities
524 defined in Sections 17B-2a-810 and 17B-2a-811 and includes all rights, duties, and
525 responsibilities assigned to the general manager but prescribed by the board of trustees to be
526 fulfilled by the chief executive officer.

527 (4) "Council of governments" means a decision-making body in each county composed
528 of membership including the county governing body and the mayors of each municipality in the
529 county.

530 [~~4~~] (5) "Department" means the Department of Transportation created in Section
531 72-1-201.

532 (6) "Executive director" means a person appointed by the board of trustees of a large
533 public transit district to serve as executive director.

534 [~~5~~] (7) (a) "General manager" means a person appointed by the board of trustees of a
535 small public transit district to serve as general manager.

536 (b) "General manager" shall enjoy all the rights, duties, and responsibilities defined in
537 Sections 17B-2a-810 and 17B-2a-811 prescribed by the board of trustees of a small public
538 transit district.

539 (8) "Large public transit district" means a public transit district that provides public
540 transit to an area that includes:

541 (a) more than 65% of the population of the state based on the most recent official
542 census or census estimate of the United States Census Bureau; and

543 (b) two or more counties.

544 [~~6~~] (9) (a) "Locally elected public official" means a person who holds an elected
545 position with a county or municipality.

546 (b) "Locally elected public official" does not include a person who holds an elected
547 position if the elected position is not with a county or municipality.

548 [~~7~~] (10) "Metropolitan planning organization" means the same as that term is defined
549 in Section 72-1-208.5.

550 [~~8~~] (11) "Multicounty district" means a public transit district located in more than one
551 county.

552 [~~9~~] (12) "Operator" means a public entity or other person engaged in the

553 transportation of passengers for hire.

554 ~~[(10)]~~ (13) "Public transit" means the transportation of passengers only and their
555 incidental baggage by means other than:

- 556 (a) chartered bus;
- 557 (b) sightseeing bus; or
- 558 (c) taxi.

559 (14) "Public transit district" means a local district that provides public transit services.

560 (15) "Small public transit district" means any public transit district that is not a large
561 public transit district.

562 ~~[(11)]~~ (16) "Transit facility" means a transit vehicle, transit station, depot, passenger
563 loading or unloading zone, parking lot, or other facility:

- 564 (a) leased by or operated by or on behalf of a public transit district; and
- 565 (b) related to the public transit services provided by the district, including:
 - 566 (i) railway or other right-of-way;
 - 567 (ii) railway line; and
 - 568 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by
569 a transit vehicle.

570 ~~[(14)]~~ (17) "Transit vehicle" means a passenger bus, coach, railcar, van, or other
571 vehicle operated as public transportation by a public transit district.

572 ~~[(12)]~~ (18) "Transit-oriented development" means a mixed use residential or
573 commercial area that is designed to maximize access to public transit and includes the
574 development of land owned by a public transit district that serves a county of the first class.

575 ~~[(13)]~~ (19) "Transit-supportive development" means a mixed use residential or
576 commercial area that is designed to maximize access to public transit and does not include the
577 development of land owned by a public transit district.

578 Section 10. Section **17B-2a-803.1** is enacted to read:

579 **17B-2a-803.1. Authority to name a large public transit district.**

580 (1) The authority to name any large public transit district is vested in the Legislature
581 and the name shall be codified in this section.

582 (2) For the large public transit district in existence and with a portion of the district
583 within a county of the first class as of May 8, 2018, the large public transit district shall be

584 called Transit District Utah.

585 Section 11. Section **17B-2a-804** is amended to read:

586 **17B-2a-804. Additional public transit district powers.**

587 (1) In addition to the powers conferred on a public transit district under Section
588 **17B-1-103**, a public transit district may:

589 (a) provide a public transit system for the transportation of passengers and their
590 incidental baggage;

591 (b) notwithstanding Subsection **17B-1-103(2)(g)** and subject to Section **17B-2a-817**,
592 levy and collect property taxes only for the purpose of paying:

593 (i) principal and interest of bonded indebtedness of the public transit district; or

594 (ii) a final judgment against the public transit district if:

595 (A) the amount of the judgment exceeds the amount of any collectable insurance or
596 indemnity policy; and

597 (B) the district is required by a final court order to levy a tax to pay the judgment;

598 (c) insure against:

599 (i) loss of revenues from damage to or destruction of some or all of a public transit
600 system from any cause;

601 (ii) public liability;

602 (iii) property damage; or

603 (iv) any other type of event, act, or omission;

604 (d) acquire, contract for, lease, construct, own, operate, control, or use:

605 (i) a right-of-way, rail line, monorail, bus line, station, platform, switchyard, terminal,
606 parking lot, or any other facility necessary or convenient for public transit service; or

607 (ii) any structure necessary for access by persons and vehicles;

608 (e) (i) hire, lease, or contract for the supplying or management of a facility, operation,
609 equipment, service, employee, or management staff of an operator; and

610 (ii) provide for a sublease or subcontract by the operator upon terms that are in the
611 public interest;

612 (f) operate feeder bus lines and other feeder or ridesharing services as necessary;

613 (g) accept a grant, contribution, or loan, directly through the sale of securities or
614 equipment trust certificates or otherwise, from the United States, or from a department,

615 instrumentality, or agency of the United States;

616 (h) study and plan transit facilities in accordance with any legislation passed by
617 Congress;

618 (i) cooperate with and enter into an agreement with the state or an agency of the state
619 or otherwise contract to finance to establish transit facilities and equipment or to study or plan
620 transit facilities;

621 (j) subject to Subsection 17B-2a-808.1(4), issue bonds as provided in and subject to
622 Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;

623 (k) from bond proceeds or any other available funds, reimburse the state or an agency
624 of the state for an advance or contribution from the state or state agency;

625 (l) do anything necessary to avail itself of any aid, assistance, or cooperation available
626 under federal law, including complying with labor standards and making arrangements for
627 employees required by the United States or a department, instrumentality, or agency of the
628 United States;

629 (m) sell or lease property;

630 (n) except as provided in Subsection (2)(b), assist in or operate transit-oriented or
631 transit-supportive developments;

632 (o) establish, finance, participate as a limited partner or member in a development with
633 limited liabilities in accordance with Subsection (1)(p), construct, improve, maintain, or
634 operate transit facilities, equipment, and, in accordance with Subsection (3), transit-oriented
635 developments or transit-supportive developments; and

636 (p) subject to the restrictions and requirements in Subsections (2) and (3), assist in a
637 transit-oriented development or a transit-supportive development in connection with project
638 area development as defined in Section 17C-1-102 by:

639 (i) investing in a project as a limited partner or a member, with limited liabilities; or

640 (ii) subordinating an ownership interest in real property owned by the public transit
641 district.

642 (2) (a) A public transit district may only assist in the development of areas under
643 Subsection (1)(p):

644 (i) in the manner described in Subsection (1)(p)(i) or (ii); and

645 (ii) on no more than eight transit-oriented developments or transit-supportive

646 developments selected by the board of trustees.

647 (b) A public transit district may not invest in a transit-oriented development or
648 transit-supportive development as a limited partner or other limited liability entity under the
649 provisions of Subsection (1)(p)(i), unless the partners, developer, or other investor in the entity,
650 makes an equity contribution equal to no less than 25% of the appraised value of the property
651 to be contributed by the public transit district.

652 (c) (i) For transit-oriented development projects, a public transit district shall adopt
653 transit-oriented development policies and guidelines that include provisions on affordable
654 housing.

655 (ii) For transit-supportive development projects, a public transit district shall work with
656 the metropolitan planning organization and city and county governments where the project is
657 located to collaboratively seek to create joint plans for the areas within one-half mile of transit
658 stations, including plans for affordable housing.

659 (d) A current board member of a public transit district to which the board member is
660 appointed may not have any interest in the transactions engaged in by the public transit district
661 pursuant to Subsection (1)(p)(i) or (ii), except as may be required by the board member's
662 fiduciary duty as a board member.

663 (3) For any transit-oriented development or transit-supportive development authorized
664 in this section, the public transit district shall:

665 (a) perform a cost-benefit analysis of the monetary investment and expenditures of the
666 development, including effect on:

- 667 (i) service and ridership;
- 668 (ii) regional plans made by the metropolitan planning agency;
- 669 (iii) the local economy;
- 670 (iv) the environment and air quality;
- 671 (v) affordable housing; and
- 672 (vi) integration with other modes of transportation; and

673 (b) provide evidence to the public of a quantifiable positive return on investment,
674 including improvements to public transit service.

675 (4) A public transit district may be funded from any combination of federal, state,
676 local, or private funds.

677 (5) A public transit district may not acquire property by eminent domain.

678 Section 12. Section ~~17B-2a-807~~ is amended to read:

679 **17B-2a-807. Small public transit district board of trustees -- Appointment --**

680 **Apportionment -- Qualifications -- Quorum -- Compensation -- Terms.**

681 (1) (a) [~~If 200,000 people or fewer reside within the boundaries of a~~] For a small public
 682 transit district, the board of trustees shall consist of members appointed by the legislative
 683 bodies of each municipality, county, or unincorporated area within any county on the basis of
 684 one member for each full unit of regularly scheduled passenger routes proposed to be served by
 685 the district in each municipality or unincorporated area within any county in the following
 686 calendar year.

687 (b) For purposes of determining membership under Subsection (1)(a), the number of
 688 service miles comprising a unit shall be determined jointly by the legislative bodies of the
 689 municipalities or counties comprising the district.

690 (c) The board of trustees of a public transit district under this [~~Subsection (1)~~] section
 691 may include a member that is a commissioner on the Transportation Commission created in
 692 Section ~~72-1-301~~ and appointed as provided in Subsection [~~(1)~~] (8), who shall serve as a
 693 nonvoting, ex officio member.

694 (d) Members appointed under this [~~Subsection (1)~~] section shall be appointed and
 695 added to the board or omitted from the board at the time scheduled routes are changed, or as
 696 municipalities, counties, or unincorporated areas of counties annex to or withdraw from the
 697 district using the same appointment procedures.

698 (e) For purposes of appointing members under this [~~Subsection (1)~~] section,
 699 municipalities, counties, and unincorporated areas of counties in which regularly scheduled
 700 passenger routes proposed to be served by the district in the following calendar year is less than
 701 a full unit, as defined in Subsection (1)(b), may combine with any other similarly situated
 702 municipality or unincorporated area to form a whole unit and may appoint one member for
 703 each whole unit formed.

704 [~~(2) (a) Subject to Section ~~17B-2a-807.5~~, if more than 200,000 people reside within the~~
 705 ~~boundaries of a public transit district, the board of trustees shall consist of:]~~

706 [~~(i) 11 members:]~~

707 [~~(A) appointed as described under this Subsection (2); or]~~

708 ~~[(B) retained in accordance with Section 17B-2a-807.5;]~~
709 ~~[(ii) three members appointed as described in Subsection (4);]~~
710 ~~[(iii) one voting member appointed as provided in Subsection (11); and]~~
711 ~~[(iv) one nonvoting member appointed as provided in Subsection (12).]~~
712 ~~[(b) Except as provided in Subsections (2)(c) and (d), the board shall apportion voting~~
713 ~~members to each county within the district using an average of:]~~
714 ~~[(i) the proportion of population included in the district and residing within each~~
715 ~~county, rounded to the nearest 1/11 of the total transit district population; and]~~
716 ~~[(ii) the cumulative proportion of transit sales and use tax collected from areas~~
717 ~~included in the district and within each county, rounded to the nearest 1/11 of the total~~
718 ~~cumulative transit sales and use tax collected for the transit district.]~~
719 ~~[(c) The board shall join an entire or partial county not apportioned a voting member~~
720 ~~under this Subsection (2) with an adjacent county for representation. The combined~~
721 ~~apportionment basis included in the district of both counties shall be used for the~~
722 ~~apportionment.]~~
723 ~~[(d) (i) If rounding to the nearest 1/11 of the total public transit district apportionment~~
724 ~~basis under Subsection (2)(b) results in an apportionment of more than 11 members, the county~~
725 ~~or combination of counties with the smallest additional fraction of a whole member proportion~~
726 ~~shall have one less member apportioned to it.]~~
727 ~~[(ii) If rounding to the nearest 1/11 of the total public transit district apportionment~~
728 ~~basis under Subsection (2)(b) results in an apportionment of less than 11 members, the county~~
729 ~~or combination of counties with the largest additional fraction of a whole member proportion~~
730 ~~shall have one more member apportioned to it.]~~
731 ~~[(e) If the population of a county is at least 750,000, the county executive, with the~~
732 ~~advice and consent of the county legislative body, shall appoint one voting member to~~
733 ~~represent the population of the county.]~~
734 ~~[(f) If a municipality's population is at least 160,000, the chief municipal executive,~~
735 ~~with the advice and consent of the municipal legislative body, shall appoint one voting member~~
736 ~~to represent the population within a municipality.]~~
737 ~~[(g) (i) The number of voting members appointed from a county and municipalities~~
738 ~~within a county under Subsections (2)(e) and (f) shall be subtracted from the county's total~~

739 ~~voting member apportionment under this Subsection (2).]~~

740 ~~[(ii) Notwithstanding Subsections (2)(l) and (10), no more than one voting member~~
741 ~~appointed by an appointing entity may be a locally elected public official.]~~

742 ~~[(h) If the entire county is within the district, the remaining voting members for the~~
743 ~~county shall represent the county or combination of counties, if Subsection (2)(c) applies, or~~
744 ~~the municipalities within the county.]~~

745 ~~[(i) If the entire county is not within the district, and the county is not joined with~~
746 ~~another county under Subsection (2)(c), the remaining voting members for the county shall~~
747 ~~represent a municipality or combination of municipalities.]~~

748 ~~[(j) (i) Except as provided under Subsections (2)(c) and (f), voting members~~
749 ~~representing counties, combinations of counties if Subsection (2)(c) applies, or municipalities~~
750 ~~within the county shall be designated and appointed by a simple majority of the chief~~
751 ~~executives of the municipalities within the county or combinations of counties if Subsection~~
752 ~~(2)(c) applies.]~~

753 ~~[(ii) The appointments shall be made by joint written agreement of the appointing~~
754 ~~municipalities, with the consent and approval of the county legislative body of the county that~~
755 ~~has at least 1/11 of the district's apportionment basis.]~~

756 ~~[(k) Voting members representing a municipality or combination of municipalities~~
757 ~~shall be designated and appointed by the chief executive officer of the municipality or simple~~
758 ~~majority of chief executive officers of municipalities with the consent of the legislative body of~~
759 ~~the municipality or municipalities.]~~

760 ~~[(l) The appointment of members shall be made without regard to partisan political~~
761 ~~affiliation from among citizens in the community.]~~

762 ~~[(m) Each member shall be a bona fide resident of the municipality, county, or~~
763 ~~unincorporated area or areas which the member is to represent for at least six months before the~~
764 ~~date of appointment, and shall continue in that residency to remain qualified to serve as a~~
765 ~~member.]~~

766 ~~[(n) (i) All population figures used under this section shall be derived from the most~~
767 ~~recent official census or census estimate of the United States Bureau of the Census.]~~

768 ~~[(ii) If population estimates are not available from the United States Bureau of Census,~~
769 ~~population figures shall be derived from the estimate from the Utah Population Estimates~~

770 Committee.]

771 [(iii) All transit sales and use tax totals shall be obtained from the State Tax

772 Commission.]

773 [(o) (i) The board shall be apportioned as provided under this section in conjunction
774 with the decennial United States Census Bureau report every 10 years.]

775 [(ii) Within 120 days following the receipt of the population estimates under this
776 Subsection (2)(o), the district shall reapportion representation on the board of trustees in
777 accordance with this section.]

778 [(iii) The board shall adopt by resolution a schedule reflecting the current and proposed
779 apportionment.]

780 [(iv) Upon adoption of the resolution, the board shall forward a copy of the resolution
781 to each of its constituent entities as defined under Section 17B-1-701.]

782 [(v) The appointing entities gaining a new board member shall appoint a new member
783 within 30 days following receipt of the resolution.]

784 [(vi) The appointing entities losing a board member shall inform the board of which
785 member currently serving on the board will step down:]

786 [(A) upon appointment of a new member under Subsection (2)(o)(v); or]

787 [(B) in accordance with Section 17B-2a-807.5.]

788 [(3)] (2) Upon the completion of an annexation to a public transit district under
789 Chapter 1, Part 4, Annexation, the annexed area shall have a representative on the board of
790 trustees on the same basis as if the area had been included in the district as originally
791 organized.

792 [(4) In addition to the voting members appointed in accordance with Subsection (2),
793 the board shall consist of three voting members appointed as follows:]

794 [(a) one member appointed by the speaker of the House of Representatives;]

795 [(b) one member appointed by the president of the Senate; and]

796 [(c) one member appointed by the governor.]

797 [(5) Except as provided in Section 17B-2a-807.5, the terms of office of the members of
798 the board shall be four years or until a successor is appointed, qualified, seated, and has taken
799 the oath of office.]

800 [(6)] (3) (a) Vacancies for members shall be filled by the official appointing the

801 member creating the vacancy for the unexpired term, unless the official fails to fill the vacancy
802 within 90 days.

803 (b) If the appointing official under Subsection (1) does not fill the vacancy within 90
804 days, the board of trustees of the authority shall fill the vacancy.

805 ~~[(c) If the appointing official under Subsection (2) does not fill the vacancy within 90~~
806 ~~days, the governor, with the advice and consent of the Senate, shall fill the vacancy.]~~

807 ~~[(7)]~~ (4) (a) Each voting member may cast one vote on all questions, orders,
808 resolutions, and ordinances coming before the board of trustees.

809 (b) A majority of all voting members of the board of trustees are a quorum for the
810 transaction of business.

811 (c) The affirmative vote of a majority of all voting members present at any meeting at
812 which a quorum was initially present shall be necessary and, except as otherwise provided, is
813 sufficient to carry any order, resolution, ordinance, or proposition before the board of trustees.

814 ~~[(8)]~~ (5) Each public transit district shall pay to each member per diem and travel
815 expenses for meetings actually attended, in accordance with Section 11-55-103.

816 ~~[(9)]~~ (6) (a) Members of the initial board of trustees shall convene at the time and place
817 fixed by the chief executive officer of the entity initiating the proceedings.

818 (b) The board of trustees shall elect from its voting membership a chair, vice chair, and
819 secretary.

820 (c) The members elected under Subsection ~~[(9)]~~ (6)(b) shall serve for a period of two
821 years or until their successors shall be elected and qualified.

822 (d) On or after January 1, 2011, a locally elected public official is not eligible to serve
823 as the chair, vice chair, or secretary of the board of trustees.

824 ~~[(10)]~~ (7) (a) Except as otherwise authorized under ~~[Subsections (2)(g) and (10)(b) and~~
825 ~~Section 17B-2a-807.5]~~ Subsection (7)(b), at the time of a member's appointment or during a
826 member's tenure in office, a member may not hold any employment, except as an independent
827 contractor or locally elected public official, with a county or municipality within the district.

828 (b) A member appointed by a county or municipality may hold employment with the
829 county or municipality if the employment is disclosed in writing and the public transit district
830 board of trustees ratifies the appointment.

831 ~~[(11)]~~ (8) The Transportation Commission created in Section 72-1-301~~[(a) for a~~

832 public transit district serving a population of 200,000 people or fewer,] may appoint a
833 commissioner of the Transportation Commission to serve on the board of trustees of a small
834 public transit district as a nonvoting, ex officio member[~~;~~and].

835 [~~(b) for a public transit district serving a population of more than 200,000 people, shall~~
836 ~~appoint a commissioner of the Transportation Commission to serve on the board of trustees as~~
837 ~~a voting member.]~~

838 [~~(12) (a) The board of trustees of a public transit district serving a population of more~~
839 ~~than 200,000 people shall include a nonvoting member who represents all municipalities and~~
840 ~~unincorporated areas within the district that are located within a county that is not annexed into~~
841 ~~the public transit district.]~~

842 [~~(b) The nonvoting member representing the combination of municipalities and~~
843 ~~unincorporated areas described in Subsection (12)(a) shall be designated and appointed by a~~
844 ~~weighted vote of the majority of the chief executive officers of the municipalities described in~~
845 ~~Subsection (12)(a).]~~

846 [~~(c) Each municipality's vote under Subsection (12)(b) shall be weighted using the~~
847 ~~proportion of the public transit district population that resides within that municipality and the~~
848 ~~adjacent unincorporated areas within the same county.]~~

849 [(13)] (9) (a) (i) Each member of the board of trustees of a public transit district is
850 subject to recall at any time by the legislative body of the county or municipality from which
851 the member is appointed.

852 (ii) Each recall of a board of trustees member shall be made in the same manner as the
853 original appointment.

854 (iii) The legislative body recalling a board of trustees member shall provide written
855 notice to the member being recalled.

856 (b) Upon providing written notice to the board of trustees, a member of the board may
857 resign from the board of trustees.

858 (c) [~~Except as provided in Section 17B-2a-807.5, if~~ If a board member is recalled or
859 resigns under this Subsection [(13)] (9), the vacancy shall be filled as provided in Subsection
860 [(6)] (3).

861 Section 13. Section 17B-2a-807.1 is enacted to read:

862 **17B-2a-807.1. Large public transit district board of trustees -- Appointment --**

863 **Quorum -- Compensation -- Terms.**

864 (1) (a) For a large public transit district, the board of trustees shall consist of three
865 members appointed as described in Subsection (1)(b).

866 (b) (i) The governor, with advice and consent of the Senate, shall appoint the members
867 of the board of trustees, making:

868 (A) one appointment from the nominees described in Subsection (1)(b)(ii);

869 (B) one appointment from the nominees described in Subsection (1)(b)(iii); and

870 (C) one appointment from the nominees described in Subsection (1)(b)(iv).

871 (ii) The chief executive officer of a county of the first class within a large public transit
872 district, with approval of the legislative body of the county, shall nominate two or more
873 individuals to the governor for appointment to the board of trustees.

874 (iii) (A) Subject to Subsection (1)(b)(iii)(B), the executive governing individuals or
875 bodies of a county or counties of the second class, with a population over 500,000, within a
876 large public transit district, shall nominate two or more individuals to the governor for
877 appointment to the board of trustees.

878 (B) To select individuals for nomination, the executive governing individuals or bodies
879 described in Subsection (1)(b)(iii)(A) shall consult with the executive governing individual or
880 body of a county of the third or smaller class within the large public transit district.

881 (iv) (A) Subject to Subsection (1)(b)(iv)(B), the executive governing individuals or
882 bodies of any county or counties of the second class, with a population of 500,000 or less,
883 within a large public transit district, shall jointly nominate two or more individuals to the
884 governor for appointment to the board of trustees.

885 (B) To select individuals for nomination, the executive governing individuals or bodies
886 described in Subsection (1)(b)(iv)(A) shall consult with the executive governing individual or
887 body of a county of the third or smaller class within the large public transit district different
888 from a third or smaller class county consulting with the county or counties described in
889 Subsection (1)(b)(iii).

890 (c) Each nominee shall be a qualified executive with technical and administrative
891 experience and training appropriate for the position.

892 (d) The board of trustees of a large public transit district shall be full-time employees
893 of the public transit district.

894 (e) The compensation package for the board of trustees shall be determined by the local
895 advisory board as described in Section 17B-2a-808.2.

896 (2) (a) Subject to Subsections (3) and (4), each member of the board of trustees of a
897 large public transit district shall serve for a term of three years.

898 (b) A member of the board of trustees may serve an unlimited number of terms.

899 (3) Each member of the board of trustees of a large public transit district shall serve at
900 the pleasure of the governor.

901 (4) The first time the board of trustees is appointed under this section, the governor
902 shall stagger the initial term of each of the members of the board of trustees as follows:

903 (a) one member of the board of trustees shall serve an initial term of two years;

904 (b) one member of the board of trustees shall serve an initial term of three years; and

905 (c) one member of the board of trustees shall serve an initial term of four years.

906 (5) The governor shall designate one member of the board of trustees as chair of the
907 board of trustees.

908 (6) (a) If a vacancy occurs, the nomination and appointment procedures to replace the
909 individual shall occur in the same manner described in Subsection (1) for the member creating
910 the vacancy.

911 (b) A replacement board member shall serve for the remainder of the unexpired term,
912 but may serve an unlimited number of terms as provided in Subsection (2)(b).

913 (c) If the nominating officials under Subsection (1) do not nominate to fill the vacancy
914 within 60 days, the governor shall appoint an individual to fill the vacancy.

915 (7) For any large public transit district in existence as of May 8, 2018:

916 (a) the individuals or bodies providing nominations as described in this section shall
917 provide the nominations to the governor as described in this section before July 31, 2018;

918 (b) the governor shall appoint the members of the board of trustees before August 31,
919 2018; and

920 (c) the new board shall assume control of the large public transit district on or before
921 November 1, 2018.

922 Section 14. Section 17B-2a-808 is amended to read:

923 **17B-2a-808. Small public transit district board of trustees powers and duties --**
924 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**

- 925 (1) The powers and duties of a board of trustees of a small public transit district stated
926 in this section are in addition to the powers and duties stated in Section 17B-1-301.
- 927 (2) The board of trustees of each small public transit district shall:
- 928 (a) appoint and fix the salary of a general manager, a chief executive officer, or both, as
929 provided in Section 17B-2a-811;
- 930 (b) determine the transit facilities that the district should acquire or construct;
- 931 (c) supervise and regulate each transit facility that the district owns and operates,
932 including:
- 933 (i) fixing rates, fares, rentals, and charges and any classifications of rates, fares, rentals,
934 and charges; and
- 935 (ii) making and enforcing rules, regulations, contracts, practices, and schedules for or
936 in connection with a transit facility that the district owns or controls;
- 937 (d) control the investment of all funds assigned to the district for investment, including
938 funds:
- 939 (i) held as part of a district's retirement system; and
- 940 (ii) invested in accordance with the participating employees' designation or direction
941 pursuant to an employee deferred compensation plan established and operated in compliance
942 with Section 457 of the Internal Revenue Code;
- 943 (e) invest all funds according to the procedures and requirements of Title 51, Chapter
944 7, State Money Management Act;
- 945 (f) if a custodian is appointed under Subsection (3)(d), pay the fees for the custodian's
946 services from the interest earnings of the investment fund for which the custodian is appointed;
- 947 (g) (i) cause an annual audit of all district books and accounts to be made by an
948 independent certified public accountant;
- 949 (ii) as soon as practicable after the close of each fiscal year, submit to the chief
950 administrative officer and legislative body of each county and municipality with territory
951 within the district a financial report showing:
- 952 (A) the result of district operations during the preceding fiscal year; and
- 953 (B) the district's financial status on the final day of the fiscal year; and
- 954 (iii) supply copies of the report under Subsection (2)(g)(ii) to the general public upon
955 request in a quantity that the board considers appropriate;

956 (h) report at least annually to the Transportation Commission created in Section
957 72-1-301 the district's short-term and long-range public transit plans, including the transit
958 portions of applicable regional transportation plans adopted by a metropolitan planning
959 organization established under 23 U.S.C. Sec. 134;

960 (i) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits
961 that the board of trustees determines to be the most critical to the success of the organization;
962 and

963 (j) hear audit reports for audits conducted in accordance with Subsection (2)(i).

964 (3) A board of trustees of a public transit district may:

965 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that
966 are:

967 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
968 provisions of this part; and

969 (ii) necessary for:

970 (A) the government and management of the affairs of the district;

971 (B) the execution of district powers; and

972 (C) carrying into effect the provisions of this part;

973 (b) provide by resolution, under terms and conditions the board considers fit, for the
974 payment of demands against the district without prior specific approval by the board, if the
975 payment is:

976 (i) for a purpose for which the expenditure has been previously approved by the board;

977 (ii) in an amount no greater than the amount authorized; and

978 (iii) approved by the general manager or other officer or deputy as the board prescribes;

979 (c) (i) hold public hearings and subpoena witnesses; and

980 (ii) appoint district officers to conduct a hearing and require the officers to make
981 findings and conclusions and report them to the board; and

982 (d) appoint a custodian for the funds and securities under its control, subject to
983 Subsection (2)(f).

984 (4) A member of the board of trustees of a public transit district or a hearing officer
985 designated by the board may administer oaths and affirmations in a district investigation or
986 proceeding.

987 (5) (a) The vote of the board of trustees on each ordinance shall be by roll call vote
988 with each affirmative and negative vote recorded.

989 (b) (i) Subject to Subsection (5)(b)(ii), the board of trustees may adopt a resolution or
990 order by voice vote.

991 (ii) The vote of the board of trustees on a resolution or order shall be by roll call vote if
992 a member of the board so demands.

993 (c) (i) Except as provided in Subsection (5)(c)(ii), the board of trustees of a public
994 transit district may not adopt an ordinance unless it is:

995 (A) introduced at least a day before the board of trustees adopts it; or

996 (B) mailed by registered mail, postage prepaid, to each member of the board of trustees
997 at least five days before the day upon which the ordinance is presented for adoption.

998 (ii) Subsection (5)(c)(i) does not apply if the ordinance is adopted by a unanimous vote
999 of all board members present at a meeting at which at least 3/4 of all board members are
1000 present.

1001 (d) Each ordinance adopted by a public transit district's board of trustees shall take
1002 effect upon adoption, unless the ordinance provides otherwise.

1003 Section 15. Section **17B-2a-808.1** is enacted to read:

1004 **17B-2a-808.1. Large public transit district board of trustees powers and duties --**
1005 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**

1006 (1) The powers and duties of a board of trustees of a large public transit district stated
1007 in this section are in addition to the powers and duties stated in Section [17B-1-301](#).

1008 (2) The board of trustees of each large public transit district shall:

1009 (a) hold public meetings and receive public comment;

1010 (b) ensure that the policies, procedures, and management practices established by the
1011 public transit district meet state and federal regulatory requirements and federal grantee
1012 eligibility;

1013 (c) create and approve an annual budget, including the issuance of bonds and other
1014 financial instruments, after consultation with the local advisory board;

1015 (d) approve any interlocal agreement with a local jurisdiction;

1016 (e) in consultation with the local advisory board, approve contracts and overall
1017 property acquisitions and dispositions for transit-oriented development;

1018 (f) in consultation with constituent counties, municipalities, metropolitan planning
1019 organizations, and the local advisory board:

1020 (i) develop and approve a strategic plan for development and operations on at least a
1021 four-year basis; and

1022 (ii) create and pursue funding opportunities for transit capital and service initiatives to
1023 meet anticipated growth within the public transit district;

1024 (g) annually report the public transit district's long-term financial plan to the State
1025 Bonding Commission;

1026 (h) annually report the public transit district's progress and expenditures related to state
1027 resources to the Executive Appropriations Committee and the Infrastructure and General
1028 Government Appropriations Subcommittee;

1029 (i) (A) in partnership with the Department of Transportation, study and evaluate the
1030 feasibility of a strategic transition of a large public transit district into a state entity; and

1031 (B) in partnership with the Department of Transportation, before November 30 of each
1032 year, report on the progress of the study to the Transportation Interim Committee and the
1033 Infrastructure and General Government Appropriations Subcommittee;

1034 (j) hire, set salaries, and develop performance targets and evaluations for:

1035 (i) the executive director;

1036 (ii) the general counsel;

1037 (iii) the chief internal auditor;

1038 (iv) the chief people officer;

1039 (v) any vice president level officer; and

1040 (vi) the chief safety, security, and technology officer;

1041 (k) supervise and regulate each transit facility that the public transit district owns and
1042 operates, including:

1043 (i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and
1044 charges; and

1045 (ii) make and enforce rules, regulations, contracts, practices, and schedules for or in
1046 connection with a transit facility that the district owns or controls;

1047 (l) subject to Subsection (4), control the investment of all funds assigned to the district
1048 for investment, including funds:

- 1049 (i) held as part of a district's retirement system; and
- 1050 (ii) invested in accordance with the participating employees' designation or direction
- 1051 pursuant to an employee deferred compensation plan established and operated in compliance
- 1052 with Section 457 of the Internal Revenue Code;
- 1053 (m) in consultation with the local advisory board created under Section [17B-2a-808.2](#),
- 1054 invest all funds according to the procedures and requirements of Title 51, Chapter 7, State
- 1055 Money Management Act;
- 1056 (n) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4),
- 1057 pay the fees for the custodian's services from the interest earnings of the investment fund for
- 1058 which the custodian is appointed;
- 1059 (o) (i) cause an annual audit of all public transit district books and accounts to be made
- 1060 by an independent certified public accountant;
- 1061 (ii) as soon as practicable after the close of each fiscal year, submit to each of the
- 1062 councils of governments within the public transit district a financial report showing:
- 1063 (A) the result of district operations during the preceding fiscal year;
- 1064 (B) an accounting of the expenditures of all local sales tax revenues generated under
- 1065 Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act;
- 1066 (C) the district's financial status on the final day of the fiscal year; and
- 1067 (D) the district's progress and efforts to improve efficiency relative to the previous
- 1068 fiscal year; and
- 1069 (iii) supply copies of the report under Subsection (2)(o)(ii) to the general public upon
- 1070 request;
- 1071 (p) report at least annually to the Transportation Commission created in Section
- 1072 [72-1-301](#), which report shall include:
- 1073 (i) the district's short-term and long-range public transit plans, including the portions of
- 1074 applicable regional transportation plans adopted by a metropolitan planning organization
- 1075 established under 23 U.S.C. Sec. 134; and
- 1076 (ii) any transit capital development projects that the board of trustees would like the
- 1077 Transportation Commission to consider;
- 1078 (q) direct the internal auditor appointed under Section [17B-2a-810](#) to conduct audits
- 1079 that the board of trustees determines, in consultation with the local advisory board created in

1080 Section 17B-2a-808.2, to be the most critical to the success of the organization;
1081 (r) together with the local advisory board created in Section 17B-2a-808.2, hear audit
1082 reports for audits conducted in accordance with Subsection (2)(o);
1083 (s) negotiate all contracts pertaining to reduced fares, and evaluate existing contracts,
1084 including review of:
1085 (i) how negotiations occurred;
1086 (ii) the rationale for providing a reduced fare; and
1087 (iii) identification and evaluation of cost shifts to offset operational costs incurred and
1088 impacted by each contract offering a reduced fare;
1089 (t) in consultation with the local advisory board, develop and approve other board
1090 policies, ordinances, and bylaws; and
1091 (u) review and approve any:
1092 (i) contract or expense exceeding \$200,000; or
1093 (ii) proposed change order to an existing contract if the value of the change order
1094 exceeds:
1095 (A) 15% of the total contract; or
1096 (B) \$200,000.
1097 (3) A board of trustees of a large public transit district may:
1098 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that
1099 are:
1100 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
1101 provisions of this part; and
1102 (ii) necessary for:
1103 (A) the governance and management of the affairs of the district;
1104 (B) the execution of district powers; and
1105 (C) carrying into effect the provisions of this part;
1106 (b) provide by resolution, under terms and conditions the board considers fit, for the
1107 payment of demands against the district without prior specific approval by the board, if the
1108 payment is:
1109 (i) for a purpose for which the expenditure has been previously approved by the board;
1110 (ii) in an amount no greater than the amount authorized; and

- 1111 (iii) approved by the executive director or other officer or deputy as the board
1112 prescribes;
- 1113 (c) in consultation with the local advisory board created in Section [17B-2a-808.2](#);
1114 (i) hold public hearings and subpoena witnesses; and
1115 (ii) appoint district officers to conduct a hearing and require the officers to make
1116 findings and conclusions and report them to the board; and
- 1117 (d) appoint a custodian for the funds and securities under its control, subject to
1118 Subsection (2)(n).
- 1119 (4) On or before September 30, 2019, the board of trustees of a large public transit
1120 district shall present a report to the Transportation Interim Committee regarding retirement
1121 benefits of the district, including:
- 1122 (a) the feasibility of becoming a participating employer and having retirement benefits
1123 of eligible employees and officials covered in applicable systems and plans administered under
1124 Title 49, Utah State Retirement and Insurance Benefit Act;
- 1125 (b) any legal or contractual restrictions on any employees that are party to a collectively
1126 bargained retirement plan; and
- 1127 (c) a comparison of retirement plans offered by the large public transit district and
1128 similarly situated public employees, including the costs of each plan and the value of the
1129 benefit offered.
- 1130 (5) The board of trustees may not issue a bond unless the board of trustees has
1131 consulted and received approval from the State Bonding Commission created in Section
1132 [63B-1-201](#).
- 1133 (6) A member of the board of trustees of a large public transit district or a hearing
1134 officer designated by the board may administer oaths and affirmations in a district investigation
1135 or proceeding.
- 1136 (7) (a) The vote of the board of trustees on each ordinance or resolution shall be by roll
1137 call vote with each affirmative and negative vote recorded.
- 1138 (b) The board of trustees of a large public transit district may not adopt an ordinance
1139 unless it is introduced at least 24 hours before the board of trustees adopts it.
- 1140 (c) Each ordinance adopted by a large public transit district's board of trustees shall
1141 take effect upon adoption, unless the ordinance provides otherwise.

1142 Section 16. Section **17B-2a-808.2** is enacted to read:

1143 **17B-2a-808.2. Large public transit district local advisory board -- Powers and**
1144 **duties.**

1145 (1) A large public transit district shall create and consult with a local advisory board.

1146 (2) (a) The local advisory board shall have membership selected as described in
1147 Subsection (2)(b).

1148 (b) (i) The council of governments of a county of the first class within a large public
1149 transit district shall appoint three members to the local advisory board.

1150 (ii) The chief executive officer of a city that is the county seat within a county of the
1151 first class within a large public transit district shall appoint one member to the local advisory
1152 board.

1153 (iii) The council of governments of a county of the second class with a population of
1154 500,000 or more within a large public transit district shall appoint two members to the local
1155 advisory board.

1156 (iv) The council of governments of a county of the second class with a population
1157 under 500,000 within a large public transit district shall each appoint one member to the local
1158 advisory board.

1159 (v) The councils of governments of any counties of the third or smaller class or smaller
1160 within a large public transit district shall jointly appoint one member to the local advisory
1161 board.

1162 (c) The population numbers used to apportion appointment powers described in
1163 Subsection (2)(b) shall be based on the most recent official census or census estimate of the
1164 United States Census Bureau.

1165 (3) The local advisory board shall meet at least quarterly in a meeting open to the
1166 public for comment to discuss the service, operations, and any concerns with the public transit
1167 district operations and functionality.

1168 (4) The duties of the local advisory board shall include:

1169 (a) setting the compensation packages of the board of trustees;

1170 (b) reviewing, approving, and recommending final adoption by the board of trustees of
1171 the large public transit district service plans at least every two and one-half years;

1172 (c) reviewing, approving, and recommending final adoption by the board of trustees of

1173 project development plans, including funding, of all new capital development projects;

1174 (d) reviewing, approving, and recommending final adoption by the board of trustees of
 1175 any plan for a transit-oriented development where a large public transit district is involved;

1176 (e) at least annually, engaging with the safety and security team of the large public
 1177 transit district to ensure coordination with local municipalities and counties;

1178 (f) assisting with coordinated mobility and constituent services provided by the public
 1179 transit district;

1180 (g) representing and advocating the concerns of citizens within the public transit
 1181 district to the board of trustees; and

1182 (h) other duties described in Section [17B-2a-808.1](#).

1183 (5) The local advisory board shall meet at least quarterly with and consult with the
 1184 board of trustees and advise regarding the operation and management of the public transit
 1185 district.

1186 Section 17. Section **17B-2a-810** is amended to read:

1187 **17B-2a-810. Officers of a public transit district.**

1188 (1) (a) The officers of a public transit district shall consist of:

1189 (i) the members of the board of trustees;

1190 (ii) for a small public transit district, a chair and vice chair, appointed by the board of
 1191 trustees, subject to Subsection (1)(c);

1192 (iii) a secretary, appointed by the board of trustees;

1193 (iv) (A) for a small public transit district, a general manager, appointed by the board of
 1194 trustees as provided in Section [17B-2a-811](#), whose duties may be allocated by the board of
 1195 trustees, at the board of trustees' discretion, to a chief executive officer, or both; or

1196 (B) for a large public transit district, an executive director appointed by the board of
 1197 trustees as provided in Section [17B-2a-811.1](#);

1198 (v) for a small public transit district, a chief executive officer appointed by the board of
 1199 trustees, as provided in Section [17B-2a-811](#);

1200 (vi) a general counsel, appointed by the board of trustees, subject to Subsection (1)(d);

1201 (vii) a treasurer, appointed as provided in Section [17B-1-633](#);

1202 (viii) a comptroller, appointed by the board of trustees, subject to Subsection (1)(e);

1203 (ix) for a ~~public transit district with more than 200,000 people residing within the~~

1204 ~~boundaries of the~~ large public transit district, an internal auditor, appointed by the board of
1205 trustees, subject to Subsection (1)(f); and

1206 (x) other officers, assistants, and deputies that the board of trustees considers
1207 necessary.

1208 (b) The board of trustees of a small public transit district may, at its discretion, appoint
1209 a president, who shall also be considered an officer of a public transit district.

1210 (c) The district chair and vice chair of a small public transit district shall be members
1211 of the board of trustees.

1212 (d) The person appointed as general counsel shall:

1213 (i) be admitted to practice law in the state; and

1214 (ii) have been actively engaged in the practice of law for at least seven years next
1215 preceding the appointment.

1216 (e) The person appointed as comptroller shall have been actively engaged in the
1217 practice of accounting for at least seven years next preceding the appointment.

1218 (f) The person appointed as internal auditor shall be a licensed certified internal auditor
1219 or certified public accountant with at least five years experience in the auditing or public
1220 accounting profession, or the equivalent, prior to appointment.

1221 (2) (a) [~~The~~] For a small public transit district, the district's general manager or chief
1222 executive officer, as the board prescribes, or for a large public transit district, the executive
1223 director, shall appoint all officers and employees not specified in Subsection (1).

1224 (b) Each officer and employee appointed by the district's general manager or chief
1225 executive officer of a small public transit district, or the executive director of a large public
1226 transit district, serves at the pleasure of the appointing general manager [~~or~~], chief executive
1227 officer, or executive director.

1228 (3) The board of trustees shall by ordinance or resolution fix the compensation of all
1229 district officers and employees, except as otherwise provided in this part.

1230 (4) (a) Each officer appointed by the board of trustees or by the district's general
1231 manager [~~or~~], chief executive officer, or executive director shall take the oath of office
1232 specified in Utah Constitution, Article IV, Section 10.

1233 (b) Each oath under Subsection (4)(a) shall be subscribed and filed with the district
1234 secretary no later than 15 days after the commencement of the officer's term of office.

1235 Section 18. Section 17B-2a-811 is amended to read:

1236 **17B-2a-811. General manager or chief executive officer of a small public transit**
1237 **district.**

1238 (1) (a) The board of trustees of a small public transit district shall appoint a person as a
1239 general manager.

1240 (b) The board of trustees of a small public transit district may, at its discretion, appoint
1241 a person as a chief executive officer.

1242 (c) The board of trustees of a small public transit district shall allocate the
1243 responsibilities defined in Subsection (2) between the general manager and the chief executive
1244 officer, if the board of trustees appoints a chief executive officer.

1245 (d) The chief executive officer shall have the same rights allocated to the general
1246 manager under Subsections (3) and (4).

1247 (e) The appointment of a general manager, chief executive officer, or both, shall be by
1248 the affirmative vote of a majority of all members of the board of trustees.

1249 (f) The board's appointment of a person as general manager, chief executive officer, or
1250 both, shall be based on the person's qualifications, with special reference to the person's actual
1251 experience in or knowledge of accepted practices with respect to the duties of the office.

1252 (g) A person appointed as general manager or chief executive officer of a small public
1253 transit district is not required to be a resident of the state at the time of appointment.

1254 (2) A general manager or chief executive officer of a small public transit district shall
1255 have the following responsibilities as allocated by the board of trustees:

1256 (a) be a full-time officer and devote full time to the district's business;

1257 (b) ensure that all district ordinances are enforced;

1258 (c) prepare and submit to the board of trustees, as soon as practical but not less than 45
1259 days after the end of each fiscal year, a complete report on the district's finances and
1260 administrative activities for the preceding year;

1261 (d) keep the board of trustees advised as to the district's needs;

1262 (e) prepare or cause to be prepared all plans and specifications for the construction of
1263 district works;

1264 (f) cause to be installed and maintained a system of auditing and accounting that
1265 completely shows the district's financial condition at all times; and

- 1266 (g) attend meetings of the board of trustees.
- 1267 (3) A general manager of a small public transit district:
- 1268 (a) serves at the pleasure of the board of trustees;
- 1269 (b) holds office for an indefinite term;
- 1270 (c) may be removed by the board of trustees upon the adoption of a resolution by the
- 1271 affirmative vote of a majority of all members of the board, subject to Subsection (5);
- 1272 (d) has full charge of:
- 1273 (i) the acquisition, construction, maintenance, and operation of district facilities; and
- 1274 (ii) the administration of the district's business affairs;
- 1275 (e) is entitled to participate in the deliberations of the board of trustees as to any matter
- 1276 before the board; and
- 1277 (f) may not vote at a meeting of the board of trustees.
- 1278 (4) The board of trustees may not reduce the general manager's salary below the
- 1279 amount fixed at the time of original appointment unless:
- 1280 (a) the board adopts a resolution by a vote of a majority of all members; and
- 1281 (b) if the general manager demands in writing, the board gives the general manager the
- 1282 opportunity to be publicly heard at a meeting of the board before the final vote on the
- 1283 resolution reducing the general manager's salary.
- 1284 (5) (a) Before adopting a resolution providing for a general manager's removal as
- 1285 provided in Subsection (3)(c), the board shall, if the manager makes a written demand:
- 1286 (i) give the general manager a written statement of the reasons alleged for the general
- 1287 manager's removal; and
- 1288 (ii) allow the general manager to be publicly heard at a meeting of the board of
- 1289 trustees.
- 1290 (b) Notwithstanding Subsection (5)(a), the board of trustees of a public transit district
- 1291 may suspend a general manager from office pending and during a hearing under Subsection
- 1292 (5)(a)(ii).
- 1293 (6) The action of a board of trustees suspending or removing a general manager or
- 1294 reducing the general manager's salary is final.
- 1295 Section 19. Section **17B-2a-811.1** is enacted to read:
- 1296 **17B-2a-811.1. Executive director of a large public transit district.**

1297 (1) (a) The board of trustees of a large public transit district shall appoint a person as
1298 an executive director.

1299 (b) The appointment of an executive director shall be by the affirmative vote of a
1300 majority of the board of trustees.

1301 (c) The board's appointment of a person as executive director shall be based on the
1302 person's qualifications, with special reference to the person's actual experience in or knowledge
1303 of accepted practices with respect to the duties of the office.

1304 (d) A person appointed as executive director of a large public transit district is not
1305 required to be a resident of the state at the time of appointment.

1306 (2) An executive director of a large public transit district shall:

1307 (a) be a full-time officer and devote full time to the district's business;

1308 (b) serve at the pleasure of the board of trustees;

1309 (c) hold office for an indefinite term;

1310 (d) ensure that all district ordinances are enforced;

1311 (e) prepare and submit to the board of trustees, as soon as practical but not less than 45
1312 days after the end of each fiscal year, a complete report on the district's finances and
1313 administrative activities for the preceding year;

1314 (f) advise the board of trustees regarding the needs of the district;

1315 (g) in consultation with the board of trustees, prepare or cause to be prepared all plans
1316 and specifications for the construction of district works;

1317 (h) cause to be installed and maintained a system of auditing and accounting that
1318 completely shows the district's financial condition at all times;

1319 (i) attend meetings of the board of trustees;

1320 (j) in consultation with the board of trustees, have charge of:

1321 (i) the acquisition, construction, maintenance, and operation of district facilities; and

1322 (ii) the administration of the district's business affairs; and

1323 (k) be entitled to participate in the deliberations of the board of trustees as to any
1324 matter before the board.

1325 (3) The board of trustees may not remove the executive director or reduce the
1326 executive director's salary below the amount fixed at the time of original appointment unless:

1327 (a) the board adopts a resolution by a vote of a majority of all members; and

1328 (b) if the executive director demands in writing, the board gives the executive director
1329 the opportunity to be publicly heard at a meeting of the board before the final vote on the
1330 resolution removing the executive director or reducing the executive director's salary.

1331 (4) (a) Before adopting a resolution providing for the removal of the executive director
1332 or a reduction in the executive director's salary as provided in Subsection (3), the board shall, if
1333 the executive director makes a written demand:

1334 (i) give the executive director a written statement of the reasons alleged for the removal
1335 or reduction in salary; and

1336 (ii) allow the executive director to be publicly heard at a meeting of the board of
1337 trustees.

1338 (b) Notwithstanding Subsection (4)(a), the board of trustees of a public transit district
1339 may suspend an executive director from office pending and during a hearing under Subsection
1340 (4)(a)(ii).

1341 (5) The action of a board of trustees suspending or removing an executive director or
1342 reducing the executive director's salary is final.

1343 Section 20. Section **17B-2a-826** is amended to read:

1344 **17B-2a-826. Public transit district office of constituent services and office of**
1345 **coordinated mobility.**

1346 (1) (a) The board of trustees of a large public transit district [~~servicing a population over~~
1347 ~~200,000 people~~] shall create and employ an office of constituent services.

1348 (b) The duties of the office of constituent services described in Subsection (1)(a) shall
1349 include:

1350 (i) establishing a central call number to hear and respond to complaints, requests,
1351 comments, concerns, and other communications from customers and citizens within the
1352 district;

1353 (ii) keeping a log of the complaints, comments, concerns, and other communications
1354 from customers and citizens within the district; and

1355 (iii) reporting complaints, comments, concerns, and other communications to
1356 management and to the [~~citizens'~~] local advisory board created in [~~Subsection (2)]~~ Section
1357 17B-2a-808.2.

1358 [~~(2) (a) A public transit district serving a population over 200,000 people shall create~~

1359 and oversee a citizens' advisory board.]

1360 ~~[(b) (i) The board of trustees of the public transit district shall select up to 12 members~~
1361 ~~for the public transit district citizens' advisory board with membership representing the~~
1362 ~~diversity of the public transit district area.]~~

1363 ~~[(ii) The board of trustees shall ensure that each member of the citizens' advisory board~~
1364 ~~regularly uses the public transit district services.]~~

1365 ~~[(c) The public transit district citizens' advisory board shall meet as needed or quarterly~~
1366 ~~in a meeting open to the public for comment, to discuss the service, operations, and any~~
1367 ~~concerns with the public transit district operations and functionality.]~~

1368 ~~[(d) The public transit district management shall meet at least quarterly with and~~
1369 ~~consult with the citizens' advisory board and take into consideration the input of the citizens'~~
1370 ~~advisory board in managing and operating the public transit district.]~~

1371 ~~[(3)]~~ (2) (a) A large public transit district [~~serving a population over 200,000 people~~]
1372 shall create and employ an office of coordinated mobility.

1373 (b) The duties of the office of coordinated mobility shall include:

1374 (i) establishing a central call number to facilitate human services transportation;

1375 (ii) coordinating all human services transportation needs within the public transit
1376 district;

1377 (iii) receiving requests and other communications regarding human services
1378 transportation;

1379 (iv) receiving requests and other communications regarding vans, buses, and other
1380 vehicles available for use from the public transit district to maximize the utility of and
1381 investment in those vehicles; and

1382 (v) supporting local efforts and applications for additional funding.

1383 Section 21. Section **35A-8-308** is amended to read:

1384 **35A-8-308. Throughput Infrastructure Fund.**

1385 (1) There is created an enterprise fund known as the Throughput Infrastructure Fund.

1386 (2) The fund consists of money generated from the following revenue sources:

1387 (a) all amounts transferred to the fund under Subsection ~~59-12-103~~[(12)](8);

1388 (b) any voluntary contributions received;

1389 (c) appropriations made to the fund by the Legislature; and

1390 (d) all amounts received from the repayment of loans made by the impact board under
1391 Section 35A-8-309.

1392 (3) The state treasurer shall:

1393 (a) invest the money in the fund by following the procedures and requirements of Title
1394 51, Chapter 7, State Money Management Act; and

1395 (b) deposit all interest or other earnings derived from those investments into the fund.

1396 Section 22. Section 35A-8-309 is amended to read:

1397 **35A-8-309. Throughput Infrastructure Fund administered by impact board --**

1398 **Uses -- Review by board -- Annual report.**

1399 (1) The impact board shall:

1400 (a) make grants and loans from the Throughput Infrastructure Fund created in Section
1401 35A-8-308 for a throughput infrastructure project;

1402 (b) use money transferred to the Throughput Infrastructure Fund in accordance with
1403 Subsection 59-12-103~~(12)~~(8) to provide a loan or grant to finance the cost of acquisition or
1404 construction of a throughput infrastructure project to one or more local political subdivisions,
1405 including a Utah interlocal entity created under Title 11, Chapter 13, Interlocal Cooperation
1406 Act;

1407 (c) administer the Throughput Infrastructure Fund in a manner that will keep a portion
1408 of the fund revolving;

1409 (d) determine provisions for repayment of loans;

1410 (e) establish criteria for awarding loans and grants; and

1411 (f) establish criteria for determining eligibility for assistance under this section.

1412 (2) The cost of acquisition or construction of a throughput infrastructure project
1413 includes amounts for working capital, reserves, transaction costs, and other amounts
1414 determined by the impact board to be allocable to a throughput infrastructure project.

1415 (3) The impact board may restructure or forgive all or part of a local political
1416 subdivision's or interlocal entity's obligation to repay loans for extenuating circumstances.

1417 (4) In order to receive assistance under this section, a local political subdivision or an
1418 interlocal entity shall submit a formal application containing the information that the impact
1419 board requires.

1420 (5) (a) The impact board shall:

1421 (i) review the proposed uses of the Throughput Infrastructure Fund for a loan or grant
1422 before approving the loan or grant and may condition its approval on whatever assurances the
1423 impact board considers necessary to ensure that proceeds of the loan or grant will be used in
1424 accordance with this section;

1425 (ii) ensure that each loan specifies terms for interest deferments, accruals, and
1426 scheduled principal repayment; and

1427 (iii) ensure that repayment terms are evidenced by bonds, notes, or other obligations of
1428 the appropriate local political subdivision or interlocal entity issued to the impact board and
1429 payable from the net revenues of a throughput infrastructure project.

1430 (b) An instrument described in Subsection (5)(a)(iii) may be:

1431 (i) non-recourse to the local political subdivision or interlocal entity; and

1432 (ii) limited to a pledge of the net revenues from a throughput infrastructure project.

1433 (6) (a) Subject to the restriction in Subsection (6)(b), the impact board shall allocate
1434 from the Throughput Infrastructure Fund to the board those amounts that are appropriated by
1435 the Legislature for the administration of the Throughput Infrastructure Fund.

1436 (b) The amount described in Subsection (6)(a) may not exceed 2% of the annual
1437 receipts to the fund.

1438 (7) The board shall include in the annual written report described in Section
1439 [35A-1-109](#):

1440 (a) the number and type of loans and grants made under this section; and

1441 (b) a list of local political subdivisions or interlocal entities that received assistance
1442 under this section.

1443 Section 23. Section **41-1a-102** is amended to read:

1444 **41-1a-102. Definitions.**

1445 As used in this chapter:

1446 (1) "Actual miles" means the actual distance a vehicle has traveled while in operation.

1447 (2) "Actual weight" means the actual unladen weight of a vehicle or combination of
1448 vehicles as operated and certified to by a weighmaster.

1449 (3) "All-terrain type I vehicle" [~~has the same meaning provided~~] means the same as that
1450 term is defined in Section [41-22-2](#).

1451 (4) "All-terrain type II vehicle" [~~has the same meaning provided~~] means the same as

1452 that term is defined in Section 41-22-2.

1453 (5) "Alternative fuel vehicle" means:

1454 (a) an electric vehicle;

1455 (b) a hybrid electric vehicle;

1456 (c) a plug-in hybrid electric vehicle; or

1457 (d) a motor vehicle powered by a fuel other than:

1458 (i) motor fuel;

1459 (ii) diesel fuel;

1460 (iii) natural gas; or

1461 (iv) propane.

1462 [~~5~~] (6) "Amateur radio operator" means any person licensed by the Federal

1463 Communications Commission to engage in private and experimental two-way radio operation

1464 on the amateur band radio frequencies.

1465 [~~6~~] (7) "Autocycle" means the same as that term is defined in Section 53-3-102.

1466 [~~7~~] (8) "Branded title" means a title certificate that is labeled:

1467 (a) rebuilt and restored to operation;

1468 (b) flooded and restored to operation; or

1469 (c) not restored to operation.

1470 [~~8~~] (9) "Camper" means any structure designed, used, and maintained primarily to be

1471 mounted on or affixed to a motor vehicle that contains a floor and is designed to provide a

1472 mobile dwelling, sleeping place, commercial space, or facilities for human habitation or for

1473 camping.

1474 [~~9~~] (10) "Certificate of title" means a document issued by a jurisdiction to establish a

1475 record of ownership between an identified owner and the described vehicle, vessel, or outboard

1476 motor.

1477 [~~10~~] (11) "Certified scale weigh ticket" means a weigh ticket that has been issued by

1478 a weighmaster.

1479 [~~H~~] (12) "Commercial vehicle" means a motor vehicle, trailer, or semitrailer used or

1480 maintained for the transportation of persons or property that operates:

1481 (a) as a carrier for hire, compensation, or profit; or

1482 (b) as a carrier to transport the vehicle owner's goods or property in furtherance of the

1483 owner's commercial enterprise.

1484 ~~[(12)]~~ (13) "Commission" means the State Tax Commission.

1485 (14) "Consumer price index" means the same as that term is defined in Section
1486 [59-13-102](#).

1487 ~~[(13)]~~ (15) "Dealer" means a person engaged or licensed to engage in the business of
1488 buying, selling, or exchanging new or used vehicles, vessels, or outboard motors either outright
1489 or on conditional sale, bailment, lease, chattel mortgage, or otherwise or who has an
1490 established place of business for the sale, lease, trade, or display of vehicles, vessels, or
1491 outboard motors.

1492 (16) "Diesel fuel" means the same as that term is defined in Section [59-13-102](#).

1493 ~~[(14)]~~ (17) "Division" means the Motor Vehicle Division of the commission, created in
1494 Section [41-1a-106](#).

1495 (18) "Electric motor vehicle" means a motor vehicle that is powered solely by an
1496 electric motor drawing current from a rechargeable energy storage system.

1497 ~~[(15)]~~ (19) "Essential parts" means all integral and body parts of a vehicle of a type
1498 required to be registered in this state, the removal, alteration, or substitution of which would
1499 tend to conceal the identity of the vehicle or substantially alter its appearance, model, type, or
1500 mode of operation.

1501 ~~[(16)]~~ (20) "Farm tractor" means every motor vehicle designed and used primarily as a
1502 farm implement for drawing plows, mowing machines, and other implements of husbandry.

1503 ~~[(17)]~~ (21) (a) "Farm truck" means a truck used by the owner or operator of a farm
1504 solely for his own use in the transportation of:

1505 (i) farm products, including livestock and its products, poultry and its products,
1506 floricultural and horticultural products;

1507 (ii) farm supplies, including tile, fence, and every other thing or commodity used in
1508 agricultural, floricultural, horticultural, livestock, and poultry production; and

1509 (iii) livestock, poultry, and other animals and things used for breeding, feeding, or
1510 other purposes connected with the operation of a farm.

1511 (b) "Farm truck" does not include the operation of trucks by commercial processors of
1512 agricultural products.

1513 ~~[(18)]~~ (22) "Fleet" means one or more commercial vehicles.

1514 [~~(19)~~] (23) "Foreign vehicle" means a vehicle of a type required to be registered,
1515 brought into this state from another state, territory, or country other than in the ordinary course
1516 of business by or through a manufacturer or dealer, and not registered in this state.

1517 [~~(20)~~] (24) "Gross laden weight" means the actual weight of a vehicle or combination
1518 of vehicles, equipped for operation, to which shall be added the maximum load to be carried.

1519 [~~(21)~~] (25) "Highway" or "street" means the entire width between property lines of
1520 every way or place of whatever nature when any part of it is open to the public, as a matter of
1521 right, for purposes of vehicular traffic.

1522 (26) "Hybrid electric motor vehicle" means a motor vehicle that draws propulsion
1523 energy from onboard sources of stored energy that are both:

1524 (a) an internal combustion engine or heat engine using consumable fuel; and

1525 (b) a rechargeable energy storage system where energy for the storage system comes
1526 solely from sources onboard the vehicle.

1527 [~~(22)~~] (27) (a) "Identification number" means the identifying number assigned by the
1528 manufacturer or by the division for the purpose of identifying the vehicle, vessel, or outboard
1529 motor.

1530 (b) "Identification number" includes a vehicle identification number, state assigned
1531 identification number, hull identification number, and motor serial number.

1532 [~~(23)~~] (28) "Implement of husbandry" means every vehicle designed or adapted and
1533 used exclusively for an agricultural operation and only incidentally operated or moved upon the
1534 highways.

1535 [~~(24)~~] (29) (a) "In-state miles" means the total number of miles operated in this state
1536 during the preceding year by fleet power units.

1537 (b) If fleets are composed entirely of trailers or semitrailers, "in-state miles" means the
1538 total number of miles that those vehicles were towed on Utah highways during the preceding
1539 year.

1540 [~~(25)~~] (30) "Interstate vehicle" means any commercial vehicle operated in more than
1541 one state, province, territory, or possession of the United States or foreign country.

1542 [~~(26)~~] (31) "Jurisdiction" means a state, district, province, political subdivision,
1543 territory, or possession of the United States or any foreign country.

1544 [~~(27)~~] (32) "Lienholder" means a person with a security interest in particular property.

1545 [(28)] (33) "Manufactured home" means a transportable factory built housing unit
1546 constructed on or after June 15, 1976, according to the Federal Home Construction and Safety
1547 Standards Act of 1974 (HUD Code), in one or more sections, which, in the traveling mode, is
1548 eight body feet or more in width or 40 body feet or more in length, or when erected on site, is
1549 400 or more square feet, and which is built on a permanent chassis and designed to be used as a
1550 dwelling with or without a permanent foundation when connected to the required utilities, and
1551 includes the plumbing, heating, air-conditioning, and electrical systems.

1552 [(29)] (34) "Manufacturer" means a person engaged in the business of constructing,
1553 manufacturing, assembling, producing, or importing new or unused vehicles, vessels, or
1554 outboard motors for the purpose of sale or trade.

1555 [(30)] (35) "Mobile home" means a transportable factory built housing unit built prior
1556 to June 15, 1976, in accordance with a state mobile home code which existed prior to the
1557 Federal Manufactured Housing and Safety Standards Act (HUD Code).

1558 (36) "Motor fuel" means the same as that term is defined in Section [59-13-102](#).

1559 [(33)] (37) (a) "Motor vehicle" means a self-propelled vehicle intended primarily for
1560 use and operation on the highways.

1561 (b) "Motor vehicle" does not include an off-highway vehicle.

1562 [(31)] (38) "Motorboat" [~~has the same meaning as provided~~] means the same as that
1563 term is defined in Section [73-18-2](#).

1564 [(32)] (39) "Motorcycle" means:

1565 (a) a motor vehicle having a saddle for the use of the rider and designed to travel on not
1566 more than three wheels in contact with the ground; or

1567 (b) an autocytle.

1568 (40) "Natural gas" means a fuel of which the primary constituent is methane.

1569 [(34)] (41) (a) "Nonresident" means a person who is not a resident of this state as
1570 defined by Section [41-1a-202](#), and who does not engage in intrastate business within this state
1571 and does not operate in that business any motor vehicle, trailer, or semitrailer within this state.

1572 (b) A person who engages in intrastate business within this state and operates in that
1573 business any motor vehicle, trailer, or semitrailer in this state or who, even though engaging in
1574 interstate commerce, maintains any vehicle in this state as the home station of that vehicle is
1575 considered a resident of this state, insofar as that vehicle is concerned in administering this

1576 chapter.

1577 ~~[(35)]~~ (42) "Odometer" means a device for measuring and recording the actual distance
1578 a vehicle travels while in operation, but does not include any auxiliary odometer designed to be
1579 periodically reset.

1580 ~~[(36)]~~ (43) "Off-highway implement of husbandry" ~~[has the same meaning as~~
1581 ~~provided]~~ means the same as that term is defined in Section 41-22-2.

1582 ~~[(37)]~~ (44) "Off-highway vehicle" ~~[has the same meaning as provided]~~ means the same
1583 as that term is defined in Section 41-22-2.

1584 ~~[(38)]~~ (45) "Operate" means to drive or be in actual physical control of a vehicle or to
1585 navigate a vessel.

1586 ~~[(39)]~~ (46) "Outboard motor" means a detachable self-contained propulsion unit,
1587 excluding fuel supply, used to propel a vessel.

1588 ~~[(40)]~~ (47) (a) "Owner" means a person, other than a lienholder, holding title to a
1589 vehicle, vessel, or outboard motor whether or not the vehicle, vessel, or outboard motor is
1590 subject to a security interest.

1591 (b) If a vehicle is the subject of an agreement for the conditional sale or installment
1592 sale or mortgage of the vehicle with the right of purchase upon performance of the conditions
1593 stated in the agreement and with an immediate right of possession vested in the conditional
1594 vendee or mortgagor, or if the vehicle is the subject of a security agreement, then the
1595 conditional vendee, mortgagor, or debtor is considered the owner for the purposes of this
1596 chapter.

1597 (c) If a vehicle is the subject of an agreement to lease, the lessor is considered the
1598 owner until the lessee exercises his option to purchase the vehicle.

1599 ~~[(41)]~~ (48) "Park model recreational vehicle" means a unit that:

1600 (a) is designed and marketed as temporary living quarters for recreational, camping,
1601 travel, or seasonal use;

1602 (b) is not permanently affixed to real property for use as a permanent dwelling;

1603 (c) requires a special highway movement permit for transit; and

1604 (d) is built on a single chassis mounted on wheels with a gross trailer area not
1605 exceeding 400 square feet in the setup mode.

1606 ~~[(42)]~~ (49) "Personalized license plate" means a license plate that has displayed on it a

1607 combination of letters, numbers, or both as requested by the owner of the vehicle and assigned
1608 to the vehicle by the division.

1609 ~~[(43)]~~ (50) (a) "Pickup truck" means a two-axle motor vehicle with motive power
1610 manufactured, remanufactured, or materially altered to provide an open cargo area.

1611 (b) "Pickup truck" includes motor vehicles with the open cargo area covered with a
1612 camper, camper shell, tarp, removable top, or similar structure.

1613 (51) "Plug-in hybrid electric motor vehicle" means a motor vehicle that has the
1614 capability to charge the battery or batteries used for vehicle propulsion from an off-vehicle
1615 electric source, such that the off-vehicle source cannot be connected to the vehicle while the
1616 vehicle is in motion.

1617 ~~[(44)]~~ (52) "Pneumatic tire" means every tire in which compressed air is designed to
1618 support the load.

1619 ~~[(45)]~~ (53) "Preceding year" means a period of 12 consecutive months fixed by the
1620 division that is within 16 months immediately preceding the commencement of the registration
1621 or license year in which proportional registration is sought. The division in fixing the period
1622 shall conform it to the terms, conditions, and requirements of any applicable agreement or
1623 arrangement for the proportional registration of vehicles.

1624 ~~[(46)]~~ (54) "Public garage" means every building or other place where vehicles or
1625 vessels are kept and stored and where a charge is made for the storage and keeping of vehicles
1626 and vessels.

1627 ~~[(47)]~~ (55) "Receipt of surrender of ownership documents" means the receipt of
1628 surrender of ownership documents described in Section 41-1a-503.

1629 ~~[(48)]~~ (56) "Reconstructed vehicle" means every vehicle of a type required to be
1630 registered in this state that is materially altered from its original construction by the removal,
1631 addition, or substitution of essential parts, new or used.

1632 ~~[(49)]~~ (57) "Recreational vehicle" ~~[has the same meaning as provided]~~ means the same
1633 as that term is defined in Section 13-14-102.

1634 ~~[(50)]~~ (58) "Registration" means a document issued by a jurisdiction that allows
1635 operation of a vehicle or vessel on the highways or waters of this state for the time period for
1636 which the registration is valid and that is evidence of compliance with the registration
1637 requirements of the jurisdiction.

1638 [~~51~~] (59) (a) "Registration year" means a 12 consecutive month period commencing
1639 with the completion of all applicable registration criteria.

1640 (b) For administration of a multistate agreement for proportional registration the
1641 division may prescribe a different 12-month period.

1642 [~~52~~] (60) "Repair or replacement" means the restoration of vehicles, vessels, or
1643 outboard motors to a sound working condition by substituting any inoperative part of the
1644 vehicle, vessel, or outboard motor, or by correcting the inoperative part.

1645 [~~53~~] (61) "Replica vehicle" means:

1646 (a) a street rod that meets the requirements under Subsection 41-21-1(3)(a)(i)(B); or

1647 (b) a custom vehicle that meets the requirements under Subsection

1648 41-6a-1507(1)(a)(i)(B).

1649 [~~54~~] (62) "Road tractor" means every motor vehicle designed and used for drawing
1650 other vehicles and constructed so it does not carry any load either independently or any part of
1651 the weight of a vehicle or load that is drawn.

1652 [~~55~~] (63) "Sailboat" means the same as that term is defined in Section 73-18-2.

1653 [~~56~~] (64) "Security interest" means an interest that is reserved or created by a security
1654 agreement to secure the payment or performance of an obligation and that is valid against third
1655 parties.

1656 [~~57~~] (65) "Semitrailer" means every vehicle without motive power designed for
1657 carrying persons or property and for being drawn by a motor vehicle and constructed so that
1658 some part of its weight and its load rests or is carried by another vehicle.

1659 [~~58~~] (66) "Special group license plate" means a type of license plate designed for a
1660 particular group of people or a license plate authorized and issued by the division in accordance
1661 with Section 41-1a-418.

1662 [~~59~~] (67) (a) "Special interest vehicle" means a vehicle used for general
1663 transportation purposes and that is:

1664 (i) 20 years or older from the current year; or

1665 (ii) a make or model of motor vehicle recognized by the division director as having
1666 unique interest or historic value.

1667 (b) In making a determination under Subsection [~~59~~] (67)(a), the division director
1668 shall give special consideration to:

- 1669 (i) a make of motor vehicle that is no longer manufactured;
1670 (ii) a make or model of motor vehicle produced in limited or token quantities;
1671 (iii) a make or model of motor vehicle produced as an experimental vehicle or one
1672 designed exclusively for educational purposes or museum display; or
1673 (iv) a motor vehicle of any age or make that has not been substantially altered or
1674 modified from original specifications of the manufacturer and because of its significance is
1675 being collected, preserved, restored, maintained, or operated by a collector or hobbyist as a
1676 leisure pursuit.

1677 ~~[(60)]~~ (68) (a) "Special mobile equipment" means every vehicle:

- 1678 (i) not designed or used primarily for the transportation of persons or property;
1679 (ii) not designed to operate in traffic; and
1680 (iii) only incidentally operated or moved over the highways.

1681 (b) "Special mobile equipment" includes:

- 1682 (i) farm tractors;
1683 (ii) off-road motorized construction or maintenance equipment including backhoes,
1684 bulldozers, compactors, graders, loaders, road rollers, tractors, and trenchers; and
1685 (iii) ditch-digging apparatus.

1686 (c) "Special mobile equipment" does not include a commercial vehicle as defined
1687 under Section [72-9-102](#).

1688 ~~[(61)]~~ (69) "Specially constructed vehicle" means every vehicle of a type required to be
1689 registered in this state, not originally constructed under a distinctive name, make, model, or
1690 type by a generally recognized manufacturer of vehicles, and not materially altered from its
1691 original construction.

1692 ~~[(62)]~~ (70) "Title" means the right to or ownership of a vehicle, vessel, or outboard
1693 motor.

1694 ~~[(63)]~~ (71) (a) "Total fleet miles" means the total number of miles operated in all
1695 jurisdictions during the preceding year by power units.

1696 (b) If fleets are composed entirely of trailers or semitrailers, "total fleet miles" means
1697 the number of miles that those vehicles were towed on the highways of all jurisdictions during
1698 the preceding year.

1699 ~~[(64)]~~ (72) "Trailer" means a vehicle without motive power designed for carrying

1700 persons or property and for being drawn by a motor vehicle and constructed so that no part of
1701 its weight rests upon the towing vehicle.

1702 ~~[(65)]~~ (73) "Transferee" means a person to whom the ownership of property is
1703 conveyed by sale, gift, or any other means except by the creation of a security interest.

1704 ~~[(66)]~~ (74) "Transferor" means a person who transfers his ownership in property by
1705 sale, gift, or any other means except by creation of a security interest.

1706 ~~[(67)]~~ (75) "Travel trailer," "camping trailer," or "fifth wheel trailer" means a portable
1707 vehicle without motive power, designed as a temporary dwelling for travel, recreational, or
1708 vacation use that does not require a special highway movement permit when drawn by a
1709 self-propelled motor vehicle.

1710 ~~[(68)]~~ (76) "Truck tractor" means a motor vehicle designed and used primarily for
1711 drawing other vehicles and not constructed to carry a load other than a part of the weight of the
1712 vehicle and load that is drawn.

1713 ~~[(69)]~~ (77) "Vehicle" includes a motor vehicle, trailer, semitrailer, off-highway vehicle,
1714 camper, park model recreational vehicle, manufactured home, and mobile home.

1715 ~~[(70)]~~ (78) "Vessel" means the same as that term is defined in Section 73-18-2.

1716 ~~[(71)]~~ (79) "Vintage vehicle" means the same as that term is defined in Section
1717 41-21-1.

1718 ~~[(72)]~~ (80) "Waters of this state" means the same as that term is defined in Section
1719 73-18-2.

1720 ~~[(73)]~~ (81) "Weighmaster" means a person, association of persons, or corporation
1721 permitted to weigh vehicles under this chapter.

1722 Section 24. Section 41-1a-1201 is amended to read:

1723 **41-1a-1201. Disposition of fees.**

1724 (1) All fees received and collected under this part shall be transmitted daily to the state
1725 treasurer.

1726 (2) Except as provided in Subsections (3), (6), (7), (8), and (9) and Sections 41-1a-422,
1727 41-1a-1220, 41-1a-1221, and 41-1a-1223 all fees collected under this part shall be deposited in
1728 the Transportation Fund.

1729 (3) Funds generated under Subsections 41-1a-1211(1)(b)(ii), (6)(b)(ii), and (7) and
1730 Section 41-1a-1212 may be used by the commission to cover the costs incurred in issuing

1731 license plates under Part 4, License Plates and Registration Indicia.

1732 (4) In accordance with Section 63J-1-602.2, all funds available to the commission for
1733 the purchase and distribution of license plates and decals are nonlapsing.

1734 (5) (a) Except as provided in Subsections (3) and (5)(b) and Section 41-1a-1205, the
1735 expenses of the commission in enforcing and administering this part shall be provided for by
1736 legislative appropriation from the revenues of the Transportation Fund.

1737 (b) Three dollars of the registration fees imposed under Subsections 41-1a-1206(2)(a)
1738 and (b) for each vehicle registered for a six-month registration period under Section
1739 41-1a-215.5 may be used by the commission to cover the costs incurred in enforcing and
1740 administering this part.

1741 (6) (a) The following portions of the registration fees imposed under Section
1742 41-1a-1206 for each vehicle shall be deposited in the Transportation Investment Fund of 2005
1743 created under Section 72-2-124:

1744 (i) \$30 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b);⁽ⁱ⁾
1745 through (vi), (1)(f), [~~(3)~~, and ~~(6)~~] (4), and (7);

1746 (ii) \$21 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i) and
1747 (1)(c)(ii);

1748 (iii) \$2.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

1749 (iv) \$23 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i);

1750 (v) \$24.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i); and

1751 (vi) \$1 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(ii).

1752 (b) The following portions of the registration fees collected for each vehicle registered
1753 for a six-month registration period under Section 41-1a-215.5 shall be deposited in the
1754 Transportation Investment Fund of 2005 created by Section 72-2-124:

1755 (i) \$23.25 of [~~each~~] the registration fee collected under Subsection 41-1a-1206(2)(a);
1756 and

1757 (ii) \$23 of [~~each~~] the registration fee [~~collected under Subsection~~] imposed under
1758 Subsections 41-1a-1206(2)(b)(i) through (vi).

1759 (7) (a) Ninety-four cents of each registration fee imposed under Subsections
1760 41-1a-1206(1)(a) and (b) for each vehicle shall be deposited in the Public Safety Restricted
1761 Account created in Section 53-3-106.

1762 (b) Seventy-one cents of each registration fee imposed under Subsections
1763 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under
1764 Section 41-1a-215.5 shall be deposited in the Public Safety Restricted Account created in
1765 Section 53-3-106.

1766 (8) (a) One dollar of each registration fee imposed under Subsections 41-1a-1206(1)(a)
1767 and (b) for each vehicle shall be deposited into the Motor Vehicle Safety Impact Restricted
1768 Account created in Section 53-8-214.

1769 (b) One dollar of each registration fee imposed under Subsections 41-1a-1206(2)(a)
1770 and (b) for each vehicle registered for a six-month registration period under Section
1771 41-1a-215.5 shall be deposited into the Motor Vehicle Safety Impact Restricted Account
1772 created in Section 53-8-214.

1773 (9) Fifty cents of each registration fee imposed under Subsection 41-1a-1206(1)(a) for
1774 each motorcycle shall be deposited in the Spinal Cord and Brain Injury Rehabilitation Fund
1775 created in Section 26-54-102.

1776 Section 25. Section 41-1a-1206 is amended to read:

1777 **41-1a-1206. Registration fees -- Fees by gross laden weight.**

1778 (1) Except as provided in Subsections (2) and [~~(3)~~], (4), and subject to Subsection (3),
1779 at the time application is made for registration or renewal of registration of a vehicle or
1780 combination of vehicles under this chapter, a registration fee shall be paid to the division as
1781 follows:

1782 (a) \$46.00 for each motorcycle;

1783 (b) [~~\$44~~] for each motor vehicle of 12,000 pounds or less gross laden weight, excluding
1784 motorcycles[;]:

1785 (i) \$44 for each motor vehicle fueled by motor fuel;

1786 (ii) \$44 for each motor vehicle fueled by diesel fuel;

1787 (iii) \$44 for each motor vehicle registered under Section 41-1a-301;

1788 (iv) \$44 for each motor vehicle fueled by natural gas;

1789 (v) \$44 for each motor vehicle fueled by propane; and

1790 (vi) \$44 for each motor vehicle not described in Subsections (1)(b)(i) through (v);

1791 (c) unless the semitrailer or trailer is exempt from registration under Section 41-1a-202
1792 or is registered under Section 41-1a-301:

- 1793 (i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or
1794 (ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or less
1795 gross unladen weight;
- 1796 (d) (i) \$53 for each farm truck over 12,000 pounds, but not exceeding 14,000 pounds
1797 gross laden weight; plus
- 1798 (ii) \$9 for each 2,000 pounds over 14,000 pounds gross laden weight;
- 1799 (e) (i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding farm
1800 trucks, over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus
- 1801 (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;
- 1802 (f) (i) \$69.50 for each park model recreational vehicle over 12,000 pounds, but not
1803 exceeding 14,000 pounds gross laden weight; plus
- 1804 (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight; and
- 1805 (g) \$45 for each vintage vehicle that is less than 40 years old.
- 1806 (2) At the time application is made for registration or renewal of registration of a
1807 vehicle under this chapter for a six-month registration period under Section [41-1a-215.5](#), a
1808 registration fee shall be paid to the division as follows:
- 1809 (a) \$34.50 for each motorcycle; and
- 1810 (b) [~~\$33.50~~] for each motor vehicle of 12,000 pounds or less gross laden weight,
1811 excluding motorcycles[-];
- 1812 (i) \$33.50 for each motor vehicle fueled by motor fuel;
- 1813 (ii) \$33.50 for each motor vehicle fueled by diesel fuel;
- 1814 (iii) \$33.50 for each motor vehicle registered under Section [41-1a-301](#);
- 1815 (iv) \$33.50 for each motor vehicle fueled by natural gas;
- 1816 (v) \$33.50 for each motor vehicle fueled by propane; and
- 1817 (vi) \$33.50 for each motor vehicle not described in Subsections (2)(b)(i) through (v).
- 1818 (3) (a) Beginning on January 1, 2020, the commission shall, on January 1, annually
1819 adjust the registration fee for each motor vehicle of 12,000 pounds or less gross laden weight,
1820 excluding motorcycles, by taking the registration fee rate for the previous year and adding an
1821 amount equal to the greater of:
- 1822 (i) an amount calculated by multiplying the registration fee of the previous year by the
1823 actual percentage change during the previous fiscal year in the Consumer Price Index; and

1824 (ii) 0.

1825 (b) The amount calculated as described in Subsection (3)(a) shall be rounded up to the
1826 nearest 25 cents.

1827 [~~3~~] (4) (a) The initial registration fee for a vintage vehicle that is 40 years old or older
1828 is \$40.

1829 (b) A vintage vehicle that is 40 years old or older is exempt from the renewal of
1830 registration fees under Subsection (1).

1831 (c) A vehicle with a Purple Heart special group license plate issued in accordance with
1832 Section [41-1a-421](#) is exempt from the registration fees under Subsection (1).

1833 (d) A camper is exempt from the registration fees under Subsection (1).

1834 [~~4~~] (5) If a motor vehicle is operated in combination with a semitrailer or trailer, each
1835 motor vehicle shall register for the total gross laden weight of all units of the combination if the
1836 total gross laden weight of the combination exceeds 12,000 pounds.

1837 [~~5~~] (6) (a) Registration fee categories under this section are based on the gross laden
1838 weight declared in the licensee's application for registration.

1839 (b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part
1840 of 2,000 pounds is a full unit.

1841 [~~6~~] (7) The owner of a commercial trailer or commercial semitrailer may, as an
1842 alternative to registering under Subsection (1)(c), apply for and obtain a special registration and
1843 license plate for a fee of \$130.

1844 [~~7~~] (8) Except as provided in Section [41-6a-1642](#), a truck may not be registered as a
1845 farm truck unless:

1846 (a) the truck meets the definition of a farm truck under Section [41-1a-102](#); and

1847 (b) (i) the truck has a gross vehicle weight rating of more than 12,000 pounds; or

1848 (ii) the truck has a gross vehicle weight rating of 12,000 pounds or less and the owner
1849 submits to the division a certificate of emissions inspection or a waiver in compliance with
1850 Section [41-6a-1642](#).

1851 [~~8~~] (9) A violation of Subsection [~~7~~] (8) is an infraction that shall be punished by a
1852 fine of not less than \$200.

1853 [~~9~~] (10) Trucks used exclusively to pump cement, bore wells, or perform crane
1854 services with a crane lift capacity of five or more tons, are exempt from 50% of the amount of

1855 the fees required for those vehicles under this section.

1856 Section 26. Section **52-4-103** is amended to read:

1857 **52-4-103. Definitions.**

1858 As used in this chapter:

1859 (1) "Anchor location" means the physical location from which:

1860 (a) an electronic meeting originates; or

1861 (b) the participants are connected.

1862 (2) "Capitol hill complex" means the grounds and buildings within the area bounded by

1863 300 North Street, Columbus Street, 500 North Street, and East Capitol Boulevard in Salt Lake

1864 City.

1865 (3) (a) "Convening" means the calling together of a public body by a person authorized

1866 to do so for the express purpose of discussing or acting upon a subject over which that public

1867 body has jurisdiction or advisory power.

1868 (b) "Convening" does not include the initiation of a routine conversation between

1869 members of a three-member public body if the members involved in the conversation do not,

1870 during the conversation, take a tentative or final vote on the matter that is the subject of the

1871 conversation.

1872 (4) "Electronic meeting" means a public meeting convened or conducted by means of a

1873 conference using electronic communications.

1874 (5) "Electronic message" means a communication transmitted electronically, including:

1875 (a) electronic mail;

1876 (b) instant messaging;

1877 (c) electronic chat;

1878 (d) text messaging as defined in Section 76-4-401; or

1879 (e) any other method that conveys a message or facilitates communication

1880 electronically.

1881 (6) (a) "Meeting" means the convening of a public body or a specified body, with a

1882 quorum present, including a workshop or an executive session, whether in person or by means

1883 of electronic communications, for the purpose of discussing, receiving comments from the

1884 public about, or acting upon a matter over which the public body or specific body has

1885 jurisdiction or advisory power.

- 1886 (b) "Meeting" does not mean:
- 1887 (i) a chance gathering or social gathering; [or]
- 1888 (ii) a convening of the State Tax Commission to consider a confidential tax matter in
- 1889 accordance with Section 59-1-405[~~7~~]; or
- 1890 (iii) a convening of a three-member board of trustees of a large public transit district as
- 1891 defined in Section 17B-2a-802 if:
- 1892 (A) the board members do not, during the conversation, take a tentative or final vote on
- 1893 the matter that is the subject of the conversation; or
- 1894 (B) the conversation pertains only to day-to-day management and operation of the
- 1895 public transit district.
- 1896 (c) "Meeting" does not mean the convening of a public body that has both legislative
- 1897 and executive responsibilities if:
- 1898 (i) no public funds are appropriated for expenditure during the time the public body is
- 1899 convened; and
- 1900 (ii) the public body is convened solely for the discussion or implementation of
- 1901 administrative or operational matters:
- 1902 (A) for which no formal action by the public body is required; or
- 1903 (B) that would not come before the public body for discussion or action.
- 1904 (7) "Monitor" means to hear or observe, live, by audio or video equipment, all of the
- 1905 public statements of each member of the public body who is participating in a meeting.
- 1906 (8) "Participate" means the ability to communicate with all of the members of a public
- 1907 body, either verbally or electronically, so that each member of the public body can hear or
- 1908 observe the communication.
- 1909 (9) (a) "Public body" means:
- 1910 (i) any administrative, advisory, executive, or legislative body of the state or its
- 1911 political subdivisions that:
- 1912 (A) is created by the Utah Constitution, statute, rule, ordinance, or resolution;
- 1913 (B) consists of two or more persons;
- 1914 (C) expends, disburses, or is supported in whole or in part by tax revenue; and
- 1915 (D) is vested with the authority to make decisions regarding the public's business; or
- 1916 (ii) any administrative, advisory, executive, or policymaking body of an association, as

1917 defined in Section [53A-1-1601](#), that:

1918 (A) consists of two or more persons;

1919 (B) expends, disburses, or is supported in whole or in part by dues paid by a public
1920 school or whose employees participate in a benefit or program described in Title 49, Utah State
1921 Retirement and Insurance Benefit Act; and

1922 (C) is vested with authority to make decisions regarding the participation of a public
1923 school or student in an interscholastic activity as defined in Section [53A-1-1601](#).

1924 (b) "Public body" includes:

1925 (i) as defined in Section [11-13-103](#), an interlocal entity or joint or cooperative
1926 undertaking; and

1927 (ii) as defined in Section [11-13a-102](#), a governmental nonprofit corporation.

1928 (c) "Public body" does not include:

1929 (i) a political party, a political group, or a political caucus;

1930 (ii) a conference committee, a rules committee, or a sifting committee of the
1931 Legislature;

1932 (iii) a school community council or charter trust land council as defined in Section
1933 [53A-1a-108.1](#); or

1934 (iv) the Economic Development Legislative Liaison Committee created in Section
1935 [36-30-201](#).

1936 (10) "Public statement" means a statement made in the ordinary course of business of
1937 the public body with the intent that all other members of the public body receive it.

1938 (11) (a) "Quorum" means a simple majority of the membership of a public body, unless
1939 otherwise defined by applicable law.

1940 (b) "Quorum" does not include a meeting of two elected officials by themselves when
1941 no action, either formal or informal, is taken on a subject over which these elected officials
1942 have advisory power.

1943 (12) "Recording" means an audio, or an audio and video, record of the proceedings of a
1944 meeting that can be used to review the proceedings of the meeting.

1945 (13) "Specified body":

1946 (a) means an administrative, advisory, executive, or legislative body that:

1947 (i) is not a public body;

- 1948 (ii) consists of three or more members; and
- 1949 (iii) includes at least one member who is:
- 1950 (A) a legislator; and
- 1951 (B) officially appointed to the body by the president of the Senate, speaker of the
- 1952 House of Representatives, or governor; and
- 1953 (b) does not include a body listed in Subsection (9)(c)(ii).
- 1954 (14) "Transmit" means to send, convey, or communicate an electronic message by
- 1955 electronic means.
- 1956 Section 27. Section **59-12-102** is amended to read:
- 1957 **59-12-102. Definitions.**
- 1958 As used in this chapter:
- 1959 (1) "800 service" means a telecommunications service that:
- 1960 (a) allows a caller to dial a toll-free number without incurring a charge for the call; and
- 1961 (b) is typically marketed:
- 1962 (i) under the name 800 toll-free calling;
- 1963 (ii) under the name 855 toll-free calling;
- 1964 (iii) under the name 866 toll-free calling;
- 1965 (iv) under the name 877 toll-free calling;
- 1966 (v) under the name 888 toll-free calling; or
- 1967 (vi) under a name similar to Subsections (1)(b)(i) through (v) as designated by the
- 1968 Federal Communications Commission.
- 1969 (2) (a) "900 service" means an inbound toll telecommunications service that:
- 1970 (i) a subscriber purchases;
- 1971 (ii) allows a customer of the subscriber described in Subsection (2)(a)(i) to call in to
- 1972 the subscriber's:
- 1973 (A) prerecorded announcement; or
- 1974 (B) live service; and
- 1975 (iii) is typically marketed:
- 1976 (A) under the name 900 service; or
- 1977 (B) under a name similar to Subsection (2)(a)(iii)(A) as designated by the Federal
- 1978 Communications Commission.

- 1979 (b) "900 service" does not include a charge for:
- 1980 (i) a collection service a seller of a telecommunications service provides to a
- 1981 subscriber; or
- 1982 (ii) the following a subscriber sells to the subscriber's customer:
- 1983 (A) a product; or
- 1984 (B) a service.
- 1985 (3) (a) "Admission or user fees" includes season passes.
- 1986 (b) "Admission or user fees" does not include annual membership dues to private
- 1987 organizations.
- 1988 (4) "Agreement" means the Streamlined Sales and Use Tax Agreement adopted on
- 1989 November 12, 2002, including amendments made to the Streamlined Sales and Use Tax
- 1990 Agreement after November 12, 2002.
- 1991 (5) "Agreement combined tax rate" means the sum of the tax rates:
- 1992 (a) listed under Subsection (6); and
- 1993 (b) that are imposed within a local taxing jurisdiction.
- 1994 (6) "Agreement sales and use tax" means a tax imposed under:
- 1995 (a) Subsection [59-12-103\(2\)\(a\)\(i\)\(A\)](#);
- 1996 (b) Subsection [59-12-103\(2\)\(b\)\(i\)](#);
- 1997 (c) Subsection [59-12-103\(2\)\(c\)\(i\)](#);
- 1998 (d) Subsection [59-12-103\(2\)\(d\)\(i\)\(A\)\(I\)](#);
- 1999 (e) Section [59-12-204](#);
- 2000 (f) Section [59-12-401](#);
- 2001 (g) Section [59-12-402](#);
- 2002 (h) Section [59-12-402.1](#);
- 2003 (i) Section [59-12-703](#);
- 2004 (j) Section [59-12-802](#);
- 2005 (k) Section [59-12-804](#);
- 2006 (l) Section [59-12-1102](#);
- 2007 (m) Section [59-12-1302](#);
- 2008 (n) Section [59-12-1402](#);
- 2009 (o) Section [59-12-1802](#);

- 2010 (p) Section [59-12-2003](#);
- 2011 (q) Section [59-12-2103](#);
- 2012 (r) Section [59-12-2213](#);
- 2013 (s) Section [59-12-2214](#);
- 2014 (t) Section [59-12-2215](#);
- 2015 (u) Section [59-12-2216](#);
- 2016 (v) Section [59-12-2217](#);
- 2017 (w) Section [59-12-2218](#); [~~or~~]
- 2018 (x) Section [59-12-2219](#)[~~;~~]; or
- 2019 (y) Section [59-12-2220](#).
- 2020 (7) "Aircraft" means the same as that term is defined in Section [72-10-102](#).
- 2021 (8) "Aircraft maintenance, repair, and overhaul provider" means a business entity:
- 2022 (a) except for:
- 2023 (i) an airline as defined in Section [59-2-102](#); or
- 2024 (ii) an affiliated group, as defined in Section [59-7-101](#), except that "affiliated group"
- 2025 includes a corporation that is qualified to do business but is not otherwise doing business in the
- 2026 state, of an airline; and
- 2027 (b) that has the workers, expertise, and facilities to perform the following, regardless of
- 2028 whether the business entity performs the following in this state:
- 2029 (i) check, diagnose, overhaul, and repair:
- 2030 (A) an onboard system of a fixed wing turbine powered aircraft; and
- 2031 (B) the parts that comprise an onboard system of a fixed wing turbine powered aircraft;
- 2032 (ii) assemble, change, dismantle, inspect, and test a fixed wing turbine powered aircraft
- 2033 engine;
- 2034 (iii) perform at least the following maintenance on a fixed wing turbine powered
- 2035 aircraft:
- 2036 (A) an inspection;
- 2037 (B) a repair, including a structural repair or modification;
- 2038 (C) changing landing gear; and
- 2039 (D) addressing issues related to an aging fixed wing turbine powered aircraft;
- 2040 (iv) completely remove the existing paint of a fixed wing turbine powered aircraft and

- 2041 completely apply new paint to the fixed wing turbine powered aircraft; and
- 2042 (v) refurbish the interior of a fixed wing turbine powered aircraft in a manner that
- 2043 results in a change in the fixed wing turbine powered aircraft's certification requirements by the
- 2044 authority that certifies the fixed wing turbine powered aircraft.
- 2045 (9) "Alcoholic beverage" means a beverage that:
- 2046 (a) is suitable for human consumption; and
- 2047 (b) contains .5% or more alcohol by volume.
- 2048 (10) "Alternative energy" means:
- 2049 (a) biomass energy;
- 2050 (b) geothermal energy;
- 2051 (c) hydroelectric energy;
- 2052 (d) solar energy;
- 2053 (e) wind energy; or
- 2054 (f) energy that is derived from:
- 2055 (i) coal-to-liquids;
- 2056 (ii) nuclear fuel;
- 2057 (iii) oil-impregnated diatomaceous earth;
- 2058 (iv) oil sands;
- 2059 (v) oil shale;
- 2060 (vi) petroleum coke; or
- 2061 (vii) waste heat from:
- 2062 (A) an industrial facility; or
- 2063 (B) a power station in which an electric generator is driven through a process in which
- 2064 water is heated, turns into steam, and spins a steam turbine.
- 2065 (11) (a) Subject to Subsection (11)(b), "alternative energy electricity production
- 2066 facility" means a facility that:
- 2067 (i) uses alternative energy to produce electricity; and
- 2068 (ii) has a production capacity of two megawatts or greater.
- 2069 (b) A facility is an alternative energy electricity production facility regardless of
- 2070 whether the facility is:
- 2071 (i) connected to an electric grid; or

2072 (ii) located on the premises of an electricity consumer.

2073 (12) (a) "Ancillary service" means a service associated with, or incidental to, the
2074 provision of telecommunications service.

2075 (b) "Ancillary service" includes:

2076 (i) a conference bridging service;

2077 (ii) a detailed communications billing service;

2078 (iii) directory assistance;

2079 (iv) a vertical service; or

2080 (v) a voice mail service.

2081 (13) "Area agency on aging" means the same as that term is defined in Section
2082 [62A-3-101](#).

2083 (14) "Assisted amusement device" means an amusement device, skill device, or ride
2084 device that is started and stopped by an individual:

2085 (a) who is not the purchaser or renter of the right to use or operate the amusement
2086 device, skill device, or ride device; and

2087 (b) at the direction of the seller of the right to use the amusement device, skill device,
2088 or ride device.

2089 (15) "Assisted cleaning or washing of tangible personal property" means cleaning or
2090 washing of tangible personal property if the cleaning or washing labor is primarily performed
2091 by an individual:

2092 (a) who is not the purchaser of the cleaning or washing of the tangible personal
2093 property; and

2094 (b) at the direction of the seller of the cleaning or washing of the tangible personal
2095 property.

2096 (16) "Authorized carrier" means:

2097 (a) in the case of vehicles operated over public highways, the holder of credentials
2098 indicating that the vehicle is or will be operated pursuant to both the International Registration
2099 Plan and the International Fuel Tax Agreement;

2100 (b) in the case of aircraft, the holder of a Federal Aviation Administration operating
2101 certificate or air carrier's operating certificate; or

2102 (c) in the case of locomotives, freight cars, railroad work equipment, or other rolling

2103 stock, a person who uses locomotives, freight cars, railroad work equipment, or other rolling
2104 stock in more than one state.

2105 (17) (a) Except as provided in Subsection (17)(b), "biomass energy" means any of the
2106 following that is used as the primary source of energy to produce fuel or electricity:

2107 (i) material from a plant or tree; or

2108 (ii) other organic matter that is available on a renewable basis, including:

2109 (A) slash and brush from forests and woodlands;

2110 (B) animal waste;

2111 (C) waste vegetable oil;

2112 (D) methane or synthetic gas produced at a landfill, as a byproduct of the treatment of
2113 wastewater residuals, or through the conversion of a waste material through a nonincineration,
2114 thermal conversion process;

2115 (E) aquatic plants; and

2116 (F) agricultural products.

2117 (b) "Biomass energy" does not include:

2118 (i) black liquor; or

2119 (ii) treated woods.

2120 (18) (a) "Bundled transaction" means the sale of two or more items of tangible personal
2121 property, products, or services if the tangible personal property, products, or services are:

2122 (i) distinct and identifiable; and

2123 (ii) sold for one nonitemized price.

2124 (b) "Bundled transaction" does not include:

2125 (i) the sale of tangible personal property if the sales price varies, or is negotiable, on

2126 the basis of the selection by the purchaser of the items of tangible personal property included in
2127 the transaction;

2128 (ii) the sale of real property;

2129 (iii) the sale of services to real property;

2130 (iv) the retail sale of tangible personal property and a service if:

2131 (A) the tangible personal property:

2132 (I) is essential to the use of the service; and

2133 (II) is provided exclusively in connection with the service; and

- 2134 (B) the service is the true object of the transaction;
- 2135 (v) the retail sale of two services if:
- 2136 (A) one service is provided that is essential to the use or receipt of a second service;
- 2137 (B) the first service is provided exclusively in connection with the second service; and
- 2138 (C) the second service is the true object of the transaction;
- 2139 (vi) a transaction that includes tangible personal property or a product subject to
- 2140 taxation under this chapter and tangible personal property or a product that is not subject to
- 2141 taxation under this chapter if the:
- 2142 (A) seller's purchase price of the tangible personal property or product subject to
- 2143 taxation under this chapter is de minimis; or
- 2144 (B) seller's sales price of the tangible personal property or product subject to taxation
- 2145 under this chapter is de minimis; and
- 2146 (vii) the retail sale of tangible personal property that is not subject to taxation under
- 2147 this chapter and tangible personal property that is subject to taxation under this chapter if:
- 2148 (A) that retail sale includes:
- 2149 (I) food and food ingredients;
- 2150 (II) a drug;
- 2151 (III) durable medical equipment;
- 2152 (IV) mobility enhancing equipment;
- 2153 (V) an over-the-counter drug;
- 2154 (VI) a prosthetic device; or
- 2155 (VII) a medical supply; and
- 2156 (B) subject to Subsection (18)(f):
- 2157 (I) the seller's purchase price of the tangible personal property subject to taxation under
- 2158 this chapter is 50% or less of the seller's total purchase price of that retail sale; or
- 2159 (II) the seller's sales price of the tangible personal property subject to taxation under
- 2160 this chapter is 50% or less of the seller's total sales price of that retail sale.
- 2161 (c) (i) For purposes of Subsection (18)(a)(i), tangible personal property, a product, or a
- 2162 service that is distinct and identifiable does not include:
- 2163 (A) packaging that:
- 2164 (I) accompanies the sale of the tangible personal property, product, or service; and

2165 (II) is incidental or immaterial to the sale of the tangible personal property, product, or
2166 service;

2167 (B) tangible personal property, a product, or a service provided free of charge with the
2168 purchase of another item of tangible personal property, a product, or a service; or

2169 (C) an item of tangible personal property, a product, or a service included in the
2170 definition of "purchase price."

2171 (ii) For purposes of Subsection (18)(c)(i)(B), an item of tangible personal property, a
2172 product, or a service is provided free of charge with the purchase of another item of tangible
2173 personal property, a product, or a service if the sales price of the purchased item of tangible
2174 personal property, product, or service does not vary depending on the inclusion of the tangible
2175 personal property, product, or service provided free of charge.

2176 (d) (i) For purposes of Subsection (18)(a)(ii), property sold for one nonitemized price
2177 does not include a price that is separately identified by tangible personal property, product, or
2178 service on the following, regardless of whether the following is in paper format or electronic
2179 format:

2180 (A) a binding sales document; or

2181 (B) another supporting sales-related document that is available to a purchaser.

2182 (ii) For purposes of Subsection (18)(d)(i), a binding sales document or another
2183 supporting sales-related document that is available to a purchaser includes:

2184 (A) a bill of sale;

2185 (B) a contract;

2186 (C) an invoice;

2187 (D) a lease agreement;

2188 (E) a periodic notice of rates and services;

2189 (F) a price list;

2190 (G) a rate card;

2191 (H) a receipt; or

2192 (I) a service agreement.

2193 (e) (i) For purposes of Subsection (18)(b)(vi), the sales price of tangible personal
2194 property or a product subject to taxation under this chapter is de minimis if:

2195 (A) the seller's purchase price of the tangible personal property or product is 10% or

2196 less of the seller's total purchase price of the bundled transaction; or

2197 (B) the seller's sales price of the tangible personal property or product is 10% or less of
2198 the seller's total sales price of the bundled transaction.

2199 (ii) For purposes of Subsection (18)(b)(vi), a seller:

2200 (A) shall use the seller's purchase price or the seller's sales price to determine if the
2201 purchase price or sales price of the tangible personal property or product subject to taxation
2202 under this chapter is de minimis; and

2203 (B) may not use a combination of the seller's purchase price and the seller's sales price
2204 to determine if the purchase price or sales price of the tangible personal property or product
2205 subject to taxation under this chapter is de minimis.

2206 (iii) For purposes of Subsection (18)(b)(vi), a seller shall use the full term of a service
2207 contract to determine if the sales price of tangible personal property or a product is de minimis.

2208 (f) For purposes of Subsection (18)(b)(vii)(B), a seller may not use a combination of
2209 the seller's purchase price and the seller's sales price to determine if tangible personal property
2210 subject to taxation under this chapter is 50% or less of the seller's total purchase price or sales
2211 price of that retail sale.

2212 (19) "Certified automated system" means software certified by the governing board of
2213 the agreement that:

2214 (a) calculates the agreement sales and use tax imposed within a local taxing
2215 jurisdiction:

2216 (i) on a transaction; and

2217 (ii) in the states that are members of the agreement;

2218 (b) determines the amount of agreement sales and use tax to remit to a state that is a
2219 member of the agreement; and

2220 (c) maintains a record of the transaction described in Subsection (19)(a)(i).

2221 (20) "Certified service provider" means an agent certified:

2222 (a) by the governing board of the agreement; and

2223 (b) to perform all of a seller's sales and use tax functions for an agreement sales and
2224 use tax other than the seller's obligation under Section 59-12-124 to remit a tax on the seller's
2225 own purchases.

2226 (21) (a) Subject to Subsection (21)(b), "clothing" means all human wearing apparel

2227 suitable for general use.

2228 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
2229 commission shall make rules:

2230 (i) listing the items that constitute "clothing"; and

2231 (ii) that are consistent with the list of items that constitute "clothing" under the
2232 agreement.

2233 (22) "Coal-to-liquid" means the process of converting coal into a liquid synthetic fuel.

2234 (23) "Commercial use" means the use of gas, electricity, heat, coal, fuel oil, or other
2235 fuels that does not constitute industrial use under Subsection (56) or residential use under
2236 Subsection (106).

2237 (24) (a) "Common carrier" means a person engaged in or transacting the business of
2238 transporting passengers, freight, merchandise, or other property for hire within this state.

2239 (b) (i) "Common carrier" does not include a person who, at the time the person is
2240 traveling to or from that person's place of employment, transports a passenger to or from the
2241 passenger's place of employment.

2242 (ii) For purposes of Subsection (24)(b)(i), in accordance with Title 63G, Chapter 3,
2243 Utah Administrative Rulemaking Act, the commission may make rules defining what
2244 constitutes a person's place of employment.

2245 (c) "Common carrier" does not include a person that provides transportation network
2246 services, as defined in Section [13-51-102](#).

2247 (25) "Component part" includes:

2248 (a) poultry, dairy, and other livestock feed, and their components;

2249 (b) baling ties and twine used in the baling of hay and straw;

2250 (c) fuel used for providing temperature control of orchards and commercial
2251 greenhouses doing a majority of their business in wholesale sales, and for providing power for
2252 off-highway type farm machinery; and

2253 (d) feed, seeds, and seedlings.

2254 (26) "Computer" means an electronic device that accepts information:

2255 (a) (i) in digital form; or

2256 (ii) in a form similar to digital form; and

2257 (b) manipulates that information for a result based on a sequence of instructions.

- 2258 (27) "Computer software" means a set of coded instructions designed to cause:
- 2259 (a) a computer to perform a task; or
- 2260 (b) automatic data processing equipment to perform a task.
- 2261 (28) "Computer software maintenance contract" means a contract that obligates a seller
- 2262 of computer software to provide a customer with:
- 2263 (a) future updates or upgrades to computer software;
- 2264 (b) support services with respect to computer software; or
- 2265 (c) a combination of Subsections (28)(a) and (b).
- 2266 (29) (a) "Conference bridging service" means an ancillary service that links two or
- 2267 more participants of an audio conference call or video conference call.
- 2268 (b) "Conference bridging service" may include providing a telephone number as part of
- 2269 the ancillary service described in Subsection (29)(a).
- 2270 (c) "Conference bridging service" does not include a telecommunications service used
- 2271 to reach the ancillary service described in Subsection (29)(a).
- 2272 (30) "Construction materials" means any tangible personal property that will be
- 2273 converted into real property.
- 2274 (31) "Delivered electronically" means delivered to a purchaser by means other than
- 2275 tangible storage media.
- 2276 (32) (a) "Delivery charge" means a charge:
- 2277 (i) by a seller of:
- 2278 (A) tangible personal property;
- 2279 (B) a product transferred electronically; or
- 2280 (C) services; and
- 2281 (ii) for preparation and delivery of the tangible personal property, product transferred
- 2282 electronically, or services described in Subsection (32)(a)(i) to a location designated by the
- 2283 purchaser.
- 2284 (b) "Delivery charge" includes a charge for the following:
- 2285 (i) transportation;
- 2286 (ii) shipping;
- 2287 (iii) postage;
- 2288 (iv) handling;

- 2289 (v) crating; or
- 2290 (vi) packing.
- 2291 (33) "Detailed telecommunications billing service" means an ancillary service of
- 2292 separately stating information pertaining to individual calls on a customer's billing statement.
- 2293 (34) "Dietary supplement" means a product, other than tobacco, that:
- 2294 (a) is intended to supplement the diet;
- 2295 (b) contains one or more of the following dietary ingredients:
- 2296 (i) a vitamin;
- 2297 (ii) a mineral;
- 2298 (iii) an herb or other botanical;
- 2299 (iv) an amino acid;
- 2300 (v) a dietary substance for use by humans to supplement the diet by increasing the total
- 2301 dietary intake; or
- 2302 (vi) a concentrate, metabolite, constituent, extract, or combination of any ingredient
- 2303 described in Subsections (34)(b)(i) through (v);
- 2304 (c) (i) except as provided in Subsection (34)(c)(ii), is intended for ingestion in:
- 2305 (A) tablet form;
- 2306 (B) capsule form;
- 2307 (C) powder form;
- 2308 (D) softgel form;
- 2309 (E) gelcap form; or
- 2310 (F) liquid form; or
- 2311 (ii) if the product is not intended for ingestion in a form described in Subsections
- 2312 (34)(c)(i)(A) through (F), is not represented:
- 2313 (A) as conventional food; and
- 2314 (B) for use as a sole item of:
- 2315 (I) a meal; or
- 2316 (II) the diet; and
- 2317 (d) is required to be labeled as a dietary supplement:
- 2318 (i) identifiable by the "Supplemental Facts" box found on the label; and
- 2319 (ii) as required by 21 C.F.R. Sec. 101.36.

2320 (35) "Digital audio-visual work" means a series of related images which, when shown
2321 in succession, imparts an impression of motion, together with accompanying sounds, if any.

2322 (36) (a) "Digital audio work" means a work that results from the fixation of a series of
2323 musical, spoken, or other sounds.

2324 (b) "Digital audio work" includes a ringtone.

2325 (37) "Digital book" means a work that is generally recognized in the ordinary and usual
2326 sense as a book.

2327 (38) (a) "Direct mail" means printed material delivered or distributed by United States
2328 mail or other delivery service:

2329 (i) to:

2330 (A) a mass audience; or

2331 (B) addressees on a mailing list provided:

2332 (I) by a purchaser of the mailing list; or

2333 (II) at the discretion of the purchaser of the mailing list; and

2334 (ii) if the cost of the printed material is not billed directly to the recipients.

2335 (b) "Direct mail" includes tangible personal property supplied directly or indirectly by a
2336 purchaser to a seller of direct mail for inclusion in a package containing the printed material.

2337 (c) "Direct mail" does not include multiple items of printed material delivered to a
2338 single address.

2339 (39) "Directory assistance" means an ancillary service of providing:

2340 (a) address information; or

2341 (b) telephone number information.

2342 (40) (a) "Disposable home medical equipment or supplies" means medical equipment
2343 or supplies that:

2344 (i) cannot withstand repeated use; and

2345 (ii) are purchased by, for, or on behalf of a person other than:

2346 (A) a health care facility as defined in Section 26-21-2;

2347 (B) a health care provider as defined in Section 78B-3-403;

2348 (C) an office of a health care provider described in Subsection (40)(a)(ii)(B); or

2349 (D) a person similar to a person described in Subsections (40)(a)(ii)(A) through (C).

2350 (b) "Disposable home medical equipment or supplies" does not include:

- 2351 (i) a drug;
- 2352 (ii) durable medical equipment;
- 2353 (iii) a hearing aid;
- 2354 (iv) a hearing aid accessory;
- 2355 (v) mobility enhancing equipment; or
- 2356 (vi) tangible personal property used to correct impaired vision, including:
 - 2357 (A) eyeglasses; or
 - 2358 (B) contact lenses.
- 2359 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2360 commission may by rule define what constitutes medical equipment or supplies.
- 2361 (41) "Drilling equipment manufacturer" means a facility:
 - 2362 (a) located in the state;
 - 2363 (b) with respect to which 51% or more of the manufacturing activities of the facility
 - 2364 consist of manufacturing component parts of drilling equipment;
 - 2365 (c) that uses pressure of 800,000 or more pounds per square inch as part of the
 - 2366 manufacturing process; and
 - 2367 (d) that uses a temperature of 2,000 or more degrees Fahrenheit as part of the
 - 2368 manufacturing process.
- 2369 (42) (a) "Drug" means a compound, substance, or preparation, or a component of a
- 2370 compound, substance, or preparation that is:
 - 2371 (i) recognized in:
 - 2372 (A) the official United States Pharmacopoeia;
 - 2373 (B) the official Homeopathic Pharmacopoeia of the United States;
 - 2374 (C) the official National Formulary; or
 - 2375 (D) a supplement to a publication listed in Subsections (42)(a)(i)(A) through (C);
 - 2376 (ii) intended for use in the:
 - 2377 (A) diagnosis of disease;
 - 2378 (B) cure of disease;
 - 2379 (C) mitigation of disease;
 - 2380 (D) treatment of disease; or
 - 2381 (E) prevention of disease; or

- 2382 (iii) intended to affect:
- 2383 (A) the structure of the body; or
- 2384 (B) any function of the body.
- 2385 (b) "Drug" does not include:
- 2386 (i) food and food ingredients;
- 2387 (ii) a dietary supplement;
- 2388 (iii) an alcoholic beverage; or
- 2389 (iv) a prosthetic device.
- 2390 (43) (a) Except as provided in Subsection (43)(c), "durable medical equipment" means
- 2391 equipment that:
- 2392 (i) can withstand repeated use;
- 2393 (ii) is primarily and customarily used to serve a medical purpose;
- 2394 (iii) generally is not useful to a person in the absence of illness or injury; and
- 2395 (iv) is not worn in or on the body.
- 2396 (b) "Durable medical equipment" includes parts used in the repair or replacement of the
- 2397 equipment described in Subsection (43)(a).
- 2398 (c) "Durable medical equipment" does not include mobility enhancing equipment.
- 2399 (44) "Electronic" means:
- 2400 (a) relating to technology; and
- 2401 (b) having:
- 2402 (i) electrical capabilities;
- 2403 (ii) digital capabilities;
- 2404 (iii) magnetic capabilities;
- 2405 (iv) wireless capabilities;
- 2406 (v) optical capabilities;
- 2407 (vi) electromagnetic capabilities; or
- 2408 (vii) capabilities similar to Subsections (44)(b)(i) through (vi).
- 2409 (45) "Electronic financial payment service" means an establishment:
- 2410 (a) within NAICS Code 522320, Financial Transactions Processing, Reserve, and
- 2411 Clearinghouse Activities, of the 2012 North American Industry Classification System of the
- 2412 federal Executive Office of the President, Office of Management and Budget; and

- 2413 (b) that performs electronic financial payment services.
- 2414 (46) "Employee" means the same as that term is defined in Section 59-10-401.
- 2415 (47) "Fixed guideway" means a public transit facility that uses and occupies:
 - 2416 (a) rail for the use of public transit; or
 - 2417 (b) a separate right-of-way for the use of public transit.
- 2418 (48) "Fixed wing turbine powered aircraft" means an aircraft that:
 - 2419 (a) is powered by turbine engines;
 - 2420 (b) operates on jet fuel; and
 - 2421 (c) has wings that are permanently attached to the fuselage of the aircraft.
- 2422 (49) "Fixed wireless service" means a telecommunications service that provides radio
- 2423 communication between fixed points.
- 2424 (50) (a) "Food and food ingredients" means substances:
 - 2425 (i) regardless of whether the substances are in:
 - 2426 (A) liquid form;
 - 2427 (B) concentrated form;
 - 2428 (C) solid form;
 - 2429 (D) frozen form;
 - 2430 (E) dried form; or
 - 2431 (F) dehydrated form; and
 - 2432 (ii) that are:
 - 2433 (A) sold for:
 - 2434 (I) ingestion by humans; or
 - 2435 (II) chewing by humans; and
 - 2436 (B) consumed for the substance's:
 - 2437 (I) taste; or
 - 2438 (II) nutritional value.
- 2439 (b) "Food and food ingredients" includes an item described in Subsection (91)(b)(iii).
- 2440 (c) "Food and food ingredients" does not include:
 - 2441 (i) an alcoholic beverage;
 - 2442 (ii) tobacco; or
 - 2443 (iii) prepared food.

- 2444 (51) (a) "Fundraising sales" means sales:
- 2445 (i) (A) made by a school; or
- 2446 (B) made by a school student;
- 2447 (ii) that are for the purpose of raising funds for the school to purchase equipment,
- 2448 materials, or provide transportation; and
- 2449 (iii) that are part of an officially sanctioned school activity.
- 2450 (b) For purposes of Subsection (51)(a)(iii), "officially sanctioned school activity"
- 2451 means a school activity:
- 2452 (i) that is conducted in accordance with a formal policy adopted by the school or school
- 2453 district governing the authorization and supervision of fundraising activities;
- 2454 (ii) that does not directly or indirectly compensate an individual teacher or other
- 2455 educational personnel by direct payment, commissions, or payment in kind; and
- 2456 (iii) the net or gross revenues from which are deposited in a dedicated account
- 2457 controlled by the school or school district.
- 2458 (52) "Geothermal energy" means energy contained in heat that continuously flows
- 2459 outward from the earth that is used as the sole source of energy to produce electricity.
- 2460 (53) "Governing board of the agreement" means the governing board of the agreement
- 2461 that is:
- 2462 (a) authorized to administer the agreement; and
- 2463 (b) established in accordance with the agreement.
- 2464 (54) (a) For purposes of Subsection [59-12-104](#)(41), "governmental entity" means:
- 2465 (i) the executive branch of the state, including all departments, institutions, boards,
- 2466 divisions, bureaus, offices, commissions, and committees;
- 2467 (ii) the judicial branch of the state, including the courts, the Judicial Council, the
- 2468 Office of the Court Administrator, and similar administrative units in the judicial branch;
- 2469 (iii) the legislative branch of the state, including the House of Representatives, the
- 2470 Senate, the Legislative Printing Office, the Office of Legislative Research and General
- 2471 Counsel, the Office of the Legislative Auditor General, and the Office of the Legislative Fiscal
- 2472 Analyst;
- 2473 (iv) the National Guard;
- 2474 (v) an independent entity as defined in Section [63E-1-102](#); or

- 2475 (vi) a political subdivision as defined in Section 17B-1-102.
- 2476 (b) "Governmental entity" does not include the state systems of public and higher
2477 education, including:
- 2478 (i) a school;
- 2479 (ii) the State Board of Education;
- 2480 (iii) the State Board of Regents; or
- 2481 (iv) an institution of higher education described in Section 53B-1-102.
- 2482 (55) "Hydroelectric energy" means water used as the sole source of energy to produce
2483 electricity.
- 2484 (56) "Industrial use" means the use of natural gas, electricity, heat, coal, fuel oil, or
2485 other fuels:
- 2486 (a) in mining or extraction of minerals;
- 2487 (b) in agricultural operations to produce an agricultural product up to the time of
2488 harvest or placing the agricultural product into a storage facility, including:
- 2489 (i) commercial greenhouses;
- 2490 (ii) irrigation pumps;
- 2491 (iii) farm machinery;
- 2492 (iv) implements of husbandry as defined in Section 41-1a-102 that are not registered
2493 under Title 41, Chapter 1a, Part 2, Registration; and
- 2494 (v) other farming activities;
- 2495 (c) in manufacturing tangible personal property at an establishment described in SIC
2496 Codes 2000 to 3999 of the 1987 Standard Industrial Classification Manual of the federal
2497 Executive Office of the President, Office of Management and Budget;
- 2498 (d) by a scrap recycler if:
- 2499 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
2500 one or more of the following items into prepared grades of processed materials for use in new
2501 products:
- 2502 (A) iron;
- 2503 (B) steel;
- 2504 (C) nonferrous metal;
- 2505 (D) paper;

- 2506 (E) glass;
- 2507 (F) plastic;
- 2508 (G) textile; or
- 2509 (H) rubber; and
- 2510 (ii) the new products under Subsection (56)(d)(i) would otherwise be made with
- 2511 nonrecycled materials; or
- 2512 (e) in producing a form of energy or steam described in Subsection 54-2-1(3)(a) by a
- 2513 cogeneration facility as defined in Section 54-2-1.
- 2514 (57) (a) Except as provided in Subsection (57)(b), "installation charge" means a charge
- 2515 for installing:
 - 2516 (i) tangible personal property; or
 - 2517 (ii) a product transferred electronically.
- 2518 (b) "Installation charge" does not include a charge for:
 - 2519 (i) repairs or renovations of:
 - 2520 (A) tangible personal property; or
 - 2521 (B) a product transferred electronically; or
 - 2522 (ii) attaching tangible personal property or a product transferred electronically:
 - 2523 (A) to other tangible personal property; and
 - 2524 (B) as part of a manufacturing or fabrication process.
- 2525 (58) "Institution of higher education" means an institution of higher education listed in
- 2526 Section 53B-2-101.
- 2527 (59) (a) "Lease" or "rental" means a transfer of possession or control of tangible
- 2528 personal property or a product transferred electronically for:
 - 2529 (i) (A) a fixed term; or
 - 2530 (B) an indeterminate term; and
 - 2531 (ii) consideration.
- 2532 (b) "Lease" or "rental" includes an agreement covering a motor vehicle and trailer if the
- 2533 amount of consideration may be increased or decreased by reference to the amount realized
- 2534 upon sale or disposition of the property as defined in Section 7701(h)(1), Internal Revenue
- 2535 Code.
- 2536 (c) "Lease" or "rental" does not include:

- 2537 (i) a transfer of possession or control of property under a security agreement or
2538 deferred payment plan that requires the transfer of title upon completion of the required
2539 payments;
- 2540 (ii) a transfer of possession or control of property under an agreement that requires the
2541 transfer of title:
- 2542 (A) upon completion of required payments; and
2543 (B) if the payment of an option price does not exceed the greater of:
- 2544 (I) \$100; or
2545 (II) 1% of the total required payments; or
- 2546 (iii) providing tangible personal property along with an operator for a fixed period of
2547 time or an indeterminate period of time if the operator is necessary for equipment to perform as
2548 designed.
- 2549 (d) For purposes of Subsection (59)(c)(iii), an operator is necessary for equipment to
2550 perform as designed if the operator's duties exceed the:
- 2551 (i) set-up of tangible personal property;
2552 (ii) maintenance of tangible personal property; or
2553 (iii) inspection of tangible personal property.
- 2554 (60) "Life science establishment" means an establishment in this state that is classified
2555 under the following NAICS codes of the 2007 North American Industry Classification System
2556 of the federal Executive Office of the President, Office of Management and Budget:
- 2557 (a) NAICS Code 33911, Medical Equipment and Supplies Manufacturing;
2558 (b) NAICS Code 334510, Electromedical and Electrotherapeutic Apparatus
2559 Manufacturing; or
- 2560 (c) NAICS Code 334517, Irradiation Apparatus Manufacturing.
- 2561 (61) "Life science research and development facility" means a facility owned, leased,
2562 or rented by a life science establishment if research and development is performed in 51% or
2563 more of the total area of the facility.
- 2564 (62) "Load and leave" means delivery to a purchaser by use of a tangible storage media
2565 if the tangible storage media is not physically transferred to the purchaser.
- 2566 (63) "Local taxing jurisdiction" means a:
2567 (a) county that is authorized to impose an agreement sales and use tax;

- 2568 (b) city that is authorized to impose an agreement sales and use tax; or
2569 (c) town that is authorized to impose an agreement sales and use tax.
2570 (64) "Manufactured home" means the same as that term is defined in Section
2571 [15A-1-302](#).
2572 (65) "Manufacturing facility" means:
2573 (a) an establishment described in SIC Codes 2000 to 3999 of the 1987 Standard
2574 Industrial Classification Manual of the federal Executive Office of the President, Office of
2575 Management and Budget;
2576 (b) a scrap recycler if:
2577 (i) from a fixed location, the scrap recycler utilizes machinery or equipment to process
2578 one or more of the following items into prepared grades of processed materials for use in new
2579 products:
2580 (A) iron;
2581 (B) steel;
2582 (C) nonferrous metal;
2583 (D) paper;
2584 (E) glass;
2585 (F) plastic;
2586 (G) textile; or
2587 (H) rubber; and
2588 (ii) the new products under Subsection (65)(b)(i) would otherwise be made with
2589 nonrecycled materials; or
2590 (c) a cogeneration facility as defined in Section [54-2-1](#) if the cogeneration facility is
2591 placed in service on or after May 1, 2006.
2592 (66) "Member of the immediate family of the producer" means a person who is related
2593 to a producer described in Subsection [59-12-104\(20\)\(a\)](#) as a:
2594 (a) child or stepchild, regardless of whether the child or stepchild is:
2595 (i) an adopted child or adopted stepchild; or
2596 (ii) a foster child or foster stepchild;
2597 (b) grandchild or stepgrandchild;
2598 (c) grandparent or stepgrandparent;

- 2599 (d) nephew or stepnephew;
- 2600 (e) niece or stepniece;
- 2601 (f) parent or stepparent;
- 2602 (g) sibling or stepsibling;
- 2603 (h) spouse;
- 2604 (i) person who is the spouse of a person described in Subsections (66)(a) through (g);

2605 or

- 2606 (j) person similar to a person described in Subsections (66)(a) through (i) as
- 2607 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah
- 2608 Administrative Rulemaking Act.

2609 (67) "Mobile home" means the same as that term is defined in Section [15A-1-302](#).

2610 (68) "Mobile telecommunications service" is as defined in the Mobile

2611 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

2612 (69) (a) "Mobile wireless service" means a telecommunications service, regardless of

2613 the technology used, if:

- 2614 (i) the origination point of the conveyance, routing, or transmission is not fixed;
- 2615 (ii) the termination point of the conveyance, routing, or transmission is not fixed; or
- 2616 (iii) the origination point described in Subsection (69)(a)(i) and the termination point
- 2617 described in Subsection (69)(a)(ii) are not fixed.

2618 (b) "Mobile wireless service" includes a telecommunications service that is provided

2619 by a commercial mobile radio service provider.

2620 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

2621 commission may by rule define "commercial mobile radio service provider."

2622 (70) (a) Except as provided in Subsection (70)(c), "mobility enhancing equipment"

2623 means equipment that is:

- 2624 (i) primarily and customarily used to provide or increase the ability to move from one
- 2625 place to another;
- 2626 (ii) appropriate for use in a:
 - 2627 (A) home; or
 - 2628 (B) motor vehicle; and
 - 2629 (iii) not generally used by persons with normal mobility.

2630 (b) "Mobility enhancing equipment" includes parts used in the repair or replacement of
2631 the equipment described in Subsection (70)(a).

2632 (c) "Mobility enhancing equipment" does not include:

2633 (i) a motor vehicle;

2634 (ii) equipment on a motor vehicle if that equipment is normally provided by the motor
2635 vehicle manufacturer;

2636 (iii) durable medical equipment; or

2637 (iv) a prosthetic device.

2638 (71) "Model 1 seller" means a seller registered under the agreement that has selected a
2639 certified service provider as the seller's agent to perform all of the seller's sales and use tax
2640 functions for agreement sales and use taxes other than the seller's obligation under Section
2641 [59-12-124](#) to remit a tax on the seller's own purchases.

2642 (72) "Model 2 seller" means a seller registered under the agreement that:

2643 (a) except as provided in Subsection (72)(b), has selected a certified automated system
2644 to perform the seller's sales tax functions for agreement sales and use taxes; and

2645 (b) retains responsibility for remitting all of the sales tax:

2646 (i) collected by the seller; and

2647 (ii) to the appropriate local taxing jurisdiction.

2648 (73) (a) Subject to Subsection (73)(b), "model 3 seller" means a seller registered under
2649 the agreement that has:

2650 (i) sales in at least five states that are members of the agreement;

2651 (ii) total annual sales revenues of at least \$500,000,000;

2652 (iii) a proprietary system that calculates the amount of tax:

2653 (A) for an agreement sales and use tax; and

2654 (B) due to each local taxing jurisdiction; and

2655 (iv) entered into a performance agreement with the governing board of the agreement.

2656 (b) For purposes of Subsection (73)(a), "model 3 seller" includes an affiliated group of
2657 sellers using the same proprietary system.

2658 (74) "Model 4 seller" means a seller that is registered under the agreement and is not a
2659 model 1 seller, model 2 seller, or model 3 seller.

2660 (75) "Modular home" means a modular unit as defined in Section [15A-1-302](#).

- 2661 (76) "Motor vehicle" means the same as that term is defined in Section [41-1a-102](#).
- 2662 (77) "Oil sands" means impregnated bituminous sands that:
- 2663 (a) contain a heavy, thick form of petroleum that is released when heated, mixed with
- 2664 other hydrocarbons, or otherwise treated;
- 2665 (b) yield mixtures of liquid hydrocarbon; and
- 2666 (c) require further processing other than mechanical blending before becoming finished
- 2667 petroleum products.
- 2668 (78) "Oil shale" means a group of fine black to dark brown shales containing kerogen
- 2669 material that yields petroleum upon heating and distillation.
- 2670 (79) "Optional computer software maintenance contract" means a computer software
- 2671 maintenance contract that a customer is not obligated to purchase as a condition to the retail
- 2672 sale of computer software.
- 2673 (80) (a) "Other fuels" means products that burn independently to produce heat or
- 2674 energy.
- 2675 (b) "Other fuels" includes oxygen when it is used in the manufacturing of tangible
- 2676 personal property.
- 2677 (81) (a) "Paging service" means a telecommunications service that provides
- 2678 transmission of a coded radio signal for the purpose of activating a specific pager.
- 2679 (b) For purposes of Subsection (81)(a), the transmission of a coded radio signal
- 2680 includes a transmission by message or sound.
- 2681 (82) "Pawnbroker" means the same as that term is defined in Section [13-32a-102](#).
- 2682 (83) "Pawn transaction" means the same as that term is defined in Section [13-32a-102](#).
- 2683 (84) (a) "Permanently attached to real property" means that for tangible personal
- 2684 property attached to real property:
- 2685 (i) the attachment of the tangible personal property to the real property:
- 2686 (A) is essential to the use of the tangible personal property; and
- 2687 (B) suggests that the tangible personal property will remain attached to the real
- 2688 property in the same place over the useful life of the tangible personal property; or
- 2689 (ii) if the tangible personal property is detached from the real property, the detachment
- 2690 would:
- 2691 (A) cause substantial damage to the tangible personal property; or

2692 (B) require substantial alteration or repair of the real property to which the tangible
2693 personal property is attached.

2694 (b) "Permanently attached to real property" includes:

2695 (i) the attachment of an accessory to the tangible personal property if the accessory is:

2696 (A) essential to the operation of the tangible personal property; and

2697 (B) attached only to facilitate the operation of the tangible personal property;

2698 (ii) a temporary detachment of tangible personal property from real property for a

2699 repair or renovation if the repair or renovation is performed where the tangible personal

2700 property and real property are located; or

2701 (iii) property attached to oil, gas, or water pipelines, except for the property listed in

2702 Subsection (84)(c)(iii) or (iv).

2703 (c) "Permanently attached to real property" does not include:

2704 (i) the attachment of portable or movable tangible personal property to real property if
2705 that portable or movable tangible personal property is attached to real property only for:

2706 (A) convenience;

2707 (B) stability; or

2708 (C) for an obvious temporary purpose;

2709 (ii) the detachment of tangible personal property from real property except for the

2710 detachment described in Subsection (84)(b)(ii);

2711 (iii) an attachment of the following tangible personal property to real property if the

2712 attachment to real property is only through a line that supplies water, electricity, gas,

2713 telecommunications, cable, or supplies a similar item as determined by the commission by rule

2714 made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:

2715 (A) a computer;

2716 (B) a telephone;

2717 (C) a television; or

2718 (D) tangible personal property similar to Subsections (84)(c)(iii)(A) through (C) as

2719 determined by the commission by rule made in accordance with Title 63G, Chapter 3, Utah

2720 Administrative Rulemaking Act; or

2721 (iv) an item listed in Subsection (125)(c).

2722 (85) "Person" includes any individual, firm, partnership, joint venture, association,

2723 corporation, estate, trust, business trust, receiver, syndicate, this state, any county, city,
2724 municipality, district, or other local governmental entity of the state, or any group or
2725 combination acting as a unit.

2726 (86) "Place of primary use":

2727 (a) for telecommunications service other than mobile telecommunications service,
2728 means the street address representative of where the customer's use of the telecommunications
2729 service primarily occurs, which shall be:

2730 (i) the residential street address of the customer; or

2731 (ii) the primary business street address of the customer; or

2732 (b) for mobile telecommunications service, is as defined in the Mobile

2733 Telecommunications Sourcing Act, 4 U.S.C. Sec. 124.

2734 (87) (a) "Postpaid calling service" means a telecommunications service a person
2735 obtains by making a payment on a call-by-call basis:

2736 (i) through the use of a:

2737 (A) bank card;

2738 (B) credit card;

2739 (C) debit card; or

2740 (D) travel card; or

2741 (ii) by a charge made to a telephone number that is not associated with the origination
2742 or termination of the telecommunications service.

2743 (b) "Postpaid calling service" includes a service, except for a prepaid wireless calling
2744 service, that would be a prepaid wireless calling service if the service were exclusively a
2745 telecommunications service.

2746 (88) "Postproduction" means an activity related to the finishing or duplication of a
2747 medium described in Subsection [59-12-104\(54\)\(a\)](#).

2748 (89) "Prepaid calling service" means a telecommunications service:

2749 (a) that allows a purchaser access to telecommunications service that is exclusively
2750 telecommunications service;

2751 (b) that:

2752 (i) is paid for in advance; and

2753 (ii) enables the origination of a call using an:

- 2754 (A) access number; or
- 2755 (B) authorization code;
- 2756 (c) that is dialed:
- 2757 (i) manually; or
- 2758 (ii) electronically; and
- 2759 (d) sold in predetermined units or dollars that decline:
- 2760 (i) by a known amount; and
- 2761 (ii) with use.
- 2762 (90) "Prepaid wireless calling service" means a telecommunications service:
- 2763 (a) that provides the right to utilize:
- 2764 (i) mobile wireless service; and
- 2765 (ii) other service that is not a telecommunications service, including:
- 2766 (A) the download of a product transferred electronically;
- 2767 (B) a content service; or
- 2768 (C) an ancillary service;
- 2769 (b) that:
- 2770 (i) is paid for in advance; and
- 2771 (ii) enables the origination of a call using an:
- 2772 (A) access number; or
- 2773 (B) authorization code;
- 2774 (c) that is dialed:
- 2775 (i) manually; or
- 2776 (ii) electronically; and
- 2777 (d) sold in predetermined units or dollars that decline:
- 2778 (i) by a known amount; and
- 2779 (ii) with use.
- 2780 (91) (a) "Prepared food" means:
- 2781 (i) food:
- 2782 (A) sold in a heated state; or
- 2783 (B) heated by a seller;
- 2784 (ii) two or more food ingredients mixed or combined by the seller for sale as a single

2785 item; or
2786 (iii) except as provided in Subsection (91)(c), food sold with an eating utensil provided
2787 by the seller, including a:
2788 (A) plate;
2789 (B) knife;
2790 (C) fork;
2791 (D) spoon;
2792 (E) glass;
2793 (F) cup;
2794 (G) napkin; or
2795 (H) straw.
2796 (b) "Prepared food" does not include:
2797 (i) food that a seller only:
2798 (A) cuts;
2799 (B) repackages; or
2800 (C) pasteurizes; or
2801 (ii) (A) the following:
2802 (I) raw egg;
2803 (II) raw fish;
2804 (III) raw meat;
2805 (IV) raw poultry; or
2806 (V) a food containing an item described in Subsections (91)(b)(ii)(A)(I) through (IV);
2807 and
2808 (B) if the Food and Drug Administration recommends in Chapter 3, Part 401.11 of the
2809 Food and Drug Administration's Food Code that a consumer cook the items described in
2810 Subsection (91)(b)(ii)(A) to prevent food borne illness; or
2811 (iii) the following if sold without eating utensils provided by the seller:
2812 (A) food and food ingredients sold by a seller if the seller's proper primary
2813 classification under the 2002 North American Industry Classification System of the federal
2814 Executive Office of the President, Office of Management and Budget, is manufacturing in
2815 Sector 311, Food Manufacturing, except for Subsector 3118, Bakeries and Tortilla

- 2816 Manufacturing;
- 2817 (B) food and food ingredients sold in an unheated state:
- 2818 (I) by weight or volume; and
- 2819 (II) as a single item; or
- 2820 (C) a bakery item, including:
- 2821 (I) a bagel;
- 2822 (II) a bar;
- 2823 (III) a biscuit;
- 2824 (IV) bread;
- 2825 (V) a bun;
- 2826 (VI) a cake;
- 2827 (VII) a cookie;
- 2828 (VIII) a croissant;
- 2829 (IX) a danish;
- 2830 (X) a donut;
- 2831 (XI) a muffin;
- 2832 (XII) a pastry;
- 2833 (XIII) a pie;
- 2834 (XIV) a roll;
- 2835 (XV) a tart;
- 2836 (XVI) a torte; or
- 2837 (XVII) a tortilla.
- 2838 (c) An eating utensil provided by the seller does not include the following used to
- 2839 transport the food:
- 2840 (i) a container; or
- 2841 (ii) packaging.
- 2842 (92) "Prescription" means an order, formula, or recipe that is issued:
- 2843 (a) (i) orally;
- 2844 (ii) in writing;
- 2845 (iii) electronically; or
- 2846 (iv) by any other manner of transmission; and

- 2847 (b) by a licensed practitioner authorized by the laws of a state.
- 2848 (93) (a) Except as provided in Subsection (93)(b)(ii) or (iii), "prewritten computer
2849 software" means computer software that is not designed and developed:
- 2850 (i) by the author or other creator of the computer software; and
- 2851 (ii) to the specifications of a specific purchaser.
- 2852 (b) "Prewritten computer software" includes:
- 2853 (i) a prewritten upgrade to computer software if the prewritten upgrade to the computer
2854 software is not designed and developed:
- 2855 (A) by the author or other creator of the computer software; and
- 2856 (B) to the specifications of a specific purchaser;
- 2857 (ii) computer software designed and developed by the author or other creator of the
2858 computer software to the specifications of a specific purchaser if the computer software is sold
2859 to a person other than the purchaser; or
- 2860 (iii) except as provided in Subsection (93)(c), prewritten computer software or a
2861 prewritten portion of prewritten computer software:
- 2862 (A) that is modified or enhanced to any degree; and
- 2863 (B) if the modification or enhancement described in Subsection (93)(b)(iii)(A) is
2864 designed and developed to the specifications of a specific purchaser.
- 2865 (c) "Prewritten computer software" does not include a modification or enhancement
2866 described in Subsection (93)(b)(iii) if the charges for the modification or enhancement are:
- 2867 (i) reasonable; and
- 2868 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), separately stated on the
2869 invoice or other statement of price provided to the purchaser at the time of sale or later, as
2870 demonstrated by:
- 2871 (A) the books and records the seller keeps at the time of the transaction in the regular
2872 course of business, including books and records the seller keeps at the time of the transaction in
2873 the regular course of business for nontax purposes;
- 2874 (B) a preponderance of the facts and circumstances at the time of the transaction; and
- 2875 (C) the understanding of all of the parties to the transaction.
- 2876 (94) (a) "Private communications service" means a telecommunications service:
- 2877 (i) that entitles a customer to exclusive or priority use of one or more communications

2878 channels between or among termination points; and

2879 (ii) regardless of the manner in which the one or more communications channels are
2880 connected.

2881 (b) "Private communications service" includes the following provided in connection
2882 with the use of one or more communications channels:

2883 (i) an extension line;

2884 (ii) a station;

2885 (iii) switching capacity; or

2886 (iv) another associated service that is provided in connection with the use of one or
2887 more communications channels as defined in Section 59-12-215.

2888 (95) (a) Except as provided in Subsection (95)(b), "product transferred electronically"
2889 means a product transferred electronically that would be subject to a tax under this chapter if
2890 that product was transferred in a manner other than electronically.

2891 (b) "Product transferred electronically" does not include:

2892 (i) an ancillary service;

2893 (ii) computer software; or

2894 (iii) a telecommunications service.

2895 (96) (a) "Prosthetic device" means a device that is worn on or in the body to:

2896 (i) artificially replace a missing portion of the body;

2897 (ii) prevent or correct a physical deformity or physical malfunction; or

2898 (iii) support a weak or deformed portion of the body.

2899 (b) "Prosthetic device" includes:

2900 (i) parts used in the repairs or renovation of a prosthetic device;

2901 (ii) replacement parts for a prosthetic device;

2902 (iii) a dental prosthesis; or

2903 (iv) a hearing aid.

2904 (c) "Prosthetic device" does not include:

2905 (i) corrective eyeglasses; or

2906 (ii) contact lenses.

2907 (97) (a) "Protective equipment" means an item:

2908 (i) for human wear; and

- 2909 (ii) that is:
- 2910 (A) designed as protection:
- 2911 (I) to the wearer against injury or disease; or
- 2912 (II) against damage or injury of other persons or property; and
- 2913 (B) not suitable for general use.
- 2914 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2915 commission shall make rules:
- 2916 (i) listing the items that constitute "protective equipment"; and
- 2917 (ii) that are consistent with the list of items that constitute "protective equipment"
- 2918 under the agreement.
- 2919 (98) (a) For purposes of Subsection 59-12-104(41), "publication" means any written or
- 2920 printed matter, other than a photocopy:
- 2921 (i) regardless of:
- 2922 (A) characteristics;
- 2923 (B) copyright;
- 2924 (C) form;
- 2925 (D) format;
- 2926 (E) method of reproduction; or
- 2927 (F) source; and
- 2928 (ii) made available in printed or electronic format.
- 2929 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 2930 commission may by rule define the term "photocopy."
- 2931 (99) (a) "Purchase price" and "sales price" mean the total amount of consideration:
- 2932 (i) valued in money; and
- 2933 (ii) for which tangible personal property, a product transferred electronically, or
- 2934 services are:
- 2935 (A) sold;
- 2936 (B) leased; or
- 2937 (C) rented.
- 2938 (b) "Purchase price" and "sales price" include:
- 2939 (i) the seller's cost of the tangible personal property, a product transferred

2940 electronically, or services sold;

2941 (ii) expenses of the seller, including:

2942 (A) the cost of materials used;

2943 (B) a labor cost;

2944 (C) a service cost;

2945 (D) interest;

2946 (E) a loss;

2947 (F) the cost of transportation to the seller; or

2948 (G) a tax imposed on the seller;

2949 (iii) a charge by the seller for any service necessary to complete the sale; or

2950 (iv) consideration a seller receives from a person other than the purchaser if:

2951 (A) (I) the seller actually receives consideration from a person other than the purchaser;

2952 and

2953 (II) the consideration described in Subsection (99)(b)(iv)(A)(I) is directly related to a

2954 price reduction or discount on the sale;

2955 (B) the seller has an obligation to pass the price reduction or discount through to the

2956 purchaser;

2957 (C) the amount of the consideration attributable to the sale is fixed and determinable by

2958 the seller at the time of the sale to the purchaser; and

2959 (D) (I) (Aa) the purchaser presents a certificate, coupon, or other documentation to the

2960 seller to claim a price reduction or discount; and

2961 (Bb) a person other than the seller authorizes, distributes, or grants the certificate,

2962 coupon, or other documentation with the understanding that the person other than the seller

2963 will reimburse any seller to whom the certificate, coupon, or other documentation is presented;

2964 (II) the purchaser identifies that purchaser to the seller as a member of a group or

2965 organization allowed a price reduction or discount, except that a preferred customer card that is

2966 available to any patron of a seller does not constitute membership in a group or organization

2967 allowed a price reduction or discount; or

2968 (III) the price reduction or discount is identified as a third party price reduction or

2969 discount on the:

2970 (Aa) invoice the purchaser receives; or

- 2971 (Bb) certificate, coupon, or other documentation the purchaser presents.
- 2972 (c) "Purchase price" and "sales price" do not include:
- 2973 (i) a discount:
- 2974 (A) in a form including:
- 2975 (I) cash;
- 2976 (II) term; or
- 2977 (III) coupon;
- 2978 (B) that is allowed by a seller;
- 2979 (C) taken by a purchaser on a sale; and
- 2980 (D) that is not reimbursed by a third party; or
- 2981 (ii) subject to Subsections 59-12-103(2)(e)(ii) and (2)(f)(i), the following if separately
- 2982 stated on an invoice, bill of sale, or similar document provided to the purchaser at the time of
- 2983 sale or later, as demonstrated by the books and records the seller keeps at the time of the
- 2984 transaction in the regular course of business, including books and records the seller keeps at the
- 2985 time of the transaction in the regular course of business for nontax purposes, by a
- 2986 preponderance of the facts and circumstances at the time of the transaction, and by the
- 2987 understanding of all of the parties to the transaction:
- 2988 (A) the following from credit extended on the sale of tangible personal property or
- 2989 services:
- 2990 (I) a carrying charge;
- 2991 (II) a financing charge; or
- 2992 (III) an interest charge;
- 2993 (B) a delivery charge;
- 2994 (C) an installation charge;
- 2995 (D) a manufacturer rebate on a motor vehicle; or
- 2996 (E) a tax or fee legally imposed directly on the consumer.
- 2997 (100) "Purchaser" means a person to whom:
- 2998 (a) a sale of tangible personal property is made;
- 2999 (b) a product is transferred electronically; or
- 3000 (c) a service is furnished.
- 3001 (101) "Qualifying enterprise data center" means an establishment that will:

3002 (a) own and operate a data center facility that will house a group of networked server
3003 computers in one physical location in order to centralize the dissemination, management, and
3004 storage of data and information;

3005 (b) be located in the state;

3006 (c) be a new operation constructed on or after July 1, 2016;

3007 (d) consist of one or more buildings that total 150,000 or more square feet;

3008 (e) be owned or leased by:

3009 (i) the establishment; or

3010 (ii) a person under common ownership, as defined in Section 59-7-101, of the
3011 establishment; and

3012 (f) be located on one or more parcels of land that are owned or leased by:

3013 (i) the establishment; or

3014 (ii) a person under common ownership, as defined in Section 59-7-101, of the
3015 establishment.

3016 (102) "Regularly rented" means:

3017 (a) rented to a guest for value three or more times during a calendar year; or

3018 (b) advertised or held out to the public as a place that is regularly rented to guests for
3019 value.

3020 (103) "Rental" means the same as that term is defined in Subsection (59).

3021 (104) (a) Except as provided in Subsection (104)(b), "repairs or renovations of tangible
3022 personal property" means:

3023 (i) a repair or renovation of tangible personal property that is not permanently attached
3024 to real property; or

3025 (ii) attaching tangible personal property or a product transferred electronically to other
3026 tangible personal property or detaching tangible personal property or a product transferred
3027 electronically from other tangible personal property if:

3028 (A) the other tangible personal property to which the tangible personal property or
3029 product transferred electronically is attached or from which the tangible personal property or
3030 product transferred electronically is detached is not permanently attached to real property; and

3031 (B) the attachment of tangible personal property or a product transferred electronically
3032 to other tangible personal property or detachment of tangible personal property or a product

3033 transferred electronically from other tangible personal property is made in conjunction with a
3034 repair or replacement of tangible personal property or a product transferred electronically.

3035 (b) "Repairs or renovations of tangible personal property" does not include:

3036 (i) attaching prewritten computer software to other tangible personal property if the
3037 other tangible personal property to which the prewritten computer software is attached is not
3038 permanently attached to real property; or

3039 (ii) detaching prewritten computer software from other tangible personal property if the
3040 other tangible personal property from which the prewritten computer software is detached is
3041 not permanently attached to real property.

3042 (105) "Research and development" means the process of inquiry or experimentation
3043 aimed at the discovery of facts, devices, technologies, or applications and the process of
3044 preparing those devices, technologies, or applications for marketing.

3045 (106) (a) "Residential telecommunications services" means a telecommunications
3046 service or an ancillary service that is provided to an individual for personal use:

3047 (i) at a residential address; or

3048 (ii) at an institution, including a nursing home or a school, if the telecommunications
3049 service or ancillary service is provided to and paid for by the individual residing at the
3050 institution rather than the institution.

3051 (b) For purposes of Subsection (106)(a)(i), a residential address includes an:

3052 (i) apartment; or

3053 (ii) other individual dwelling unit.

3054 (107) "Residential use" means the use in or around a home, apartment building,
3055 sleeping quarters, and similar facilities or accommodations.

3056 (108) (a) "Retailer" means any person engaged in a regularly organized business in
3057 tangible personal property or any other taxable transaction under Subsection 59-12-103(1), and
3058 who is selling to the user or consumer and not for resale.

3059 (b) "Retailer" includes commission merchants, auctioneers, and any person regularly
3060 engaged in the business of selling to users or consumers within the state.

3061 (109) "Retail sale" or "sale at retail" means a sale, lease, or rental for a purpose other
3062 than:

3063 (a) resale;

3064 (b) sublease; or
3065 (c) subrent.
3066 (110) (a) "Sale" means any transfer of title, exchange, or barter, conditional or
3067 otherwise, in any manner, of tangible personal property or any other taxable transaction under
3068 Subsection 59-12-103(1), for consideration.
3069 (b) "Sale" includes:
3070 (i) installment and credit sales;
3071 (ii) any closed transaction constituting a sale;
3072 (iii) any sale of electrical energy, gas, services, or entertainment taxable under this
3073 chapter;
3074 (iv) any transaction if the possession of property is transferred but the seller retains the
3075 title as security for the payment of the price; and
3076 (v) any transaction under which right to possession, operation, or use of any article of
3077 tangible personal property is granted under a lease or contract and the transfer of possession
3078 would be taxable if an outright sale were made.
3079 (111) "Sale at retail" means the same as that term is defined in Subsection (109).
3080 (112) "Sale-leaseback transaction" means a transaction by which title to tangible
3081 personal property or a product transferred electronically that is subject to a tax under this
3082 chapter is transferred:
3083 (a) by a purchaser-lessee;
3084 (b) to a lessor;
3085 (c) for consideration; and
3086 (d) if:
3087 (i) the purchaser-lessee paid sales and use tax on the purchaser-lessee's initial purchase
3088 of the tangible personal property or product transferred electronically;
3089 (ii) the sale of the tangible personal property or product transferred electronically to the
3090 lessor is intended as a form of financing:
3091 (A) for the tangible personal property or product transferred electronically; and
3092 (B) to the purchaser-lessee; and
3093 (iii) in accordance with generally accepted accounting principles, the purchaser-lessee
3094 is required to:

- 3095 (A) capitalize the tangible personal property or product transferred electronically for
3096 financial reporting purposes; and
- 3097 (B) account for the lease payments as payments made under a financing arrangement.
- 3098 (113) "Sales price" means the same as that term is defined in Subsection (99).
- 3099 (114) (a) "Sales relating to schools" means the following sales by, amounts paid to, or
3100 amounts charged by a school:
- 3101 (i) sales that are directly related to the school's educational functions or activities
3102 including:
- 3103 (A) the sale of:
- 3104 (I) textbooks;
- 3105 (II) textbook fees;
- 3106 (III) laboratory fees;
- 3107 (IV) laboratory supplies; or
- 3108 (V) safety equipment;
- 3109 (B) the sale of a uniform, protective equipment, or sports or recreational equipment
3110 that:
- 3111 (I) a student is specifically required to wear as a condition of participation in a
3112 school-related event or school-related activity; and
- 3113 (II) is not readily adaptable to general or continued usage to the extent that it takes the
3114 place of ordinary clothing;
- 3115 (C) sales of the following if the net or gross revenues generated by the sales are
3116 deposited into a school district fund or school fund dedicated to school meals:
- 3117 (I) food and food ingredients; or
- 3118 (II) prepared food; or
- 3119 (D) transportation charges for official school activities; or
- 3120 (ii) amounts paid to or amounts charged by a school for admission to a school-related
3121 event or school-related activity.
- 3122 (b) "Sales relating to schools" does not include:
- 3123 (i) bookstore sales of items that are not educational materials or supplies;
- 3124 (ii) except as provided in Subsection (114)(a)(i)(B):
- 3125 (A) clothing;

- 3126 (B) clothing accessories or equipment;
- 3127 (C) protective equipment; or
- 3128 (D) sports or recreational equipment; or
- 3129 (iii) amounts paid to or amounts charged by a school for admission to a school-related
- 3130 event or school-related activity if the amounts paid or charged are passed through to a person:
- 3131 (A) other than a:
- 3132 (I) school;
- 3133 (II) nonprofit organization authorized by a school board or a governing body of a
- 3134 private school to organize and direct a competitive secondary school activity; or
- 3135 (III) nonprofit association authorized by a school board or a governing body of a
- 3136 private school to organize and direct a competitive secondary school activity; and
- 3137 (B) that is required to collect sales and use taxes under this chapter.
- 3138 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 3139 commission may make rules defining the term "passed through."
- 3140 (115) For purposes of this section and Section [59-12-104](#), "school":
- 3141 (a) means:
- 3142 (i) an elementary school or a secondary school that:
- 3143 (A) is a:
- 3144 (I) public school; or
- 3145 (II) private school; and
- 3146 (B) provides instruction for one or more grades kindergarten through 12; or
- 3147 (ii) a public school district; and
- 3148 (b) includes the Electronic High School as defined in Section [53A-15-1002](#).
- 3149 (116) "Seller" means a person that makes a sale, lease, or rental of:
- 3150 (a) tangible personal property;
- 3151 (b) a product transferred electronically; or
- 3152 (c) a service.
- 3153 (117) (a) "Semiconductor fabricating, processing, research, or development materials"
- 3154 means tangible personal property or a product transferred electronically if the tangible personal
- 3155 property or product transferred electronically is:
- 3156 (i) used primarily in the process of:

- 3157 (A) (I) manufacturing a semiconductor;
- 3158 (II) fabricating a semiconductor; or
- 3159 (III) research or development of a:
- 3160 (Aa) semiconductor; or
- 3161 (Bb) semiconductor manufacturing process; or
- 3162 (B) maintaining an environment suitable for a semiconductor; or
- 3163 (ii) consumed primarily in the process of:
- 3164 (A) (I) manufacturing a semiconductor;
- 3165 (II) fabricating a semiconductor; or
- 3166 (III) research or development of a:
- 3167 (Aa) semiconductor; or
- 3168 (Bb) semiconductor manufacturing process; or
- 3169 (B) maintaining an environment suitable for a semiconductor.
- 3170 (b) "Semiconductor fabricating, processing, research, or development materials"
- 3171 includes:
- 3172 (i) parts used in the repairs or renovations of tangible personal property or a product
- 3173 transferred electronically described in Subsection (117)(a); or
- 3174 (ii) a chemical, catalyst, or other material used to:
- 3175 (A) produce or induce in a semiconductor a:
- 3176 (I) chemical change; or
- 3177 (II) physical change;
- 3178 (B) remove impurities from a semiconductor; or
- 3179 (C) improve the marketable condition of a semiconductor.
- 3180 (118) "Senior citizen center" means a facility having the primary purpose of providing
- 3181 services to the aged as defined in Section [62A-3-101](#).
- 3182 (119) (a) Subject to Subsections (119)(b) and (c), "short-term lodging consumable"
- 3183 means tangible personal property that:
- 3184 (i) a business that provides accommodations and services described in Subsection
- 3185 [59-12-103](#)(1)(i) purchases as part of a transaction to provide the accommodations and services
- 3186 to a purchaser;
- 3187 (ii) is intended to be consumed by the purchaser; and

- 3188 (iii) is:
- 3189 (A) included in the purchase price of the accommodations and services; and
- 3190 (B) not separately stated on an invoice, bill of sale, or other similar document provided
- 3191 to the purchaser.
- 3192 (b) "Short-term lodging consumable" includes:
- 3193 (i) a beverage;
- 3194 (ii) a brush or comb;
- 3195 (iii) a cosmetic;
- 3196 (iv) a hair care product;
- 3197 (v) lotion;
- 3198 (vi) a magazine;
- 3199 (vii) makeup;
- 3200 (viii) a meal;
- 3201 (ix) mouthwash;
- 3202 (x) nail polish remover;
- 3203 (xi) a newspaper;
- 3204 (xii) a notepad;
- 3205 (xiii) a pen;
- 3206 (xiv) a pencil;
- 3207 (xv) a razor;
- 3208 (xvi) saline solution;
- 3209 (xvii) a sewing kit;
- 3210 (xviii) shaving cream;
- 3211 (xix) a shoe shine kit;
- 3212 (xx) a shower cap;
- 3213 (xxi) a snack item;
- 3214 (xxii) soap;
- 3215 (xxiii) toilet paper;
- 3216 (xxiv) a toothbrush;
- 3217 (xxv) toothpaste; or
- 3218 (xxvi) an item similar to Subsections (119)(b)(i) through (xxv) as the commission may

3219 provide by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
3220 Rulemaking Act.

3221 (c) "Short-term lodging consumable" does not include:

3222 (i) tangible personal property that is cleaned or washed to allow the tangible personal
3223 property to be reused; or

3224 (ii) a product transferred electronically.

3225 (120) "Simplified electronic return" means the electronic return:

3226 (a) described in Section 318(C) of the agreement; and

3227 (b) approved by the governing board of the agreement.

3228 (121) "Solar energy" means the sun used as the sole source of energy for producing
3229 electricity.

3230 (122) (a) "Sports or recreational equipment" means an item:

3231 (i) designed for human use; and

3232 (ii) that is:

3233 (A) worn in conjunction with:

3234 (I) an athletic activity; or

3235 (II) a recreational activity; and

3236 (B) not suitable for general use.

3237 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3238 commission shall make rules:

3239 (i) listing the items that constitute "sports or recreational equipment"; and

3240 (ii) that are consistent with the list of items that constitute "sports or recreational
3241 equipment" under the agreement.

3242 (123) "State" means the state of Utah, its departments, and agencies.

3243 (124) "Storage" means any keeping or retention of tangible personal property or any
3244 other taxable transaction under Subsection [59-12-103\(1\)](#), in this state for any purpose except
3245 sale in the regular course of business.

3246 (125) (a) Except as provided in Subsection (125)(d) or (e), "tangible personal property"
3247 means personal property that:

3248 (i) may be:

3249 (A) seen;

- 3250 (B) weighed;
- 3251 (C) measured;
- 3252 (D) felt; or
- 3253 (E) touched; or
- 3254 (ii) is in any manner perceptible to the senses.
- 3255 (b) "Tangible personal property" includes:
- 3256 (i) electricity;
- 3257 (ii) water;
- 3258 (iii) gas;
- 3259 (iv) steam; or
- 3260 (v) prewritten computer software, regardless of the manner in which the prewritten
- 3261 computer software is transferred.
- 3262 (c) "Tangible personal property" includes the following regardless of whether the item
- 3263 is attached to real property:
- 3264 (i) a dishwasher;
- 3265 (ii) a dryer;
- 3266 (iii) a freezer;
- 3267 (iv) a microwave;
- 3268 (v) a refrigerator;
- 3269 (vi) a stove;
- 3270 (vii) a washer; or
- 3271 (viii) an item similar to Subsections (125)(c)(i) through (vii) as determined by the
- 3272 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 3273 Rulemaking Act.
- 3274 (d) "Tangible personal property" does not include a product that is transferred
- 3275 electronically.
- 3276 (e) "Tangible personal property" does not include the following if attached to real
- 3277 property, regardless of whether the attachment to real property is only through a line that
- 3278 supplies water, electricity, gas, telephone, cable, or supplies a similar item as determined by the
- 3279 commission by rule made in accordance with Title 63G, Chapter 3, Utah Administrative
- 3280 Rulemaking Act:

3281 (i) a hot water heater;

3282 (ii) a water filtration system; or

3283 (iii) a water softener system.

3284 (126) (a) "Telecommunications enabling or facilitating equipment, machinery, or
3285 software" means an item listed in Subsection (126)(b) if that item is purchased or leased
3286 primarily to enable or facilitate one or more of the following to function:

3287 (i) telecommunications switching or routing equipment, machinery, or software; or

3288 (ii) telecommunications transmission equipment, machinery, or software.

3289 (b) The following apply to Subsection (126)(a):

3290 (i) a pole;

3291 (ii) software;

3292 (iii) a supplementary power supply;

3293 (iv) temperature or environmental equipment or machinery;

3294 (v) test equipment;

3295 (vi) a tower; or

3296 (vii) equipment, machinery, or software that functions similarly to an item listed in
3297 Subsections (126)(b)(i) through (vi) as determined by the commission by rule made in
3298 accordance with Subsection (126)(c).

3299 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3300 commission may by rule define what constitutes equipment, machinery, or software that
3301 functions similarly to an item listed in Subsections (126)(b)(i) through (vi).

3302 (127) "Telecommunications equipment, machinery, or software required for 911
3303 service" means equipment, machinery, or software that is required to comply with 47 C.F.R.
3304 Sec. 20.18.

3305 (128) "Telecommunications maintenance or repair equipment, machinery, or software"
3306 means equipment, machinery, or software purchased or leased primarily to maintain or repair
3307 one or more of the following, regardless of whether the equipment, machinery, or software is
3308 purchased or leased as a spare part or as an upgrade or modification to one or more of the
3309 following:

3310 (a) telecommunications enabling or facilitating equipment, machinery, or software;

3311 (b) telecommunications switching or routing equipment, machinery, or software; or

- 3312 (c) telecommunications transmission equipment, machinery, or software.
- 3313 (129) (a) "Telecommunications service" means the electronic conveyance, routing, or
- 3314 transmission of audio, data, video, voice, or any other information or signal to a point, or
- 3315 among or between points.
- 3316 (b) "Telecommunications service" includes:
- 3317 (i) an electronic conveyance, routing, or transmission with respect to which a computer
- 3318 processing application is used to act:
- 3319 (A) on the code, form, or protocol of the content;
- 3320 (B) for the purpose of electronic conveyance, routing, or transmission; and
- 3321 (C) regardless of whether the service:
- 3322 (I) is referred to as voice over Internet protocol service; or
- 3323 (II) is classified by the Federal Communications Commission as enhanced or value
- 3324 added;
- 3325 (ii) an 800 service;
- 3326 (iii) a 900 service;
- 3327 (iv) a fixed wireless service;
- 3328 (v) a mobile wireless service;
- 3329 (vi) a postpaid calling service;
- 3330 (vii) a prepaid calling service;
- 3331 (viii) a prepaid wireless calling service; or
- 3332 (ix) a private communications service.
- 3333 (c) "Telecommunications service" does not include:
- 3334 (i) advertising, including directory advertising;
- 3335 (ii) an ancillary service;
- 3336 (iii) a billing and collection service provided to a third party;
- 3337 (iv) a data processing and information service if:
- 3338 (A) the data processing and information service allows data to be:
- 3339 (I) (Aa) acquired;
- 3340 (Bb) generated;
- 3341 (Cc) processed;
- 3342 (Dd) retrieved; or

- 3343 (Ee) stored; and
- 3344 (II) delivered by an electronic transmission to a purchaser; and
- 3345 (B) the purchaser's primary purpose for the underlying transaction is the processed data
- 3346 or information;
- 3347 (v) installation or maintenance of the following on a customer's premises:
- 3348 (A) equipment; or
- 3349 (B) wiring;
- 3350 (vi) Internet access service;
- 3351 (vii) a paging service;
- 3352 (viii) a product transferred electronically, including:
- 3353 (A) music;
- 3354 (B) reading material;
- 3355 (C) a ring tone;
- 3356 (D) software; or
- 3357 (E) video;
- 3358 (ix) a radio and television audio and video programming service:
- 3359 (A) regardless of the medium; and
- 3360 (B) including:
- 3361 (I) furnishing conveyance, routing, or transmission of a television audio and video
- 3362 programming service by a programming service provider;
- 3363 (II) cable service as defined in 47 U.S.C. Sec. 522(6); or
- 3364 (III) audio and video programming services delivered by a commercial mobile radio
- 3365 service provider as defined in 47 C.F.R. Sec. 20.3;
- 3366 (x) a value-added nonvoice data service; or
- 3367 (xi) tangible personal property.
- 3368 (130) (a) "Telecommunications service provider" means a person that:
- 3369 (i) owns, controls, operates, or manages a telecommunications service; and
- 3370 (ii) engages in an activity described in Subsection (130)(a)(i) for the shared use with or
- 3371 resale to any person of the telecommunications service.
- 3372 (b) A person described in Subsection (130)(a) is a telecommunications service provider
- 3373 whether or not the Public Service Commission of Utah regulates:

3374 (i) that person; or

3375 (ii) the telecommunications service that the person owns, controls, operates, or
3376 manages.

3377 (131) (a) "Telecommunications switching or routing equipment, machinery, or
3378 software" means an item listed in Subsection (131)(b) if that item is purchased or leased
3379 primarily for switching or routing:

3380 (i) an ancillary service;

3381 (ii) data communications;

3382 (iii) voice communications; or

3383 (iv) telecommunications service.

3384 (b) The following apply to Subsection (131)(a):

3385 (i) a bridge;

3386 (ii) a computer;

3387 (iii) a cross connect;

3388 (iv) a modem;

3389 (v) a multiplexer;

3390 (vi) plug in circuitry;

3391 (vii) a router;

3392 (viii) software;

3393 (ix) a switch; or

3394 (x) equipment, machinery, or software that functions similarly to an item listed in
3395 Subsections (131)(b)(i) through (ix) as determined by the commission by rule made in
3396 accordance with Subsection (131)(c).

3397 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3398 commission may by rule define what constitutes equipment, machinery, or software that
3399 functions similarly to an item listed in Subsections (131)(b)(i) through (ix).

3400 (132) (a) "Telecommunications transmission equipment, machinery, or software"
3401 means an item listed in Subsection (132)(b) if that item is purchased or leased primarily for
3402 sending, receiving, or transporting:

3403 (i) an ancillary service;

3404 (ii) data communications;

- 3405 (iii) voice communications; or
- 3406 (iv) telecommunications service.
- 3407 (b) The following apply to Subsection (132)(a):
- 3408 (i) an amplifier;
- 3409 (ii) a cable;
- 3410 (iii) a closure;
- 3411 (iv) a conduit;
- 3412 (v) a controller;
- 3413 (vi) a duplexer;
- 3414 (vii) a filter;
- 3415 (viii) an input device;
- 3416 (ix) an input/output device;
- 3417 (x) an insulator;
- 3418 (xi) microwave machinery or equipment;
- 3419 (xii) an oscillator;
- 3420 (xiii) an output device;
- 3421 (xiv) a pedestal;
- 3422 (xv) a power converter;
- 3423 (xvi) a power supply;
- 3424 (xvii) a radio channel;
- 3425 (xviii) a radio receiver;
- 3426 (xix) a radio transmitter;
- 3427 (xx) a repeater;
- 3428 (xxi) software;
- 3429 (xxii) a terminal;
- 3430 (xxiii) a timing unit;
- 3431 (xxiv) a transformer;
- 3432 (xxv) a wire; or
- 3433 (xxvi) equipment, machinery, or software that functions similarly to an item listed in
- 3434 Subsections (132)(b)(i) through (xxv) as determined by the commission by rule made in
- 3435 accordance with Subsection (132)(c).

3436 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3437 commission may by rule define what constitutes equipment, machinery, or software that
3438 functions similarly to an item listed in Subsections (132)(b)(i) through (xxv).

3439 (133) (a) "Textbook for a higher education course" means a textbook or other printed
3440 material that is required for a course:

3441 (i) offered by an institution of higher education; and

3442 (ii) that the purchaser of the textbook or other printed material attends or will attend.

3443 (b) "Textbook for a higher education course" includes a textbook in electronic format.

3444 (134) "Tobacco" means:

3445 (a) a cigarette;

3446 (b) a cigar;

3447 (c) chewing tobacco;

3448 (d) pipe tobacco; or

3449 (e) any other item that contains tobacco.

3450 (135) "Unassisted amusement device" means an amusement device, skill device, or
3451 ride device that is started and stopped by the purchaser or renter of the right to use or operate
3452 the amusement device, skill device, or ride device.

3453 (136) (a) "Use" means the exercise of any right or power over tangible personal
3454 property, a product transferred electronically, or a service under Subsection [59-12-103\(1\)](#),
3455 incident to the ownership or the leasing of that tangible personal property, product transferred
3456 electronically, or service.

3457 (b) "Use" does not include the sale, display, demonstration, or trial of tangible personal
3458 property, a product transferred electronically, or a service in the regular course of business and
3459 held for resale.

3460 (137) "Value-added nonvoice data service" means a service:

3461 (a) that otherwise meets the definition of a telecommunications service except that a
3462 computer processing application is used to act primarily for a purpose other than conveyance,
3463 routing, or transmission; and

3464 (b) with respect to which a computer processing application is used to act on data or
3465 information:

3466 (i) code;

- 3467 (ii) content;
- 3468 (iii) form; or
- 3469 (iv) protocol.

3470 (138) (a) Subject to Subsection (138)(b), "vehicle" means the following that are
3471 required to be titled, registered, or titled and registered:

- 3472 (i) an aircraft as defined in Section 72-10-102;
- 3473 (ii) a vehicle as defined in Section 41-1a-102;
- 3474 (iii) an off-highway vehicle as defined in Section 41-22-2; or
- 3475 (iv) a vessel as defined in Section 41-1a-102.

3476 (b) For purposes of Subsection 59-12-104(33) only, "vehicle" includes:

- 3477 (i) a vehicle described in Subsection (138)(a); or
- 3478 (ii) (A) a locomotive;
- 3479 (B) a freight car;
- 3480 (C) railroad work equipment; or
- 3481 (D) other railroad rolling stock.

3482 (139) "Vehicle dealer" means a person engaged in the business of buying, selling, or
3483 exchanging a vehicle as defined in Subsection (138).

3484 (140) (a) "Vertical service" means an ancillary service that:

- 3485 (i) is offered in connection with one or more telecommunications services; and
- 3486 (ii) offers an advanced calling feature that allows a customer to:
 - 3487 (A) identify a caller; and
 - 3488 (B) manage multiple calls and call connections.

3489 (b) "Vertical service" includes an ancillary service that allows a customer to manage a
3490 conference bridging service.

3491 (141) (a) "Voice mail service" means an ancillary service that enables a customer to
3492 receive, send, or store a recorded message.

3493 (b) "Voice mail service" does not include a vertical service that a customer is required
3494 to have in order to utilize a voice mail service.

3495 (142) (a) Except as provided in Subsection (142)(b), "waste energy facility" means a
3496 facility that generates electricity:

- 3497 (i) using as the primary source of energy waste materials that would be placed in a

3498 landfill or refuse pit if it were not used to generate electricity, including:

3499 (A) tires;

3500 (B) waste coal;

3501 (C) oil shale; or

3502 (D) municipal solid waste; and

3503 (ii) in amounts greater than actually required for the operation of the facility.

3504 (b) "Waste energy facility" does not include a facility that incinerates:

3505 (i) hospital waste as defined in 40 C.F.R. 60.51c; or

3506 (ii) medical/infectious waste as defined in 40 C.F.R. 60.51c.

3507 (143) "Watercraft" means a vessel as defined in Section [73-18-2](#).

3508 (144) "Wind energy" means wind used as the sole source of energy to produce
3509 electricity.

3510 (145) "ZIP Code" means a Zoning Improvement Plan Code assigned to a geographic
3511 location by the United States Postal Service.

3512 Section 28. Section **59-12-103** is amended to read:

3513 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**
3514 **tax revenues.**

3515 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
3516 sales price for amounts paid or charged for the following transactions:

3517 (a) retail sales of tangible personal property made within the state;

3518 (b) amounts paid for:

3519 (i) telecommunications service, other than mobile telecommunications service, that
3520 originates and terminates within the boundaries of this state;

3521 (ii) mobile telecommunications service that originates and terminates within the
3522 boundaries of one state only to the extent permitted by the Mobile Telecommunications
3523 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

3524 (iii) an ancillary service associated with a:

3525 (A) telecommunications service described in Subsection (1)(b)(i); or

3526 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

3527 (c) sales of the following for commercial use:

3528 (i) gas;

- 3529 (ii) electricity;
- 3530 (iii) heat;
- 3531 (iv) coal;
- 3532 (v) fuel oil; or
- 3533 (vi) other fuels;
- 3534 (d) sales of the following for residential use:
 - 3535 (i) gas;
 - 3536 (ii) electricity;
 - 3537 (iii) heat;
 - 3538 (iv) coal;
 - 3539 (v) fuel oil; or
 - 3540 (vi) other fuels;
- 3541 (e) sales of prepared food;
- 3542 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
- 3543 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 3544 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 3545 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 3546 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 3547 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 3548 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 3549 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 3550 exhibition, cultural, or athletic activity;
- 3551 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 3552 property, unless Section [59-12-104](#) provides for an exemption from sales and use tax for:
 - 3553 (i) the tangible personal property; and
 - 3554 (ii) parts used in the repairs or renovations of the tangible personal property described
 - 3555 in Subsection (1)(g)(i), regardless of whether:
 - 3556 (A) any parts are actually used in the repairs or renovations of that tangible personal
 - 3557 property; or
 - 3558 (B) the particular parts used in the repairs or renovations of that tangible personal
 - 3559 property are exempt from a tax under this chapter;

3560 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
3561 assisted cleaning or washing of tangible personal property;

3562 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
3563 accommodations and services that are regularly rented for less than 30 consecutive days;

3564 (j) amounts paid or charged for laundry or dry cleaning services;

3565 (k) amounts paid or charged for leases or rentals of tangible personal property if within
3566 this state the tangible personal property is:

3567 (i) stored;

3568 (ii) used; or

3569 (iii) otherwise consumed;

3570 (l) amounts paid or charged for tangible personal property if within this state the
3571 tangible personal property is:

3572 (i) stored;

3573 (ii) used; or

3574 (iii) consumed; and

3575 (m) amounts paid or charged for a sale:

3576 (i) (A) of a product transferred electronically; or
3577 (B) of a repair or renovation of a product transferred electronically; and

3578 (ii) regardless of whether the sale provides:

3579 (A) a right of permanent use of the product; or
3580 (B) a right to use the product that is less than a permanent use, including a right:
3581 (I) for a definite or specified length of time; and
3582 (II) that terminates upon the occurrence of a condition.

3583 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
3584 is imposed on a transaction described in Subsection (1) equal to the sum of:

3585 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:

3586 (A) [~~4.70%~~] 4.85%; and

3587 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
3588 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
3589 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
3590 State Sales and Use Tax Act; and

3591 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
3592 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
3593 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
3594 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

3595 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3596 transaction under this chapter other than this part.

3597 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
3598 on a transaction described in Subsection (1)(d) equal to the sum of:

3599 (i) a state tax imposed on the transaction at a tax rate of 2%; and

3600 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3601 transaction under this chapter other than this part.

3602 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
3603 on amounts paid or charged for food and food ingredients equal to the sum of:

3604 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
3605 a tax rate of 1.75%; and

3606 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
3607 amounts paid or charged for food and food ingredients under this chapter other than this part.

3608 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
3609 tangible personal property other than food and food ingredients, a state tax and a local tax is
3610 imposed on the entire bundled transaction equal to the sum of:

3611 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

3612 (I) the tax rate described in Subsection (2)(a)(i)(A); and

3613 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
3614 Sales and Use Tax Act, if the location of the transaction as determined under Sections
3615 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
3616 Additional State Sales and Use Tax Act; and

3617 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
3618 Sales and Use Tax Act, if the location of the transaction as determined under Sections
3619 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
3620 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

3621 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates

3622 described in Subsection (2)(a)(ii).

3623 (ii) If an optional computer software maintenance contract is a bundled transaction that
3624 consists of taxable and nontaxable products that are not separately itemized on an invoice or
3625 similar billing document, the purchase of the optional computer software maintenance contract
3626 is 40% taxable under this chapter and 60% nontaxable under this chapter.

3627 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
3628 transaction described in Subsection (2)(d)(i) or (ii):

3629 (A) if the sales price of the bundled transaction is attributable to tangible personal
3630 property, a product, or a service that is subject to taxation under this chapter and tangible
3631 personal property, a product, or service that is not subject to taxation under this chapter, the
3632 entire bundled transaction is subject to taxation under this chapter unless:

3633 (I) the seller is able to identify by reasonable and verifiable standards the tangible
3634 personal property, product, or service that is not subject to taxation under this chapter from the
3635 books and records the seller keeps in the seller's regular course of business; or

3636 (II) state or federal law provides otherwise; or

3637 (B) if the sales price of a bundled transaction is attributable to two or more items of
3638 tangible personal property, products, or services that are subject to taxation under this chapter
3639 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
3640 higher tax rate unless:

3641 (I) the seller is able to identify by reasonable and verifiable standards the tangible
3642 personal property, product, or service that is subject to taxation under this chapter at the lower
3643 tax rate from the books and records the seller keeps in the seller's regular course of business; or

3644 (II) state or federal law provides otherwise.

3645 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
3646 seller's regular course of business includes books and records the seller keeps in the regular
3647 course of business for nontax purposes.

3648 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
3649 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
3650 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
3651 of tangible personal property, other property, a product, or a service that is not subject to
3652 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless

3653 the seller, at the time of the transaction:

3654 (A) separately states the portion of the transaction that is not subject to taxation under
3655 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

3656 (B) is able to identify by reasonable and verifiable standards, from the books and
3657 records the seller keeps in the seller's regular course of business, the portion of the transaction
3658 that is not subject to taxation under this chapter.

3659 (ii) A purchaser and a seller may correct the taxability of a transaction if:

3660 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
3661 the transaction that is not subject to taxation under this chapter was not separately stated on an
3662 invoice, bill of sale, or similar document provided to the purchaser because of an error or
3663 ignorance of the law; and

3664 (B) the seller is able to identify by reasonable and verifiable standards, from the books
3665 and records the seller keeps in the seller's regular course of business, the portion of the
3666 transaction that is not subject to taxation under this chapter.

3667 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
3668 in the seller's regular course of business includes books and records the seller keeps in the
3669 regular course of business for nontax purposes.

3670 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
3671 personal property, products, or services that are subject to taxation under this chapter at
3672 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
3673 unless the seller, at the time of the transaction:

3674 (A) separately states the items subject to taxation under this chapter at each of the
3675 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

3676 (B) is able to identify by reasonable and verifiable standards the tangible personal
3677 property, product, or service that is subject to taxation under this chapter at the lower tax rate
3678 from the books and records the seller keeps in the seller's regular course of business.

3679 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
3680 seller's regular course of business includes books and records the seller keeps in the regular
3681 course of business for nontax purposes.

3682 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
3683 rate imposed under the following shall take effect on the first day of a calendar quarter:

- 3684 (i) Subsection (2)(a)(i)(A);
- 3685 (ii) Subsection (2)(b)(i);
- 3686 (iii) Subsection (2)(c)(i); or
- 3687 (iv) Subsection (2)(d)(i)(A)(I).
- 3688 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
- 3689 begins on or after the effective date of the tax rate increase if the billing period for the
- 3690 transaction begins before the effective date of a tax rate increase imposed under:
 - 3691 (A) Subsection (2)(a)(i)(A);
 - 3692 (B) Subsection (2)(b)(i);
 - 3693 (C) Subsection (2)(c)(i); or
 - 3694 (D) Subsection (2)(d)(i)(A)(I).
- 3695 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 3696 statement for the billing period is rendered on or after the effective date of the repeal of the tax
- 3697 or the tax rate decrease imposed under:
 - 3698 (A) Subsection (2)(a)(i)(A);
 - 3699 (B) Subsection (2)(b)(i);
 - 3700 (C) Subsection (2)(c)(i); or
 - 3701 (D) Subsection (2)(d)(i)(A)(I).
- 3702 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
- 3703 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
- 3704 change in a tax rate takes effect:
 - 3705 (A) on the first day of a calendar quarter; and
 - 3706 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 3707 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
 - 3708 (A) Subsection (2)(a)(i)(A);
 - 3709 (B) Subsection (2)(b)(i);
 - 3710 (C) Subsection (2)(c)(i); or
 - 3711 (D) Subsection (2)(d)(i)(A)(I).
- 3712 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 3713 the commission may by rule define the term "catalogue sale."
- 3714 (3) (a) The following state taxes shall be deposited into the General Fund:

- 3715 (i) the tax imposed by Subsection (2)(a)(i)(A);
3716 (ii) the tax imposed by Subsection (2)(b)(i);
3717 (iii) the tax imposed by Subsection (2)(c)(i); or
3718 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 3719 (b) The following local taxes shall be distributed to a county, city, or town as provided
3720 in this chapter:
- 3721 (i) the tax imposed by Subsection (2)(a)(ii);
3722 (ii) the tax imposed by Subsection (2)(b)(ii);
3723 (iii) the tax imposed by Subsection (2)(c)(ii); and
3724 (iv) the tax imposed by Subsection (2)(d)(i)(B).
- 3725 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
3726 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
3727 through (g):
- 3728 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
3729 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
3730 (B) for the fiscal year; or
3731 (ii) \$17,500,000.
- 3732 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
3733 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
3734 Department of Natural Resources to:
- 3735 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
3736 protect sensitive plant and animal species; or
3737 (B) award grants, up to the amount authorized by the Legislature in an appropriations
3738 act, to political subdivisions of the state to implement the measures described in Subsections
3739 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
- 3740 (ii) Money transferred to the Department of Natural Resources under Subsection
3741 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
3742 person to list or attempt to have listed a species as threatened or endangered under the
3743 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
- 3744 (iii) At the end of each fiscal year:
3745 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

3746 Conservation and Development Fund created in Section 73-10-24;

3747 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

3748 Program Subaccount created in Section 73-10c-5; and

3749 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

3750 Program Subaccount created in Section 73-10c-5.

3751 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in

3752 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund

3753 created in Section 4-18-106.

3754 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described

3755 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water

3756 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of

3757 water rights.

3758 (ii) At the end of each fiscal year:

3759 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

3760 Conservation and Development Fund created in Section 73-10-24;

3761 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

3762 Program Subaccount created in Section 73-10c-5; and

3763 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

3764 Program Subaccount created in Section 73-10c-5.

3765 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described

3766 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and

3767 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

3768 (ii) In addition to the uses allowed of the Water Resources Conservation and

3769 Development Fund under Section 73-10-24, the Water Resources Conservation and

3770 Development Fund may also be used to:

3771 (A) conduct hydrologic and geotechnical investigations by the Division of Water

3772 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

3773 quantifying surface and ground water resources and describing the hydrologic systems of an

3774 area in sufficient detail so as to enable local and state resource managers to plan for and

3775 accommodate growth in water use without jeopardizing the resource;

3776 (B) fund state required dam safety improvements; and

3777 (C) protect the state's interest in interstate water compact allocations, including the
3778 hiring of technical and legal staff.

3779 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
3780 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
3781 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

3782 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
3783 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
3784 created in Section 73-10c-5 for use by the Division of Drinking Water to:

3785 (i) provide for the installation and repair of collection, treatment, storage, and
3786 distribution facilities for any public water system, as defined in Section 19-4-102;

3787 (ii) develop underground sources of water, including springs and wells; and

3788 (iii) develop surface water sources.

3789 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
3790 2006, the difference between the following amounts shall be expended as provided in this
3791 Subsection (5), if that difference is greater than \$1:

3792 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
3793 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

3794 (ii) \$17,500,000.

3795 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

3796 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
3797 credits; and

3798 (B) expended by the Department of Natural Resources for watershed rehabilitation or
3799 restoration.

3800 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
3801 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
3802 created in Section 73-10-24.

3803 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
3804 remaining difference described in Subsection (5)(a) shall be:

3805 (A) transferred each fiscal year to the Division of Water Resources as dedicated
3806 credits; and

3807 (B) expended by the Division of Water Resources for cloud-seeding projects

3808 authorized by Title 73, Chapter 15, Modification of Weather.

3809 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
3810 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
3811 created in Section 73-10-24.

3812 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
3813 remaining difference described in Subsection (5)(a) shall be deposited into the Water
3814 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
3815 Division of Water Resources for:

3816 (i) preconstruction costs:

3817 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
3818 26, Bear River Development Act; and

3819 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
3820 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

3821 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
3822 Chapter 26, Bear River Development Act;

3823 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
3824 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

3825 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
3826 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

3827 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
3828 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
3829 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
3830 incurred for employing additional technical staff for the administration of water rights.

3831 (f) At the end of each fiscal year, any unexpended dedicated credits described in
3832 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
3833 Fund created in Section 73-10-24.

3834 [~~(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the~~
3835 ~~amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection~~
3836 ~~(1) for the fiscal year shall be deposited as follows:]~~

3837 [~~(a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)~~
3838 ~~shall be deposited into the Transportation Investment Fund of 2005 created by Section~~

3839 ~~72-2-124;~~
3840 ~~[(b) for fiscal year 2017-18 only:]~~
3841 ~~[(i) 80% of the revenue described in this Subsection (6) shall be deposited into the~~
3842 ~~Transportation Investment Fund of 2005 created by Section 72-2-124; and]~~
3843 ~~[(ii) 20% of the revenue described in this Subsection (6) shall be deposited into the~~
3844 ~~Water Infrastructure Restricted Account created by Section 73-10g-103;]~~
3845 ~~[(c) for fiscal year 2018-19 only:]~~
3846 ~~[(i) 60% of the revenue described in this Subsection (6) shall be deposited into the~~
3847 ~~Transportation Investment Fund of 2005 created by Section 72-2-124; and]~~
3848 ~~[(ii) 40% of the revenue described in this Subsection (6) shall be deposited into the~~
3849 ~~Water Infrastructure Restricted Account created by Section 73-10g-103;]~~
3850 ~~[(d) for fiscal year 2019-20 only:]~~
3851 ~~[(i) 40% of the revenue described in this Subsection (6) shall be deposited into the~~
3852 ~~Transportation Investment Fund of 2005 created by Section 72-2-124; and]~~
3853 ~~[(ii) 60% of the revenue described in this Subsection (6) shall be deposited into the~~
3854 ~~Water Infrastructure Restricted Account created by Section 73-10g-103;]~~
3855 ~~[(e) for fiscal year 2020-21 only:]~~
3856 ~~[(i) 20% of the revenue described in this Subsection (6) shall be deposited into the~~
3857 ~~Transportation Investment Fund of 2005 created by Section 72-2-124; and]~~
3858 ~~[(ii) 80% of the revenue described in this Subsection (6) shall be deposited into the~~
3859 ~~Water Infrastructure Restricted Account created by Section 73-10g-103; and]~~
3860 ~~[(f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described~~
3861 ~~in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account~~
3862 ~~created by Section 73-10g-103.]~~
3863 ~~[(7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in~~
3864 ~~Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,~~
3865 ~~2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005~~
3866 ~~created by Section 72-2-124.]~~
3867 ~~[(i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of~~
3868 ~~the revenues collected from the following taxes, which represents a portion of the~~
3869 ~~approximately 17% of sales and use tax revenues generated annually by the sales and use tax~~

3870 ~~on vehicles and vehicle-related products:]~~

3871 ~~[(A) the tax imposed by Subsection (2)(a)(i)(A);]~~

3872 ~~[(B) the tax imposed by Subsection (2)(b)(i);]~~

3873 ~~[(C) the tax imposed by Subsection (2)(c)(i); and]~~

3874 ~~[(D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus]~~

3875 ~~[(ii) an amount equal to 30% of the growth in the amount of revenues collected in the~~
3876 ~~current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through~~
3877 ~~(D) that exceeds the amount collected from the sales and use taxes described in Subsections~~
3878 ~~(7)(a)(i)(A) through (D) in the 2010-11 fiscal year.]~~

3879 ~~[(b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of~~
3880 ~~the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total~~
3881 ~~lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)~~
3882 ~~generated in the current fiscal year than the total percentage of sales and use taxes deposited in~~
3883 ~~the previous fiscal year, the Division of Finance shall deposit an amount under Subsection~~
3884 ~~(7)(a) equal to the product of:]~~

3885 ~~[(A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the~~
3886 ~~previous fiscal year; and]~~

3887 ~~[(B) the total sales and use tax revenue generated by the taxes described in Subsections~~
3888 ~~(7)(a)(i)(A) through (D) in the current fiscal year.]~~

3889 ~~[(ii) In any fiscal year in which the portion of the sales and use taxes deposited under~~
3890 ~~Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes~~
3891 ~~described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of~~
3892 ~~Finance shall deposit 17% of the revenues collected from the sales and use taxes described in~~
3893 ~~Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).]~~

3894 ~~[(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected~~
3895 ~~from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited~~
3896 ~~under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues~~
3897 ~~collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the~~
3898 ~~current fiscal year under Subsection (7)(a).]~~

3899 ~~[(8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited~~
3900 ~~under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall~~

3901 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
3902 the Transportation Investment Fund of 2005 created by Section ~~72-2-124~~.]

3903 ~~[(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~
3904 ~~Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit~~
3905 ~~\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the~~
3906 ~~Transportation Investment Fund of 2005 created by Section ~~72-2-124~~.]~~

3907 ~~[(c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under~~
3908 ~~Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or~~
3909 ~~after July 1, 2018, the commission shall annually deposit into the Transportation Investment~~
3910 ~~Fund of 2005 created by Section ~~72-2-124~~ a portion of the taxes listed under Subsection (3)(a)~~
3911 ~~in an amount equal to 3.68% of the revenues collected from the following taxes:]~~

3912 ~~[(A) the tax imposed by Subsection (2)(a)(i)(A);]~~

3913 ~~[(B) the tax imposed by Subsection (2)(b)(i);]~~

3914 ~~[(C) the tax imposed by Subsection (2)(c)(i); and]~~

3915 ~~[(D) the tax imposed by Subsection (2)(d)(i)(A)(I).]~~

3916 ~~[(ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually~~
3917 ~~reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)~~
3918 ~~by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year~~
3919 ~~by the portion of the tax imposed on motor and special fuel that is sold, used, or received for~~
3920 ~~sale or use in this state that exceeds 29.4 cents per gallon.]~~

3921 ~~[(9)]~~ (6) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal
3922 year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
3923 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

3924 ~~[(10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),~~
3925 ~~in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17~~
3926 ~~fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund~~
3927 ~~of 2005 created by Section ~~72-2-124~~ the amount of tax revenue generated by a .05% tax rate on~~
3928 ~~the transactions described in Subsection (1).]~~

3929 ~~[(b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and~~
3930 ~~in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of~~
3931 ~~Finance shall deposit into the Transportation Investment Fund of 2005 created by Section~~

3932 ~~72-2-124~~ the amount of revenue described as follows:]

3933 [(i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
3934 tax rate on the transactions described in Subsection (1);]

3935 [(ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a
3936 .05% tax rate on the transactions described in Subsection (1);]

3937 [(iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
3938 tax rate on the transactions described in Subsection (1);]

3939 [(iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
3940 .05% tax rate on the transactions described in Subsection (1); and]

3941 [(v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a
3942 .05% tax rate on the transactions described in Subsection (1);]

3943 [(c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
3944 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
3945 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
3946 transaction attributable to food and food ingredients and tangible personal property other than
3947 food and food ingredients described in Subsection (2)(d).]

3948 [(H)] (7) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
3949 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
3950 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
3951 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
3952 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
3953 created in Section 63N-2-512.

3954 [(I)] (8) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
3955 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
3956 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

3957 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
3958 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
3959 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

3960 (9) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
3961 2018, an amount equal to the tax revenue generated by a .15% tax rate on the transactions
3962 described in Subsection (1) shall be deposited into the Transit Transportation Investment Fund

3963 created by Section [72-2-124](#).

3964 [~~(13)~~] (10) Notwithstanding Subsections (4) through [~~(12)~~] (9), an amount required to
3965 be expended or deposited in accordance with Subsections (4) through [~~(12)~~] (9) may not
3966 include an amount the Division of Finance deposits in accordance with Section [59-12-103.2](#).

3967 Section 29. Section **59-12-1201** is amended to read:

3968 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**
3969 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

3970 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all
3971 short-term leases and rentals of motor vehicles not exceeding 30 days.

3972 (b) The tax imposed in this section is in addition to all other state, county, or municipal
3973 fees and taxes imposed on rentals of motor vehicles.

3974 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax
3975 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

3976 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall
3977 take effect on the first day of the first billing period:

3978 (A) that begins after the effective date of the tax rate increase; and

3979 (B) if the billing period for the transaction begins before the effective date of a tax rate
3980 increase imposed under Subsection (1).

3981 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax
3982 rate decrease shall take effect on the first day of the last billing period:

3983 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;
3984 and

3985 (B) if the billing period for the transaction begins before the effective date of the repeal
3986 of the tax or the tax rate decrease imposed under Subsection (1).

3987 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

3988 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

3989 (b) the motor vehicle is rented as a personal household goods moving van; or

3990 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
3991 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
3992 insurance agreement.

3993 (4) (a) (i) The tax authorized under this section shall be administered, collected, and

3994 enforced in accordance with:

3995 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,
3996 Tax Collection; and

3997 (B) Chapter 1, General Taxation Policies.

3998 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
3999 Subsections 59-12-103(4) through ~~[(10)]~~ (9) or Section 59-12-107.1 or 59-12-123.

4000 (b) The commission shall retain and deposit an administrative charge in accordance
4001 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

4002 (c) Except as provided under Subsection (4)(b), all revenue received by the
4003 commission under this section shall be deposited daily with the state treasurer and credited
4004 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

4005 Section 30. Section 59-12-2202 is amended to read:

4006 **59-12-2202. Definitions.**

4007 As used in this part:

4008 (1) "Airline" ~~[is as]~~ means the same as that term is defined in Section 59-2-102.

4009 (2) "Airport facility" ~~[is as]~~ means the same as that term is defined in Section
4010 59-12-602.

4011 (3) "Airport of regional significance" means an airport identified by the Federal
4012 Aviation Administration in the most current National Plan of Integrated Airport Systems or an
4013 update to the National Plan of Integrated Airport Systems.

4014 (4) "Annexation" means an annexation to:

4015 (a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or

4016 (b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

4017 (5) "Annexing area" means an area that is annexed into a county, city, or town.

4018 (6) "Council of governments" ~~[is as]~~ means the same as that term is defined in Section
4019 72-2-117.5.

4020 (7) "Fixed guideway" ~~[is as]~~ means the same as that term is defined in Section
4021 59-12-102.

4022 (8) "Large public transit district" means the same as that term is defined in Section
4023 17B-2a-802.

4024 ~~[(8)]~~ (9) "Major collector highway" ~~[is as]~~ means the same as that term is defined in

4025 Section [72-4-102.5](#).

4026 ~~[(9)]~~ (10) "Metropolitan planning organization" ~~[is as]~~ means the same as that term is
 4027 defined in Section [72-1-208.5](#).

4028 ~~[(10)]~~ (11) "Minor arterial highway" ~~[is as]~~ means the same as that term is defined in
 4029 Section [72-4-102.5](#).

4030 ~~[(11)]~~ (12) "Minor collector road" ~~[is as]~~ means the same as that term is defined in
 4031 Section [72-4-102.5](#).

4032 ~~[(12)]~~ (13) "Principal arterial highway" ~~[is as]~~ means the same as that term is defined
 4033 in Section [72-4-102.5](#).

4034 ~~[(13)]~~ (14) "Regionally significant transportation facility" means:

4035 (a) in a county of the first or second class:

4036 (i) a principal arterial highway;

4037 (ii) a minor arterial highway;

4038 (iii) a fixed guideway that:

4039 (A) extends across two or more cities or unincorporated areas; or

4040 (B) is an extension to an existing fixed guideway; or

4041 (iv) an airport of regional significance; or

4042 (b) in a county of the third, fourth, fifth, or sixth class:

4043 (i) a principal arterial highway;

4044 (ii) a minor arterial highway;

4045 (iii) a major collector highway;

4046 (iv) a minor collector road; or

4047 (v) an airport of regional significance.

4048 ~~[(14)]~~ (15) "State highway" means a highway designated as a state highway under Title
 4049 72, Chapter 4, Designation of State Highways Act.

4050 ~~[(15)]~~ (16) (a) Subject to Subsection ~~[(15)]~~ (16)(b), "system for public transit" ~~[has the~~
 4051 ~~same meaning as]~~ means the same as the term "public transit" [as] is defined in Section
 4052 [17B-2a-802](#).

4053 (b) "System for public transit" includes:

4054 (i) the following costs related to public transit:

4055 (A) maintenance costs; or

- 4056 (B) operating costs;
- 4057 (ii) a fixed guideway;
- 4058 (iii) a park and ride facility;
- 4059 (iv) a passenger station or passenger terminal;
- 4060 (v) a right-of-way for public transit; or
- 4061 (vi) the following that serve a public transit facility:
 - 4062 (A) a maintenance facility;
 - 4063 (B) a platform;
 - 4064 (C) a repair facility;
 - 4065 (D) a roadway;
 - 4066 (E) a storage facility;
 - 4067 (F) a utility line; or
 - 4068 (G) a facility or item similar to Subsections (15)(b)(vi)(A) through (F).

4069 Section 31. Section **59-12-2203** is amended to read:

4070 **59-12-2203. Authority to impose a sales and use tax under this part --**

4071 **Restrictions on expenditure of revenue.**

4072 (1) As provided in this Subsection (1), one of the following sales and use taxes may be
4073 imposed within the boundaries of a local taxing jurisdiction:

4074 (a) a county, city, or town may impose the sales and use tax authorized by Section
4075 [59-12-2213](#) in accordance with Section [59-12-2213](#); or

4076 (b) a city or town may impose the sales and use tax authorized by Section [59-12-2215](#)
4077 in accordance with Section [59-12-2215](#).

4078 (2) As provided in this Subsection (2), one of the following sales and use taxes may be
4079 imposed within the boundaries of a local taxing jurisdiction:

4080 (a) a county, city, or town may impose the sales and use tax authorized by Section
4081 [59-12-2214](#) in accordance with Section [59-12-2214](#); or

4082 (b) a county may impose the sales and use tax authorized by Section [59-12-2216](#) in
4083 accordance with Section [59-12-2216](#).

4084 (3) As provided in this Subsection (3), one of the following sales and use taxes may be
4085 imposed within the boundaries of a local taxing jurisdiction:

4086 (a) a county may impose the sales and use tax authorized by Section [59-12-2217](#) in

4087 accordance with Section 59-12-2217; or

4088 (b) a county, city, or town may impose the sales and use tax authorized by Section
4089 59-12-2218 in accordance with Section 59-12-2218.

4090 (4) A county may impose the sales and use tax authorized by Section 59-12-2219 in
4091 accordance with Section 59-12-2219.

4092 (5) A county, city, or town may impose the sales and use tax authorized by Section
4093 59-12-2220 in accordance with Section 59-12-2220.

4094 (6) (a) A large public transit district that receives revenue from a sales and use tax
4095 imposed by a county, city, or town authorized by one or more of the following sections is
4096 subject to the restriction in Subsection (6)(b):

4097 (i) Section 59-12-2213;

4098 (ii) Section 59-12-2214;

4099 (iii) Section 59-12-2215;

4100 (iv) Section 59-12-2216;

4101 (v) Section 59-12-2217;

4102 (vi) Section 59-12-2218;

4103 (vii) Section 59-12-2219; and

4104 (viii) Section 59-12-2220.

4105 (b) A large public transit district may not expend more than an amount equal to the
4106 revenue generated by a .7% tax rate on the transactions described in Subsection 59-12-103(1)
4107 of the sales and use tax imposed by each county, city, or town described in Subsection (6)(a) to
4108 pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve
4109 requirements for any bonds issued by the large public transit district on or before June 30,
4110 2018, if any portion of the county, city, or town is annexed into a large public transit district.

4111 Section 32. Section 59-12-2213 is amended to read:

4112 **59-12-2213. County, city, or town option sales and use tax to fund a system for**
4113 **public transit -- Base -- Rate.**

4114 (1) Subject to the other provisions of this part, but no later than June 30, 2022, a
4115 county, city, or town may impose a sales and use tax under this section of up to:

4116 (a) for a county, city, or town other than a county, city, or town described in Subsection
4117 (1)(b), .25% on the transactions described in Subsection 59-12-103(1) located within the

4118 county, city, or town to fund a system for public transit; or

4119 (b) for a county, city, or town within which a tax is not imposed under Section
4120 59-12-2216, .30% on the transactions described in Subsection 59-12-103(1) located within the
4121 county, city, or town, to fund a system for public transit.

4122 (2) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
4123 required to submit an opinion question to the county's, city's, or town's registered voters in
4124 accordance with Section 59-12-2208 to impose a sales and use tax under this section if the
4125 county, city, or town imposes the sales and use tax under Section 59-12-2216 on or before July
4126 1, 2011.

4127 (3) Notwithstanding the deadline described in Subsection (1), any tax imposed under
4128 this section before July 1, 2022, may remain in effect.

4129 Section 33. Section 59-12-2214 is amended to read:

4130 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
4131 **public transit, an airport facility, a water conservation project, or to be deposited into the**
4132 **County of the First Class Highway Projects Fund -- Base -- Rate -- Voter approval**
4133 **exception.**

4134 (1) Subject to the other provisions of this part, but no later than June 30, 2022, a
4135 county, city, or town may impose a sales and use tax of .25% on the transactions described in
4136 Subsection 59-12-103(1) located within the county, city, or town.

4137 (2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax
4138 under this section shall expend the revenues collected from the sales and use tax:

4139 (a) to fund a system for public transit;

4140 (b) to fund a project or service related to an airport facility for the portion of the project
4141 or service that is performed within the county, city, or town within which the sales and use tax
4142 is imposed:

4143 (i) for a county that imposes the sales and use tax, if the airport facility is part of the
4144 regional transportation plan of the area metropolitan planning organization if a metropolitan
4145 planning organization exists for the area; or

4146 (ii) for a city or town that imposes the sales and use tax, if:

4147 (A) that city or town is located within a county of the second class;

4148 (B) that city or town owns or operates the airport facility; and

4149 (C) an airline is headquartered in that city or town; or

4150 (c) for a combination of Subsections (2)(a) and (b).

4151 (3) A county of the first class that imposes a sales and use tax under this section shall
4152 expend the revenues collected from the sales and use tax as follows:

4153 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund
4154 a system for public transit; and

4155 (b) 20% of the revenues collected from the sales and use tax shall be deposited into the
4156 County of the First Class Highway Projects Fund created by Section 72-2-121.

4157 (4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
4158 required to submit an opinion question to the county's, city's, or town's registered voters in
4159 accordance with Section 59-12-2208 to impose a sales and use tax under this section if:

4160 (a) the county, city, or town imposes the sales and use tax under this section on or after
4161 July 1, 2010, but on or before July 1, 2011;

4162 (b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:

4163 (i) Section 59-12-2213; or

4164 (ii) Section 59-12-2215; and

4165 (c) the county, city, or town obtained voter approval to impose the sales and use tax
4166 under:

4167 (i) Section 59-12-2213; or

4168 (ii) Section 59-12-2215.

4169 (5) Notwithstanding the deadline described in Subsection (1), any tax imposed under
4170 this section before July 1, 2022, may remain in effect.

4171 Section 34. Section 59-12-2215 is amended to read:

4172 **59-12-2215. City or town option sales and use tax for highways or to fund a**
4173 **system for public transit -- Base -- Rate.**

4174 (1) Subject to the other provisions of this part, but no later than June 30, 2022, a city or
4175 town may impose a sales and use tax of up to .30% on the transactions described in Subsection
4176 59-12-103(1) located within the city or town.

4177 (2) A city or town imposing a sales and use tax under this section shall expend the
4178 revenues collected from the sales and use tax:

4179 (a) for the construction and maintenance of highways under the jurisdiction of the city

4180 or town imposing the tax;

4181 (b) to fund a system for public transit; or

4182 (c) for a combination of Subsections (2)(a) and (b).

4183 (3) Notwithstanding the deadline described in Subsection (1), any tax imposed under

4184 this section before July 1, 2022, may remain in effect.

4185 Section 35. Section **59-12-2216** is amended to read:

4186 **59-12-2216. County option sales and use tax for a fixed guideway, to fund a**
4187 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**
4188 **revenues.**

4189 (1) Subject to the other provisions of this part, but no later than June 30, 2022, a county
4190 legislative body may impose a sales and use tax of up to .30% on the transactions described in
4191 Subsection **59-12-103**(1) within the county, including the cities and towns within the county.

4192 (2) Subject to Subsection (3), before obtaining voter approval in accordance with
4193 Section **59-12-2208**, a county legislative body shall adopt a resolution specifying the
4194 percentage of revenues the county will receive from the sales and use tax under this section that
4195 will be allocated to fund one or more of the following:

4196 (a) a project or service relating to a fixed guideway for the portion of the project or
4197 service that is performed within the county;

4198 (b) a project or service relating to a system for public transit, except for a fixed
4199 guideway, for the portion of the project or service that is performed within the county;

4200 (c) the following relating to a state highway within the county:

4201 (i) a project within the county if the project:

4202 (A) begins on or after the day on which a county legislative body imposes a tax under
4203 this section; and

4204 (B) involves an environmental study, an improvement, new construction, or a
4205 renovation;

4206 (ii) debt service on a project described in Subsection (2)(c)(i); or

4207 (iii) bond issuance costs related to a project described in Subsection (2)(c)(i); or

4208 (d) a project, debt service, or bond issuance cost described in Subsection (2)(c) relating
4209 to a highway that is:

4210 (i) a principal arterial highway or minor arterial highway;

- 4211 (ii) included in a metropolitan planning organization's regional transportation plan; and
4212 (iii) not a state highway.
- 4213 (3) A county legislative body shall in the resolution described in Subsection (2)
4214 allocate 100% of the revenues the county will receive from the sales and use tax under this
4215 section for one or more of the purposes described in Subsection (2).
- 4216 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section
4217 59-12-2208 shall state the allocations the county legislative body makes in accordance with this
4218 section.
- 4219 (5) The revenues collected from a sales and use tax under this section shall be:
- 4220 (a) allocated in accordance with the allocations specified in the resolution under
4221 Subsection (2); and
4222 (b) expended as provided in this section.
- 4223 (6) If a county legislative body allocates revenues collected from a sales and use tax
4224 under this section for a state highway project described in Subsection (2)(c)(i), before
4225 beginning the state highway project within the county, the county legislative body shall:
- 4226 (a) obtain approval from the Transportation Commission to complete the project; and
4227 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter
4228 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.
- 4229 (7) If after a county legislative body imposes a sales and use tax under this section the
4230 county legislative body seeks to change an allocation specified in the resolution under
4231 Subsection (2), the county legislative body may change the allocation by:
- 4232 (a) adopting a resolution in accordance with Subsection (2) specifying the percentage
4233 of revenues the county will receive from the sales and use tax under this section that will be
4234 allocated to fund one or more of the items described in Subsection (2);
4235 (b) obtaining approval to change the allocation of the sales and use tax by a majority of
4236 all of the members of the county legislative body; and
4237 (c) subject to Subsection (8):
4238 (i) in accordance with Section 59-12-2208, submitting an opinion question to the
4239 county's registered voters voting on changing the allocation so that each registered voter has the
4240 opportunity to express the registered voter's opinion on whether the allocation should be
4241 changed; and

4242 (ii) in accordance with Section 59-12-2208, obtaining approval to change the allocation
4243 from a majority of the county's registered voters voting on changing the allocation.

4244 (8) Notwithstanding Section 59-12-2208, the opinion question required by Subsection
4245 (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with
4246 Subsection (7)(a) and approved by the county legislative body in accordance with Subsection
4247 (7)(b).

4248 (9) Revenues collected from a sales and use tax under this section that a county
4249 allocates for a purpose described in Subsection (2)(c) shall be:

4250 (a) deposited into the Highway Projects Within Counties Fund created by Section
4251 72-2-121.1; and

4252 (b) expended as provided in Section 72-2-121.1.

4253 (10) (a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b),
4254 revenues collected from a sales and use tax under this section that a county allocates for a
4255 purpose described in Subsection (2)(d) shall be transferred to the Department of Transportation
4256 if the transfer of the revenues is required under an interlocal agreement:

4257 (i) entered into on or before January 1, 2010; and

4258 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

4259 (b) The Department of Transportation shall expend the revenues described in
4260 Subsection (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).

4261 (11) Notwithstanding the deadline described in Subsection (1), any tax imposed under
4262 this section before July 1, 2022, may remain in effect.

4263 Section 36. Section 59-12-2217 is amended to read:

4264 **59-12-2217. County option sales and use tax for transportation -- Base -- Rate --**
4265 **Written prioritization process -- Approval by county legislative body.**

4266 (1) Subject to the other provisions of this part, but no later than June 30, 2022, a county
4267 legislative body may impose a sales and use tax of up to .25% on the transactions described in
4268 Subsection 59-12-103(1) within the county, including the cities and towns within the county.

4269 (2) Subject to Subsections (3) through (8) and Section 59-12-2207, the revenues
4270 collected from a sales and use tax under this section may only be expended for:

4271 (a) a project or service:

4272 (i) relating to a regionally significant transportation facility for the portion of the

- 4273 project or service that is performed within the county;
- 4274 (ii) for new capacity or congestion mitigation if the project or service is performed
4275 within a county:
- 4276 (A) of the first or second class; or
- 4277 (B) if that county is part of an area metropolitan planning organization; and
- 4278 (iii) that is on a priority list:
- 4279 (A) created by the county's council of governments in accordance with Subsection (7);
- 4280 and
- 4281 (B) approved by the county legislative body in accordance with Subsection (7);
- 4282 (b) [~~corridor preservation for~~] a project or service described in Subsection (2)(a) as
4283 provided in Subsection (8); or
- 4284 (c) debt service or bond issuance costs related to a project or service described in
4285 Subsection (2)(a)(i) or (ii).
- 4286 (3) If a project or service described in Subsection (2) is for:
- 4287 (a) a principal arterial highway or a minor arterial highway in a county of the first or
4288 second class or a collector road in a county of the second class, that project or service shall be
4289 part of the:
- 4290 (i) county and municipal master plan; and
- 4291 (ii) (A) statewide long-range plan; or
- 4292 (B) regional transportation plan of the area metropolitan planning organization if a
4293 metropolitan planning organization exists for the area; or
- 4294 (b) a fixed guideway or an airport, that project or service shall be part of the regional
4295 transportation plan of the area metropolitan planning organization if a metropolitan planning
4296 organization exists for the area.
- 4297 (4) In a county of the first or second class, a regionally significant transportation
4298 facility project or service described in Subsection (2)(a)(i) shall have a funded year priority
4299 designation on a Statewide Transportation Improvement Program and Transportation
4300 Improvement Program if the project or service described in Subsection (2)(a)(i) is:
- 4301 (a) a principal arterial highway;
- 4302 (b) a minor arterial highway;
- 4303 (c) a collector road in a county of the second class; or

- 4304 (d) a major collector highway in a rural area.
- 4305 (5) Of the revenues collected from a sales and use tax imposed under this section
4306 within a county of the first [~~or second~~] class, 25% or more shall be expended for the purpose
4307 described in Subsection (2)(b).
- 4308 (6) (a) As provided in this Subsection (6), a council of governments shall:
- 4309 (i) develop a written prioritization process for the prioritization of projects to be funded
4310 by revenues collected from a sales and use tax under this section;
- 4311 (ii) create a priority list of regionally significant transportation facility projects or
4312 services described in Subsection (2)(a)(i) in accordance with Subsection (7); and
- 4313 (iii) present the priority list to the county legislative body for approval in accordance
4314 with Subsection (7).
- 4315 (b) The written prioritization process described in Subsection (6)(a)(i) shall include:
- 4316 (i) a definition of the type of projects to which the written prioritization process
4317 applies;
- 4318 (ii) subject to Subsection (6)(c), the specification of a weighted criteria system that the
4319 council of governments will use to rank proposed projects and how that weighted criteria
4320 system will be used to determine which proposed projects will be prioritized;
- 4321 (iii) the specification of data that is necessary to apply the weighted criteria system;
- 4322 (iv) application procedures for a project to be considered for prioritization by the
4323 council of governments; and
- 4324 (v) any other provision the council of governments considers appropriate.
- 4325 (c) The weighted criteria system described in Subsection (6)(b)(ii) shall include the
4326 following:
- 4327 (i) the cost effectiveness of a project;
- 4328 (ii) the degree to which a project will mitigate regional congestion;
- 4329 (iii) the compliance requirements of applicable federal laws or regulations;
- 4330 (iv) the economic impact of a project;
- 4331 (v) the degree to which a project will require tax revenues to fund maintenance and
4332 operation expenses; and
- 4333 (vi) any other provision the council of governments considers appropriate.
- 4334 (d) A council of governments of a county of the first or second class shall submit the

4335 written prioritization process described in Subsection (6)(a)(i) to the Executive Appropriations
4336 Committee for approval prior to taking final action on:

4337 (i) the written prioritization process; or

4338 (ii) any proposed amendment to the written prioritization process.

4339 (7) (a) A council of governments shall use the weighted criteria system adopted in the
4340 written prioritization process developed in accordance with Subsection (6) to create a priority
4341 list of regionally significant transportation facility projects or services for which revenues
4342 collected from a sales and use tax under this section may be expended.

4343 (b) Before a council of governments may finalize a priority list or the funding level of a
4344 project, the council of governments shall conduct a public meeting on:

4345 (i) the written prioritization process; and

4346 (ii) the merits of the projects that are prioritized as part of the written prioritization
4347 process.

4348 (c) A council of governments shall make the weighted criteria system ranking for each
4349 project prioritized as part of the written prioritization process publicly available before the
4350 public meeting required by Subsection (7)(b) is held.

4351 (d) If a council of governments prioritizes a project over another project with a higher
4352 rank under the weighted criteria system, the council of governments shall:

4353 (i) identify the reasons for prioritizing the project over another project with a higher
4354 rank under the weighted criteria system at the public meeting required by Subsection (7)(b);
4355 and

4356 (ii) make the reasons described in Subsection (7)(d)(i) publicly available.

4357 (e) Subject to Subsections (7)(f) and (g), after a council of governments finalizes a
4358 priority list in accordance with this Subsection (7), the council of governments shall:

4359 (i) submit the priority list to the county legislative body for approval; and

4360 (ii) obtain approval of the priority list from a majority of the members of the county
4361 legislative body.

4362 (f) A council of governments may only submit one priority list per calendar year to the
4363 county legislative body.

4364 (g) A county legislative body may only consider and approve one priority list submitted
4365 under Subsection (7)(e) per calendar year.

4366 ~~[(8) (a) Except as provided in Subsection (8)(b), revenues collected from a sales and~~
4367 ~~use tax under this section that a county allocates for a purpose described in Subsection (2)(b)~~
4368 ~~shall be:]~~

4369 ~~[(i) deposited in or transferred to the Local Highway and Transportation Corridor~~
4370 ~~Preservation Fund created by Section 72-2-117.5; and]~~

4371 ~~[(ii) expended as provided in Section 72-2-117.5:]~~

4372 ~~[(b)] (8) In a county of the first class, revenues collected from a sales and use tax under~~
4373 ~~this section that a county allocates for a purpose described in Subsection (2)(b) shall be:~~

4374 ~~[(i)] (a) deposited in or transferred to the County of the First Class Highway Projects~~
4375 ~~Fund created by Section 72-2-121; and~~

4376 ~~[(ii)] (b) expended as provided in Section 72-2-121.~~

4377 (9) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
4378 required to, submit an opinion question to the county's registered voters in accordance with
4379 Section 59-12-2208 to impose a sales and use tax under this section.

4380 (10) Notwithstanding the deadline described in Subsection (1), any tax imposed under
4381 this section before July 1, 2022, may remain in effect.

4382 Section 37. Section 59-12-2218 is amended to read:

4383 **59-12-2218. County, city, or town option sales and use tax for airports, highways,**
4384 **and systems for public transit -- Base -- Rate -- Administration of sales and use tax --**
4385 **Voter approval exception.**

4386 (1) Subject to the other provisions of this part, but no later than June 30, 2022, the
4387 following may impose a sales and use tax under this section:

4388 (a) if, on April 1, 2009, a county legislative body of a county of the second class
4389 imposes a sales and use tax under this section, the county legislative body of the county of the
4390 second class may impose the sales and use tax on the transactions:

4391 (i) described in Subsection 59-12-103(1); and

4392 (ii) within the county, including the cities and towns within the county; or

4393 (b) if, on April 1, 2009, a county legislative body of a county of the second class does
4394 not impose a sales and use tax under this section:

4395 (i) a city legislative body of a city within the county of the second class may impose a
4396 sales and use tax under this section on the transactions described in Subsection 59-12-103(1)

4397 within that city;

4398 (ii) a town legislative body of a town within the county of the second class may impose
4399 a sales and use tax under this section on the transactions described in Subsection 59-12-103(1)
4400 within that town; and

4401 (iii) the county legislative body of the county of the second class may impose a sales
4402 and use tax on the transactions described in Subsection 59-12-103(1):

4403 (A) within the county, including the cities and towns within the county, if on the date
4404 the county legislative body provides the notice described in Section 59-12-2209 to the
4405 commission stating that the county will enact a sales and use tax under this section, no city or
4406 town within that county imposes a sales and use tax under this section or has provided the
4407 notice described in Section 59-12-2209 to the commission stating that the city or town will
4408 enact a sales and use tax under this section; or

4409 (B) within the county, except for within a city or town within that county, if, on the
4410 date the county legislative body provides the notice described in Section 59-12-2209 to the
4411 commission stating that the county will enact a sales and use tax under this section, that city or
4412 town imposes a sales and use tax under this section or has provided the notice described in
4413 Section 59-12-2209 to the commission stating that the city or town will enact a sales and use
4414 tax under this section.

4415 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
4416 county, city, or town legislative body that imposes a sales and use tax under this section may
4417 impose the tax at a rate of:

4418 (a) .10%; or

4419 (b) .25%.

4420 (3) A sales and use tax imposed at a rate described in Subsection (2)(a) shall be
4421 expended as determined by the county, city, or town legislative body as follows:

4422 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
4423 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
4424 Section 72-2-121.2;

4425 (b) expended for a project or service relating to an airport facility for the portion of the
4426 project or service that is performed within the county, city, or town within which the tax is
4427 imposed:

4428 (i) for a county legislative body that imposes the sales and use tax, if that airport
4429 facility is part of the regional transportation plan of the area metropolitan planning organization
4430 if a metropolitan planning organization exists for the area; or

4431 (ii) for a city or town legislative body that imposes the sales and use tax, if:

4432 (A) that city or town owns or operates the airport facility; and

4433 (B) an airline is headquartered in that city or town; or

4434 (c) deposited or expended for a combination of Subsections (3)(a) and (b).

4435 (4) Subject to Subsections (5) through (7), a sales and use tax imposed at a rate
4436 described in Subsection (2)(b) shall be expended as determined by the county, city, or town
4437 legislative body as follows:

4438 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
4439 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
4440 Section 72-2-121.2;

4441 (b) expended for:

4442 (i) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;

4443 (ii) a local highway that is a principal arterial highway, minor arterial highway, major
4444 collector highway, or minor collector road; or

4445 (iii) a combination of Subsections (4)(b)(i) and (ii);

4446 (c) expended for a project or service relating to a system for public transit for the
4447 portion of the project or service that is performed within the county, city, or town within which
4448 the sales and use tax is imposed;

4449 (d) expended for a project or service relating to an airport facility for the portion of the
4450 project or service that is performed within the county, city, or town within which the sales and
4451 use tax is imposed:

4452 (i) for a county legislative body that imposes the sales and use tax, if that airport
4453 facility is part of the regional transportation plan of the area metropolitan planning organization
4454 if a metropolitan planning organization exists for the area; or

4455 (ii) for a city or town legislative body that imposes the sales and use tax, if:

4456 (A) that city or town owns or operates the airport facility; and

4457 (B) an airline is headquartered in that city or town;

4458 (e) expended for:

- 4459 (i) a class B road, as defined in Section 72-3-103;
- 4460 (ii) a class C road, as defined in Section 72-3-104; or
- 4461 (iii) a combination of Subsections (4)(e)(i) and (ii);
- 4462 (f) expended for traffic and pedestrian safety, including:
- 4463 (i) for a class B road, as defined in Section 72-3-103, or class C road, as defined in
- 4464 Section 72-3-104, for:
 - 4465 (A) a sidewalk;
 - 4466 (B) curb and gutter;
 - 4467 (C) a safety feature;
 - 4468 (D) a traffic sign;
 - 4469 (E) a traffic signal;
 - 4470 (F) street lighting; or
 - 4471 (G) a combination of Subsections (4)(f)(i)(A) through (F);
- 4472 (ii) the construction of an active transportation facility that:
 - 4473 (A) is for nonmotorized vehicles and multimodal transportation; and
 - 4474 (B) connects an origin with a destination; or
- 4475 (iii) a combination of Subsections (4)(f)(i) and (ii); or
- 4476 (g) deposited or expended for a combination of Subsections (4)(a) through (f).
- 4477 (5) A county, city, or town legislative body may not expend revenue collected within a
- 4478 county, city, or town from a tax under this section for a purpose described in Subsections (4)(b)
- 4479 through (f) unless the purpose is recommended by:
 - 4480 (a) for a county that is part of a metropolitan planning organization, the metropolitan
 - 4481 planning organization of which the county is a part; or
 - 4482 (b) for a county that is not part of a metropolitan planning organization, the council of
 - 4483 governments of which the county is a part.
- 4484 (6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes
- 4485 a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax rate of .05%
- 4486 as provided in Subsection (9)(b)(i) into the Local Highway and Transportation Corridor
- 4487 Preservation Fund created by Section 72-2-117.5.
- 4488 (ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and
- 4489 distributed in accordance with Section 72-2-117.5.

4490 (b) A county, city, or town is not required to make the deposit required by Subsection
4491 (6)(a)(i) if the county, city, or town:

4492 (i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or

4493 (ii) has continuously imposed a tax described in Subsection (2)(b):

4494 (A) beginning after July 1, 2010; and

4495 (B) for a five-year period.

4496 (7) (a) Subject to the other provisions of this Subsection (7), a city or town within
4497 which a sales and use tax is imposed at the tax rate described in Subsection (2)(b) may:

4498 (i) expend the revenues in accordance with Subsection (4); or

4499 (ii) expend the revenues in accordance with Subsections (7)(b) through (d) if:

4500 (A) that city or town owns or operates an airport facility; and

4501 (B) an airline is headquartered in that city or town.

4502 (b) (i) A city or town legislative body of a city or town within which a sales and use tax
4503 is imposed at the tax rate described in Subsection (2)(b) may expend the revenues collected
4504 from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of
4505 .25% for a purpose described in Subsection (7)(b)(ii) if:

4506 (A) that city or town owns or operates an airport facility; and

4507 (B) an airline is headquartered in that city or town.

4508 (ii) A city or town described in Subsection (7)(b)(i) may expend the revenues collected
4509 from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of
4510 .25% for:

4511 (A) a project or service relating to the airport facility; and

4512 (B) the portion of the project or service that is performed within the city or town
4513 imposing the sales and use tax.

4514 (c) If a city or town legislative body described in Subsection (7)(b)(i) determines to
4515 expend the revenues collected from a tax rate of greater than .10% but not to exceed the
4516 revenues collected from a tax rate of .25% for a project or service relating to an airport facility
4517 as allowed by Subsection (7)(b), any remaining revenue that is collected from the sales and use
4518 tax imposed at the tax rate described in Subsection (2)(b) that is not expended for the project or
4519 service relating to an airport facility as allowed by Subsection (7)(b) shall be expended as
4520 follows:

4521 (i) 75% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
4522 into the County of the Second Class State Highway Projects Fund created by Section
4523 72-2-121.2 and expended as provided in Section 72-2-121.2; and

4524 (ii) 25% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
4525 into the Local Highway and Transportation Corridor Preservation Fund created by Section
4526 72-2-117.5 and expended and distributed in accordance with Section 72-2-117.5.

4527 (d) A city or town legislative body that expends the revenues collected from a sales and
4528 use tax imposed at the tax rate described in Subsection (2)(b) in accordance with Subsections
4529 (7)(b) and (c):

4530 (i) shall, on or before the date the city or town legislative body provides the notice
4531 described in Section 59-12-2209 to the commission stating that the city or town will enact a
4532 sales and use tax under this section:

4533 (A) determine the tax rate, the percentage of which is greater than .10% but does not
4534 exceed .25%, the collections from which the city or town legislative body will expend for a
4535 project or service relating to an airport facility as allowed by Subsection (7)(b); and

4536 (B) notify the commission in writing of the tax rate the city or town legislative body
4537 determines in accordance with Subsection (7)(d)(i)(A);

4538 (ii) shall, on or before the April 1 immediately following the date the city or town
4539 legislative body provides the notice described in Subsection (7)(d)(i) to the commission:

4540 (A) determine the tax rate, the percentage of which is greater than .10% but does not
4541 exceed .25%, the collections from which the city or town legislative body will expend for a
4542 project or service relating to an airport facility as allowed by Subsection (7)(b); and

4543 (B) notify the commission in writing of the tax rate the city or town legislative body
4544 determines in accordance with Subsection (7)(d)(ii)(A);

4545 (iii) shall, on or before April 1 of each year after the April 1 described in Subsection
4546 (7)(d)(ii):

4547 (A) determine the tax rate, the percentage of which is greater than .10% but does not
4548 exceed .25%, the collections from which the city or town legislative body will expend for a
4549 project or service relating to an airport facility as allowed by Subsection (7)(b); and

4550 (B) notify the commission in writing of the tax rate the city or town legislative body
4551 determines in accordance with Subsection (7)(d)(iii)(A); and

4552 (iv) may not change the tax rate the city or town legislative body determines in
4553 accordance with Subsections (7)(d)(i) through (iii) more frequently than as prescribed by
4554 Subsections (7)(d)(i) through (iii).

4555 (8) Before a city or town legislative body may impose a sales and use tax under this
4556 section, the city or town legislative body shall provide a copy of the notice described in Section
4557 [59-12-2209](#) that the city or town legislative body provides to the commission:

4558 (a) to the county legislative body within which the city or town is located; and

4559 (b) at the same time as the city or town legislative body provides the notice to the
4560 commission.

4561 (9) (a) Subject to Subsections (9)(b) through (e) and Section [59-12-2207](#), the
4562 commission shall transmit revenues collected within a county, city, or town from a tax under
4563 this part that will be expended for a purpose described in Subsection (3)(b) or Subsections
4564 (4)(b) through (f) to the county, city, or town legislative body in accordance with Section
4565 [59-12-2206](#).

4566 (b) Except as provided in Subsection (9)(c) and subject to Section [59-12-2207](#), the
4567 commission shall deposit revenues collected within a county, city, or town from a sales and use
4568 tax under this section that:

4569 (i) are required to be expended for a purpose described in Subsection (6)(a) into the
4570 Local Transportation Corridor Preservation Fund created by Section [72-2-117.5](#); or

4571 (ii) a county, city, or town legislative body determines to expend for a purpose
4572 described in Subsection (3)(a) or (4)(a) into the County of the Second Class State Highway
4573 Projects Fund created by Section [72-2-121.2](#) if the county, city, or town legislative body
4574 provides written notice to the commission requesting the deposit.

4575 (c) Subject to Subsection (9)(d) or (e), if a city or town legislative body provides notice
4576 to the commission in accordance with Subsection (7)(d), the commission shall:

4577 (i) transmit the revenues collected from the tax rate stated on the notice to the city or
4578 town legislative body monthly by electronic funds transfer; and

4579 (ii) deposit any remaining revenues described in Subsection (7)(c) in accordance with
4580 Subsection (7)(c).

4581 (d) (i) If a city or town legislative body provides the notice described in Subsection
4582 (7)(d)(i) to the commission, the commission shall transmit or deposit the revenues collected

4583 from the sales and use tax:

4584 (A) in accordance with Subsection (9)(c);

4585 (B) beginning on the date the city or town legislative body enacts the sales and use tax;

4586 and

4587 (C) ending on the earlier of the June 30 immediately following the date the city or town
4588 legislative body provides the notice described in Subsection (7)(d)(ii) to the commission or the
4589 date the city or town legislative body repeals the sales and use tax.

4590 (ii) If a city or town legislative body provides the notice described in Subsection
4591 (7)(d)(ii) or (iii) to the commission, the commission shall transmit or deposit the revenues
4592 collected from the sales and use tax:

4593 (A) in accordance with Subsection (9)(c);

4594 (B) beginning on the July 1 immediately following the date the city or town legislative
4595 body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission; and

4596 (C) ending on the earlier of the June 30 of the year after the date the city or town
4597 legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission
4598 or the date the city or town legislative body repeals the sales and use tax.

4599 (e) (i) If a city or town legislative body that is required to provide the notice described
4600 in Subsection (7)(d)(i) does not provide the notice described in Subsection (7)(d)(i) to the
4601 commission on or before the date required by Subsection (7)(d) for providing the notice, the
4602 commission shall transmit, transfer, or deposit the revenues collected from the sales and use
4603 tax within the city or town in accordance with Subsections (9)(a) and (b).

4604 (ii) If a city or town legislative body that is required to provide the notice described in
4605 Subsection (7)(d)(ii) or (iii) does not provide the notice described in Subsection (7)(d)(ii) or
4606 (iii) to the commission on or before the date required by Subsection (7)(d) for providing the
4607 notice, the commission shall transmit or deposit the revenues collected from the sales and use
4608 tax within the city or town in accordance with:

4609 (A) Subsection (9)(c); and

4610 (B) the most recent notice the commission received from the city or town legislative
4611 body under Subsection (7)(d).

4612 (10) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may,
4613 but is not required to, submit an opinion question to the county's, city's, or town's registered

4614 voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under this section.

4615 (11) Notwithstanding the deadline described in Subsection (1), any tax imposed under
4616 this section before July 1, 2022, may remain in effect.

4617 Section 38. Section **59-12-2219** is amended to read:

4618 **59-12-2219. County option sales and use tax for highways and public transit --**
4619 **Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant**
4620 **existing budgeted transportation revenue.**

4621 (1) As used in this section:

4622 (a) "Class B road" means the same as that term is defined in Section [72-3-103](#).

4623 (b) "Class C road" means the same as that term is defined in Section [72-3-104](#).

4624 (c) "Eligible political subdivision" means a political subdivision that:

4625 (i) (A) on May 12, 2015, provides public transit services; or

4626 (B) after May 12, 2015, provides written notice to the commission in accordance with
4627 Subsection (10)(b) that it intends to provide public transit service within a county;

4628 (ii) is not a public transit district; and

4629 (iii) is not annexed into a public transit district.

4630 (d) "Public transit district" means a public transit district organized under Title 17B,
4631 Chapter 2a, Part 8, Public Transit District Act.

4632 (2) (a) Subject to the other provisions of this part and Subsection (2)(b), but no later
4633 than June 30, 2022, a county legislative body may impose a sales and use tax of .25% on the
4634 transactions described in Subsection [59-12-103](#)(1) within the county, including the cities and
4635 towns within the county.

4636 (b) (i) If on December 1, 2019, a county legislative body of a county of the second
4637 class has not imposed a sales and use tax under this section, subject to the provisions of this
4638 part, but no later than June 30, 2022, the legislative body of a city or town within a county of
4639 the second class may impose a sales and use tax of .10% on the transactions described in
4640 Subsection [59-12-103](#)(1) within that city or town.

4641 (ii) Except as provided in Subsection (2)(b)(iv), the commission shall distribute the
4642 sales and use tax revenue collected in a city or town described in Subsection (2)(b)(i) to the city
4643 or town to be used in accordance with Subsection (11).

4644 (iii) If a city or town imposes the sales and use tax described in Subsection (2)(b)(i), a

4645 county may subsequently impose a sales and use tax for that portion of the county within that
4646 city or town at a tax rate of .15%.

4647 (iv) If a city or town imposes the sales and use tax described in Subsection (2)(b)(i),
4648 and the respective county subsequently imposes a sales and use tax as described in Subsection
4649 (2)(b)(iii), the commission shall distribute the sales and use tax revenue in accordance with the
4650 following, as applicable:

4651 (A) Subsection (4)(b);

4652 (B) Subsection (5)(a)(ii);

4653 (C) Subsection (5)(b)(ii);

4654 (D) Subsection (6)(a)(ii); or

4655 (E) Subsection (6)(b)(ii).

4656 (v) If the county subsequently imposes a sales and use tax as described in Subsection
4657 (2)(b)(iii), the commission shall distribute the sales and use tax revenue from the county
4658 imposition of a .15% rate in accordance with the following, as applicable:

4659 (A) Subsections (4)(a) and (c);

4660 (B) Subsections (5)(a)(i) and (iii);

4661 (C) Subsections (5)(b)(i) and (iii);

4662 (D) Subsections (6)(a)(i) and (iii); and

4663 (E) Subsections (6)(b)(i) and (iii).

4664 (3) The commission shall distribute sales and use tax revenue collected under this
4665 section as provided in Subsections (4) through (10).

4666 (4) If the entire boundary of a county that imposes a sales and use tax under this section
4667 is annexed into a single public transit district, the commission shall distribute the sales and use
4668 tax revenue collected within the county as follows:

4669 (a) .10% shall be transferred to the public transit district in accordance with Section
4670 [59-12-2206](#);

4671 (b) .10% shall be distributed as provided in Subsection (8); and

4672 (c) .05% shall be distributed to the county legislative body.

4673 (5) If the entire boundary of a county that imposes a sales and use tax under this section
4674 is not annexed into a single public transit district, but a city or town within the county is
4675 annexed into a single public transit district that also has a county of the first class annexed into

4676 the same public transit district, the commission shall distribute the sales and use tax revenue
4677 collected within the county as follows:

4678 (a) for a city or town within the county that is annexed into a single public transit
4679 district, the commission shall distribute the sales and use tax revenue collected within that city
4680 or town as follows:

4681 (i) .10% shall be transferred to the public transit district in accordance with Section
4682 [59-12-2206](#);

4683 (ii) .10% shall be distributed as provided in Subsection (8); and

4684 (iii) .05% shall be distributed to the county legislative body;

4685 (b) for an eligible political subdivision within the county, the commission shall
4686 distribute the sales and use tax revenue collected within that eligible political subdivision as
4687 follows:

4688 (i) .10% shall be transferred to the eligible political subdivision in accordance with
4689 Section [59-12-2206](#);

4690 (ii) .10% shall be distributed as provided in Subsection (8); and

4691 (iii) .05% shall be distributed to the county legislative body; and

4692 (c) the commission shall distribute the sales and use tax revenue, except for the sales
4693 and use tax revenue described in Subsections (5)(a) and (b), as follows:

4694 (i) .10% shall be distributed as provided in Subsection (8); and

4695 (ii) .15% shall be distributed to the county legislative body.

4696 (6) For a county not described in Subsection (4) or (5), if the entire boundary of a
4697 county of the first or second class that imposes a sales and use tax under this section is not
4698 annexed into a single public transit district, or if there is not a public transit district within the
4699 county, the commission shall distribute the sales and use tax revenue collected within the
4700 county as follows:

4701 (a) for a city or town within the county that is annexed into a single public transit
4702 district, the commission shall distribute the sales and use tax revenue collected within that city
4703 or town as follows:

4704 (i) .10% shall be transferred to the public transit district in accordance with Section
4705 [59-12-2206](#);

4706 (ii) .10% shall be distributed as provided in Subsection (8); and

4707 (iii) .05% shall be distributed to the county legislative body;

4708 (b) for an eligible political subdivision within the county, the commission shall

4709 distribute the sales and use tax revenue collected within that eligible political subdivision as

4710 follows:

4711 (i) .10% shall be transferred to the eligible political subdivision in accordance with

4712 Section [59-12-2206](#);

4713 (ii) .10% shall be distributed as provided in Subsection (8); and

4714 (iii) .05% shall be distributed to the county legislative body; and

4715 (c) the commission shall distribute the sales and use tax revenue, except for the sales

4716 and use tax revenue described in Subsections (6)(a) and (b), as follows:

4717 (i) .10% shall be distributed as provided in Subsection (8); and

4718 (ii) .15% shall be distributed to the county legislative body.

4719 (7) For a county not described in Subsection (4) or (5), if the entire boundary of a

4720 county of the third, fourth, fifth, or sixth class that imposes a sales and use tax under this

4721 section is not annexed into a single public transit district, or if there is not a public transit

4722 district within the county, the commission shall distribute the sales and use tax revenue

4723 collected within the county as follows:

4724 (a) for a city or town within the county that is annexed into a single public transit

4725 district, the commission shall distribute the sales and use tax revenue collected within that city

4726 or town as follows:

4727 (i) .10% shall be distributed as provided in Subsection (8);

4728 (ii) .10% shall be distributed as provided in Subsection (9); and

4729 (iii) .05% shall be distributed to the county legislative body;

4730 (b) for an eligible political subdivision within the county, the commission shall

4731 distribute the sales and use tax revenue collected within that eligible political subdivision as

4732 follows:

4733 (i) .10% shall be distributed as provided in Subsection (8);

4734 (ii) .10% shall be distributed as provided in Subsection (9); and

4735 (iii) .05% shall be distributed to the county legislative body; and

4736 (c) the commission shall distribute the sales and use tax revenue, except for the sales

4737 and use tax revenue described in Subsections (7)(a) and (b), as follows:

4738 (i) .10% shall be distributed as provided in Subsection (8); and

4739 (ii) .15% shall be distributed to the county legislative body.

4740 (8) (a) Subject to Subsection (8)(b), the commission shall make the distributions
4741 required by Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i),
4742 (7)(a)(i), (7)(b)(i), (7)(c)(i), and (9)(d)(ii)(A) as follows:

4743 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),
4744 (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), and (9)(d)(ii)(A) within the
4745 counties that impose a tax under this section shall be distributed to the unincorporated areas,
4746 cities, and towns within those counties on the basis of the percentage that the population of
4747 each unincorporated area, city, or town bears to the total population of all of the counties that
4748 impose a tax under this section; and

4749 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),
4750 (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), and (9)(d)(ii)(A) within the
4751 counties that impose a tax under this section shall be distributed to the unincorporated areas,
4752 cities, and towns within those counties on the basis of the location of the transaction as
4753 determined under Sections [59-12-211](#) through [59-12-215](#).

4754 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis
4755 of the most recent official census or census estimate of the United States Census Bureau.

4756 (ii) If a needed population estimate is not available from the United States Census
4757 Bureau, population figures shall be derived from an estimate from the Utah Population
4758 Estimates Committee created by executive order of the governor.

4759 (9) (a) (i) Subject to the requirements in Subsections (9)(b) and (c), a county legislative
4760 body:

4761 (A) for a county that obtained approval from a majority of the county's registered
4762 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,
4763 may, in consultation with any cities, towns, or eligible political subdivisions within the county,
4764 and in compliance with the requirements for changing an allocation under Subsection (9)(e),
4765 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
4766 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
4767 public transit district or an eligible political subdivision; or

4768 (B) for a county that obtains approval from a majority of the county's registered voters

4769 voting on the imposition of a sales and use tax under this section on or after May 10, 2016,
4770 shall, in consultation with any cities, towns, or eligible political subdivisions within the county,
4771 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
4772 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
4773 public transit district or an eligible political subdivision.

4774 (ii) If a county described in Subsection (9)(a)(i)(A) does not allocate the revenue under
4775 Subsection (7)(a)(ii) or (7)(b)(ii) in accordance with Subsection (9)(a)(i)(A), the commission
4776 shall distribute 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to:

4777 (A) a public transit district for a city or town within the county that is annexed into a
4778 single public transit district; or

4779 (B) an eligible political subdivision within the county.

4780 (b) If a county legislative body allocates the revenue as described in Subsection
4781 (9)(a)(i), the county legislative body shall allocate not less than 25% of the revenue under
4782 Subsection (7)(a)(ii) or (7)(b)(ii) to:

4783 (i) a public transit district for a city or town within the county that is annexed into a
4784 single public transit district; or

4785 (ii) an eligible political subdivision within the county.

4786 (c) Notwithstanding Section [59-12-2208](#), the opinion question required by Section
4787 [59-12-2208](#) shall state the allocations the county legislative body makes in accordance with this
4788 Subsection (9).

4789 (d) The commission shall make the distributions required by Subsection (7)(a)(ii) or
4790 (7)(b)(ii) as follows:

4791 (i) the percentage specified by a county legislative body shall be distributed in
4792 accordance with a resolution adopted by a county legislative body under Subsection (9)(a) to an
4793 eligible political subdivision or a public transit district within the county; and

4794 (ii) except as provided in Subsection (9)(a)(ii), if a county legislative body allocates
4795 less than 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to a public transit district
4796 or an eligible political subdivision, the remainder of the revenue under Subsection (7)(a)(ii) or
4797 (7)(b)(ii) not allocated by a county legislative body through a resolution under Subsection
4798 (9)(a) shall be distributed as follows:

4799 (A) 50% of the revenue as provided in Subsection (8); and

4800 (B) 50% of the revenue to the county legislative body.

4801 (e) If a county legislative body seeks to change an allocation specified in a resolution
4802 under Subsection (9)(a), the county legislative body may change the allocation by:

4803 (i) adopting a resolution in accordance with Subsection (9)(a) specifying the percentage
4804 of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a public transit
4805 district or an eligible political subdivision;

4806 (ii) obtaining approval to change the allocation of the sales and use tax by a majority of
4807 all the members of the county legislative body; and

4808 (iii) subject to Subsection (9)(f):

4809 (A) in accordance with Section 59-12-2208, submitting an opinion question to the
4810 county's registered voters voting on changing the allocation so that each registered voter has the
4811 opportunity to express the registered voter's opinion on whether the allocation should be
4812 changed; and

4813 (B) in accordance with Section 59-12-2208, obtaining approval to change the
4814 allocation from a majority of the county's registered voters voting on changing the allocation.

4815 (f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection
4816 (9)(e)(iii)(A) shall state the allocations specified in the resolution adopted in accordance with
4817 Subsection (9)(e) and approved by the county legislative body in accordance with Subsection
4818 (9)(e)(ii).

4819 (g) (i) If a county makes an allocation by adopting a resolution under Subsection (9)(a)
4820 or changes an allocation by adopting a resolution under Subsection (9)(e), the allocation shall
4821 take effect on the first distribution the commission makes under this section after a 90-day
4822 period that begins on the date the commission receives written notice meeting the requirements
4823 of Subsection (9)(g)(ii) from the county.

4824 (ii) The notice described in Subsection (9)(g)(i) shall state:

4825 (A) that the county will make or change the percentage of an allocation under
4826 Subsection (9)(a) or (e); and

4827 (B) the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be
4828 allocated to a public transit district or an eligible political subdivision.

4829 (10) (a) If a public transit district is organized after the date a county legislative body
4830 first imposes a tax under this section, a change in a distribution required by this section may

4831 not take effect until the first distribution the commission makes under this section after a
4832 90-day period that begins on the date the commission receives written notice from the public
4833 transit district of the organization of the public transit district.

4834 (b) If an eligible political subdivision intends to provide public transit service within a
4835 county after the date a county legislative body first imposes a tax under this section, a change
4836 in a distribution required by this section may not take effect until the first distribution the
4837 commission makes under this section after a 90-day period that begins on the date the
4838 commission receives written notice from the eligible political subdivision stating that the
4839 eligible political subdivision intends to provide public transit service within the county.

4840 (11) A county, city, or town may expend revenue collected from a tax under this
4841 section, except for revenue the commission distributes in accordance with Subsection (4)(a),
4842 (5)(a)(i), (5)(b)(i), or (9)(d)(i) for:

4843 (a) a class B road;

4844 (b) a class C road;

4845 (c) traffic and pedestrian safety, including for a class B road or class C road, for:

4846 (i) a sidewalk;

4847 (ii) curb and gutter;

4848 (iii) a safety feature;

4849 (iv) a traffic sign;

4850 (v) a traffic signal;

4851 (vi) street lighting; or

4852 (vii) a combination of Subsections (11)(c)(i) through (vi);

4853 (d) the construction, maintenance, or operation of an active transportation facility that
4854 is for nonmotorized vehicles and multimodal transportation and connects an origin with a
4855 destination;

4856 (e) public transit system services; or

4857 (f) a combination of Subsections (11)(a) through (e).

4858 (12) A public transit district or an eligible political subdivision may expend revenue
4859 the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), (5)(b)(i), or (9)(d)(i)
4860 for capital expenses and service delivery expenses of the public transit district or eligible
4861 political subdivision.

4862 (13) (a) Revenue collected from a sales and use tax under this section may not be used
4863 to supplant existing general fund appropriations that a county, city, or town has budgeted for
4864 transportation as of the date the tax becomes effective for a county, city, or town.

4865 (b) The limitation under Subsection (13)(a) does not apply to a designated
4866 transportation capital or reserve account a county, city, or town may have established prior to
4867 the date the tax becomes effective.

4868 (14) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may,
4869 but is not required to, submit an opinion question to the county's, city's, or town's registered
4870 voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

4871 (15) Notwithstanding the deadline described in Subsection (2), any tax imposed under
4872 this section before July 1, 2022, may remain in effect.

4873 Section 39. Section 59-12-2220 is enacted to read:

4874 **59-12-2220. County, city, or town option sales and use tax to fund a system for**
4875 **public transit or highways -- Base -- Rate.**

4876 (1) Subject to the other provisions of this part and subject to the requirements of this
4877 section, beginning on July 1, 2019, but no later than June 30, 2022, the following may impose a
4878 sales and use tax under this section:

4879 (a) if the county, city, or town is annexed into a large public transit district:

4880 (i) (A) a county legislative body may impose the sales and use tax on the transactions
4881 described in Subsection 59-12-103(1) located within the county, including the cities and towns
4882 within the county; or

4883 (B) a city or town legislative body may impose the sales and use tax on the transactions
4884 described in Subsection 59-12-103(1) located within the city or town;

4885 (ii) the county, city, or town legislative body may impose the sales and use tax if the
4886 county, city, or town has imposed the maximum amount of sales and use tax authorizations
4887 allowed pursuant to Section 59-12-2203 and authorized under the following sections:

4888 (A) Section 59-12-2213;

4889 (B) Section 59-12-2214;

4890 (C) Section 59-12-2215;

4891 (D) Section 59-12-2216;

4892 (E) Section 59-12-2217;

4893 (F) Section 59-12-2218; and
4894 (G) Section 59-12-2219; and
4895 (iii) the county, city, or town legislative body may impose the sales and use tax if the
4896 county, city, or town imposes the sales and use tax under this section on or before June 30,
4897 2022; or
4898 (b) if the county, city, or town is not annexed into a large public transit district:
4899 (i) a county legislative body may impose the sales and use tax on the transactions
4900 described in Subsection 59-12-103(1) located within the county, including the cities and town
4901 within the county; or
4902 (ii) a city or town legislative body may impose the sales and use tax on the transactions
4903 described in Subsection 59-12-103(1) located within the city or town.
4904 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
4905 county, city, or town legislative body that imposes a sales and use tax under this section may
4906 impose the tax at a rate of up to .25%.
4907 (3) Subject to Subsections (4) and (5), a county, city, or town imposing a sales and use
4908 tax under this section shall expend the revenues collected from the sales and use tax for:
4909 (a) the construction, maintenance, or operation of a highway;
4910 (b) traffic and pedestrian safety, including for a highway:
4911 (i) a sidewalk;
4912 (ii) curb and gutter;
4913 (iii) a safety feature;
4914 (iv) a traffic sign;
4915 (v) a traffic signal;
4916 (vi) street lighting; or
4917 (vii) a combination of Subsections (3)(b)(i) through (vi);
4918 (c) to fund a public transit system; or
4919 (d) for a combination of Subsections (3)(a) through (c).
4920 (4) If the county, city, or town is annexed into a large public transit district, the county,
4921 city, or town may expend an amount not to exceed an amount equal to the revenue generated
4922 from a .45% tax rate on the transactions described in Subsection 59-12-103(1) from the total
4923 revenue generated by all the sales and use taxes authorized and imposed under this part by the

4924 county, city, or town for a purpose described in Subsection (3)(a) or (b).

4925 (5) A county shall allocate revenue generated by the sales and use tax imposed under
4926 this section in accordance with the requirements of Section 59-12-2221.

4927 (6) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may,
4928 but is not required to, submit an opinion question to the county's, city's, or town's registered
4929 voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

4930 (7) Notwithstanding the deadline described in Subsection (1), any tax imposed under
4931 this section before July 1, 2022, may remain in effect.

4932 (8) (a) Revenue collected from a sales and use tax under this section may not be used
4933 to supplant existing general fund appropriations that a county, city, or town has budgeted for
4934 transportation or public transit as of the date the tax becomes effective for a county, city, or
4935 town.

4936 (b) The limitation under Subsection (8)(a) does not apply to a designated transportation
4937 or public transit capital or reserve account a county, city, or town may have established prior to
4938 the date the tax becomes effective.

4939 Section 40. Section 59-12-2221 is enacted to read:

4940 **59-12-2221. Allocation and prioritization of sales and use tax revenue imposed by**
4941 **a county.**

4942 (1) Subject to the restriction in Subsection 59-12-2220(4), and subject to Subsection
4943 59-12-2203(6), for any revenue generated by a sales and use tax imposed by a county under this
4944 part, the allocation of which is not otherwise specifically described and in this part, the revenue
4945 shall be deposited into a fund within the county in which the tax was imposed and allocated as
4946 described in this section.

4947 (2) Each county imposing a sales and use tax authorized in this section shall create a
4948 county transportation committee as described in Subsection (3) to review proposed
4949 transportation, and, as applicable, public transit projects, and rank projects for allocation of
4950 funds.

4951 (3) (a) Under the direction of the county legislative body, each county shall create a
4952 county transportation committee composed of members selected from:

4953 (i) chief executive officers of cities and towns within the county;

4954 (ii) city managers of cities and towns within the county; and

4955 (iii) members of the county legislative body.

4956 (b) In addition to the individuals described in Subsection (3)(a), a county legislative
4957 body may appoint to the county transportation committee other parties with expertise in
4958 transportation planning and funding.

4959 (4) The county transportation committee shall evaluate and rank each proposed public
4960 transit project and regionally significant transportation facility project according to criteria
4961 developed pursuant to Subsection [59-12-2217\(6\)](#).

4962 (5) (a) After the review and ranking of each project as described in this section, the
4963 county transportation committee shall report and recommend the ranked list of projects to the
4964 county legislative body.

4965 (b) After review of the recommended list of projects, the county legislative body shall
4966 review the list of projects and, as funds are available, vote to approve funding for the proposed
4967 projects.

4968 Section 41. Section **59-13-201** is amended to read:

4969 **59-13-201. Rate -- Tax basis -- Exemptions -- Revenue deposited into the**
4970 **Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of tax**
4971 **in limited circumstances.**

4972 (1) (a) Subject to the provisions of this section and except as provided in Subsection
4973 (1)(e), a tax is imposed at the rate of [~~16.5%~~] 36.5% of the statewide average rack price of a
4974 gallon of motor fuel per gallon upon all motor fuel that is sold, used, or received for sale or
4975 used in this state.

4976 (b) (i) Until December 31, 2018, and subject to the requirements under Subsection
4977 (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall
4978 be determined by calculating the previous fiscal year statewide average rack price of a gallon of
4979 regular unleaded motor fuel, excluding federal and state excise taxes, for the 12 months ending
4980 on the previous June 30 as published by an oil pricing service.

4981 (ii) Beginning on January 1, 2019, and subject to the requirements under Subsection
4982 (1)(c), the statewide average rack price of a gallon of motor fuel under Subsection (1)(a) shall
4983 be determined by calculating the previous three fiscal years statewide average rack price of a
4984 gallon of regular unleaded motor fuel, excluding federal and state excise taxes, for the 36
4985 months ending on the previous June 30 as published by an oil pricing service.

4986 (c) (i) Subject to the requirement in Subsection (1)(c)(ii), the statewide average rack
4987 price of a gallon of motor fuel determined under Subsection (1)(b) may not be less than \$1.78
4988 per gallon.

4989 (ii) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust
4990 the minimum statewide average rack price of a gallon of motor fuel described in Subsection
4991 (1)(c)(i) by taking the minimum statewide average rack price of a gallon of motor fuel for the
4992 previous calendar year and adding an amount equal to the greater of:

4993 (A) an amount calculated by multiplying the minimum statewide average rack price of
4994 a gallon of motor fuel for the previous calendar year by the actual percent change during the
4995 previous fiscal year in the Consumer Price Index; and

4996 (B) 0.

4997 (iii) The statewide average rack price of a gallon of motor fuel determined by the
4998 commission under Subsection (1)(b) may not exceed \$2.43 per gallon.

4999 (iv) The minimum statewide average rack price of a gallon of motor fuel described and
5000 adjusted under Subsections (1)(c)(i) and (ii) may not exceed the maximum statewide average
5001 rack price of a gallon of motor fuel under Subsection (1)(c)(iii).

5002 (d) (i) The commission shall annually:

5003 (A) determine the statewide average rack price of a gallon of motor fuel in accordance
5004 with Subsections (1)(b) and (c);

5005 (B) adjust the fuel tax rate imposed under Subsection (1)(a), rounded to the nearest
5006 one-tenth of a cent, based on the determination under Subsection (1)(b);

5007 (C) publish the adjusted fuel tax as a cents per gallon rate; and

5008 (D) post or otherwise make public the adjusted fuel tax rate as determined in
5009 Subsection (1)(d)(i)(B) no later than 60 days prior to the annual effective date under Subsection
5010 (1)(d)(ii).

5011 (ii) The tax rate imposed under this Subsection (1) and adjusted as required under
5012 Subsection (1)(d)(i) shall take effect on January 1 of each year.

5013 (e) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of
5014 this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a),
5015 rounded up to the nearest penny, upon all motor fuels that meet the definition of clean fuel in
5016 Section [59-13-102](#) and are sold, used, or received for sale or use in this state.

5017 (2) Any increase or decrease in tax rate applies to motor fuel that is imported to the
5018 state or sold at refineries in the state on or after the effective date of the rate change.

5019 (3) (a) No motor fuel tax is imposed upon:

5020 (i) motor fuel that is brought into and sold in this state in original packages as purely
5021 interstate commerce sales;

5022 (ii) motor fuel that is exported from this state if proof of actual exportation on forms
5023 prescribed by the commission is made within 180 days after exportation;

5024 (iii) motor fuel or components of motor fuel that is sold and used in this state and
5025 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in
5026 this state; or

5027 (iv) motor fuel that is sold to the United States government, this state, or the political
5028 subdivisions of this state.

5029 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5030 commission shall make rules governing the procedures for administering the tax exemption
5031 provided under Subsection (3)(a)(iv).

5032 (4) The commission may either collect no tax on motor fuel exported from the state or,
5033 upon application, refund the tax paid.

5034 (5) (a) ~~[AH]~~ Except as provided in Subsection (5)(c), all revenue received by the
5035 commission under this part shall be deposited daily with the state treasurer and credited to the
5036 Transportation Fund.

5037 (b) An appropriation from the Transportation Fund shall be made to the commission to
5038 cover expenses incurred in the administration and enforcement of this part and the collection of
5039 the motor fuel tax.

5040 (c) The commission shall deposit into the Transportation Investment Fund of 2005
5041 created by Section [72-2-124](#) an amount that is equal to the amount of revenue generated in the
5042 current fiscal year by the portion of the tax imposed on motor fuel that is sold, used, or received
5043 for sale or use in this state that exceeds 29.4 cents per gallon.

5044 (6) (a) The commission shall determine what amount of motor fuel tax revenue is
5045 received from the sale or use of motor fuel used in motorboats registered under the provisions
5046 of the State Boating Act, and this amount shall be deposited in a restricted revenue account in
5047 the General Fund of the state.

5048 (b) The funds from this account shall be used for the construction, improvement,
5049 operation, and maintenance of state-owned boating facilities and for the payment of the costs
5050 and expenses of the Division of Parks and Recreation in administering and enforcing the State
5051 Boating Act.

5052 (7) (a) The United States government or any of its instrumentalities, this state, or a
5053 political subdivision of this state that has purchased motor fuel from a licensed distributor or
5054 from a retail dealer of motor fuel and has paid the tax on the motor fuel as provided in this
5055 section is entitled to a refund of the tax and may file with the commission for a quarterly
5056 refund.

5057 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5058 commission shall make rules governing the application and refund provided for in Subsection
5059 (7)(a).

5060 (8) (a) The commission shall refund annually into the Off-Highway Vehicle Account in
5061 the General Fund an amount equal to .5% of the motor fuel tax revenues collected under this
5062 section.

5063 (b) This amount shall be used as provided in Section [41-22-19](#).

5064 (9) (a) Beginning on April 1, 2001, a tax imposed under this section on motor fuel that
5065 is sold, used, or received for sale or use in this state is reduced to the extent provided in
5066 Subsection (9)(b) if:

5067 (i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor
5068 fuel is paid to the Navajo Nation;

5069 (ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether or
5070 not the person required to pay the tax is an enrolled member of the Navajo Nation; and

5071 (iii) the commission and the Navajo Nation execute and maintain an agreement as
5072 provided in this Subsection (9) for the administration of the reduction of tax.

5073 (b) (i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this
5074 section:

5075 (A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that
5076 difference is greater than \$0; and

5077 (B) a person may not require the state to provide a refund, a credit, or similar tax relief
5078 if the difference described in Subsection (9)(b)(ii) is less than or equal to \$0.

- 5079 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:
5080 (A) the amount of tax imposed on the motor fuel by this section; less
5081 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.
- 5082 (c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under
5083 a tax imposed by the Navajo Nation on the basis of the sale, use, or receipt for sale or use of
5084 motor fuel does not include any interest or penalties a taxpayer may be required to pay to the
5085 Navajo Nation.
- 5086 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5087 commission shall make rules governing the procedures for administering the reduction of tax
5088 provided under this Subsection (9).
- 5089 (e) The agreement required under Subsection (9)(a):
5090 (i) may not:
5091 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;
5092 (B) provide a reduction of taxes greater than or different from the reduction described
5093 in this Subsection (9); or
5094 (C) affect the power of the state to establish rates of taxation;
- 5095 (ii) shall:
5096 (A) be in writing;
5097 (B) be signed by:
5098 (I) the chair of the commission or the chair's designee; and
5099 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;
5100 (C) be conditioned on obtaining any approval required by federal law;
5101 (D) state the effective date of the agreement; and
5102 (E) state any accommodation the Navajo Nation makes related to the construction and
5103 maintenance of state highways and other infrastructure within the Utah portion of the Navajo
5104 Nation; and
- 5105 (iii) may:
5106 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the
5107 Navajo Nation information that is:
5108 (I) contained in a document filed with the commission; and
5109 (II) related to the tax imposed under this section;

5110 (B) provide for maintaining records by the commission or the Navajo Nation; or

5111 (C) provide for inspections or audits of distributors, carriers, or retailers located or
5112 doing business within the Utah portion of the Navajo Nation.

5113 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax
5114 imposed on motor fuel, any change in the reduction of taxes under this Subsection (9) as a
5115 result of the change in the tax rate is not effective until the first day of the calendar quarter after
5116 a 60-day period beginning on the date the commission receives notice:

5117 (A) from the Navajo Nation; and

5118 (B) meeting the requirements of Subsection (9)(f)(ii).

5119 (ii) The notice described in Subsection (9)(f)(i) shall state:

5120 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on
5121 motor fuel;

5122 (B) the effective date of the rate change of the tax described in Subsection (9)(f)(ii)(A);
5123 and

5124 (C) the new rate of the tax described in Subsection (9)(f)(ii)(A).

5125 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not
5126 permitted under this Subsection (9) beginning on the first day of the calendar quarter after a
5127 30-day period beginning on the day the agreement terminates.

5128 (h) If there is a conflict between this Subsection (9) and the agreement required by
5129 Subsection (9)(a), this Subsection (9) governs.

5130 Section 42. Section **59-13-301** is amended to read:

5131 **59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer**
5132 **and credited to Transportation Fund -- Reduction of tax in limited circumstances.**

5133 (1) (a) Except as provided in Subsections (2), (3), (11), and (12) and Section
5134 **59-13-304**, a tax is imposed at the same rates imposed under Subsection **59-13-201**(1)(a) on
5135 the:

5136 (i) removal of undyed diesel fuel from any refinery;

5137 (ii) removal of undyed diesel fuel from any terminal;

5138 (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or
5139 warehousing;

5140 (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under

5141 this part unless the tax has been collected under this section;

5142 (v) any untaxed special fuel blended with undyed diesel fuel; or

5143 (vi) use of untaxed special fuel other than propane or electricity.

5144 (b) The tax imposed under this section shall only be imposed once upon any special

5145 fuel.

5146 (2) (a) No special fuel tax is imposed or collected upon dyed diesel fuel which:

5147 (i) is sold or used for any purpose other than to operate or propel a motor vehicle upon

5148 the public highways of the state, but this exemption applies only in those cases where the

5149 purchasers or the users of special fuel establish to the satisfaction of the commission that the

5150 special fuel was used for purposes other than to operate a motor vehicle upon the public

5151 highways of the state; or

5152 (ii) is sold to this state or any of its political subdivisions.

5153 (b) No special fuel tax is imposed on undyed diesel fuel or clean fuel that is:

5154 (i) sold to the United States government or any of its instrumentalities or to this state or

5155 any of its political subdivisions;

5156 (ii) exported from this state if proof of actual exportation on forms prescribed by the

5157 commission is made within 180 days after exportation;

5158 (iii) used in a vehicle off-highway;

5159 (iv) used to operate a power take-off unit of a vehicle;

5160 (v) used for off-highway agricultural uses;

5161 (vi) used in a separately fueled engine on a vehicle that does not propel the vehicle

5162 upon the highways of the state; or

5163 (vii) used in machinery and equipment not registered and not required to be registered

5164 for highway use.

5165 (3) No tax is imposed or collected on special fuel if it is:

5166 (a) (i) purchased for business use in machinery and equipment not registered and not

5167 required to be registered for highway use; and

5168 (ii) used pursuant to the conditions of a state implementation plan approved under Title

5169 19, Chapter 2, Air Conservation Act; or

5170 (b) propane or electricity.

5171 (4) Upon request of a buyer meeting the requirements under Subsection (3), the

5172 Division of Air Quality shall issue an exemption certificate that may be shown to a seller.

5173 (5) The special fuel tax shall be paid by the supplier.

5174 (6) (a) The special fuel tax shall be paid by every user who is required by Sections
5175 [59-13-303](#) and [59-13-305](#) to obtain a special fuel user permit and file special fuel tax reports.

5176 (b) The user shall receive a refundable credit for special fuel taxes paid on purchases
5177 which are delivered into vehicles and for which special fuel tax liability is reported.

5178 (7) (a) Except as provided under Subsections (7)(b) [~~and (c)~~] through (d), all revenue
5179 received by the commission from taxes and license fees under this part shall be deposited daily
5180 with the state treasurer and credited to the Transportation Fund.

5181 (b) An appropriation from the Transportation Fund shall be made to the commission to
5182 cover expenses incurred in the administration and enforcement of this part and the collection of
5183 the special fuel tax.

5184 (c) Five dollars of each special fuel user trip permit fee paid under Section [59-13-303](#)
5185 may be used by the commission as a dedicated credit to cover the costs of electronic
5186 credentialing as provided in Section [41-1a-303](#).

5187 (d) The commission shall deposit into the Transportation Investment Fund of 2005
5188 created by Section [72-2-124](#) an amount that is equal to the amount of revenue generated in the
5189 current fiscal year by the portion of the tax imposed on motor fuel that is sold, used, or received
5190 for sale or use in this state that exceeds 29.4 cents per gallon.

5191 (8) The commission may either collect no tax on special fuel exported from the state
5192 or, upon application, refund the tax paid.

5193 (9) (a) The United States government or any of its instrumentalities, this state, or a
5194 political subdivision of this state that has purchased special fuel from a supplier or from a retail
5195 dealer of special fuel and has paid the tax on the special fuel as provided in this section is
5196 entitled to a refund of the tax and may file with the commission for a quarterly refund in a
5197 manner prescribed by the commission.

5198 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5199 commission shall make rules governing the application and refund provided for in Subsection
5200 (9)(a).

5201 (10) (a) The purchaser shall pay the tax on diesel fuel or clean fuel purchased for uses
5202 under Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the tax paid

5203 as provided in Subsection (9) and this Subsection (10).

5204 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5205 commission shall make rules governing the application and refund for off-highway and
5206 nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).

5207 (c) A refund of tax paid under this part on diesel fuel used for nonhighway agricultural
5208 uses shall be made in accordance with the tax return procedures under Section 59-13-202.

5209 (11) (a) Beginning on April 1, 2001, a tax imposed under this section on special fuel is
5210 reduced to the extent provided in Subsection (11)(b) if:

5211 (i) the Navajo Nation imposes a tax on the special fuel;

5212 (ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether the
5213 person required to pay the tax is an enrolled member of the Navajo Nation; and

5214 (iii) the commission and the Navajo Nation execute and maintain an agreement as
5215 provided in this Subsection (11) for the administration of the reduction of tax.

5216 (b) (i) If but for Subsection (11)(a) the special fuel is subject to a tax imposed by this
5217 section:

5218 (A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that
5219 difference is greater than \$0; and

5220 (B) a person may not require the state to provide a refund, a credit, or similar tax relief
5221 if the difference described in Subsection (11)(b)(ii) is less than or equal to \$0.

5222 (ii) The difference described in Subsection (11)(b)(i) is equal to the difference
5223 between:

5224 (A) the amount of tax imposed on the special fuel by this section; less

5225 (B) the tax imposed and collected by the Navajo Nation on the special fuel.

5226 (c) For purposes of Subsections (11)(a) and (b), the tax paid to the Navajo Nation on
5227 the special fuel does not include any interest or penalties a taxpayer may be required to pay to
5228 the Navajo Nation.

5229 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5230 commission shall make rules governing the procedures for administering the reduction of tax
5231 provided under this Subsection (11).

5232 (e) The agreement required under Subsection (11)(a):

5233 (i) may not:

5234 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

5235 (B) provide a reduction of taxes greater than or different from the reduction described

5236 in this Subsection (11); or

5237 (C) affect the power of the state to establish rates of taxation;

5238 (ii) shall:

5239 (A) be in writing;

5240 (B) be signed by:

5241 (I) the chair of the commission or the chair's designee; and

5242 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;

5243 (C) be conditioned on obtaining any approval required by federal law;

5244 (D) state the effective date of the agreement; and

5245 (E) state any accommodation the Navajo Nation makes related to the construction and

5246 maintenance of state highways and other infrastructure within the Utah portion of the Navajo

5247 Nation; and

5248 (iii) may:

5249 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the

5250 Navajo Nation information that is:

5251 (I) contained in a document filed with the commission; and

5252 (II) related to the tax imposed under this section;

5253 (B) provide for maintaining records by the commission or the Navajo Nation; or

5254 (C) provide for inspections or audits of suppliers, distributors, carriers, or retailers

5255 located or doing business within the Utah portion of the Navajo Nation.

5256 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax

5257 imposed on special fuel, any change in the amount of the reduction of taxes under this

5258 Subsection (11) as a result of the change in the tax rate is not effective until the first day of the

5259 calendar quarter after a 60-day period beginning on the date the commission receives notice:

5260 (A) from the Navajo Nation; and

5261 (B) meeting the requirements of Subsection (11)(f)(ii).

5262 (ii) The notice described in Subsection (11)(f)(i) shall state:

5263 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on

5264 special fuel;

- 5265 (B) the effective date of the rate change of the tax described in Subsection
5266 (11)(f)(ii)(A); and
- 5267 (C) the new rate of the tax described in Subsection (11)(f)(ii)(A).
- 5268 (g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not
5269 permitted under this Subsection (11) beginning on the first day of the calendar quarter after a
5270 30-day period beginning on the day the agreement terminates.
- 5271 (h) If there is a conflict between this Subsection (11) and the agreement required by
5272 Subsection (11)(a), this Subsection (11) governs.
- 5273 (12) (a) A tax imposed under this section on compressed natural gas is imposed at a
5274 rate of:
- 5275 (i) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;
- 5276 (ii) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline gallon
5277 equivalent;
- 5278 (iii) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline
5279 gallon equivalent; and
- 5280 (iv) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon equivalent.
- 5281 (b) A tax imposed under this section on liquefied natural gas is imposed at a rate of:
- 5282 (i) until June 30, 2016, 10-1/2 cents per diesel gallon equivalent;
- 5283 (ii) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per diesel gallon
5284 equivalent;
- 5285 (iii) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per diesel gallon
5286 equivalent; and
- 5287 (iv) beginning on or after July 1, 2018, 16-1/2 cents per diesel gallon equivalent.
- 5288 (c) A tax imposed under this section on hydrogen used to operate or propel a motor
5289 vehicle upon the public highways of the state is imposed at a rate of:
- 5290 (i) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;
- 5291 (ii) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline gallon
5292 equivalent;
- 5293 (iii) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline
5294 gallon equivalent; and
- 5295 (iv) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon equivalent.

5296 Section 43. Section **63G-6a-1402** is amended to read:

5297 **63G-6a-1402. Procurement of design-build transportation project contracts.**

5298 (1) As used in this section:

5299 (a) "Design-build transportation project contract" means the procurement of both the
5300 design and construction of a transportation project in a single contract with a company or
5301 combination of companies capable of providing the necessary engineering services and
5302 construction.

5303 (b) "Transportation agency" means:

5304 (i) the Department of Transportation;

5305 (ii) a county of the first or second class, as defined in Section [17-50-501](#);

5306 (iii) a municipality of the first class, as defined in Section [10-2-301](#);

5307 (iv) a large public transit district [~~that has more than 200,000 people residing within its~~
5308 ~~boundaries~~] as defined in Section [17B-2a-802](#); and

5309 (v) a public airport authority.

5310 (2) Except as provided in Subsection (3), a transportation agency may award a
5311 design-build transportation project contract for any transportation project that has an estimated
5312 cost of at least \$50,000,000 by following the requirements of this section.

5313 (3) (a) The Department of Transportation:

5314 (i) may award a design-build transportation project contract for any transportation
5315 project by following the requirements of this section; and

5316 (ii) shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
5317 Rulemaking Act, establishing requirements for the procurement of its design-build
5318 transportation project contracts in addition to those required by this section.

5319 (b) A public transit district that has more than 200,000 people residing within its
5320 boundaries:

5321 (i) may award a design-build transportation project contract for any transportation
5322 project by following the requirements of this section; and

5323 (ii) shall pass ordinances or a resolution establishing requirements for the procurement
5324 of its design-build transportation project contracts in addition to those required by this section.

5325 (c) A design-build transportation project contract authorized under this Subsection (3)
5326 is not subject to the estimated cost threshold described in Subsection (2).

5327 (d) A design-build transportation project contract may include provision by the
5328 contractor of operations, maintenance, or financing.

5329 (4) (a) Before entering into a design-build transportation project contract, a
5330 transportation agency may issue a request for qualifications to prequalify potential contractors.

5331 (b) Public notice of the request for qualifications shall be given in accordance with
5332 board rules.

5333 (c) A transportation agency shall require, as part of the qualifications specified in the
5334 request for qualifications, that potential contractors at least demonstrate their:

5335 (i) construction experience;

5336 (ii) design experience;

5337 (iii) financial, manpower, and equipment resources available for the project; and

5338 (iv) experience in other design-build transportation projects with attributes similar to
5339 the project being procured.

5340 (d) The request for qualifications shall identify the number of eligible competing
5341 proposers that the transportation agency will select to submit a proposal, which may not be less
5342 than two.

5343 (5) The transportation agency shall:

5344 (a) evaluate the responses received from the request for qualifications;

5345 (b) select from their number those qualified to submit proposals; and

5346 (c) invite those respondents to submit proposals based upon the transportation agency's
5347 request for proposals.

5348 (6) If the transportation agency fails to receive at least two qualified eligible competing
5349 proposals, the transportation agency shall readvertise the project.

5350 (7) The transportation agency shall issue a request for proposals to those qualified
5351 respondents that:

5352 (a) includes a scope of work statement constituting an information for proposal that
5353 may include:

5354 (i) preliminary design concepts;

5355 (ii) design criteria, needs, and objectives;

5356 (iii) warranty and quality control requirements;

5357 (iv) applicable standards;

- 5358 (v) environmental documents;
- 5359 (vi) constraints;
- 5360 (vii) time expectations or limitations;
- 5361 (viii) incentives or disincentives; and
- 5362 (ix) other special considerations;
- 5363 (b) requires submitters to provide:
- 5364 (i) a sealed cost proposal;
- 5365 (ii) a critical path matrix schedule, including cash flow requirements;
- 5366 (iii) proposal security; and
- 5367 (iv) other items required by the department for the project; and
- 5368 (c) may include award of a stipulated fee to be paid to offerors who submit
- 5369 unsuccessful proposals.
- 5370 (8) The transportation agency shall:
- 5371 (a) evaluate the submissions received in response to the request for proposals from the
- 5372 prequalified offerors;
- 5373 (b) comply with rules relating to discussion of proposals, best and final offers, and
- 5374 evaluations of the proposals submitted; and
- 5375 (c) after considering price and other identified factors, award the contract to the
- 5376 responsible offeror whose responsive proposal is most advantageous to the transportation
- 5377 agency or the state.
- 5378 Section 44. Section **63N-2-510** is amended to read:
- 5379 **63N-2-510. Report by office -- Posting of report.**
- 5380 (1) The office shall include the following information in the office's annual written
- 5381 report described in Section [63N-1-301](#):
- 5382 (a) the state's success in attracting new conventions and corresponding new state
- 5383 revenue;
- 5384 (b) the estimated amount of convention incentive commitments and the associated
- 5385 calculation made by the office and the period of time over which convention incentives are
- 5386 expected to be paid;
- 5387 (c) the economic impact on the state related to generating new state revenue and
- 5388 providing convention incentives; and

5389 (d) the estimated and actual costs and economic benefits of the convention incentive
5390 commitments that the office made.

5391 (2) Upon the commencement of the construction of a qualified hotel, the office shall
5392 send a written notice to the Division of Finance:

5393 (a) referring to the two annual deposits required under Subsection 59-12-103[(11)](7);
5394 and

5395 (b) notifying the Division of Finance that construction on the qualified hotel has begun.
5396 Section 45. Section 63N-2-512 is amended to read:

5397 **63N-2-512. Hotel Impact Mitigation Fund.**

5398 (1) As used in this section:

5399 (a) "Affected hotel" means a hotel built in the state before July 1, 2014.

5400 (b) "Direct losses" means affected hotels' losses of hotel guest business attributable to
5401 the qualified hotel room supply being added to the market in the state.

5402 (c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection
5403 (2).

5404 (2) There is created an expendable special revenue fund known as the Hotel Impact
5405 Mitigation Fund.

5406 (3) The mitigation fund shall:

5407 (a) be administered by the board;

5408 (b) earn interest; and

5409 (c) be funded by:

5410 (i) payments required to be deposited into the mitigation fund by the Division of
5411 Finance under Subsection 59-12-103[(11)](7);

5412 (ii) money required to be deposited into the mitigation fund under Subsection
5413 17-31-9(2) by the county in which a qualified hotel is located; and

5414 (iii) any money deposited into the mitigation fund under Subsection (6).

5415 (4) Interest earned by the mitigation fund shall be deposited into the mitigation fund.

5416 (5) (a) In accordance with office rules, the board shall annually pay up to \$2,100,000 of
5417 money in the mitigation fund:

5418 (i) to affected hotels;

5419 (ii) for four consecutive years, beginning 12 months after the date of initial occupancy

5420 of the qualified hotel occurs; and

5421 (iii) to mitigate direct losses.

5422 (b) (i) If the amount the board pays under Subsection (5)(a) in any year is less than
5423 \$2,100,000, the board shall pay to the Stay Another Day and Bounce Back Fund, created in
5424 Section 63N-2-511, the difference between \$2,100,000 and the amount paid under Subsection
5425 (5)(a).

5426 (ii) The board shall make any required payment under Subsection (5)(b)(i) within 90
5427 days after the end of the year for which a determination is made of how much the board is
5428 required to pay to affected hotels under Subsection (5)(a).

5429 (6) A host local government or qualified hotel owner may make payments to the
5430 Division of Finance for deposit into the mitigation fund.

5431 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5432 office shall, in consultation with the Utah Hotel and Lodging Association and the county in
5433 which the qualified hotel is located, make rules establishing procedures and criteria governing
5434 payments under Subsection (5)(a) to affected hotels.

5435 Section 46. Section 72-1-102 is amended to read:

5436 **72-1-102. Definitions.**

5437 As used in this title:

5438 (1) "Commission" means the Transportation Commission created under Section
5439 72-1-301.

5440 (2) "Construction" means the construction, reconstruction, replacement, and
5441 improvement of the highways, including the acquisition of rights-of-way and material sites.

5442 (3) "Department" means the Department of Transportation created in Section 72-1-201.

5443 (4) "Executive director" means the executive director of the department appointed
5444 under Section 72-1-202.

5445 (5) "Farm tractor" has the meaning set forth in Section 41-1a-102.

5446 (6) "Federal aid primary highway" means that portion of connected main highways
5447 located within this state officially designated by the department and approved by the United
5448 States Secretary of Transportation under Title 23, Highways, U.S.C.

5449 (7) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel,
5450 culvert, bridge, or structure laid out or erected for public use, or dedicated or abandoned to the

5451 public, or made public in an action for the partition of real property, including the entire area
5452 within the right-of-way.

5453 (8) "Highway authority" means the department or the legislative, executive, or
5454 governing body of a county or municipality.

5455 (9) "Implement of husbandry" has the meaning set forth in Section [41-1a-102](#).

5456 (10) "Interstate system" means any highway officially designated by the department
5457 and included as part of the national interstate and defense highways, as provided in the Federal
5458 Aid Highway Act of 1956 and any supplemental acts or amendments.

5459 (11) "Limited-access facility" means a highway especially designated for through
5460 traffic, and over, from, or to which neither owners nor occupants of abutting lands nor other
5461 persons have any right or easement, or have only a limited right or easement of access, light,
5462 air, or view.

5463 (12) "Motor vehicle" has the same meaning set forth in Section [41-1a-102](#).

5464 (13) "Municipality" has the same meaning set forth in Section [10-1-104](#).

5465 (14) "National highway systems highways" means that portion of connected main
5466 highways located within this state officially designated by the department and approved by the
5467 United States Secretary of Transportation under Title 23, Highways, U.S.C.

5468 (15) (a) "Port-of-entry" means a fixed or temporary facility constructed, operated, and
5469 maintained by the department where drivers, vehicles, and vehicle loads are checked or
5470 inspected for compliance with state and federal laws as specified in Section [72-9-501](#).

5471 (b) "Port-of-entry" includes inspection and checking stations and weigh stations.

5472 (16) "Port-of-entry agent" means a person employed at a port-of-entry to perform the
5473 duties specified in Section [72-9-501](#).

5474 (17) "Public transit facility" means a transit vehicle, transit station, depot, passenger
5475 loading or unloading zone, parking lot, or other facility:

5476 (a) leased by or operated by or on behalf of a public transit district; and

5477 (b) related to the public transit services provided by the district, including:

5478 (i) railway or other right-of-way;

5479 (ii) railway line; and

5480 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by
5481 a transit vehicle.

5482 [~~(17)~~] (18) "Right-of-way" means real property or an interest in real property, usually
5483 in a strip, acquired for or devoted to a highway.

5484 [~~(18)~~] (19) "Sealed" does not preclude acceptance of electronically sealed and submitted
5485 bids or proposals in addition to bids or proposals manually sealed and submitted.

5486 [~~(19)~~] (20) "Semitrailer" has the meaning set forth in Section 41-1a-102.

5487 [~~(20)~~] (21) "SR" means state route and has the same meaning as state highway as
5488 defined in this section.

5489 [~~(21)~~] (22) "State highway" means those highways designated as state highways in
5490 Title 72, Chapter 4, Designation of State Highways Act.

5491 [~~(22)~~] (23) "State highway purposes" has the meaning set forth in Section 72-5-102.

5492 [~~(23)~~] (24) "State transportation systems" means all streets, alleys, roads, highways,
5493 and thoroughfares of any kind, including connected structures, airports, spaceports, public
5494 transit facilities, and all other modes and forms of conveyance used by the public.

5495 [~~(24)~~] (25) "Trailer" has the meaning set forth in Section 41-1a-102.

5496 [~~(25)~~] (26) "Truck tractor" has the meaning set forth in Section 41-1a-102.

5497 [~~(26)~~] (27) "UDOT" means the Utah Department of Transportation.

5498 [~~(27)~~] (28) "Vehicle" has the same meaning set forth in Section 41-1a-102.

5499 Section 47. Section 72-1-202 is amended to read:

5500 **72-1-202. Executive director of department -- Appointment -- Qualifications --**
5501 **Term -- Responsibility -- Power to bring suits -- Salary.**

5502 (1) (a) The governor, after consultation with the commission and with the consent of
5503 the Senate, shall appoint an executive director to be the chief executive officer of the
5504 department.

5505 (b) The executive director shall be a qualified executive with technical and
5506 administrative experience and training appropriate for the position.

5507 (c) The executive director shall remain in office until a successor is appointed.

5508 (d) The executive director may be removed by the governor.

5509 (2) In addition to the other functions, powers, duties, rights, and responsibilities
5510 prescribed in this chapter, the executive director shall:

5511 (a) have responsibility for the administrative supervision of the state transportation
5512 systems and the various operations of the department;

5513 (b) have the responsibility for the implementation of rules, priorities, and policies
5514 established by the department and the commission;

5515 (c) have the responsibility for the oversight and supervision of any transportation
5516 project for which state funds are expended;

5517 ~~[(e)]~~ (d) have full power to bring suit in courts of competent jurisdiction in the name of
5518 the department as the executive director considers reasonable and necessary for the proper
5519 attainment of the goals of this chapter;

5520 ~~[(d)]~~ (e) receive a salary, to be established by the governor within the salary range fixed
5521 by the Legislature in Title 67, Chapter 22, State Officer Compensation, together with actual
5522 traveling expenses while away from the executive director's office on official business; and

5523 ~~[(e)]~~ (f) purchase all necessary equipment and supplies for the department.

5524 Section 48. Section **72-1-203** is amended to read:

5525 **72-1-203. Deputy director -- Appointment -- Qualifications -- Other assistants**
5526 **and advisers -- Salaries.**

5527 (1) The executive director shall appoint [~~a deputy director, who shall be a registered~~
5528 ~~professional engineer in the state and~~] two deputy directors, who shall serve at the discretion of
5529 the executive director.

5530 (2) (a) The deputy director of engineering and operations shall be a registered
5531 professional engineer in the state and is the chief engineer of the department. The deputy
5532 director of engineering and operations shall assist the executive director [~~and is responsible for~~]
5533 with areas of responsibility including:

5534 ~~[(a) program and project development; and]~~

5535 ~~[(b) operation and maintenance of the state transportation systems.]~~

5536 (i) project development;

5537 (ii) oversight of the management of the region offices described in Section [72-1-205](#);

5538 (iii) management of operations; and

5539 (iv) oversight of operations of motor carriers and ports.

5540 (b) The deputy director of planning and investment shall assist the executive director
5541 with areas of responsibility including:

5542 (i) oversight and coordination of planning, including:

5543 (A) development of statewide strategic initiatives for planning across all modes of

5544 transportation;

5545 (B) coordination with metropolitan planning organizations and local governments; and

5546 (C) corridor and area planning;

5547 (ii) asset management;

5548 (iii) programming and prioritization of transportation projects;

5549 (iv) fulfilling requirements for environmental studies and impact statements; and

5550 (v) resource investment, including identification and development of public-private

5551 partnership opportunities.

5552 (3) The executive director may also appoint assistants to administer the divisions of the
5553 department. These assistants shall serve at the discretion of the executive director.

5554 (4) In addition, the executive director may employ other assistants and advisers as the
5555 executive director finds necessary and fix salaries in accordance with the salary standards
5556 adopted by the Department of Human Resource Management.

5557 Section 49. Section **72-1-204** is amended to read:

5558 **72-1-204. Divisions enumerated -- Duties.**

5559 The divisions of the department are:

5560 (1) the Comptroller Division responsible for:

5561 (a) all financial aspects of the department, including budgeting, accounting, and
5562 contracting;

5563 (b) providing all material data and documentation necessary for effective fiscal
5564 planning and programming; and

5565 (c) procuring administrative supplies;

5566 (2) the Internal Audit Division responsible for:

5567 (a) conducting and verifying all internal audits and reviews within the department;

5568 (b) performing financial and compliance audits to determine the allowability and
5569 reasonableness of proposals, accounting records, and final costs of consultants, contractors,
5570 utility companies, and other entities used by the department; and

5571 (c) implementing audit procedures that meet or exceed generally accepted auditing
5572 standards relating to revenues, expenditures, and funding;

5573 (3) the Communications Division responsible for:

5574 (a) developing, managing, and implementing the department's public hearing processes

- 5575 and programs;
- 5576 (b) responding to public complaints, requests, and input;
- 5577 (c) assisting the divisions and regions in the department's public involvement
- 5578 programs;
- 5579 (d) developing and managing internal department communications; and
- 5580 (e) managing and overseeing department media relations;
- 5581 (4) the Program Development Division responsible for:
- 5582 (a) developing transportation plans for state transportation systems;
- 5583 (b) collecting, processing, and storing transportation data to support department's
- 5584 engineering functions;
- 5585 (c) maintaining and operating the asset management systems;
- 5586 (d) designating state transportation systems qualifications;
- 5587 (e) developing a statewide transportation improvement program for approval by the
- 5588 commission;
- 5589 (f) providing cartographic services to the department;
- 5590 (g) assisting local governments in participating in federal-aid transportation programs;
- 5591 and
- 5592 (h) providing research services associated with transportation programs;
- 5593 (5) the Project Development Division responsible for:
- 5594 (a) developing statewide standards for project design and construction;
- 5595 (b) providing support for project development in the areas of design environment,
- 5596 right-of-way, materials testing, structures, value engineering, and construction; and
- 5597 (c) designing specialty projects; [~~and~~]
- 5598 (6) the Operations Division responsible for:
- 5599 (a) maintaining the state transportation systems;
- 5600 (b) state transportation systems safety;
- 5601 (c) operating state ports-of-entry;
- 5602 (d) operating state motor carrier safety programs in accordance with this title and
- 5603 federal law;
- 5604 (e) aeronautical operations;
- 5605 (f) providing equipment for department engineering and maintenance functions; and

- 5606 (g) risk management[-]; and
- 5607 (7) the Planning and Investment Division responsible for:
- 5608 (a) creating and managing an intermodal terminal facility to promote economic
- 5609 development and investment;
- 5610 (b) promoting strategies to synergize development of an intermodal inland port; and
- 5611 (c) overseeing and coordinating public-private partnerships.

5612 Section 50. Section **72-1-208** is amended to read:

5613 **72-1-208. Cooperation with counties, cities, towns, the federal government, and**
5614 **all state departments -- Inspection of work done by a public transit district.**

5615 (1) The department shall cooperate with the counties, cities, towns, and community
5616 reinvestment agencies in the construction, maintenance, and use of the highways and in all
5617 related matters, and may provide services to the counties, cities, towns, and community
5618 reinvestment agencies on terms mutually agreed upon.

5619 (2) The department, with the approval of the governor, shall cooperate with the federal
5620 government in all federal-aid projects and with all state departments in all matters in
5621 connection with the use of the highways.

5622 (3) The department:

5623 (a) shall inspect all work done by a public transit district under Title 17B, Chapter 2a,
5624 Part 8, Public Transit District Act, relating to safety appliances and procedures; and

5625 (b) may make further additions or changes necessary for the purpose of safety to
5626 employees and the general public.

5627 (4) (a) The department may assume responsibility for any public transit project that
5628 traverses any portion of the state highway systems.

5629 (b) To determine whether the department will assume responsibility for a public transit
5630 project, the executive director and the public transit agency proposing the development shall
5631 jointly determine whether the department will assume responsibility.

5632 Section 51. Section **72-1-211** is amended to read:

5633 **72-1-211. Department to develop strategic initiatives -- Report -- Rulemaking.**

5634 (1) (a) The executive director shall develop statewide strategic initiatives [~~for the~~
5635 ~~department~~] across all modes of transportation.

5636 (b) To develop the strategic initiatives described in Subsection (1)(a), the executive

5637 director shall consult with the commission and relevant stakeholders, including:

5638 (i) metropolitan planning organizations;

5639 (ii) county and municipal governments;

5640 (iii) transit districts; and

5641 (iv) other transportation stakeholders.

5642 (c) To develop the strategic initiatives described in Subsection (1)(a), the executive

5643 director shall consider:

5644 (i) regional transportation plans developed by metropolitan planning organizations;

5645 (ii) local transportation plans developed by county and municipal governments;

5646 (iii) public transit plans developed by public transit districts; and

5647 (iv) other relevant transportation plans developed by other stakeholders.

5648 (d) To develop the strategic initiatives described in Subsection (1)(a), the executive

5649 director shall consider projected major centers of economic activity, population growth, and

5650 job centers.

5651 (2) (a) The strategic initiatives developed under Subsection (1) shall include

5652 consideration of the following factors:

5653 ~~[(a)]~~ (i) corridor preservation;

5654 (ii) congestion reduction;

5655 (iii) economic development and job creation;

5656 (iv) asset management;

5657 (v) sustainability;

5658 (vi) optimization of return on investment;

5659 ~~[(b)]~~ (vii) development of new transportation capacity projects;

5660 ~~[(c)]~~ (viii) long-term maintenance and operations of the transportation system;

5661 ~~[(d)]~~ (ix) safety;

5662 ~~[(e)]~~ (x) incident management; [and]

5663 ~~[(f)]~~ (xi) homeland security[-];

5664 (xii) mobility and access; and

5665 (xiii) transportation related air quality.

5666 (b) The strategic initiatives shall include an assessment of capacity needs and establish

5667 goals for corridors that meet all of the following:

- 5668 (i) high volume of travel and throughput;
5669 (ii) connection of projected major centers of economic activity, population growth, and
5670 future job centers;
5671 (iii) major freight corridors; and
5672 (iv) corridors accommodating multiple modes of travel.

5673 (3) (a) The executive director or the executive director's designee shall report the
5674 strategic initiatives of the department developed under Subsection (1) to the Transportation
5675 Commission and, before December 1 of each year, the Transportation Interim Committee.

5676 (b) The report required under Subsection (3)(a) shall include the measure that will be
5677 used to determine whether the strategic initiatives have been achieved.

5678 (4) After compliance with Subsection (3) and in accordance with Title 63G, Chapter 3,
5679 Utah Administrative Rulemaking Act, the department shall make rules establishing the
5680 strategic initiatives developed under this part.

5681 (5) The executive director shall ensure that the strategic initiatives developed under
5682 Subsection (1):

5683 (a) are reviewed and updated as needed, but no less frequent than every four years; and

5684 (b) cover at least a 20-year horizon.

5685 Section 52. Section **72-1-213** is amended to read:

5686 **72-1-213. Road usage charge study -- Recommendations.**

5687 (1) (a) The department shall~~[:-(1) continue to]~~ study a road usage charge mileage-based
5688 revenue system, including a ~~[potential]~~ demonstration program, as an alternative to the motor
5689 and special tax~~[-and]~~.

5690 ~~[(2) make recommendations to the Legislature and other policymaking bodies on the~~
5691 ~~potential use and future implementation of a road usage charge within the state.]~~

5692 (b) The demonstration program may consider:

5693 (i) the necessity of protecting all personally identifiable information used in reporting
5694 highway use;

5695 (ii) alternatives to recording and reporting highway use;

5696 (iii) alternatives to administration of a road usage charge program; and

5697 (iv) other factors as determined by the department.

5698 (2) (a) The department shall create a Road Usage Charge Advisory Committee to assist

5699 the department to conduct a road usage charge demonstration program.

5700 (b) The executive director shall appoint members of the committee, considering
5701 individuals with experience and expertise in the following areas:

5702 (i) telecommunications;

5703 (ii) data security and privacy;

5704 (iii) privacy rights advocacy organizations;

5705 (iv) transportation agencies with technical expertise;

5706 (v) national research;

5707 (vi) members of the Legislature;

5708 (vii) representatives from the State Tax Commission; and

5709 (viii) other relevant stakeholders as determined by the executive director.

5710 (c) The executive director or the executive director's designee shall serve as chair of the
5711 committee.

5712 (d) A member of the committee may not receive compensation or benefits for the
5713 member's service, but may receive per diem and travel expenses in accordance with:

5714 (i) Section [63A-3-106](#);

5715 (ii) Section [63A-3-107](#); and

5716 (iii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
5717 [63A-3-107](#).

5718 (e) The department shall provide staff support to the committee.

5719 (3) (a) Beginning in 2019, and no later than September 30 of each year, the department
5720 shall prepare and submit a report of its findings based on the results of the road usage charge
5721 demonstration program to the:

5722 (i) Road Usage Charge Advisory Committee created under Subsection (2);

5723 (ii) Transportation Commission;

5724 (iii) Transportation Interim Committee of the Legislature; and

5725 (iv) Revenue and Taxation Interim Committee of the Legislature.

5726 (b) The report shall review the following issues:

5727 (i) cost;

5728 (ii) privacy, including recommendations regarding public and private access, including
5729 by law enforcement, to data collected and stored for purposes of the road usage charge to

5730 ensure individual privacy rights are protected;
5731 (iii) jurisdictional issues;
5732 (iv) feasibility;
5733 (v) complexity;
5734 (vi) acceptance;
5735 (vii) use of revenues;
5736 (viii) security and compliance, including a discussion of processes and security
5737 measures necessary to minimize fraud and tax evasion rates;
5738 (ix) data collection technology, including a discussion of the advantages and
5739 disadvantages of various types of data collection equipment and the privacy implications and
5740 considerations of the equipment;
5741 (x) potential for additional driver services;
5742 (xi) evaluation of necessary framework and strategy, upon full implementation of a
5743 road user charge program, to offer the option to an owner of an alternative fuel vehicle as
5744 defined in Section [41-1a-102](#) to:
5745 (A) pay an increased motor vehicle registration fee required in Section [41-1a-1206](#); or
5746 (B) participate in a road user charge program; and
5747 (xii) implementation issues.
5748 (c) The report may make recommendations to the Legislature and other policymaking
5749 bodies on the potential use and future implementation of a road usage charge within the state.
5750 Section 53. Section **72-1-214** is amended to read:
5751 **72-1-214. Department designated as state safety oversight agency for rail fixed**
5752 **guideway public transportation safety -- Powers and duties -- Rulemaking.**
5753 (1) (a) Except as provided in Subsection (1)(b), as used in this section, "fixed
5754 guideway" means the same as that term is defined in Section [59-12-102](#).
5755 (b) For purposes of this section, "fixed guideway" does not include a rail system
5756 subject to regulation by the Federal Railroad Administration.
5757 (2) The department is designated as the state safety oversight agency for rail fixed
5758 guideway public transportation safety in accordance with 49 U.S.C. Sec. 5329(e)(4).
5759 (3) As the state safety oversight agency, the department may, to the extent necessary to
5760 fulfill the department's obligations under federal law:

5761 (a) enter into and inspect the property of a fixed guideway rail system receiving federal
5762 funds without prior notice to the operator;

5763 (b) audit an operator of a fixed guideway rail system receiving federal funds for
5764 compliance with:

5765 (i) federal and state laws regarding the safety of the fixed guideway rail system; and

5766 (ii) a public transportation agency safety plan adopted by a specific operator in
5767 accordance with 49 U.S.C. Sec. 5329(d);

5768 (c) direct the operator of a fixed guideway rail system to correct a safety hazard by a
5769 specified date and time;

5770 (d) prevent the operation of all or part of a fixed guideway rail system that the
5771 department has determined to be unsafe;

5772 (e) audit, review, approve, and oversee an operator of a fixed guideway rail system
5773 receiving federal funds for compliance with a plan adopted by the operator in compliance with
5774 49 U.S.C. Sec. 5329(d); and

5775 (f) enforce statutes, rules, regulations, and executive orders relating to the operation of
5776 a fixed guideway rail public transportation system in Utah.

5777 (4) The department shall, at least annually, provide a status report on the safety of the
5778 rail fixed guideway public transportation systems the department oversees to:

5779 (a) the Federal Transit Administration;

5780 (b) the governor; and

5781 (c) members of the board of any rail fixed guideway public transportation system that
5782 the department oversees in accordance with this section.

5783 (5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
5784 the department shall make rules necessary to administer and enforce this section[-], including
5785 rules providing for the legal and financial independence of state safety oversight agency
5786 activities and functions.

5787 (b) The rules made in accordance with Subsection (5)(a) shall conform to the
5788 requirements of and regulations enacted in accordance with 49 U.S.C. Sec. 5329.

5789 (6) (a) Notwithstanding any other agreement, a county, city, or town with fixed
5790 guideway rail transit service provided by a public transit district that is subject to safety
5791 oversight as provided in this section may request local option transit sales tax in accordance

5792 with Section 59-12-2206 and spend local option transit sales tax in the amount requested by the
5793 department to meet nonfederal match requirements for costs of safety oversight described in
5794 this section.

5795 (b) A county, city, or town that requests local option transit sales tax as described in
5796 Subsection (6)(a) shall transmit to the department all of the funds requested under Subsection
5797 (6)(a) and transmitted to the county, city, or town under Subsection 59-12-2206(5)(b).

5798 (c) A county, city, or town that requests local option transit sales tax as described in
5799 Subsection (6)(a) may not request more local option transit sales tax than is necessary to carry
5800 out the state safety oversight functions under this section and the amount shall only reflect a
5801 maximum of 20% nonfederal match requirement of eligible costs of state safety oversight.

5802 Section 54. Section 72-1-303 is amended to read:

5803 **72-1-303. Duties of commission.**

5804 (1) The commission has the following duties:

5805 (a) determining priorities and funding levels of projects in the state transportation
5806 systems and capital development of new public transit facilities for each fiscal year based on
5807 project lists compiled by the department and taking into consideration the strategic initiatives
5808 described in Section 72-1-211;

5809 (b) determining additions and deletions to state highways under Chapter 4, Designation
5810 of State Highways Act;

5811 (c) holding public hearings and otherwise providing for public input in transportation
5812 matters;

5813 (d) making policies and rules in accordance with Title 63G, Chapter 3, Utah
5814 Administrative Rulemaking Act, necessary to perform the commission's duties described under
5815 this section;

5816 (e) in accordance with Section 63G-4-301, reviewing orders issued by the executive
5817 director in adjudicative proceedings held in accordance with Title 63G, Chapter 4,
5818 Administrative Procedures Act;

5819 (f) advising the department in state transportation systems policy;

5820 (g) approving settlement agreements of condemnation cases subject to Section
5821 63G-10-401;

5822 (h) in accordance with Section 17B-2a-807, appointing a commissioner to serve as a

5823 nonvoting, ex officio member or a voting member on the board of trustees of a public transit
5824 district;

5825 (i) in accordance with Section 17B-2a-808, reviewing, at least annually, the short-term
5826 and long-range public transit plans; and

5827 (j) reviewing administrative rules made, amended, or repealed by the department.

5828 (2) (a) For projects prioritized with funding provided under Sections 72-2-124 and
5829 72-2-125, the commission shall annually report to a committee designated by the Legislative
5830 Management Committee:

5831 (i) a prioritized list of the new transportation capacity projects in the state
5832 transportation system and the funding levels available for those projects; and

5833 (ii) the unfunded highway construction and maintenance needs within the state.

5834 (b) The committee designated by the Legislative Management Committee under
5835 Subsection (2)(a) shall:

5836 (i) review the list reported by the Transportation Commission; and

5837 (ii) make a recommendation to the Legislature on:

5838 (A) the amount of additional funding to allocate to transportation; and

5839 (B) the source of revenue for the additional funding allocation under Subsection
5840 (2)(b)(ii)(A).

5841 (3) The commission shall review and may approve plans for the construction of a
5842 highway facility over sovereign lakebed lands in accordance with Chapter 6, Part 3, Approval
5843 of Highway Facilities on Sovereign Lands Act.

5844 Section 55. Section 72-1-304 is amended to read:

5845 **72-1-304. Written project prioritization process for new transportation capacity**
5846 **projects -- Rulemaking.**

5847 (1) (a) The Transportation Commission, in consultation with the department and the
5848 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a written
5849 prioritization process for the prioritization of new transportation capacity projects that are or
5850 will be part of the state highway system under Chapter 4, Part 1, State Highways, or public
5851 transit projects that add capacity to the public transit systems within the state.

5852 (b) (i) A local government or district may nominate a project for prioritization in
5853 accordance with the process established by the commission in rule.

5854 (ii) If a local government or district nominates a project for prioritization by the
5855 commission, the local government or district shall provide data and evidence to show that:

5856 (A) the project will advance the purposes and goals described in Section 72-1-211;

5857 (B) for a public transit project, the local government or district has an ongoing funding
5858 source for operations and maintenance of the proposed development; and

5859 (C) the local government or district will provide 40% of the funds for the project as
5860 required by Subsection 72-2-124(7)(e).

5861 (2) The following shall be included in the written prioritization process under
5862 Subsection (1):

5863 (a) a description of how the strategic initiatives of the department adopted under
5864 Section 72-1-211 are advanced by the written prioritization process;

5865 (b) a definition of the type of projects to which the written prioritization process
5866 applies;

5867 (c) specification of a weighted criteria system that is used to rank proposed projects
5868 and how it will be used to determine which projects will be prioritized;

5869 (d) specification of the data that is necessary to apply the weighted ranking criteria; and

5870 (e) any other provisions the commission considers appropriate[-], which may include
5871 consideration of:

5872 (i) regional and statewide economic development impacts, including improved local
5873 access to:

5874 (A) employment;

5875 (B) recreation;

5876 (C) commerce; and

5877 (D) residential areas;

5878 (ii) the extent to which local land use plans relevant to a project support and
5879 accomplish the strategic initiatives adopted under Section 72-1-211; and

5880 (iii) any matching funds provided by a political subdivision or public transit district in
5881 addition to the 40% required by Subsection 72-2-124(7)(e).

5882 (3) In developing the written prioritization process, the commission:

5883 (a) shall seek and consider public comment by holding public meetings at locations
5884 throughout the state; and

5885 (b) may not consider local matching dollars as provided under Section 72-2-123 unless
5886 the state provides an equal opportunity to raise local matching dollars for state highway
5887 improvements within each county.

5888 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
5889 Transportation Commission, in consultation with the department, shall make rules establishing
5890 the written prioritization process under Subsection (1).

5891 (5) The commission shall submit the proposed rules under this section to a committee
5892 or task force designated by the Legislative Management Committee for review prior to taking
5893 final action on the proposed rules or any proposed amendment to the rules described in
5894 Subsection (4).

5895 Section 56. Section 72-1-305 is amended to read:

5896 **72-1-305. Project selection using the written prioritization process -- Public**
5897 **comment -- Report.**

5898 (1) Except as provided in Subsection (4), in determining priorities and funding levels
5899 of projects in the state transportation system under Subsection 72-1-303(1)(a) that are new
5900 transportation capacity projects, the commission shall use the weighted criteria system adopted
5901 in the written prioritization process under Section 72-1-304.

5902 (2) Prior to finalizing priorities and funding levels of projects in the state transportation
5903 system, the commission shall conduct public hearings at locations around the state and accept
5904 public comments on:

5905 (a) the written prioritization process;

5906 (b) the merits of new transportation capacity projects that will be prioritized under this
5907 section; and

5908 (c) the merits of new transportation capacity projects as recommended by a consensus
5909 of local elected officials participating in a metropolitan planning organization as defined in
5910 Section 72-1-208.5.

5911 (3) The commission shall make the weighted criteria system ranking for each project
5912 publicly available prior to the public hearings held under Subsection (2).

5913 (4) (a) If the commission prioritizes a project over another project with a higher rank
5914 under the weighted criteria system, the commission shall identify the change and accept public
5915 comment at a hearing held under this section on the merits of prioritizing the project above

5916 higher ranked projects.

5917 (b) The commission shall make the reasons for the prioritization under Subsection

5918 (4)(a) publicly available.

5919 (5) The executive director or the executive director's designee shall report annually to

5920 the governor and a committee designated by the Legislative Management Committee no later

5921 than the last day of October:

5922 (a) the projects prioritized under this section during the year prior to the report; and

5923 (b) the status and progress of all projects prioritized under this section.

5924 (6) (a) The department may not delay a new transportation or public transit capacity

5925 project that was funded by the Legislature in an appropriations act to a different fiscal year than

5926 programmed by the commission due to an unavoidable shortfall in revenues unless the project

5927 delays are prioritized and approved by the Transportation Commission.

5928 (b) The Transportation Commission shall prioritize and approve any new

5929 transportation or public transit capacity project delays for projects that were funded by the

5930 Legislature in an appropriations act due to an unavoidable shortfall in revenues.

5931 Section 57. Section **72-2-117.5** is amended to read:

5932 **72-2-117.5. Definitions -- Local Highway and Transportation Corridor**

5933 **Preservation Fund -- Disposition of fund money.**

5934 (1) As used in this section:

5935 (a) "Council of governments" means a decision-making body in each county composed

5936 of membership including the county governing body and the mayors of each municipality in the

5937 county.

5938 (b) "Metropolitan planning organization" has the same meaning as defined in Section

5939 [72-1-208.5](#).

5940 (2) There is created the Local Highway and Transportation Corridor Preservation Fund

5941 within the Transportation Fund.

5942 (3) The fund shall be funded from the following sources:

5943 (a) a local option highway construction and transportation corridor preservation fee

5944 imposed under Section [41-1a-1222](#);

5945 (b) appropriations made to the fund by the Legislature;

5946 (c) contributions from other public and private sources for deposit into the fund;

- 5947 (d) all money collected from rents and sales of real property acquired with fund money;
- 5948 (e) proceeds from general obligation bonds, revenue bonds, or other obligations issued
- 5949 as authorized by Title 63B, Bonds;
- 5950 (f) the portion of the sales and use tax described in Subsection [59-12-2217](#)~~[(2)(b) and~~
- 5951 ~~required by Subsection [59-12-2217](#)(8)(a) to be]~~ deposited into the fund; and
- 5952 (g) sales and use tax revenues deposited into the fund in accordance with Section
- 5953 [59-12-2218](#).
- 5954 (4) (a) The fund shall earn interest.
- 5955 (b) All interest earned on fund money shall be deposited into the fund.
- 5956 (c) The State Tax Commission shall allocate the revenues:
- 5957 (i) provided under Subsection (3)(a) to each county imposing a local option highway
- 5958 construction and transportation corridor preservation fee under Section [41-1a-1222](#);
- 5959 (ii) provided under Subsection [59-12-2217](#)(2)(b) to each county imposing a county
- 5960 option sales and use tax for transportation; and
- 5961 (iii) provided under Subsection (3)(g) to each county of the second class or city or town
- 5962 within a county of the second class that imposes the sales and use tax authorized by Section
- 5963 [59-12-2218](#).
- 5964 (d) The department shall distribute the funds allocated to each county, city, or town
- 5965 under Subsection (4)(c) to each county, city, or town.
- 5966 (e) The money allocated and distributed under this Subsection (4):
- 5967 (i) shall be used for the purposes provided in this section for each county, city, or town;
- 5968 (ii) is allocated to each county, city, or town as provided in this section with the
- 5969 condition that the state will not be charged for any asset purchased with the money allocated
- 5970 and distributed under this Subsection (4), unless there is a written agreement in place with the
- 5971 department prior to the purchase of the asset stipulating a reimbursement by the state to the
- 5972 county, city, or town of no more than the original purchase price paid by the county, city, or
- 5973 town; and
- 5974 (iii) is considered a local matching contribution for the purposes described under
- 5975 Section [72-2-123](#) if used on a state highway.
- 5976 (f) Administrative costs of the department to implement this section shall be paid from
- 5977 the fund.

5978 (5) (a) A highway authority may acquire real property or any interests in real property
5979 for state, county, and municipal highway or public transit corridors subject to:

- 5980 (i) money available in the fund to each county under Subsection (4); and
- 5981 (ii) the provisions of this section.

5982 (b) Fund money may be used to pay interest on debts incurred in accordance with this
5983 section.

5984 (c) (i) (A) Fund money may be used to pay maintenance costs of properties acquired
5985 under this section but limited to a total of 5% of the purchase price of the property.

5986 (B) Any additional maintenance cost shall be paid from funds other than under this
5987 section.

5988 (C) Revenue generated by any property acquired under this section is excluded from
5989 the limitations under this Subsection (5)(c)(i).

5990 (ii) Fund money may be used to pay direct costs of acquisition of properties acquired
5991 under this section.

5992 (d) Fund money allocated and distributed under Subsection (4) may be used by a
5993 county highway authority for countywide transportation or public transit planning if:

5994 (i) the county's planning focus area is outside the boundaries of a metropolitan
5995 planning organization;

5996 (ii) the transportation planning is part of the county's continuing, cooperative, and
5997 comprehensive process for transportation or public transit planning, corridor preservation,
5998 right-of-way acquisition, and project programming;

5999 (iii) no more than four years allocation every 20 years to each county is used for
6000 transportation planning under this Subsection (5)(d); and

6001 (iv) the county otherwise qualifies to use the fund money as provided under this
6002 section.

6003 (e) (i) Subject to Subsection (11), fund money allocated and distributed under
6004 Subsection (4) may be used by a county highway authority for transportation or public transit
6005 corridor planning that is part of the corridor elements of an ongoing work program of
6006 transportation or public transit projects.

6007 (ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the
6008 direction of:

6009 (A) the metropolitan planning organization if the county is within the boundaries of a
6010 metropolitan planning organization; or

6011 (B) the department if the county is not within the boundaries of a metropolitan
6012 planning organization.

6013 (f) (i) A county, city, or town that imposes a local option highway construction and
6014 transportation corridor preservation fee under Section 41-1a-1222 may elect to administer the
6015 funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving
6016 loan fund.

6017 (ii) If a county, city, or town elects to administer the funds allocated and distributed to
6018 that county, city, or town under Subsection (4) as a revolving loan fund, a local highway
6019 authority shall repay the fund money authorized for the project to the fund.

6020 (iii) A county, city, or town that elects to administer the funds allocated and distributed
6021 to that county, city, or town under Subsection (4) as a revolving loan fund shall establish
6022 repayment conditions of the money to the fund from the specified project funds.

6023 (g) (i) Subject to the restrictions in Subsections (5)(g)(ii) and (iii), fund money may be
6024 used by a county of the third, fourth, fifth, or sixth class or by a city or town within a county of
6025 the third, fourth, fifth, or sixth class for:

6026 (A) the construction, operation, or maintenance of a class B road or class C road; or

6027 (B) the restoration or repair of survey monuments associated with transportation
6028 infrastructure.

6029 (ii) A county, city, or town may not use more than 50% of the current balance of fund
6030 money allocated to the county, city, or town for the purposes described in Subsection (5)(g)(i).

6031 (iii) A county, city, or town may not use more than 50% of the fund revenue collections
6032 allocated to a county, city, or town in the current fiscal year for the purposes described in
6033 Subsection (5)(g)(i).

6034 (6) (a) (i) The Local Highway and Transportation Corridor Preservation Fund shall be
6035 used to preserve highway and public transit corridors, promote long-term statewide
6036 transportation planning, save on acquisition costs, and promote the best interests of the state in
6037 a manner which minimizes impact on prime agricultural land.

6038 (ii) The Local Highway and Transportation Corridor Preservation Fund shall only be
6039 used to preserve a highway or public transit corridor that is right-of-way:

- 6040 (A) in a county of the first or second class for:
- 6041 (I) a state highway;
- 6042 (II) a principal arterial highway as defined in Section [72-4-102.5](#);
- 6043 (III) a minor arterial highway as defined in Section [72-4-102.5](#); [or]
- 6044 (IV) a collector highway in an urban area as defined in Section [72-4-102.5](#); or
- 6045 (V) a transit facility as defined in Section [17B-2a-802](#); or
- 6046 (B) in a county of the third, fourth, fifth, or sixth class for:
- 6047 (I) a state highway;
- 6048 (II) a principal arterial highway as defined in Section [72-4-102.5](#);
- 6049 (III) a minor arterial highway as defined in Section [72-4-102.5](#);
- 6050 (IV) a major collector highway as defined in Section [72-4-102.5](#); [or]
- 6051 (V) a minor collector road as defined in Section [72-4-102.5](#)[-]; or
- 6052 (VI) a transit facility as defined in Section [17B-2a-802](#).
- 6053 (iii) The Local Highway and Transportation Corridor Preservation Fund may not be
- 6054 used for a highway corridor that is primarily a recreational trail as defined under Section
- 6055 [79-5-102](#).
- 6056 (b) A highway authority shall authorize the expenditure of fund money after
- 6057 determining that the expenditure is being made in accordance with this section from
- 6058 applications that are:
- 6059 (i) endorsed by the council of governments; and
- 6060 (ii) for a right-of-way purchase for a highway or public transit corridor authorized
- 6061 under Subsection (6)(a)(ii).
- 6062 (7) (a) (i) A council of governments shall establish a council of governments
- 6063 endorsement process which includes prioritization and application procedures for use of the
- 6064 money allocated to each county under this section.
- 6065 (ii) The endorsement process under Subsection (7)(a)(i) may include review or
- 6066 endorsement of the preservation project by:
- 6067 (A) the metropolitan planning organization if the county is within the boundaries of a
- 6068 metropolitan planning organization; or
- 6069 (B) the department if the county is not within the boundaries of a metropolitan
- 6070 planning organization.

6071 (b) All fund money shall be prioritized by each highway authority and council of
6072 governments based on considerations, including:

6073 (i) areas with rapidly expanding population;

6074 (ii) the willingness of local governments to complete studies and impact statements
6075 that meet department standards;

6076 (iii) the preservation of corridors by the use of local planning and zoning processes;

6077 (iv) the availability of other public and private matching funds for a project;

6078 (v) the cost-effectiveness of the preservation projects;

6079 (vi) long and short-term maintenance costs for property acquired; and

6080 (vii) whether the transportation or public transit corridor is included as part of:

6081 (A) the county and municipal master plan; and

6082 (B) (I) the statewide long range plan; or

6083 (II) the regional transportation plan of the area metropolitan planning organization if
6084 one exists for the area.

6085 (c) The council of governments shall:

6086 (i) establish a priority list of highway and public transit corridor preservation projects
6087 within the county;

6088 (ii) submit the list described in Subsection (7)(c)(i) to the county's legislative body for
6089 approval; and

6090 (iii) obtain approval of the list described in Subsection (7)(c)(i) from a majority of the
6091 members of the county legislative body.

6092 (d) A county's council of governments may only submit one priority list described in
6093 Subsection (7)(c)(i) per calendar year.

6094 (e) A county legislative body may only consider and approve one priority list described
6095 in Subsection (7)(c)(i) per calendar year.

6096 (8) (a) Unless otherwise provided by written agreement with another highway authority
6097 or public transit district, the highway authority that holds the deed to the property is responsible
6098 for maintenance of the property.

6099 (b) The transfer of ownership for property acquired under this section from one
6100 highway authority to another shall include a recorded deed for the property and a written
6101 agreement between the highway authorities or public transit district.

6102 (9) (a) The proceeds from any bonds or other obligations secured by revenues of the
6103 Local Highway and Transportation Corridor Preservation Fund shall be used for the purposes
6104 authorized for funds under this section.

6105 (b) The highway authority shall pledge the necessary part of the revenues of the Local
6106 Highway and Transportation Corridor Preservation Fund to the payment of principal and
6107 interest on the bonds or other obligations.

6108 (10) (a) A highway authority may not expend money under this section to purchase a
6109 right-of-way for a state highway unless the highway authority has:

6110 (i) a transportation corridor property acquisition policy or ordinance in effect that
6111 meets department requirements for the acquisition of real property or any interests in real
6112 property under this section; and

6113 (ii) an access management policy or ordinance in effect that meets the requirements
6114 under Subsection 72-2-117(8).

6115 (b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a
6116 written agreement with the department for the department to acquire real property or any
6117 interests in real property on behalf of the local highway authority under this section.

6118 (11) The county shall ensure, to the extent possible, that the fund money allocated and
6119 distributed to a city or town in accordance with Subsection (4) is expended:

6120 (a) to fund a project or service as allowed by this section within the city or town to
6121 which the fund money is allocated;

6122 (b) to pay debt service, principal, or interest on a bond or other obligation as allowed
6123 by this section if that bond or other obligation is:

6124 (i) secured by money allocated to the city or town; and

6125 (ii) issued to finance a project or service as allowed by this section within the city or
6126 town to which the fund money is allocated;

6127 (c) to fund transportation planning as allowed by this section within the city or town to
6128 which the fund money is allocated; or

6129 (d) for another purpose allowed by this section within the city or town to which the
6130 fund money is allocated.

6131 (12) Notwithstanding any other provision in this section, any amounts within the fund
6132 allocated to a public transit district or for a public transit corridor may only be derived from the

6133 portion of the fund that does not include constitutionally restricted sources related to the
 6134 operation of a motor vehicle on a public highway or proceeds from an excise tax on liquid
 6135 motor fuel to propel a motor vehicle.

6136 Section 58. Section **72-2-121** is amended to read:

6137 **72-2-121. County of the First Class Highway Projects Fund.**

6138 (1) There is created a special revenue fund within the Transportation Fund known as
 6139 the "County of the First Class Highway Projects Fund."

6140 (2) The fund consists of money generated from the following revenue sources:

6141 (a) any voluntary contributions received for new construction, major renovations, and
 6142 improvements to highways within a county of the first class;

6143 (b) the portion of the sales and use tax described in Subsection [59-12-2214\(3\)\(b\)](#)
 6144 deposited in or transferred to the fund;

6145 (c) the portion of the sales and use tax described in Subsection [59-12-2217](#)~~[(2)(b) and~~
 6146 ~~required by Subsection [59-12-2217\(8\)\(b\) to be](#)]~~ deposited in or transferred to the fund; and

6147 (d) a portion of the local option highway construction and transportation corridor
 6148 preservation fee imposed in a county of the first class under Section [41-1a-1222](#) deposited in or
 6149 transferred to the fund.

6150 (3) (a) The fund shall earn interest.

6151 (b) All interest earned on fund money shall be deposited into the fund.

6152 (4) The executive director shall use the fund money only:

6153 (a) to pay debt service and bond issuance costs for bonds issued under Sections
 6154 [63B-16-102](#), [63B-18-402](#), and [63B-27-102](#);

6155 (b) for right-of-way acquisition, new construction, major renovations, and
 6156 improvements to highways within a county of the first class and to pay any debt service and
 6157 bond issuance costs related to those projects, including improvements to a highway located
 6158 within a municipality in a county of the first class where the municipality is located within the
 6159 boundaries of more than a single county;

6160 (c) for the construction, acquisition, use, maintenance, or operation of:

6161 (i) an active transportation facility for nonmotorized vehicles;

6162 (ii) multimodal transportation that connects an origin with a destination; or

6163 (iii) a facility that may include a:

- 6164 (A) pedestrian or nonmotorized vehicle trail;
- 6165 (B) nonmotorized vehicle storage facility;
- 6166 (C) pedestrian or vehicle bridge; or
- 6167 (D) vehicle parking lot or parking structure;
- 6168 (d) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or
- 6169 county to pay for a portion of right-of-way acquisition, construction, reconstruction,
- 6170 renovations, and improvements to highways described in Subsections 72-2-121.4(7), (8), and
- 6171 (9);
- 6172 (e) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
- 6173 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
- 6174 transferred in accordance with Subsection 72-2-124(4)(a)(iv);
- 6175 (f) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
- 6176 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects
- 6177 described in Subsection 63B-18-401(4)(a);
- 6178 (g) for a fiscal year beginning on or after July 1, 2013, and after the department has
- 6179 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to
- 6180 transfer an amount equal to 50% of the revenue generated by the local option highway
- 6181 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
- 6182 a county of the first class:
- 6183 (i) to the legislative body of a county of the first class; and
- 6184 (ii) to be used by a county of the first class for:
- 6185 (A) highway construction, reconstruction, or maintenance projects; or
- 6186 (B) the enforcement of state motor vehicle and traffic laws;
- 6187 (h) for fiscal year 2015 only, and after the department has verified that the amount
- 6188 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
- 6189 Subsection (4)(f) has been made, to transfer an amount equal to the remainder of the revenue
- 6190 available in the fund for the 2015 fiscal year:
- 6191 (i) to the legislative body of a county of the first class; and
- 6192 (ii) to be used by a county of the first class for:
- 6193 (A) highway construction, reconstruction, or maintenance projects; or
- 6194 (B) the enforcement of state motor vehicle and traffic laws;

6195 (i) for fiscal year 2015-16 only, and after the department has verified that the amount
6196 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
6197 Subsection (4)(f) has been made, to transfer an amount equal to \$25,000,000:

6198 (i) to the legislative body of a county of the first class; and

6199 (ii) to be used by the county for the purposes described in this section;

6200 (j) for a fiscal year beginning on or after July 1, 2015, after the department has verified
6201 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the
6202 transfer under Subsection (4)(f) has been made, to annually transfer an amount equal to up to
6203 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into
6204 the fund in accordance with Subsection 59-12-2214(3)(b) to:

6205 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under
6206 Section 63B-27-102; and

6207 (ii) the Transportation Investment Fund of 2005 created in Section 72-2-124 until
6208 \$28,079,000 has been deposited into the Transportation Investment Fund of 2005; and

6209 (k) for a fiscal year beginning after the amount described in Subsection (4)(j) has been
6210 repaid to the Transportation Investment Fund of 2005 until fiscal year 2030, after the
6211 department has verified that the amount required under Subsection 72-2-121.3(4)(c) is
6212 available in the fund and the transfer under Subsection (4)(f) has been made, and after the
6213 bonds under Section 63B-27-102 have been repaid, to annually transfer an amount equal to up
6214 to 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited
6215 into the fund in accordance with Subsection 59-12-2214(3)(b):

6216 (i) to the legislative body of a county of the first class; and

6217 (ii) to be used by the county for the purposes described in this section.

6218 (5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in the
6219 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and
6220 63B-27-102 are considered a local matching contribution for the purposes described under
6221 Section 72-2-123.

6222 (6) The additional administrative costs of the department to administer this fund shall
6223 be paid from money in the fund.

6224 (7) Notwithstanding any statutory or other restrictions on the use or expenditure of the
6225 revenue sources deposited into this fund, the Department of Transportation may use the money

6226 in this fund for any of the purposes detailed in Subsection (4).

6227 Section 59. Section **72-2-124** is amended to read:

6228 **72-2-124. Transportation Investment Fund of 2005.**

6229 (1) There is created a capital projects fund entitled the Transportation Investment Fund
6230 of 2005.

6231 (2) The fund consists of money generated from the following sources:

6232 (a) any voluntary contributions received for the maintenance, construction,
6233 reconstruction, or renovation of state and federal highways;

6234 (b) appropriations made to the fund by the Legislature;

6235 (c) registration fees designated under Section 41-1a-1201;

6236 ~~[(c)]~~ (d) ~~the [sales and use] motor and special fuel tax revenues deposited into the fund~~
6237 in accordance with ~~[Section 59-12-103];~~ Sections 59-13-201 and 59-13-301; and

6238 ~~[(d) registration fees designated under Section 41-1a-1201; and]~~

6239 (e) revenues transferred to the fund in accordance with Section 72-2-106.

6240 (3) (a) The fund shall earn interest.

6241 (b) All interest earned on fund money shall be deposited into the fund.

6242 (4) (a) Except as provided in Subsection (4)(b), the executive director may use fund
6243 money only to pay:

6244 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
6245 federal highways prioritized by the Transportation Commission through the prioritization
6246 process for new transportation capacity projects adopted under Section 72-1-304;

6247 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
6248 projects described in Subsections 63B-18-401(2), (3), and (4);

6249 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
6250 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
6251 with Subsection 72-2-121(4)(f);

6252 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
6253 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified
6254 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the
6255 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

6256 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101

6257 for projects prioritized in accordance with Section [72-2-125](#);

6258 (vi) all highway general obligation bonds that are intended to be paid from revenues in
6259 the Centennial Highway Fund created by Section [72-2-118](#); and

6260 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
6261 Class Highway Projects Fund created in Section [72-2-121](#) to be used for the purposes described
6262 in Section [72-2-121](#).

6263 (b) The executive director may use fund money to exchange for an equal or greater
6264 amount of federal transportation funds to be used as provided in Subsection (4)(a).

6265 (5) (a) Before bonds authorized by Section [63B-18-401](#) or [63B-27-101](#) may be issued
6266 in any fiscal year, the department and the commission shall appear before the Executive
6267 Appropriations Committee of the Legislature and present the amount of bond proceeds that the
6268 department needs to provide funding for the projects identified in Subsections [63B-18-401](#)(2),
6269 (3), and (4) or Subsection [63B-27-101](#)(2) for the current or next fiscal year.

6270 (b) The Executive Appropriations Committee of the Legislature shall review and
6271 comment on the amount of bond proceeds needed to fund the projects.

6272 (6) The Division of Finance shall, from money deposited into the fund, transfer the
6273 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
6274 Section [63B-18-401](#) or [63B-27-101](#) in the current fiscal year to the appropriate debt service or
6275 sinking fund.

6276 (7) (a) There is created in the Transportation Investment Fund of 2005 the Transit
6277 Transportation Investment Fund.

6278 (b) The fund shall be funded by:

6279 (i) contributions deposited into the fund in accordance with Section [59-12-103](#);

6280 (ii) appropriations into the account by the Legislature;

6281 (iii) private contributions; and

6282 (iv) donations or grants from public or private entities.

6283 (c) (i) The fund shall earn interest.

6284 (ii) All interest earned on fund money shall be deposited into the fund.

6285 (d) Subject to Subsection (7)(e), the Legislature may appropriate money from the fund
6286 for public transit capital development of new capacity projects to be used as prioritized by the
6287 commission.

6288 (e) (i) The Legislature may only appropriate money from the fund for a public transit
6289 capital development project if the public transit district or political subdivision provides funds
6290 of equal to or greater than 40% of the funds needed for the project.

6291 (ii) A public transit district or political subdivision may use money derived from a loan
6292 granted pursuant to Title 72, Chapter 2, Part 2, Transportation Infrastructure Loan Fund, to
6293 provide all or part of the 40% requirement described in Subsection (7)(e)(i) if:

6294 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
6295 Transportation Infrastructure Loan Fund; and

6296 (B) the proposed capital project has been prioritized by the commission pursuant to
6297 Section [72-1-303](#).

6298 Section 60. Section **72-5-401** is amended to read:

6299 **72-5-401. Definitions.**

6300 As used in this part:

6301 (1) "Corridor" means the path or proposed path of a transportation facility, including a
6302 public transit facility, that exists or that may exist in the future[~~—A corridor~~], and may include
6303 the land occupied or to be occupied by a transportation facility, and any other land that may be
6304 needed for expanding a transportation facility or for controlling access to it.

6305 (2) "Corridor preservation" means planning or acquisition processes intended to:

6306 (a) protect or enhance the capacity of existing corridors; and

6307 (b) protect the availability of proposed corridors in advance of the need for and the
6308 actual commencement of the transportation facility construction.

6309 (3) "Development" means:

6310 (a) the subdividing of land;

6311 (b) the construction of improvements, expansions, or additions; or

6312 (c) any other action that will appreciably increase the value of and the future
6313 acquisition cost of land.

6314 (4) "Official map" means a map, drawn by government authorities and recorded in
6315 county recording offices that:

6316 (a) shows actual and proposed rights-of-way, centerline alignments, and setbacks for
6317 highways and other transportation facilities;

6318 (b) provides a basis for restricting development in designated rights-of-way or between

6319 designated setbacks to allow the government authorities time to purchase or otherwise reserve
6320 the land; and

6321 (c) for counties and municipalities may be adopted as an element of the general plan,
6322 pursuant to Title 17, Chapter 27a, Part 4, General Plan, or Title 10, Chapter 9a, Part 4, General
6323 Plan.

6324 (5) "Taking" means an act or regulation, either by exercise of eminent domain or other
6325 police power, whereby government puts private property to public use or restrains use of
6326 private property for public purposes, and that requires compensation to be paid to private
6327 property owners.

6328 Section 61. Section **72-6-120** is amended to read:

6329 **72-6-120. Department authorized to participate in federal program assuming**
6330 **responsibility for environmental review of highway projects -- Rulemaking authority.**

6331 (1) The department may:

6332 (a) assume responsibilities under 23 U.S.C. Sec. 326 for:

6333 (i) determining whether state highway design and construction projects are
6334 categorically excluded from requirements for environmental assessments or environmental
6335 impact statements; and

6336 (ii) environmental review, consultation, or other actions required under federal law for
6337 categorically excluded projects;

6338 (b) assume responsibilities under 23 U.S.C. Sec. 327 with respect to one or more
6339 railroad, public transportation, highway [projects], or multimodal projects within the state
6340 under the National Environmental Policy Act of 1969 for environmental review, consultation,
6341 or other action required under any federal environmental law pertaining to the review or
6342 approval of a specific highway project;

6343 (c) enter one or more memoranda of understanding with the United States Department
6344 of Transportation related to federal highway programs as provided in 23 U.S.C. Secs. 326 and
6345 327 subject to the requirements of Subsection [72-1-207\(5\)](#);

6346 (d) accept, receive, and administer grants, other money, or gifts from public and private
6347 agencies, including the federal government, for the purpose of carrying out the programs
6348 authorized under this section; and

6349 (e) cooperate with the federal government in implementing this section and any

6350 memorandum of understanding entered into under Subsection [72-1-207\(5\)](#).

6351 (2) Notwithstanding any other provision of law, in implementing a program under this
6352 section that is approved by the United States Department of Transportation, the department is
6353 authorized to:

6354 (a) perform or conduct any of the activities described in a memorandum of
6355 understanding entered into under Subsection [72-1-207\(5\)](#);

6356 (b) take actions necessary to implement the program; and

6357 (c) adopt relevant federal environmental standards as the standards for this state for
6358 categorically excluded projects.

6359 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
6360 department may makes rules to implement the provisions of this section.

6361 Section 62. **Repealer.**

6362 This bill repeals:

6363 Section [17B-2a-807.5](#), **Public transit district board of trustees -- Transitional**
6364 **provisions.**

6365 Section 63. **Effective date.**

6366 This bill takes effect on May 8, 2018, except that:

6367 (1) the amendments to Sections [35A-8-308](#), [35A-8-309](#), [59-12-103](#), [59-12-1201](#),
6368 [59-13-201](#), [59-13-301](#), [63N-2-510](#), [63N-2-512](#) in this bill take effect on July 1, 2018; and

6369 (2) the amendments to Sections [41-1a-102](#), [41-1a-1201](#), and [41-1a-1206](#) in this bill
6370 take effect on January 1, 2019.