

Representative James A. Dunnigan proposes the following substitute bill:

TRANSPORTATION FUNDING REQUIREMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor: Val L. Peterson

LONG TITLE

General Description:

This bill amends provisions related to allowed uses for a certain local option sales and use tax for transportation.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ amends the rate authorized for imposition of certain local option sales and use taxes;
- ▶ amends provisions related to changing the allocation of certain local option sales and use taxes that have already been imposed;
- ▶ amends provisions related to the allowed uses for a certain local option sales and use taxes;
- ▶ allows certain local option sales taxes already imposed to remain;
- ▶ extends the deadline for a county to impose the local option sales and use tax; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:



26 This bill provides a special effective date.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 [59-12-2202](#), as last amended by Laws of Utah 2019, Chapter 479

30 [59-12-2216](#), as last amended by Laws of Utah 2019, Chapter 479

31 [59-12-2219](#), as last amended by Laws of Utah 2019, Chapter 479

32 [59-12-2220](#), as last amended by Laws of Utah 2022, Chapter 259



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

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

36 **59-12-2202. Definitions.**

37 As used in this part:

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

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

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

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

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

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

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

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

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

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

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

51 (10) "Council of governments" means the same as that term is defined in Section
52 [72-2-117.5](#).

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

54 (a) provides public transit services;

55 (b) is not a public transit district; and

56 (c) is not annexed into a public transit district.

57 ~~[(11)]~~ (12) "Fixed guideway" means the same as that term is defined in Section
58 [59-12-102](#).

59 ~~[(12)]~~ (13) "Large public transit district" means the same as that term is defined in
60 Section [17B-2a-802](#).

61 ~~[(13)]~~ (14) "Major collector highway" means the same as that term is defined in
62 Section [72-4-102.5](#).

63 ~~[(14)]~~ (15) "Metropolitan planning organization" means the same as that term is
64 defined in Section [72-1-208.5](#).

65 ~~[(15)]~~ (16) "Minor arterial highway" means the same as that term is defined in Section
66 [72-4-102.5](#).

67 ~~[(16)]~~ (17) "Minor collector road" means the same as that term is defined in Section
68 [72-4-102.5](#).

69 ~~[(17)]~~ (18) "Principal arterial highway" means the same as that term is defined in
70 Section [72-4-102.5](#).

71 (19) "Public transit" means the same as that term is defined in Section [17B-2a-802](#).

72 (20) "Public transit district" means the same as that term is defined in Section
73 [17B-2a-802](#).

74 (21) "Public transit provider" means a public transit district or an eligible political
75 subdivision.

76 (22) "Public transit service" means a service provided as part of public transit.

77 ~~[(18)]~~ (23) "Regionally significant transportation facility" means:

78 (a) in a county of the first or second class:

79 (i) a principal arterial highway;

80 (ii) a minor arterial highway;

81 (iii) a fixed guideway that:

82 (A) extends across two or more cities or unincorporated areas; or

83 (B) is an extension to an existing fixed guideway; or

84 (iv) an airport of regional significance; or

85 (b) in a county of the second class that is not part of a large public transit district, or in
86 a county of the third, fourth, fifth, or sixth class:

87 (i) a principal arterial highway;

- 88 (ii) a minor arterial highway;
- 89 (iii) a major collector highway;
- 90 (iv) a minor collector road; or
- 91 (v) an airport of regional significance.

92 ~~[(19)]~~ (24) "State highway" means a highway designated as a state highway under Title
 93 72, Chapter 4, Designation of State Highways Act.

94 ~~[(20)]~~ (25) (a) Subject to Subsection ~~[(20)(b)]~~ (25)(b), "system for public transit"
 95 means the same as the term "public transit" is defined in Section 17B-2a-802.

- 96 (b) "System for public transit" includes:
 - 97 (i) the following costs related to public transit:
 - 98 (A) maintenance costs; or
 - 99 (B) operating costs;
 - 100 (ii) a fixed guideway;
 - 101 (iii) a park and ride facility;
 - 102 (iv) a passenger station or passenger terminal;
 - 103 (v) a right-of-way for public transit; or
 - 104 (vi) the following that serve a public transit facility:
 - 105 (A) a maintenance facility;
 - 106 (B) a platform;
 - 107 (C) a repair facility;
 - 108 (D) a roadway;
 - 109 (E) a storage facility;
 - 110 (F) a utility line; or
 - 111 (G) a facility or item similar to those described in Subsections ~~[(20)(b)(vi)(A)]~~

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

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

114 **59-12-2216. County option sales and use tax for a fixed guideway, to fund a**
 115 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**
 116 **revenues.**

117 (1) Subject to the other provisions of this part, a county legislative body may impose a
 118 sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1)

119 within the county, including the cities and towns within the county.

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

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

127 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section
128 59-12-2208 shall state the allocations the county legislative body makes in accordance with this
129 section.

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

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

133 (b) expended as provided in this section.

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

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

138 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter
139 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

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

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

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

148 [~~(c) subject to Subsection (8):~~]

149 [~~(i) in accordance with Section 59-12-2208, submitting an opinion question to the~~]

150 county's registered voters voting on changing the allocation so that each registered voter has the
151 opportunity to express the registered voter's opinion on whether the allocation should be
152 changed; and]

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

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

159 [~~(9)~~] (8) Revenues collected from a sales and use tax under this section that a county
160 allocates for a state highway within the county shall be:

161 (a) deposited into the Highway Projects Within Counties Fund created by Section
162 ~~72-2-121.1~~; and

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

164 [~~(10)~~] (9) (a) Notwithstanding Section ~~59-12-2206~~ and subject to Subsection [~~(10)(b)~~];
165 (9)(b), revenues collected from a sales and use tax under this section that a county allocates for
166 a project, debt service, or bond issuance cost relating to a highway that is a principal arterial
167 highway or minor arterial highway that is included in a metropolitan planning organization's
168 regional transportation plan, but is not a state highway, shall be transferred to the Department
169 of Transportation if the transfer of the revenues is required under an interlocal agreement:

170 (i) entered into on or before January 1, 2010; and

171 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

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

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

176 **59-12-2219. County option sales and use tax for highways and public transit --**
177 **Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant**
178 **existing budgeted transportation revenue.**

179 [~~(1)~~ As used in this section:]

180 [~~(a)~~ "Eligible political subdivision" means a political subdivision that:]

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

188 ~~[(2)]~~ (1) Subject to the other provisions of this part, and subject to Subsection ~~[(14)]~~
 189 (13), a county legislative body may impose a sales and use tax of .25% on the transactions
 190 described in Subsection 59-12-103(1) within the county, including the cities and towns within
 191 the county.

192 ~~[(3)]~~ (2) Subject to Subsection ~~[(10)]~~ (9), the commission shall distribute sales and use
 193 tax revenue collected under this section as provided in Subsections ~~[(4) through (9)]~~ (3)
 194 through (8).

195 ~~[(4)]~~ (3) If the entire boundary of a county that imposes a sales and use tax under this
 196 section is annexed into a single public transit district, the commission shall distribute the sales
 197 and use tax revenue collected within the county as follows:

198 (a) .10% shall be transferred to the public transit district in accordance with Section
 199 59-12-2206;

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

201 (c) .05% shall be distributed to the county legislative body.

202 ~~[(5)]~~ (4) If the entire boundary of a county that imposes a sales and use tax under this
 203 section is not annexed into a single public transit district, but a city or town within the county is
 204 annexed into a single large public transit district, the commission shall distribute the sales and
 205 use tax revenue collected within the county as follows:

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

209 (i) .10% shall be transferred to the public transit district in accordance with Section
 210 59-12-2206;

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

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

213 (b) for an eligible political subdivision within the county, the commission shall

214 distribute the sales and use tax revenue collected within that eligible political subdivision as

215 follows:

216 (i) .10% shall be transferred to the eligible political subdivision in accordance with

217 Section [59-12-2206](#);

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

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

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

221 and use tax revenue described in Subsections ~~[(5)(a)]~~ [\(4\)\(a\)](#) and (b), as follows:

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

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

224 ~~[(6)]~~ [\(5\)](#) For a county not described in Subsection ~~[(4) or (5)]~~ [\(3\) or \(4\)](#), if a county of

225 the second, third, fourth, fifth, or sixth class imposes a sales and use tax under this section, the

226 commission shall distribute the sales and use tax revenue collected within the county as

227 follows:

228 (a) for a city or town within the county that is annexed into a single public transit

229 district, the commission shall distribute the sales and use tax revenue collected within that city

230 or town as follows:

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

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

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

234 (b) for an eligible political subdivision within the county, the commission shall

235 distribute the sales and use tax revenue collected within that eligible political subdivision as

236 follows:

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

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

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

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

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

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

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

244 [~~(7)~~] (6) (a) Subject to Subsection [~~(7)(b)~~] (6)(b), the commission shall make the
 245 distributions required by Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(i), (6)(b)(i),~~
 246 ~~(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
 247 (7)(d)(ii)(A) as follows:

248 (i) 50% of the total revenue collected under Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii),~~
 249 ~~(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),
 250 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax
 251 under this section shall be distributed to the unincorporated areas, cities, and towns within
 252 those counties and cities on the basis of the percentage that the population of each
 253 unincorporated area, city, or town bears to the total population of all of the counties and cities
 254 that impose a tax under this section; and

255 (ii) 50% of the total revenue collected under Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii),~~
 256 ~~(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),
 257 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax
 258 under this section shall be distributed to the unincorporated areas, cities, and towns within
 259 those counties and cities on the basis of the location of the transaction as determined under
 260 Sections [59-12-211](#) through [59-12-215](#).

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

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

267 [~~(8)~~] (7) (a) (i) Subject to the requirements in Subsections [~~(8)(b)~~] (7)(b) and (c), a
 268 county legislative body:

269 (A) for a county that obtained approval from a majority of the county's registered
 270 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,
 271 may, in consultation with any cities, towns, or eligible political subdivisions within the county,
 272 and in compliance with the requirements for changing an allocation under Subsection [~~(8)(e)~~]
 273 (7)(e), allocate the revenue under Subsection [~~(6)(a)(ii) or (6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) by

274 adopting a resolution specifying the percentage of revenue under Subsection [~~(6)(a)(ii)~~ or
275 ~~(6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible
276 political subdivision; or

277 (B) for a county that imposes a sales and use tax under this section on or after May 10,
278 2016, shall, in consultation with any cities, towns, or eligible political subdivisions within the
279 county, allocate the revenue under Subsection [~~(6)(a)(ii)~~ or ~~(6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) by
280 adopting a resolution specifying the percentage of revenue under Subsection [~~(6)(a)(ii)~~ or
281 ~~(6)(b)(ii)~~] (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible
282 political subdivision.

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

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

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

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

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

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

296 (c) Notwithstanding Section [59-12-2208](#), the opinion question described in Section
297 [59-12-2208](#) shall state the allocations the county legislative body makes in accordance with this
298 Subsection [~~(8)~~] (7).

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

301 (i) the percentage specified by a county legislative body shall be distributed in
302 accordance with a resolution adopted by a county legislative body under Subsection [~~(8)(a)~~]
303 (7)(a) to an eligible political subdivision or a public transit district within the county; and

304 (ii) except as provided in Subsection [~~(8)(a)(ii)~~] (7)(a)(ii), if a county legislative body

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

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

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

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

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

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

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

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

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

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

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

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

336 (A) that the county will make or change the percentage of an allocation under
337 Subsection [~~(8)(a)~~] (7)(a) or (e); and

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

340 [~~(9)~~] (8) (a) If a public transit district is organized after the date a county legislative
341 body first imposes a tax under this section, a change in a distribution required by this section
342 may not take effect until the first distribution the commission makes under this section after a
343 90-day period that begins on the date the commission receives written notice from the public
344 transit district of the organization of the public transit district.

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

351 [~~(10)~~] (9) (a) (i) Notwithstanding Subsections [~~(4) through (9)~~] (3) through (8), for a
352 county that has not imposed a sales and use tax under this section before May 8, 2018, and if
353 the county imposes a sales and use tax under this section before June 30, 2019, the commission
354 shall distribute all of the sales and use tax revenue collected by the county before June 30,
355 2019, to the county for the purposes described in Subsection [~~(10)(a)(ii)~~] (9)(a)(ii).

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

- 358 (A) reducing transportation related debt;
- 359 (B) a regionally significant transportation facility; or
- 360 (C) a public transit project of regional significance.

361 (b) For a county that has not imposed a sales and use tax under this section before May
362 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019,
363 the commission shall distribute the sales and use tax revenue collected by the county on or after
364 July 1, 2019, as described in Subsections [~~(4) through (9)~~] (3) through (8).

365 (c) For a county that has not imposed a sales and use tax under this section before June
366 30, 2019, if the entire boundary of that county is annexed into a large public transit district, and

367 if the county imposes a sales and use tax under this section on or after July 1, 2019, the
368 commission shall distribute the sales and use tax revenue collected by the county as described
369 in Subsections ~~[(4) through (9)].~~ (3) through (8).

370 ~~[(11)]~~ (10) A county, city, or town may expend revenue collected from a tax under this
371 section, except for revenue the commission distributes in accordance with Subsection ~~[(4)(a),~~
372 ~~(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
373 Section [59-12-2212.2](#).

374 ~~[(12)]~~ (11) A public transit district or an eligible political subdivision may expend
375 revenue the commission distributes in accordance with Subsection ~~[(4)(a), (5)(a)(i), (5)(b)(i), or~~
376 ~~(8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i) for capital expenses and service delivery
377 expenses of the public transit district or eligible political subdivision.

378 ~~[(13)]~~ (12) Notwithstanding Section [59-12-2208](#), a county, city, or town legislative
379 body may, but is not required to, submit an opinion question to the county's, city's, or town's
380 registered voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under
381 this section.

382 ~~[(14)]~~ (13) (a) (i) Notwithstanding any other provision in this section, if the entire
383 boundary of a county is annexed into a large public transit district, if the county legislative
384 body wishes to impose a sales and use tax under this section, the county legislative body shall
385 pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

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

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

392 ~~[(15)]~~ (14) (a) Beginning on July 1, 2020, and subject to Subsection ~~[(16)]~~ (15), if a
393 county has not imposed a sales and use tax under this section, subject to the provisions of this
394 part, the legislative body of a city or town described in Subsection ~~[(15)(b)]~~ (14)(b) may
395 impose a .25% sales and use tax on the transactions described in Subsection [59-12-103\(1\)](#)
396 within the city or town.

397 (b) The following cities or towns may impose a sales and use tax described in

398 Subsection [~~(15)(a)~~] (14)(a):

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

400 (ii) an eligible political subdivision.

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

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

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

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

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

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

413 [~~(16)~~] (15) (a) (i) Notwithstanding any other provision in this section, if a city or town
414 legislative body wishes to impose a sales and use tax under this section, the city or town
415 legislative body shall pass the ordinance to impose a sales and use tax under this section on or
416 before June 30, 2022.

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

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

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

423 **59-12-2220. County option sales and use tax to fund a system for public transit --**
424 **Base -- Rate.**

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

428 (a) a county legislative body may impose the sales and use tax on the transactions

429 described in Subsection 59-12-103(1) located within the county, including the cities and towns
430 within the county if:

431 (i) the entire boundary of a county is annexed into a large public transit district; and

432 (ii) the maximum amount of sales and use tax authorizations allowed pursuant to

433 Section 59-12-2203 and authorized under the following sections has been imposed:

434 (A) Section 59-12-2213;

435 (B) Section 59-12-2214;

436 (C) Section 59-12-2215;

437 (D) Section 59-12-2216;

438 (E) Section 59-12-2217;

439 (F) Section 59-12-2218; and

440 (G) Section 59-12-2219;

441 (b) if the county is not annexed into a large public transit district, the county legislative
442 body may impose the sales and use tax on the transactions described in Subsection

443 59-12-103(1) located within the county, including the cities ~~[and]~~, towns, and metro townships
444 within the county if:

445 (i) the county is an eligible political subdivision ~~[as defined in Section 59-12-2219]~~; or

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

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

452 (2) (a) For purposes of Subsection (1) and subject to the other provisions of this
453 section, until December 31, 2023, a county legislative body that imposes a sales and use tax
454 under this section may impose the tax at a rate of .2%.

455 (b) For purposes of Subsection (1) and subject to the other provisions of this section,
456 beginning on January 1, 2023, a county legislative body that imposes a sales and use tax under
457 this section may impose the tax at a rate of .1%.

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

460 ~~[(a) a public transit district;]~~
461 ~~[(b) an eligible political subdivision, as that term is defined in Section 59-12-2219; or]~~
462 ~~[(c) another entity providing a service for public transit or a transit facility within the~~
463 ~~county as those terms are defined in Section 17B-2a-802.]~~

464 (3) If a county legislative body imposes a sales and use tax as described in this section,
465 the commission shall distribute the sales and use tax revenue as follows:

466 (a) .05% to the county legislative body; and

467 (b) .05% to the city, town, or metro township legislative body.

468 (4) For revenue generated by a sales and use tax imposed as described in this section,
469 the legislative body of the relevant county, city, town, or metro township may use the revenue
470 for uses described in Section 59-12-2212.2.

471 ~~[(4)]~~ (5) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
472 required to, submit an opinion question to the county's registered voters in accordance with
473 Section 59-12-2208 to impose a sales and use tax under this section.

474 (6) A county that imposed the local option sales and use tax described in this section
475 before December 31, 2022, may maintain that county's distribution allocation in place as of
476 December 31, 2022.

477 ~~[(5)]~~ (7) (a) Notwithstanding any other provision in this section, if a county wishes to
478 impose a sales and use tax under this section, the county legislative body shall pass the
479 ordinance to impose a sales and use tax under this section on or before June 30, ~~[2023]~~ 2024.

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

482 (c) Notwithstanding the deadline described in Subsection ~~[(5)(a)]~~ (7)(a), any sales and
483 use tax imposed under this section on or before June 30, ~~[2023]~~ 2024, may remain in effect.

484 ~~[(6)]~~ (8) (a) Revenue collected from a sales and use tax under this section may not be
485 used to supplant existing General Fund appropriations that a county ~~[has]~~, city, town, or metro
486 township budgeted for transportation or public transit as of the date the tax becomes effective
487 for a county, city, or town.

488 (b) The limitation under Subsection ~~[(6)(a)]~~ (8)(a) does not apply to a designated
489 transportation or public transit capital or reserve account a county ~~[may have established prior~~
490 ~~to]~~, city, town, or metro township established before the date the tax becomes effective.

491 Section 5. **Effective date.**
492 This bill takes effect on July 1, 2023.