

Senator Luz Escamilla proposes the following substitute bill:

MEDICAID EXPANSION ADJUSTMENTS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Allen M. Christensen

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions relating to Medicaid expansion.

Highlighted Provisions:

This bill:

- ▶ removes the requirement that reimbursements for Medicaid providers increase annually at a certain rate;
- ▶ makes changes to the Inpatient Hospital Assessment and the Medicaid Expansion Hospital Assessment;
- ▶ permits funds from the Medicaid Expansion Fund to be used for the Medicaid expansion to the full optional population under the Affordable Care Act;
- ▶ amends provisions relating to the state sales tax; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:



26 **26-18-3.9**, as enacted by Statewide Initiative -- Proposition 3, Nov. 6, 2018
27 **26-36b-103**, as last amended by Laws of Utah 2018, Chapters 285, 316, 384, and 468
28 **26-36b-201**, as last amended by Laws of Utah 2018, Chapters 384 and 468
29 **26-36b-204**, as last amended by Laws of Utah 2018, Chapters 384 and 468
30 **26-36b-208**, as last amended by Laws of Utah 2018, Chapters 384 and 468
31 **26-36b-209**, as last amended by Laws of Utah 2018, Chapters 384 and 468
32 **26-36c-102**, as enacted by Laws of Utah 2018, Chapter 468
33 **26-36c-201**, as enacted by Laws of Utah 2018, Chapter 468
34 **26-36c-203**, as enacted by Laws of Utah 2018, Chapter 468
35 **26-36c-204**, as enacted by Laws of Utah 2018, Chapter 468
36 **26-36c-206**, as enacted by Laws of Utah 2018, Chapter 468
37 **26-36c-208**, as enacted by Laws of Utah 2018, Chapter 468
38 **26-36c-209**, as enacted by Laws of Utah 2018, Chapter 468
39 **59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018

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

42 Section 1. Section **26-18-3.9** is amended to read:

43 **26-18-3.9. Protecting and expanding the Medicaid program and Utah Children's**
44 **Health Insurance Program.**

45 (1) Findings and purpose.

46 (a) Findings. The People of the State of Utah find that:

47 (i) Adequate medical care is crucial to the health and welfare of the residents of Utah;

48 (ii) It is essential that all Utahns have access to medical care, including preventive care,
49 emergency services, and hospital care;

50 (iii) Utah's Medicaid program and CHIP provide care to Utahns who are unable to
51 afford private health insurance and are not eligible for other health insurance. Medicaid and
52 CHIP are vital parts of the Utah health care system and it is essential that they continue to
53 provide health care for the most vulnerable citizens of our state;

54 (iv) However, over 250,000 Utahns remain uninsured and do not have adequate access
55 to health care. Over 100,000 of the uninsured would be covered by Medicaid if the State of
56 Utah were to expand eligibility to all individuals who are in the federal optional Medicaid

expansion population, as defined as of January 1, 2017;

(v) When people don't have access to care they are far more likely to develop chronic conditions, like diabetes or asthma, that often require expensive treatment for a patient's entire life, resulting in unnecessary suffering and driving up the cost of healthcare;

(vi) When medical providers provide care for which patients are not insured, the cost of that care is passed on to others, thus increasing the cost of medical care for all Utah residents;

(vii) It is critical to the survival of the Medicaid program that it remain adequately funded so that it can provide needed medical services to those who otherwise would not have access to care, and can compensate the providers who serve participants. The compensation to providers must be adequate to encourage providers to continue to treat patients on Medicaid; and

(viii) From moral, health and fiscal perspectives, protecting and expanding the Medicaid program in Utah is essential to maintaining the quality of life in our state.

(b) Purpose. The purpose of this measure is to preserve and strengthen medical care in the State of Utah by the following:

(i) Protecting Medicaid and CHIP so that they can continue to provide medical care to those who are currently eligible^[7]; and

(ii) Expanding Medicaid eligibility to adults who are in the federal optional Medicaid expansion population, as defined as of January 1, 2017.

(2) Eligibility. As set forth in Subsections (2)(a) through (2)(d), eligibility criteria for the Medicaid program shall be maintained as they existed on January 1, 2017 and also expanded to cover additional low-income individuals.

(a) The standards, methodologies, and procedures for determining eligibility for the Medicaid program and CHIP shall be no more restrictive than the eligibility standards, methodologies, and procedures, respectively, that were in effect on January 1, 2017.

(b) Notwithstanding Sections 26-18-18 and 63J-5-204, beginning April 1, 2019, eligibility for the Medicaid program shall be expanded to include all persons in the optional Medicaid expansion population under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148 and the Health Care Education Reconciliation Act of 2010, Pub. L. No. 111-152, and related federal regulations and guidance, as those statutory and regulatory provisions and

88 guidance existed on January 1, 2017.

89 (c) There shall be no caps on enrollment beyond those in place as of January 1, 2017.

90 (d) The eligibility criteria in Subsection (2)(b) shall be construed to include all
91 individuals eligible for the health coverage improvement program under Section 26-18-411.

92 (3) Care and Services. For each enrollment group or category in the Medicaid program
93 and CHIP, the categories of care or services and the types of benefits provided in each category
94 shall be no more restrictive than the categories of care or services and the types of benefits
95 provided on January 1, 2017. Such services and benefits shall be provided in sufficient
96 amount, duration, and scope to achieve their purposes.

97 (4) Out-of-Pocket Costs. Any premium, beneficiary enrollment fee, and cost sharing
98 requirement applicable to care and services described in this section, including but not limited
99 to co-pay, co-insurance, deductible, or out-of-pocket maximum, shall be no greater than those
100 in effect on January 1, 2017.

101 (5) Provider payments.

102 (a) Payments to providers under the Medicaid program and CHIP for covered care and
103 services shall be made at a rate not less than 100% of the payment rate that applied to such care
104 and services on January 1, 2017~~[, and shall increase annually at a rate not less than the region's~~
105 ~~Consumer Price Index]~~.

106 (b) Managed care.

107 (i) If the department contracts with an accountable care organization or other
108 organization to cover care and services under the Medicaid program or CHIP, a contract with
109 that organization shall provide that the organization shall make payments to providers for items
110 and services that are subject to the contract and that are furnished to individuals eligible for the
111 Medicaid program or CHIP at a rate not less than 100% of the payment rate that at least one
112 accountable care organization that contracted with the department paid for such care and
113 services on January 1, 2017 (regardless of the manner in which such payments are made,
114 including in the form of capitation or partial capitation)~~[, and that the minimum payment~~
115 ~~required by this provision will increase annually at a rate not less than the region's Consumer~~
116 ~~Price Index]~~.

117 (ii) Payments by the department to accountable care organizations or such other
118 organizations shall be sufficient for the organizations to comply with the provider payment rate

requirements of this section.

(c) This [~~subsection~~] Subsection (5) shall not apply to physician reimbursement for drugs or devices.

(6) Nothing in this section shall prevent the people acting through initiative, the Legislature by statute, or the department by promulgating rules from:

(a) Expanding eligibility by adopting less restrictive eligibility standards, methodologies, or procedures than those permitted by Subsection (2);

(b) Expanding covered care and services by adding to the list, amount, duration, or scope of covered care and services required by Subsection (3);

(c) Reducing premiums, beneficiary enrollment fees, or cost sharing requirements below the maximum levels permitted by Subsection (4); or

(d) Increasing provider payments above the minimum payments required by Subsection (5).

(7) For purposes of this section:

(a) The “Medicaid program” means the Medicaid program defined by Section 26-18-2, including any waivers.

(b) The “Utah Children’s Health Insurance Program” or “CHIP” means the Utah Children’s Health Insurance Program created in Chapter 40, Utah Children’s Health Insurance Act.

(8) The department shall maximize federal financial participation in implementing this section, including by seeking to obtain any necessary federal approvals or waivers.

(9) This section and Section 26-18-3.1(4) shall not apply to CHIP in any year for which the State Children’s Health Insurance Program, as described in Subchapter XXI, 42 U.S.C. Sec. 1397aa et seq., is not extended at the federal level.

(10) Notwithstanding Sections 17-43-201 and 17-43-301, a county does not have to provide matching funds to the state for the cost of providing Medicaid services to newly enrolled individuals who qualify for Medicaid coverage under Subsection (2)(b).

(11) Severability. If any provision of this section or its application to any person or circumstance is held invalid, the remainder of this section shall be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

Section 2. Section 26-36b-103 is amended to read:

26-36b-103. Definitions.

As used in this chapter:

(1) "Assessment" means the inpatient hospital assessment established by this chapter.

(2) "CMS" means the Centers for Medicare and Medicaid Services within the United States Department of Health and Human Services.

(3) "Discharges" means the number of total hospital discharges reported on:

(a) Worksheet S-3 Part I, column 15, lines 14, 16, and 17 of the 2552-10 Medicare cost report for the applicable assessment year; or

(b) a similar report adopted by the department by administrative rule, if the report under Subsection (3)(a) is no longer available.

(4) "Division" means the Division of Health Care Financing within the department.

(5) "Enhancement waiver program" means the program established by the Primary Care Network enhancement waiver program described in Section 26-18-416.

(6) "Health coverage improvement program" means the health coverage improvement program described in Section 26-18-411.

(7) "Hospital share" means the hospital share described in Section 26-36b-203.

(8) "Medicaid accountable care organization" means a managed care organization, as defined in 42 C.F.R. Sec. 438, that contracts with the department under the provisions of Section 26-18-405.

(9) "Medicaid expansion" means an expansion of the Medicaid program in accordance with:

(a) Section 26-18-3.9; or

(b) the Medicaid waiver expansion.

~~[(9)]~~ (10) "Medicaid waiver expansion" means a Medicaid expansion in accordance with Section 26-18-415.

~~[(10)]~~ (11) "Medicare cost report" means CMS-2552-10, the cost report for electronic filing of hospitals.

~~[(11)]~~ (12) (a) "Non-state government hospital" means a hospital owned by a non-state government entity.

(b) "Non-state government hospital" does not include:

(i) the Utah State Hospital; or

(ii) a hospital owned by the federal government, including the Veterans Administration Hospital.

~~[(12)]~~ (13) (a) "Private hospital" means:

(i) a general acute hospital, as defined in Section 26-21-2, that is privately owned and operating in the state; and

(ii) a privately owned specialty hospital operating in the state, including a privately owned hospital whose inpatient admissions are predominantly for:

(A) rehabilitation;

(B) psychiatric care;

(C) chemical dependency services; or

(D) long-term acute care services.

(b) "Private hospital" does not include a facility for residential treatment as defined in Section 62A-2-101.

~~[(13)]~~ (14) "State teaching hospital" means a state owned teaching hospital that is part of an institution of higher education.

~~[(14)]~~ (15) "Upper payment limit gap" means the difference between the private hospital outpatient upper payment limit and the private hospital Medicaid outpatient payments, as determined in accordance with 42 C.F.R. Sec. 447.321.

Section 3. Section 26-36b-201 is amended to read:

26-36b-201. Assessment.

(1) An assessment is imposed on each private hospital:

(a) beginning upon the later of CMS approval of:

(i) the health coverage improvement program waiver under Section 26-18-411; and

(ii) the assessment under this chapter;

(b) in the amount designated in Sections 26-36b-204 and 26-36b-205; and

(c) in accordance with Section 26-36b-202.

(2) Subject to Section 26-36b-203, the assessment imposed by this chapter is due and payable on a quarterly basis, after payment of the outpatient upper payment limit supplemental payments under Section 26-36b-210 have been paid.

(3) The first quarterly payment is not due until at least three months after the earlier of the effective dates of the coverage provided through:

(a) the health coverage improvement program;

(b) the enhancement waiver program; or

(c) ~~the~~ Medicaid ~~waiver~~ expansion.

Section 4. Section **26-36b-204** is amended to read:

26-36b-204. Hospital financing of health coverage improvement program

Medicaid waiver expansion -- Hospital share.

(1) The hospital share is:

(a) 45% of the state's net cost of the health coverage improvement program, including Medicaid coverage for individuals with dependent children up to the federal poverty level designated under Section [26-18-411](#);

(b) 45% of the state's net cost of the enhancement waiver program;

(c) if ~~the waiver for the~~ Medicaid ~~waiver~~ expansion is ~~approved~~ implemented, \$11,900,000; and

(d) 45% of the state's net cost of the upper payment limit gap.

(2) (a) The hospital share is capped at no more than \$13,600,000 annually, consisting of:

(i) an \$11,900,000 cap for the programs specified in Subsections (1)(a) through (c);

and

(ii) a \$1,700,000 cap for the program specified in Subsection (1)(d).

(b) The department shall prorate the cap described in Subsection (2)(a) in any year in which the programs specified in Subsections (1)(a) and (d) are not in effect for the full fiscal year.

(3) Private hospitals shall be assessed under this chapter for:

(a) 69% of the portion of the hospital share for the programs specified in Subsections (1)(a) through (c); and

(b) 100% of the portion of the hospital share specified in Subsection (1)(d).

(4) (a) The department shall, on or before October 15, 2017, and on or before October 15 of each subsequent year, produce a report that calculates the state's net cost of each of the programs described in Subsections (1)(a) through (c) that are in effect for that year.

(b) If the assessment collected in the previous fiscal year is above or below the hospital share for private hospitals for the previous fiscal year, the underpayment or overpayment of the

assessment by the private hospitals shall be applied to the fiscal year in which the report is issued.

(5) A Medicaid accountable care organization shall, on or before October 15 of each year, report to the department the following data from the prior state fiscal year for each private hospital, state teaching hospital, and non-state government hospital provider that the Medicaid accountable care organization contracts with:

(a) for the traditional Medicaid population:

(i) hospital inpatient payments;

(ii) hospital inpatient discharges;

(iii) hospital inpatient days; and

(iv) hospital outpatient payments; and

(b) if the Medicaid accountable care organization enrolls any individuals in the health coverage improvement program, the enhancement waiver program, or ~~the~~ Medicaid ~~[waiver]~~ expansion, for the population newly eligible for any of those programs:

(i) hospital inpatient payments;

(ii) hospital inpatient discharges;

(iii) hospital inpatient days; and

(iv) hospital outpatient payments.

(6) The department shall, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, provide details surrounding specific content and format for the reporting by the Medicaid accountable care organization.

Section 5. Section **26-36b-208** is amended to read:

26-36b-208. Medicaid Expansion Fund.

(1) There is created an expendable special revenue fund known as the Medicaid Expansion Fund.

(2) The fund consists of:

(a) assessments collected under this chapter;

(b) intergovernmental transfers under Section **26-36b-206**;

(c) savings attributable to the health coverage improvement program as determined by the department;

(d) savings attributable to the enhancement waiver program as determined by the

department;

(e) savings attributable to ~~[the]~~ Medicaid ~~[waiver]~~ expansion as determined by the department;

(f) savings attributable to the inclusion of psychotropic drugs on the preferred drug list under Subsection 26-18-2.4(3) as determined by the department;

(g) savings attributable to the services provided by the Public Employees' Health Plan under Subsection 49-20-401(1)(u);

(h) revenues collected from the sales tax described in Subsection 59-12-103(14);

~~[(h)]~~ (i) gifts, grants, donations, or any other conveyance of money that may be made to the fund from private sources;

~~[(i)]~~ (j) interest earned on money in the fund; and

~~[(j)]~~ (k) additional amounts as appropriated by the Legislature.

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

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

(4) (a) A state agency administering the provisions of this chapter may use money from the fund to pay the costs, not otherwise paid for with federal funds or other revenue sources, of:

(i) the health coverage improvement program;

(ii) the enhancement waiver program;

(iii) ~~[the]~~ Medicaid ~~[waiver]~~ expansion; and

(iv) the outpatient upper payment limit supplemental payments under Section 26-36b-210.

(b) A state agency administering the provisions of this chapter may not use:

(i) funds described in Subsection (2)(b) to pay the cost of private outpatient upper payment limit supplemental payments; or

(ii) money in the fund for any purpose not described in Subsection (4)(a).

Section 6. Section 26-36b-209 is amended to read:

26-36b-209. Hospital reimbursement.

(1) If the health coverage improvement program, the enhancement waiver program, or ~~[the]~~ Medicaid ~~[waiver]~~ expansion is implemented by contracting with a Medicaid accountable care organization, the department shall, to the extent allowed by law, include, in a contract to provide benefits under the health coverage improvement program, the enhancement waiver

program, or ~~the~~ Medicaid ~~waiver~~ expansion, a requirement that the Medicaid accountable care organization reimburse hospitals in the accountable care organization's provider network at no less than the Medicaid fee-for-service rate.

(2) If the health coverage improvement program, the enhancement waiver program, or ~~the~~ Medicaid ~~waiver~~ expansion is implemented by the department as a fee-for-service program, the department shall reimburse hospitals at no less than the Medicaid fee-for-service rate.

(3) Nothing in this section prohibits a Medicaid accountable care organization from paying a rate that exceeds the Medicaid fee-for-service rate.

Section 7. Section **26-36c-102** is amended to read:

26-36c-102. Definitions.

As used in this chapter:

(1) "Assessment" means the Medicaid expansion hospital assessment established by this chapter.

(2) "CMS" means the Centers for Medicare and Medicaid Services within the United States Department of Health and Human Services.

(3) "Discharges" means the number of total hospital discharges reported on:

(a) Worksheet S-3 Part I, column 15, lines 14, 16, and 17 of the 2552-10 Medicare cost report for the applicable assessment year; or

(b) a similar report adopted by the department by administrative rule, if the report under Subsection (3)(a) is no longer available.

(4) "Division" means the Division of Health Care Financing within the department.

(5) "Hospital share" means the hospital share described in Section [26-36c-203](#).

(6) "Medicaid accountable care organization" means a managed care organization, as defined in 42 C.F.R. Sec. 438, that contracts with the department under the provisions of Section [26-18-405](#).

(7) "Medicaid Expansion Fund" means the Medicaid Expansion Fund created in Section [26-36b-208](#).

(8) "Medicaid expansion" means an expansion of the Medicaid program in accordance with:

(a) Section [26-18-3.9](#); or

(b) the Medicaid waiver expansion.

~~[(8)]~~ (9) "Medicaid waiver expansion" means the same as that term is defined in Section 26-18-415.

~~[(9)]~~ (10) "Medicare cost report" means CMS-2552-10, the cost report for electronic filing of hospitals.

~~[(10)]~~ (11) (a) "Non-state government hospital" means a hospital owned by a non-state government entity.

(b) "Non-state government hospital" does not include:

(i) the Utah State Hospital; or

(ii) a hospital owned by the federal government, including the Veterans Administration Hospital.

~~[(11)]~~ (12) (a) "Private hospital" means:

(i) a privately owned general acute hospital operating in the state as defined in Section 26-21-2; or

(ii) a privately owned specialty hospital operating in the state, including a privately owned hospital for which inpatient admissions are predominantly:

(A) rehabilitation;

(B) psychiatric;

(C) chemical dependency; or

(D) long-term acute care services.

(b) "Private hospital" does not include a facility for residential treatment as defined in Section 62A-2-101.

~~[(12)]~~ (13) "State teaching hospital" means a state owned teaching hospital that is part of an institution of higher education.

Section 8. Section **26-36c-201** is amended to read:

26-36c-201. Assessment.

(1) An assessment is imposed on each private hospital:

(a) beginning upon the later of CMS approval of:

(i) Medicaid expansion;

~~[(i)]~~ (ii) the waiver for the Medicaid waiver expansion; and

~~[(ii)]~~ (iii) the assessment under this chapter;

(b) in the amount designated in Sections 26-36c-204 and 26-36c-205; and

(c) in accordance with Section 26-36c-202.

(2) Subject to Subsection 26-36c-202(4), the assessment imposed by this chapter is due and payable on the last day of each quarter.

(3) The first quarterly payment is not due until at least three months after the effective date of the coverage provided through ~~the~~ Medicaid ~~waiver~~ expansion.

Section 9. Section 26-36c-203 is amended to read:

26-36c-203. Hospital share.

(1) The hospital share is 100% of the state's net cost of ~~the~~ Medicaid ~~waiver~~ expansion, after deducting:

(a) appropriate offsets and savings expected as a result of implementing ~~the~~ Medicaid ~~waiver~~ expansion, including savings from:

~~(a)~~ (i) the Primary Care Network program;

~~(b)~~ (ii) the health coverage improvement program, as defined in Section 26-18-411;

~~(c)~~ (iii) the state portion of inpatient prison medical coverage;

~~(d)~~ (iv) behavioral health coverage; and

~~(e)~~ (v) county contributions to the non-federal share of Medicaid expenditures~~[-]; and~~

(b) any amount remaining in the Medicaid Expansion Fund.

(2) (a) The hospital share is capped at no more than \$25,000,000 annually.

(b) The division shall prorate the cap specified in Subsection (2)(a) in any year in which the Medicaid ~~waiver~~ expansion is not in effect for the full fiscal year.

Section 10. Section 26-36c-204 is amended to read:

26-36c-204. Hospital financing of Medicaid expansion.

(1) Private hospitals shall be assessed under this chapter for the portion of the hospital share described in Section 26-36c-209.

(2) The department shall, on or before October 15, 2019, and on or before October 15 of each subsequent year, produce a report that calculates the state's net cost of ~~the~~ Medicaid ~~waiver~~ expansion.

(3) If the assessment collected in the previous fiscal year is above or below the hospital share for private hospitals for the previous fiscal year, the division shall apply the underpayment or overpayment of the assessment by the private hospitals to the fiscal year in

which the report is issued.

Section 11. Section **26-36c-206** is amended to read:

26-36c-206. State teaching hospital and non-state government hospital mandatory intergovernmental transfer.

(1) A state teaching hospital and a non-state government hospital shall make an intergovernmental transfer to the Medicaid Expansion Fund, in accordance with this section.

(2) The hospitals described in Subsection (1) shall pay the intergovernmental transfer beginning on the later of CMS approval of:

(a) Medicaid expansion;

~~[(a)]~~ (b) the waiver for the Medicaid waiver expansion; or

~~[(b)]~~ (c) the assessment for private hospitals in this chapter.

(3) The intergovernmental transfer is apportioned between the non-state government hospitals as follows:

(a) the state teaching hospital shall pay for the portion of the hospital share described in Section **26-36c-209**; and

(b) non-state government hospitals shall pay for the portion of the hospital share described in Section **26-36c-209**.

(4) The department shall, by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, designate:

(a) the method of calculating the amounts designated in Subsection (3); and

(b) the schedule for the intergovernmental transfers.

Section 12. Section **26-36c-208** is amended to read:

26-36c-208. Hospital reimbursement.

(1) If ~~the~~ Medicaid ~~waiver~~ expansion is implemented by contracting with a Medicaid accountable care organization, the department shall, to the extent allowed by law, include in a contract to provide benefits under ~~the~~ Medicaid ~~waiver~~ expansion a requirement that the accountable care organization reimburse hospitals in the accountable care organization's provider network at no less than the Medicaid fee-for-service rate.

(2) If ~~the~~ Medicaid ~~waiver~~ expansion is implemented by the department as a fee-for-service program, the department shall reimburse hospitals at no less than the Medicaid fee-for-service rate.

(3) Nothing in this section prohibits the department or a Medicaid accountable care organization from paying a rate that exceeds the Medicaid fee-for-service rate.

Section 13. Section **26-36c-209** is amended to read:

26-36c-209. Hospital financing of the hospital share.

(1) For the first two full fiscal years that the assessment is in effect, the department shall:

(a) assess private hospitals under this chapter for 69% of the hospital share for ~~[the]~~ Medicaid ~~[waiver]~~ expansion;

(b) require the state teaching hospital to make an intergovernmental transfer under this chapter for 30% of the hospital share for ~~[the]~~ Medicaid ~~[waiver]~~ expansion; and

(c) require non-state government hospitals to make an intergovernmental transfer under this chapter for 1% of the hospital share for ~~[the]~~ Medicaid ~~[waiver]~~ expansion.

(2) (a) At the beginning of the third full fiscal year that the assessment is in effect, and at the beginning of each subsequent fiscal year, the department may set a different percentage share for private hospitals, the state teaching hospital, and non-state government hospitals by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, with input from private hospitals and private teaching hospitals.

(b) If the department does not set a different percentage share under Subsection (2)(a), the percentage shares in Subsection (1) shall apply.

Section 14. Section **59-12-103** is amended to read:

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

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

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

(b) amounts paid for:

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

(ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

(iii) an ancillary service associated with a:

(A) telecommunications service described in Subsection (1)(b)(i); or

(B) mobile telecommunications service described in Subsection (1)(b)(ii);

(c) sales of the following for commercial use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(d) sales of the following for residential use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(e) sales of prepared food;

(f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;

(g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

(i) the tangible personal property; and

(ii) parts used in the repairs or renovations of the tangible personal property described

in Subsection (1)(g)(i), regardless of whether:

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

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

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

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

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

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

(i) stored;

(ii) used; or

(iii) otherwise consumed;

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

(i) stored;

(ii) used; or

(iii) consumed; and

(m) amounts paid or charged for a sale:

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

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

(ii) regardless of whether the sale provides:

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

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

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

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

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

(i) a state tax imposed on the transaction at a tax rate equal to the sum of:

(A) (I) through March 31, 2019, 4.70%; and
(II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a); and
(B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and
(II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
(b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:
(i) a state tax imposed on the transaction at a tax rate of 2%; and
(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
(c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of:
(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and
(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.
(d) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:
(A) a state tax imposed on the entire bundled transaction equal to the sum of:
(I) the tax rate described in Subsection (2)(a)(i)(A); and
(II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

Additional State Sales and Use Tax Act; and

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

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

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

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

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

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

(II) state or federal law provides otherwise; or

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

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

(II) state or federal law provides otherwise.

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

course of business for nontax purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

642 (A) on the first day of a calendar quarter; and

643 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

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

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

646 (B) Subsection (2)(b)(i);
 647 (C) Subsection (2)(c)(i); or
 648 (D) Subsection (2)(d)(i)(A)(I).
 649 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
 650 the commission may by rule define the term "catalogue sale."
 651 (3) (a) The following state taxes shall be deposited into the General Fund:
 652 (i) the tax imposed by Subsection (2)(a)(i)(A);
 653 (ii) the tax imposed by Subsection (2)(b)(i);
 654 (iii) the tax imposed by Subsection (2)(c)(i); or
 655 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
 656 (b) The following local taxes shall be distributed to a county, city, or town as provided
 657 in this chapter:
 658 (i) the tax imposed by Subsection (2)(a)(ii);
 659 (ii) the tax imposed by Subsection (2)(b)(ii);
 660 (iii) the tax imposed by Subsection (2)(c)(ii); and
 661 (iv) the tax imposed by Subsection (2)(d)(i)(B).
 662 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
 663 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
 664 through (g):
 665 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 666 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 667 (B) for the fiscal year; or
 668 (ii) \$17,500,000.
 669 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
 670 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
 671 Department of Natural Resources to:
 672 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
 673 protect sensitive plant and animal species; or
 674 (B) award grants, up to the amount authorized by the Legislature in an appropriations
 675 act, to political subdivisions of the state to implement the measures described in Subsections
 676 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

(iii) At the end of each fiscal year:

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

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

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

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

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

(ii) At the end of each fiscal year:

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

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

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

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

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

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

(B) fund state required dam safety improvements; and

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

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

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

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

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

(iii) develop surface water sources.

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

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

(ii) \$17,500,000.

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

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

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

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

created in Section 73-10-24.

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

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

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

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

(d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

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

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

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

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

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

(e) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.

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

Fund created in Section 73-10-24.

(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited as follows:

(a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124;

(b) for fiscal year 2017-18 only:

(i) 80% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

(ii) 20% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;

(c) for fiscal year 2018-19 only:

(i) 60% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

(ii) 40% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;

(d) for fiscal year 2019-20 only:

(i) 40% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

(ii) 60% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;

(e) for fiscal year 2020-21 only:

(i) 20% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

(ii) 80% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103; and

(f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103.

(7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in

Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124:

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

(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(B) the tax imposed by Subsection (2)(b)(i);

(C) the tax imposed by Subsection (2)(c)(i); and

(D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

(ii) an amount equal to 30% of the growth in the amount of revenues collected in the current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) that exceeds the amount collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

(b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) generated in the current fiscal year than the total percentage of sales and use taxes deposited in the previous fiscal year, the Division of Finance shall deposit an amount under Subsection (7)(a) equal to the product of:

(A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the previous fiscal year; and

(B) the total sales and use tax revenue generated by the taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year.

(ii) In any fiscal year in which the portion of the sales and use taxes deposited under Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of Finance shall deposit 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected

from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

(8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:

(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(B) the tax imposed by Subsection (2)(b)(i);

(C) the tax imposed by Subsection (2)(c)(i); and

(D) the tax imposed by Subsection (2)(d)(i)(A)(I).

(ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(iii) The commission shall annually deposit the amount described in Subsection (8)(c)(ii) into the Transit and Transportation Investment Fund created in Section 72-2-124.

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

(10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on the transactions described in Subsection (1).

(b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of revenue described as follows:

(i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1); and

(v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1).

(c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(d).

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

(12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the

Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

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

(14) (a) The rate specified in this subsection is 0.15%.

(b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

(i) on or before September 30, 2019, transfer the amount of revenue ~~[generated by]~~ collected from a 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) ~~[as dedicated credits to the Division of Health Care Financing]~~ to the Medicaid Expansion Fund created in Section 26-36b-208; and

(ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the amount of revenue ~~[generated by]~~ collected from a 0.15% tax rate on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) ~~[as dedicated credits to the Division of Health Care Financing]~~ to the Medicaid Expansion Fund created in Section 26-36b-208.

(c) The revenue described in Subsection (14)(b) ~~[that the Division of Finance transfers to the Division of Health Care Financing as dedicated credits]~~ shall be expended for the following uses:

(i) implementation of the Medicaid expansion described in Sections 26-18-3.1(4) and 26-18-3.9(2)(b);

(ii) if revenue remains after the use specified in Subsection (14)(c)(i), other measures required by Section 26-18-3.9; and

(iii) if revenue remains after the uses specified in Subsections (14)(c)(i) and (ii), other measures described in Title 26, Chapter 18, Medical Assistance Act.