

**Representative Kay J. Christofferson** proposes the following substitute bill:

**COUNTY SALES TAX AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kay J. Christofferson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the provision regarding local option sales and use tax distribution.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
  - ▶ removes the requirement for a county legislative body to receive voter approval to change the allocation for a certain local option sales and use tax;
  - ▶ amends the distribution for a certain local option sales and use tax;
  - ▶ provides the State Tax Commission with direction on how to distribute the city and town portion of the sales and use tax within a county;
  - ▶ specifies the ways a county, city, or town may expend the sales and use tax revenue when a county selects certain allocations;
  - ▶ provides requirements for a county to meet if the county elects to change distribution allocations;
  - ▶ eliminates the deadline for a county to impose the local option sales and use tax;
- and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**



26 None

27 **Other Special Clauses:**

28 This bill provides a special effective date.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 [59-12-2202](#), as last amended by Laws of Utah 2019, Chapter 479

32 [59-12-2216](#), as last amended by Laws of Utah 2019, Chapter 479

33 [59-12-2219](#), as last amended by Laws of Utah 2019, Chapter 479

34 [59-12-2220](#), as last amended by Laws of Utah 2022, Chapter 259

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

37 Section 1. Section **59-12-2202** is amended to read:

38 **59-12-2202. Definitions.**

39 As used in this part:

40 (1) "Airline" means the same as that term is defined in Section [59-2-102](#).

41 (2) "Airport facility" means the same as that term is defined in Section [59-12-602](#).

42 (3) "Airport of regional significance" means an airport identified by the Federal  
43 Aviation Administration in the most current National Plan of Integrated Airport Systems or an  
44 update to the National Plan of Integrated Airport Systems.

45 (4) "Annexation" means an annexation to:

46 (a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or

47 (b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

48 (5) "Annexing area" means an area that is annexed into a county, city, or town.

49 (6) "Class A road" means the same as that term is described in Section [72-3-102](#).

50 (7) "Class B road" means the same as that term is described in Section [72-3-103](#).

51 (8) "Class C road" means the same as that term is described in Section [72-3-104](#).

52 (9) "Class D road" means the same as that term is described in Section [72-3-105](#).

53 (10) "Council of governments" means the same as that term is defined in Section

54 [72-2-117.5](#).

55 (11) "Eligible political subdivision" means a political subdivision that:

56 (a) provides public transit services;

- 57 (b) is not a public transit district; and
- 58 (c) is not annexed into a public transit district.
- 59 [~~(11)~~] (12) "Fixed guideway" means the same as that term is defined in Section
- 60 [59-12-102](#).
- 61 [~~(12)~~] (13) "Large public transit district" means the same as that term is defined in
- 62 Section [17B-2a-802](#).
- 63 [~~(13)~~] (14) "Major collector highway" means the same as that term is defined in
- 64 Section [72-4-102.5](#).
- 65 [~~(14)~~] (15) "Metropolitan planning organization" means the same as that term is
- 66 defined in Section [72-1-208.5](#).
- 67 [~~(15)~~] (16) "Minor arterial highway" means the same as that term is defined in Section
- 68 [72-4-102.5](#).
- 69 [~~(16)~~] (17) "Minor collector road" means the same as that term is defined in Section
- 70 [72-4-102.5](#).
- 71 [~~(17)~~] (18) "Principal arterial highway" means the same as that term is defined in
- 72 Section [72-4-102.5](#).
- 73 (19) "Public transit" means the same as that term is defined in Section [17B-2a-802](#).
- 74 (20) "Public transit district" means the same as that term is defined in Section
- 75 [17B-2a-802](#).
- 76 (21) "Public transit provider" means a public transit district or an eligible political
- 77 subdivision.
- 78 (22) "Public transit service" means a service provided as part of public transit.
- 79 [~~(18)~~] (23) "Regionally significant transportation facility" means:
- 80 (a) in a county of the first or second class:
- 81 (i) a principal arterial highway;
- 82 (ii) a minor arterial highway;
- 83 (iii) a fixed guideway that:
- 84 (A) extends across two or more cities or unincorporated areas; or
- 85 (B) is an extension to an existing fixed guideway; or
- 86 (iv) an airport of regional significance; or
- 87 (b) in a county of the second class that is not part of a large public transit district, or in

88 a county of the third, fourth, fifth, or sixth class:

89 (i) a principal arterial highway;

90 (ii) a minor arterial highway;

91 (iii) a major collector highway;

92 (iv) a minor collector road; or

93 (v) an airport of regional significance.

94 ~~[(19)]~~ (24) "State highway" means a highway designated as a state highway under Title  
95 72, Chapter 4, Designation of State Highways Act.

96 ~~[(20)]~~ (25) (a) Subject to Subsection ~~[(20)(b)]~~ (25)(b), "system for public transit"  
97 means the same as the term "public transit" is defined in Section [17B-2a-802](#).

98 (b) "System for public transit" includes:

99 (i) the following costs related to public transit:

100 (A) maintenance costs; or

101 (B) operating costs;

102 (ii) a fixed guideway;

103 (iii) a park and ride facility;

104 (iv) a passenger station or passenger terminal;

105 (v) a right-of-way for public transit; or

106 (vi) the following that serve a public transit facility:

107 (A) a maintenance facility;

108 (B) a platform;

109 (C) a repair facility;

110 (D) a roadway;

111 (E) a storage facility;

112 (F) a utility line; or

113 (G) a facility or item similar to those described in Subsections ~~[(20)(b)(vi)(A)]~~

114 (25)(b)(vi)(A) through (F).

115 Section 2. Section **59-12-2216** is amended to read:

116 **59-12-2216. County option sales and use tax for a fixed guideway, to fund a**  
117 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**  
118 **revenues.**

119 (1) Subject to the other provisions of this part, a county legislative body may impose a  
120 sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1)  
121 within the county, including the cities and towns within the county.

122 (2) Subject to Subsection (3), before obtaining voter approval in accordance with  
123 Section 59-12-2208, a county legislative body shall adopt a resolution specifying the  
124 percentage of revenues the county will receive from the sales and use tax under this section that  
125 will be allocated to fund uses described in Section 59-12-2212.2.

126 (3) A county legislative body shall in the resolution described in Subsection (2)  
127 allocate 100% of the revenues the county will receive from the sales and use tax under this  
128 section for one or more of the purposes described in Section 59-12-2212.2.

129 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section  
130 59-12-2208 shall state the allocations the county legislative body makes in accordance with this  
131 section.

132 (5) The revenues collected from a sales and use tax under this section shall be:

133 (a) allocated in accordance with the allocations specified in the resolution under  
134 Subsection (2); and

135 (b) expended as provided in this section.

136 (6) If a county legislative body allocates revenues collected from a sales and use tax  
137 under this section for a state highway project, before beginning the state highway project within  
138 the county, the county legislative body shall:

139 (a) obtain approval from the Transportation Commission to complete the project; and

140 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter  
141 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

142 (7) If after a county legislative body imposes a sales and use tax under this section the  
143 county legislative body seeks to change an allocation specified in the resolution under  
144 Subsection (2), the county legislative body may change the allocation by:

145 (a) adopting a resolution in accordance with Subsection (2) specifying the percentage  
146 of revenues the county will receive from the sales and use tax under this section that will be  
147 allocated to fund one or more of the items described in Section 59-12-2212.2; and

148 (b) obtaining approval to change the allocation of the sales and use tax by a majority of  
149 all of the members of the county legislative body[~~; and~~].

150 ~~[(c) subject to Subsection (8):]~~  
 151 ~~[(i) in accordance with Section 59-12-2208, submitting an opinion question to the~~  
 152 ~~county's registered voters voting on changing the allocation so that each registered voter has the~~  
 153 ~~opportunity to express the registered voter's opinion on whether the allocation should be~~  
 154 ~~changed; and]~~

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

157 ~~[(8) Notwithstanding Section 59-12-2208, the opinion question required by Subsection~~  
 158 ~~(7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with~~  
 159 ~~Subsection (7)(a) and approved by the county legislative body in accordance with Subsection~~  
 160 ~~(7)(b).]]~~

161 ~~[(9)]~~ (8) Revenues collected from a sales and use tax under this section that a county  
 162 allocates for a state highway within the county shall be:

163 (a) deposited into the Highway Projects Within Counties Fund created by Section  
 164 72-2-121.1; and

165 (b) expended as provided in Section 72-2-121.1.

166 ~~[(10)]~~ (9) (a) Notwithstanding Section 59-12-2206 and subject to Subsection ~~[(10)(b)]~~  
 167 (9)(b), revenues collected from a sales and use tax under this section that a county allocates for  
 168 a project, debt service, or bond issuance cost relating to a highway that is a principal arterial  
 169 highway or minor arterial highway that is included in a metropolitan planning organization's  
 170 regional transportation plan, but is not a state highway, shall be transferred to the Department  
 171 of Transportation if the transfer of the revenues is required under an interlocal agreement:

172 (i) entered into on or before January 1, 2010; and  
 173 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

174 (b) The Department of Transportation shall expend the revenues described in  
 175 Subsection ~~[(10)(a)]~~ (9)(a) as provided in the interlocal agreement described in Subsection  
 176 ~~[(10)(a)]~~ (9)(a).

177 Section 3. Section 59-12-2219 is amended to read:

178 **59-12-2219. County option sales and use tax for highways and public transit --**  
 179 **Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant**  
 180 **existing budgeted transportation revenue.**

181 ~~[(1) As used in this section:]~~  
 182 ~~[(a) "Eligible political subdivision" means a political subdivision that:]~~  
 183 ~~[(i) (A) on May 12, 2015, provides public transit services; or]~~  
 184 ~~[(B) after May 12, 2015, provides written notice to the commission in accordance with~~  
 185 ~~Subsection (9)(b) that it intends to provide public transit service within a county;]~~  
 186 ~~[(ii) is not a public transit district; and]~~  
 187 ~~[(iii) is not annexed into a public transit district.]~~  
 188 ~~[(b) "Public transit district" means a public transit district organized under Title 17B,~~  
 189 ~~Chapter 2a, Part 8, Public Transit District Act.]~~

190 ~~[(2)]~~ (1) Subject to the other provisions of this part, and subject to Subsection ~~[(14)]~~  
 191 (13), a county legislative body may impose a sales and use tax of .25% on the transactions  
 192 described in Subsection 59-12-103(1) within the county, including the cities and towns within  
 193 the county.

194 ~~[(3)]~~ (2) Subject to Subsection ~~[(10)]~~ (9), the commission shall distribute sales and use  
 195 tax revenue collected under this section as provided in Subsections ~~[(4) through (9)]~~ (3)  
 196 through (8).

197 ~~[(4)]~~ (3) If the entire boundary of a county that imposes a sales and use tax under this  
 198 section is annexed into a single public transit district, the commission shall distribute the sales  
 199 and use tax revenue collected within the county as follows:

- 200 (a) .10% shall be transferred to the public transit district in accordance with Section
- 201 59-12-2206;
- 202 (b) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and
- 203 (c) .05% shall be distributed to the county legislative body.

204 ~~[(5)]~~ (4) If the entire boundary of a county that imposes a sales and use tax under this  
 205 section is not annexed into a single public transit district, but a city or town within the county is  
 206 annexed into a single large public transit district, the commission shall distribute the sales and  
 207 use tax revenue collected within the county as follows:

- 208 (a) for a city or town within the county that is annexed into a single public transit
- 209 district, the commission shall distribute the sales and use tax revenue collected within that city
- 210 or town as follows:
- 211 (i) .10% shall be transferred to the public transit district in accordance with Section

212 59-12-2206;

213 (ii) .10% shall be distributed as provided in Subsection [~~(7)~~] (6); and

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

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

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

220 (ii) .10% shall be distributed as provided in Subsection [~~(7)~~] (6); and

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

222 (c) the commission shall distribute the sales and use tax revenue, except for the sales  
223 and use tax revenue described in Subsections [~~(5)(a)~~] (4)(a) and (b), as follows:

224 (i) .10% shall be distributed as provided in Subsection [~~(7)~~] (6); and

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

226 [~~(6)~~] (5) For a county not described in Subsection [~~(4) or (5)~~] (3) or (4), if a county of  
227 the second, third, fourth, fifth, or sixth class imposes a sales and use tax under this section, the  
228 commission shall distribute the sales and use tax revenue collected within the county as  
229 follows:

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

233 (i) .10% shall be distributed as provided in Subsection [~~(7)~~] (6);

234 (ii) .10% shall be distributed as provided in Subsection [~~(8)~~] (7); and

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

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

239 (i) .10% shall be distributed as provided in Subsection [~~(7)~~] (6);

240 (ii) .10% shall be distributed as provided in Subsection [~~(8)~~] (7); and

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

242 (c) the commission shall distribute the sales and use tax revenue, except for the sales

243 and use tax revenue described in Subsections ~~[(6)(a)]~~ (5)(a) and (b), as follows:

244 (i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

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

246 ~~[(7)]~~ (6) (a) Subject to Subsection ~~[(7)(b)]~~ (6)(b), the commission shall make the  
247 distributions required by Subsections ~~[(4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(i), (6)(b)(i),~~  
248 ~~(6)(c)(i), and (8)(d)(ii)(A)]~~ (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and  
249 (7)(d)(ii)(A) as follows:

250 (i) 50% of the total revenue collected under Subsections ~~[(4)(b), (5)(a)(ii), (5)(b)(ii),~~  
251 ~~(5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)]~~ (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i),  
252 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax  
253 under this section shall be distributed to the unincorporated areas, cities, and towns within  
254 those counties and cities on the basis of the percentage that the population of each  
255 unincorporated area, city, or town bears to the total population of all of the counties and cities  
256 that impose a tax under this section; and

257 (ii) 50% of the total revenue collected under Subsections ~~[(4)(b), (5)(a)(ii), (5)(b)(ii),~~  
258 ~~(5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)]~~ (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i),  
259 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax  
260 under this section shall be distributed to the unincorporated areas, cities, and towns within  
261 those counties and cities on the basis of the location of the transaction as determined under  
262 Sections [59-12-211](#) through [59-12-215](#).

263 (b) (i) Population for purposes of this Subsection ~~[(7)]~~ (6) shall be determined on the  
264 basis of the most recent official census or census estimate of the United States Bureau of the  
265 Census.

266 (ii) If a needed population estimate is not available from the United States Bureau of  
267 the Census, population figures shall be derived from an estimate from the Utah Population  
268 Committee.

269 ~~[(8)]~~ (7) (a) (i) Subject to the requirements in Subsections ~~[(8)(b)]~~ (7)(b) and (c), a  
270 county legislative body:

271 (A) for a county that obtained approval from a majority of the county's registered  
272 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,  
273 may, in consultation with any cities, towns, or eligible political subdivisions within the county,

274 and in compliance with the requirements for changing an allocation under Subsection [~~(8)(e)~~  
275 ~~(7)(e)~~, allocate the revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) by  
276 adopting a resolution specifying the percentage of revenue under Subsection [~~(6)(a)(ii) or~~  
277 ~~(6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible  
278 political subdivision; or

279 (B) for a county that imposes a sales and use tax under this section on or after May 10,  
280 2016, shall, in consultation with any cities, towns, or eligible political subdivisions within the  
281 county, allocate the revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) by  
282 adopting a resolution specifying the percentage of revenue under Subsection [~~(6)(a)(ii) or~~  
283 ~~(6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible  
284 political subdivision.

285 (ii) If a county described in Subsection [~~(8)(a)(i)(A)~~] (7)(a)(i)(A) does not allocate the  
286 revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) in accordance with  
287 Subsection [~~(8)(a)(i)(A)~~] (7)(a)(i)(A), the commission shall distribute 100% of the revenue  
288 under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) to:

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

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

292 (b) If a county legislative body allocates the revenue as described in Subsection  
293 [~~(8)(a)(i)~~] (7)(a)(i), the county legislative body shall allocate not less than 25% of the revenue  
294 under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) to:

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

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

298 (c) Notwithstanding Section [59-12-2208](#), the opinion question described in Section  
299 [59-12-2208](#) shall state the allocations the county legislative body makes in accordance with this  
300 Subsection [~~(8)~~] (7).

301 (d) The commission shall make the distributions required by Subsection [~~(6)(a)(ii) or~~  
302 ~~(6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) as follows:

303 (i) the percentage specified by a county legislative body shall be distributed in  
304 accordance with a resolution adopted by a county legislative body under Subsection [~~(8)(a)~~]

305 (7)(a) to an eligible political subdivision or a public transit district within the county; and  
306 (ii) except as provided in Subsection [~~(8)(a)(ii)~~] (7)(a)(ii), if a county legislative body  
307 allocates less than 100% of the revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or  
308 (5)(b)(ii) to a public transit district or an eligible political subdivision, the remainder of the  
309 revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) not allocated by a  
310 county legislative body through a resolution under Subsection [~~(8)(a)~~] (7)(a) shall be  
311 distributed as follows:

312 (A) 50% of the revenue as provided in Subsection [~~(7)~~] (6); and

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

314 (e) If a county legislative body seeks to change an allocation specified in a resolution  
315 under Subsection [~~(8)(a)~~] (7)(a), the county legislative body may change the allocation by:

316 (i) adopting a resolution in accordance with Subsection [~~(8)(a)~~] (7)(a) specifying the  
317 percentage of revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) that will  
318 be allocated to a public transit district or an eligible political subdivision;

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

321 (iii) subject to Subsection [~~(8)(f)~~] (7)(f):

322 (A) in accordance with Section 59-12-2208, submitting an opinion question to the  
323 county's registered voters voting on changing the allocation so that each registered voter has the  
324 opportunity to express the registered voter's opinion on whether the allocation should be  
325 changed; and

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

328 (f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection  
329 [~~(8)(e)(iii)(A)~~] (7)(e)(iii)(A) shall state the allocations specified in the resolution adopted in  
330 accordance with Subsection [~~(8)(e)~~] (7)(e) and approved by the county legislative body in  
331 accordance with Subsection [~~(8)(e)(ii)~~] (7)(e)(ii).

332 (g) (i) If a county makes an allocation by adopting a resolution under Subsection  
333 [~~(8)(a)~~] (7)(a) or changes an allocation by adopting a resolution under Subsection [~~(8)(e)~~]  
334 (7)(e), the allocation shall take effect on the first distribution the commission makes under this  
335 section after a 90-day period that begins on the date the commission receives written notice

336 meeting the requirements of Subsection [~~(8)(g)(ii)~~] (7)(g)(ii) from the county.

337 (ii) The notice described in Subsection [~~(8)(g)(i)~~] (7)(g)(i) shall state:

338 (A) that the county will make or change the percentage of an allocation under  
339 Subsection [~~(7)(a)~~] (7)(a) or (e); and

340 (B) the percentage of revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or  
341 (5)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision.

342 [~~(9)~~] (8) (a) If a public transit district is organized after the date a county legislative  
343 body first imposes a tax under this section, a change in a distribution required by this section  
344 may not take effect until the first distribution the commission makes under this section after a  
345 90-day period that begins on the date the commission receives written notice from the public  
346 transit district of the organization of the public transit district.

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

353 [~~(10)~~] (9) (a) (i) Notwithstanding Subsections [~~(4) through (9)~~] (3) through (8), for a  
354 county that has not imposed a sales and use tax under this section before May 8, 2018, and if  
355 the county imposes a sales and use tax under this section before June 30, 2019, the commission  
356 shall distribute all of the sales and use tax revenue collected by the county before June 30,  
357 2019, to the county for the purposes described in Subsection [~~(10)(a)(ii)~~] (9)(a)(ii).

358 (ii) For any revenue collected by a county pursuant to Subsection [~~(10)(a)(i)~~] (9)(a)(ii)  
359 before June 30, 2019, the county may expend that revenue for:

360 (A) reducing transportation related debt;

361 (B) a regionally significant transportation facility; or

362 (C) a public transit project of regional significance.

363 (b) For a county that has not imposed a sales and use tax under this section before May  
364 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019,  
365 the commission shall distribute the sales and use tax revenue collected by the county on or after  
366 July 1, 2019, as described in Subsections [~~(4) through (9)~~.] (3) through (8).

367 (c) For a county that has not imposed a sales and use tax under this section before June  
 368 30, 2019, if the entire boundary of that county is annexed into a large public transit district, and  
 369 if the county imposes a sales and use tax under this section on or after July 1, 2019, the  
 370 commission shall distribute the sales and use tax revenue collected by the county as described  
 371 in Subsections ~~[(4) through (9)]~~ (3) through (8).

372 ~~[(11)]~~ (10) A county, city, or town may expend revenue collected from a tax under this  
 373 section, except for revenue the commission distributes in accordance with Subsection ~~[(4)(a),~~  
 374 ~~(5)(a)(i), (5)(b)(i), or (8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i), for a purpose described in  
 375 Section 59-12-2212.2.

376 ~~[(12)]~~ (11) A public transit district or an eligible political subdivision may expend  
 377 revenue the commission distributes in accordance with Subsection ~~[(4)(a), (5)(a)(i), (5)(b)(i), or~~  
 378 ~~(8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i) for capital expenses and service delivery  
 379 expenses of the public transit district or eligible political subdivision.

380 ~~[(13)]~~ (12) Notwithstanding Section 59-12-2208, a county, city, or town legislative  
 381 body may, but is not required to, submit an opinion question to the county's, city's, or town's  
 382 registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under  
 383 this section.

384 ~~[(14)]~~ (13) (a) (i) Notwithstanding any other provision in this section, if the entire  
 385 boundary of a county is annexed into a large public transit district, if the county legislative  
 386 body wishes to impose a sales and use tax under this section, the county legislative body shall  
 387 pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

388 (ii) If the entire boundary of a county is annexed into a large public transit district, the  
 389 county legislative body may not pass an ordinance to impose a sales and use tax under this  
 390 section on or after July 1, 2022.

391 (b) Notwithstanding the deadline described in Subsection ~~[(14)(a)]~~ (13)(a), any sales  
 392 and use tax imposed under this section by passage of a county ordinance on or before June 30,  
 393 2022, may remain in effect.

394 ~~[(15)]~~ (14) (a) Beginning on July 1, 2020, and subject to Subsection ~~[(16)]~~ (15), if a  
 395 county has not imposed a sales and use tax under this section, subject to the provisions of this  
 396 part, the legislative body of a city or town described in Subsection ~~[(15)(b)]~~ (14)(b) may  
 397 impose a .25% sales and use tax on the transactions described in Subsection 59-12-103(1)

398 within the city or town.

399 (b) The following cities or towns may impose a sales and use tax described in  
400 Subsection [~~(15)(a)~~] (14)(a):

401 (i) a city or town that has been annexed into a public transit district; or

402 (ii) an eligible political subdivision.

403 (c) If a city or town imposes a sales and use tax as provided in this section, the  
404 commission shall distribute the sales and use tax revenue collected by the city or town as  
405 follows:

406 (i) .125% to the city or town that imposed the sales and use tax, to be distributed as  
407 provided in Subsection [~~(7)~~] (6); and

408 (ii) .125%, as applicable, to:

409 (A) the public transit district in which the city or town is annexed; or

410 (B) the eligible political subdivision for public transit services.

411 (d) If a city or town imposes a sales and use tax under this section and the county  
412 subsequently imposes a sales and use tax under this section, the commission shall distribute the  
413 sales and use tax revenue collected within the city or town as described in Subsection [~~(15)(c)~~]  
414 (14)(c).

415 [~~(16)~~] (15) (a) (i) Notwithstanding any other provision in this section, if a city or town  
416 legislative body wishes to impose a sales and use tax under this section, the city or town  
417 legislative body shall pass the ordinance to impose a sales and use tax under this section on or  
418 before June 30, 2022.

419 (ii) A city or town legislative body may not pass an ordinance to impose a sales and use  
420 tax under this section on or after July 1, 2022.

421 (b) Notwithstanding the deadline described in Subsection [~~(16)(a)~~] (15)(a), any sales  
422 and use tax imposed under this section by passage of an ordinance by a city or town legislative  
423 body on or before June 30, 2022, may remain in effect.

424 Section 4. Section **59-12-2220** is amended to read:

425 **59-12-2220. County option sales and use tax to fund a system for public transit --**  
426 **Base -- Rate.**

427 (1) Subject to the other provisions of this part and subject to the requirements of this  
428 section, [~~beginning on July 1, 2019,~~] the following counties may impose a sales and use tax

429 under this section:

430 (a) a county legislative body may impose the sales and use tax on the transactions  
431 described in Subsection 59-12-103(1) located within the county, including the cities and towns  
432 within the county if:

433 (i) the entire boundary of a county is annexed into a large public transit district; and  
434 (ii) the maximum amount of sales and use tax authorizations allowed pursuant to  
435 Section 59-12-2203 and authorized under the following sections has been imposed:

- 436 (A) Section 59-12-2213;
- 437 (B) Section 59-12-2214;
- 438 (C) Section 59-12-2215;
- 439 (D) Section 59-12-2216;
- 440 (E) Section 59-12-2217;
- 441 (F) Section 59-12-2218; and
- 442 (G) Section 59-12-2219;

443 (b) if the county is not annexed into a large public transit district, the county legislative  
444 body may impose the sales and use tax on the transactions described in Subsection  
445 59-12-103(1) located within the county, including the cities and towns within the county if:

- 446 (i) the county is an eligible political subdivision [~~as defined in Section 59-12-2219~~]; or
- 447 (ii) a city or town within the boundary of the county is an eligible political subdivision  
448 [~~as defined in Section 59-12-2219~~]; or

449 (c) a county legislative body of a county not described in Subsection (1)(a) may impose  
450 the sales and use tax on the transactions described in Subsection 59-12-103(1) located within  
451 the county, including the cities and towns within the county[~~, if there is a public transit district  
452 within the boundary of the county~~].

453 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a  
454 county legislative body that imposes a sales and use tax under this section may impose the tax  
455 at a rate of .2%.

456 [~~(3) A county imposing a sales and use tax under this section shall expend the revenues  
457 collected from the sales and use tax for capital expenses and service delivery expenses of:~~]

458 [~~(a) a public transit district;~~]

459 [~~(b) an eligible political subdivision, as that term is defined in Section 59-12-2219; or]~~]

460 ~~[(c) another entity providing a service for public transit or a transit facility within the~~  
461 ~~county as those terms are defined in Section 17B-2a-802.]~~

462 (3) (a) The commission shall distribute sales and use tax revenue collected under this  
463 section as determined by a county legislative body as described in Subsection (3)(b).

464 (b) If a county legislative body imposes a sales and use tax as described in this section,  
465 the county legislative body may elect to impose a sales and use tax revenue distribution as  
466 described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and  
467 type of a public transit provider in the county.

468 (4) If a county legislative body imposes a sales and use tax as described in this section,  
469 and the entire boundary of the county is annexed into a large public transit district, and the  
470 county is a county of the first class, the commission shall distribute the sales and use tax  
471 revenue as designated by the county, as follows:

472 (a) .2% sales and use tax revenue collected within the county to a public transit district  
473 described in Subsection (11); or

474 (b) (i) .10% to a public transit district as described in Subsection (11);

475 (ii) .05% to the cities and towns as provided in Subsection (8); and

476 (iii) .05% to the county legislative body.

477 (5) If a county legislative body imposes a sales and use tax as described in this section  
478 and the entire boundary of the county is annexed into a large public transit district, and the  
479 county is a county not described in Subsection (4), the commission shall distribute the sales  
480 and use tax revenue as designated by the county as follows:

481 (a) .2% sales and use tax revenue collected within the county to a public transit district  
482 as described in Subsection (11); or

483 (b) (i) .10% to a public transit district as described in Subsection (11);

484 (ii) .05% to the cities and towns as provided in Subsection (8); and

485 (iii) .05% to the county legislative body.

486 (6) (a) Except as provided in Subsection (12)(d), if the entire boundary of a county that  
487 imposes a sales and use tax as described in this section is not annexed into a single public  
488 transit district, but a city or town within the county is annexed into a single public transit  
489 district, the commission shall distribute the sales and use tax revenue collected within the  
490 county as provided in Subsection (6)(b) or (c).

491 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is  
492 annexed into the single public transit district, or an eligible political subdivision, the county  
493 legislative body may request that the commission distribute:

494 (i) the .2% sales and use tax revenue collected within the portion of the county that is  
495 within a public transit district or eligible political subdivision to a public transit provider as  
496 described in Subsection (11); or

497 (ii) the .2% sales and use tax revenue collected within the portion of the county that is  
498 within a public transit district or eligible political subdivision as follows:

499 (A) .05% to a public transit provider as described in Subsection (11);

500 (B) .075% to the cities and towns as provided in Subsection (8); and

501 (C) .075% to the county legislative body.

502 (c) Except as provided in Subsection (12)(d), for a city, town, or portion of the county  
503 described in Subsection (6)(a) that is not annexed into a single public transit district or eligible  
504 political subdivision in the county, the commission shall distribute the .2% sales and use tax  
505 revenue collected within that portion of the county as follows:

506 (i) .08% to the cities and towns as provided in Subsection (8); and

507 (ii) .12% to the county legislative body.

508 (7) For a county without a public transit service that imposes a sales and use tax as  
509 described in this section, the commission shall distribute the sales and use tax revenue  
510 collected within the county as follows:

511 (a) .08% to the cities and towns as provided in Subsection (8); and

512 (b) .12% to the county legislative body;

513 (8) (a) Subject to Subsection (8)(b), the commission shall make the distributions  
514 required by Subsections (4)(b)(ii), (5)(b)(ii), (6)(b)(ii)(B), (6)(c)(i), and (7)(a) as follows:

515 (i) 50% of the total revenue collected under Subsections (4)(b)(ii), (5)(b)(ii),  
516 (6)(b)(ii)(B), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)

517 through (7) shall be distributed to the unincorporated areas, cities, and towns within those

518 counties on the basis of the percentage that the population of each unincorporated area, city, or  
519 town bears to the total population of all of the counties that impose a tax under this section; and

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

521 (6)(b)(ii)(B), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)

522 through (7) shall be distributed to the unincorporated areas, cities, and towns within those  
523 counties on the basis of the location of the transaction as determined under Sections [59-12-211](#)  
524 through [59-12-215](#).

525 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis  
526 of the most recent official census or census estimate of the United States Census Bureau.

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

530 (9) If a public transit service is organized after the date a county legislative body first  
531 imposes a tax under this section, a change in a distribution required by this section may not  
532 take effect until the first distribution the commission makes under this section after a 90-day  
533 period that begins on the date the commission receives written notice from the public transit  
534 provider that the public transit service has been organized.

535 (10) (a) Except as provided in Subsection (10)(b), a county, city, or town that received  
536 distributions described in Subsections (4)(b)(ii), (4)(b)(iii), (5)(b)(ii), (5)(b)(iii), (6)(b)(ii)(B),  
537 (6)(b)(ii)(C), (6)(c), and (7) may only expend those funds for a purpose described in Section  
538 [59-12-2212.2](#).

539 (b) A county of the first class receiving the county distribution described in Subsection  
540 (4)(b)(iii) may only use the distribution as provided in Subsection (10)(a), except that a county  
541 legislative body may use up to .02% of the .05% to provide services to individuals with a  
542 mental or behavioral health condition, including:

543 (i) evaluation and diversion from incarceration to mental and behavioral health  
544 treatment;

545 (ii) assistance in transitioning from incarceration, including housing stability; and

546 (iii) other related services.

547 (11) The following public transit providers may expend revenue the commission  
548 distributes to that provider only for capital expenses and service delivery expenses of:

549 (a) a public transit district;

550 (b) an eligible political subdivision; or

551 (c) another entity providing a service for public transit or a transit facility within the  
552 county as those terms are defined in Section [17B-2a-802](#).

553 ~~[(4)]~~ (12) (a) Notwithstanding Section 59-12-2208, a county legislative body may, but  
 554 is not required to, submit an opinion question to the county's registered voters in accordance  
 555 with Section 59-12-2208 to impose a sales and use tax under this section.

556 (b) Notwithstanding Section 59-12-2208 and subject to Subsection (12)(c), if a county  
 557 legislative body described in Subsection (4), (5), or (6) seeks to make an allocation or change  
 558 the distribution of sales and use tax revenue as described in Subsection (4), (5), or (6), the  
 559 county legislative body may make or change the allocation by adopting a resolution specifying  
 560 the new allocation or change in allocation.

561 (c) (i) If a county legislative body seeks to make or change the distribution as described  
 562 in Subsection (12)(b), the allocation shall take effect on the first ~~Ĥ~~→ **[distribution the commission**  
 563 **makes under this section] day of a calendar quarter ←Ĥ after a 90-day period that begins on the  
 563a date the commission receives**

564 written notice from the county that meets the requirements of Subsection (12)(c)(ii).

565 (ii) The notice described in Subsection (12)(c)(i) shall state:

566 (A) that the county will make or change the percentage of an allocation under  
 567 Subsection (12)(b); and

568 (B) the percentage of revenue that will be allocated to the cities and towns, the county  
 569 legislative body, and, when applicable, the public transit provider.

570 (d) A county that imposed the local option sales and use tax described in this section  
 571 before January 1, 2023, may maintain that county's current distribution allocation.

572 ~~[(5)(a) Notwithstanding any other provision in this section, if a county wishes to~~  
 573 ~~impose a sales and use tax under this section, the county legislative body shall pass the~~  
 574 ~~ordinance to impose a sales and use tax under this section on or before June 30, 2023.]~~

575 ~~[(b) The county legislative body may not pass an ordinance to impose a sales and use~~  
 576 ~~tax under this section on or after July 1, 2023.]~~

577 ~~[(c) Notwithstanding the deadline described in Subsection (5)(a), any sales and use tax~~  
 578 ~~imposed under this section on or before June 30, 2023, may remain in effect.]~~

579 ~~[(6)]~~ (13) (a) Revenue collected from a sales and use tax under this section may not be  
 580 used to supplant existing General Fund appropriations that a county [has], city, or town  
 581 budgeted for transportation or public transit as of the date the tax becomes effective for a  
 582 county, city, or town.

583 (b) The limitation under Subsection ~~[(6)(a)]~~ (13)(a) does not apply to a designated

584 transportation or public transit capital or reserve account a county [~~may have established prior~~  
585 ~~to~~], city, or town established before the date the tax becomes effective.

586 Section 5. **Effective date.**

587 This bill takes effect on July 1, 2023.