

Senator Kirk A. Cullimore proposes the following substitute bill:

TRANSPORTATION FUNDING MODIFICATIONS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Robert M. Spendlove

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill amends provisions related to transportation funding, distributes money from the County of the First Class Highway Projects Fund, and creates the County of the First Class Infrastructure Bank Fund.

Highlighted Provisions:

This bill:

- ▶ amends provisions related to certain local option sales and use taxes to allow revenue to be used for public safety purposes, and to remove the requirement for the imposition to be subject to an opinion question for the relevant registered voters;
- ▶ distributes money from the County of the First Class Highway Projects Fund to certain projects within a county of the first class;
- ▶ allows certain funds in the Cottonwood Canyons Transportation Investment Fund for public safety enforcement in the Cottonwood Canyons of Salt Lake County;
- ▶ creates the County of the First Class Infrastructure Bank Fund and provides a process for distribution of money in the fund as revolving loans;
- ▶ directs certain money repaid into the County of the First Class Infrastructure Bank Fund for certain projects within a county of the first class;
- ▶ creates the Commuter Rail Subaccount within the Transit Transportation Investment



26 Fund and transfers certain sales and use tax revenues into the Commuter Rail Subaccount; and
27 ▶ makes technical changes.

28 **Money Appropriated in this Bill:**

29 This bill appropriates in fiscal year 2025:

30 ▶ to Transportation - Operations/Maintenance Management - Maintenance
31 Administration as an ongoing appropriation:

32 • from the Cottonwood Canyon Transportation Investment Fund, \$400,000

33 ▶ to Transportation - Pass-Through as a one-time appropriation:

34 • from the Rail Transportation Restricted Account, One-time, \$11,000,000

35 **Other Special Clauses:**

36 This bill provides a special effective date.

37 **Utah Code Sections Affected:**

38 AMENDS:

39 **59-12-103 (Contingently Superseded 01/01/25)**, as last amended by Laws of Utah
40 2023, Chapters 22, 213, 329, 361, and 471

41 **59-12-103 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023,
42 Chapters 22, 213, 329, 361, 459, and 471

43 **59-12-2216**, as last amended by Laws of Utah 2019, Chapter 479

44 **59-12-2220**, as last amended by Laws of Utah 2023, Chapter 529

45 **63B-31-103**, as last amended by Laws of Utah 2022, Chapter 259

46 **63J-1-602.1**, as last amended by Laws of Utah 2023, Chapters 26, 33, 34, 194, 212,
47 330, 419, 434, 448, and 534

48 **72-2-121**, as last amended by Laws of Utah 2023, Chapter 529

49 **72-2-121.1**, as last amended by Laws of Utah 2019, Chapter 479

50 **72-2-124**, as last amended by Laws of Utah 2023, Chapters 22, 88, 219, and 529

51 ENACTS:

52 **72-2-301**, Utah Code Annotated 1953

53 **72-2-302**, Utah Code Annotated 1953

54 **72-2-303**, Utah Code Annotated 1953

55 **72-2-304**, Utah Code Annotated 1953

56 **72-2-305**, Utah Code Annotated 1953

57 [72-2-306](#), Utah Code Annotated 1953

58

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

60 Section 1. Section **59-12-103 (Contingently Superseded 01/01/25)** is amended to
61 read:

62 **59-12-103 (Contingently Superseded 01/01/25). Sales and use tax base -- Rates --**
63 **Effective dates -- Use of sales and use tax revenues.**

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

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

67 (b) amounts paid for:

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

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

73 (iii) an ancillary service associated with a:

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

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

76 (c) sales of the following for commercial use:

77 (i) gas;

78 (ii) electricity;

79 (iii) heat;

80 (iv) coal;

81 (v) fuel oil; or

82 (vi) other fuels;

83 (d) sales of the following for residential use:

84 (i) gas;

85 (ii) electricity;

86 (iii) heat;

87 (iv) coal;

- 88 (v) fuel oil; or
- 89 (vi) other fuels;
- 90 (e) sales of prepared food;
- 91 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 92 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 93 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 94 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 95 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 96 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 97 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 98 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 99 exhibition, cultural, or athletic activity;
- 100 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 101 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 102 (i) the tangible personal property; and
- 103 (ii) parts used in the repairs or renovations of the tangible personal property described
- 104 in Subsection (1)(g)(i), regardless of whether:
- 105 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 106 property; or
- 107 (B) the particular parts used in the repairs or renovations of that tangible personal
- 108 property are exempt from a tax under this chapter;
- 109 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 110 assisted cleaning or washing of tangible personal property;
- 111 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 112 accommodations and services that are regularly rented for less than 30 consecutive days;
- 113 (j) amounts paid or charged for laundry or dry cleaning services;
- 114 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 115 this state the tangible personal property is:
- 116 (i) stored;
- 117 (ii) used; or
- 118 (iii) otherwise consumed;

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

- 121 (i) stored;
- 122 (ii) used; or
- 123 (iii) consumed;
- 124 (m) amounts paid or charged for a sale:
 - 125 (i) (A) of a product transferred electronically; or
 - 126 (B) of a repair or renovation of a product transferred electronically; and
 - 127 (ii) regardless of whether the sale provides:
 - 128 (A) a right of permanent use of the product; or
 - 129 (B) a right to use the product that is less than a permanent use, including a right:
 - 130 (I) for a definite or specified length of time; and
 - 131 (II) that terminates upon the occurrence of a condition; and
 - 132 (n) sales of leased tangible personal property from the lessor to the lessee made in the
133 state.

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

- 136 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - 137 (A) 4.70% plus the rate specified in Subsection (11)(a); and
 - 138 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
139 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
140 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
141 State Sales and Use Tax Act; and

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

- 146 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
147 transaction under this chapter other than this part.

148 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a
149 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to

150 the sum of:

151 (i) a state tax imposed on the transaction at a tax rate of 2%; and

152 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
153 transaction under this chapter other than this part.

154 (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are
155 imposed on amounts paid or charged for food and food ingredients equal to the sum of:

156 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
157 a tax rate of 1.75%; and

158 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
159 amounts paid or charged for food and food ingredients under this chapter other than this part.

160 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts
161 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at
162 a rate of 4.85%.

163 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed
164 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax
165 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a
166 shared vehicle driver, or a shared vehicle owner.

167 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
168 required once during the time that the shared vehicle owner owns the shared vehicle.

169 (C) The commission shall verify that a shared vehicle is an individual-owned shared
170 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the
171 purchase of the shared vehicle.

172 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
173 individual-owned shared vehicle shared through a car-sharing program even if non-certified
174 shared vehicles are also available to be shared through the same car-sharing program.

175 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

176 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's
177 representation that the shared vehicle is an individual-owned shared vehicle certified with the
178 commission as described in Subsection (2)(e)(i).

179 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
180 representation that the shared vehicle is an individual-owned shared vehicle certified with the

181 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any
182 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

183 (iv) If all shared vehicles shared through a car-sharing program are certified as
184 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation
185 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

186 (v) [~~(A)~~] A car-sharing program is not required to list or otherwise identify an
187 individual-owned shared vehicle on a return or an attachment to a return.

188 (vi) A car-sharing program shall:

189 (A) retain tax information for each car-sharing program transaction; and

190 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at
191 the commission's request.

192 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
193 tangible personal property other than food and food ingredients, a state tax and a local tax is
194 imposed on the entire bundled transaction equal to the sum of:

195 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

196 (I) the tax rate described in Subsection (2)(a)(i)(A); and

197 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
198 Sales and Use Tax Act, if the location of the transaction as determined under Sections
199 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
200 Additional State Sales and Use Tax Act; and

201 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
202 Sales and Use Tax Act, if the location of the transaction as determined under Sections
203 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
204 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

211 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled

212 transaction described in Subsection (2)(f)(i) or (ii):

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

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

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

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

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

228 (II) state or federal law provides otherwise.

229 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
230 seller's regular course of business includes books and records the seller keeps in the regular
231 course of business for nontax purposes.

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

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

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

243 (ii) A purchaser and a seller may correct the taxability of a transaction if:
244 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
245 the transaction that is not subject to taxation under this chapter was not separately stated on an
246 invoice, bill of sale, or similar document provided to the purchaser because of an error or
247 ignorance of the law; and
248 (B) the seller is able to identify by reasonable and verifiable standards, from the books
249 and records the seller keeps in the seller's regular course of business, the portion of the
250 transaction that is not subject to taxation under this chapter.
251 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps
252 in the seller's regular course of business includes books and records the seller keeps in the
253 regular course of business for nontax purposes.
254 (h) (i) If the sales price of a transaction is attributable to two or more items of tangible
255 personal property, products, or services that are subject to taxation under this chapter at
256 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
257 unless the seller, at the time of the transaction:
258 (A) separately states the items subject to taxation under this chapter at each of the
259 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or
260 (B) is able to identify by reasonable and verifiable standards the tangible personal
261 property, product, or service that is subject to taxation under this chapter at the lower tax rate
262 from the books and records the seller keeps in the seller's regular course of business.
263 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
264 seller's regular course of business includes books and records the seller keeps in the regular
265 course of business for nontax purposes.
266 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax
267 rate imposed under the following shall take effect on the first day of a calendar quarter:
268 (i) Subsection (2)(a)(i)(A);
269 (ii) Subsection (2)(b)(i);
270 (iii) Subsection (2)(c)(i); or
271 (iv) Subsection (2)(f)(i)(A)(I).
272 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
273 begins on or after the effective date of the tax rate increase if the billing period for the

274 transaction begins before the effective date of a tax rate increase imposed under:

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

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

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

278 (D) Subsection (2)(f)(i)(A)(I).

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

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

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

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

285 (D) Subsection (2)(f)(i)(A)(I).

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

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

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

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

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

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

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

295 (D) Subsection (2)(f)(i)(A)(I).

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

298 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine
299 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
300 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

301 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
302 or other fuel is furnished through a single meter for two or more of the following uses:

303 (A) a commercial use;

304 (B) an industrial use; or

305 (C) a residential use.

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

307 (i) the tax imposed by Subsection (2)(a)(i)(A);

308 (ii) the tax imposed by Subsection (2)(b)(i);

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

310 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

311 (b) The following local taxes shall be distributed to a county, city, or town as provided

312 in this chapter:

313 (i) the tax imposed by Subsection (2)(a)(ii);

314 (ii) the tax imposed by Subsection (2)(b)(ii);

315 (iii) the tax imposed by Subsection (2)(c)(ii); and

316 (iv) the tax imposed by Subsection (2)(f)(i)(B).

317 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General

318 Fund.

319 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,

320 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)

321 through (g):

322 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

323 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

324 (B) for the fiscal year; or

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

326 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

327 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax

328 revenue to the Department of Natural Resources to:

329 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to

330 protect sensitive plant and animal species; or

331 (B) award grants, up to the amount authorized by the Legislature in an appropriations

332 act, to political subdivisions of the state to implement the measures described in Subsections

333 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

334 (ii) Money transferred to the Department of Natural Resources under Subsection

335 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

336 person to list or attempt to have listed a species as threatened or endangered under the
337 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

339 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
340 Water Resources Conservation and Development Fund created in Section 73-10-24;

341 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
342 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

343 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
344 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

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

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

353 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
354 Water Resources Conservation and Development Fund created in Section 73-10-24;

355 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
356 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

357 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
358 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

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

365 (A) conduct hydrologic and geotechnical investigations by the Division of Water
366 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of

367 quantifying surface and ground water resources and describing the hydrologic systems of an
368 area in sufficient detail so as to enable local and state resource managers to plan for and
369 accommodate growth in water use without jeopardizing the resource;

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

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

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

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

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

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

382 (iii) develop surface water sources.

383 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
384 2006, the difference between the following amounts shall be expended as provided in this
385 Subsection (5), if that difference is greater than \$1:

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

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

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

390 (A) transferred each fiscal year to the Department of Natural Resources as designated
391 sales and use tax revenue; and

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

394 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
395 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation
396 and Development Fund created in Section 73-10-24.

397 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the

398 remaining difference described in Subsection (5)(a) shall be:

399 (A) transferred each fiscal year to the Division of Water Resources as designated sales
400 and use tax revenue; and

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

403 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
404 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation
405 and Development Fund created in Section 73-10-24.

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

410 (i) preconstruction costs:

411 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
412 26, Bear River Development Act; and

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

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

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

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

421 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
422 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water
423 Rights Restricted Account created by Section 73-2-1.6.

424 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),
425 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account
426 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the
427 transactions described in Subsection (1) for the fiscal year.

428 (7) (a) Notwithstanding Subsection (3)(a) and subject to [~~Subsection (7)(b)~~]

429 Subsections (7)(b), (c), and (d), for a fiscal year beginning on or after July 1, 2023, the
 430 commission shall deposit into the Transportation Investment Fund of 2005 created by Section
 431 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue
 432 collected from the following sales and use taxes:

- 433 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 434 (ii) the tax imposed by Subsection (2)(b)(i);
- 435 (iii) the tax imposed by Subsection (2)(c)(i); and
- 436 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

437 (b) (i) As used in this Subsection (7)(b):

438 (A) "Additional growth revenue" means the amount of relevant revenue collected in
 439 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
 440 previous fiscal year.

441 (B) "Combined amount" means the combined total amount of money deposited into the
 442 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

443 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
 444 Investment Fund created in Subsection 72-2-124(10).

445 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
 446 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv).

447 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
 448 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
 449 an amount equal to ~~[the amount of the deposit under this Subsection (7)(b) to the Cottonwood~~
 450 ~~Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the~~
 451 ~~limit in Subsection (7)(b)(iii)].~~44% of the revenue collected from the following sales and use
 452 taxes:

- 453 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 454 (B) the tax imposed by Subsection (2)(b)(i);
- 455 (C) the tax imposed by Subsection (2)(c)(i); and
- 456 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).

457 (iii) The commission shall annually deposit the amount described in Subsection
 458 (7)(b)(ii) into the Cottonwood Canyons fund~~[- subject to an annual maximum combined~~
 459 ~~amount for any single fiscal year of \$20,000,000].~~

460 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
461 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
462 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant
463 revenue.

464 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
465 2023, the commission shall annually reduce the deposit into the Transportation Investment
466 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

467 (A) the amount of revenue generated in the current fiscal year by the portion of taxes
468 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described
469 in Subsections (7)(a)(i) through (iv);

470 (B) the amount of revenue generated in the current fiscal year by registration fees
471 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund
472 of 2005; and

473 (C) revenues transferred by the Division of Finance to the Transportation Investment
474 Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

475 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
476 given fiscal year.

477 (iii) The commission shall annually deposit the amount described in Subsection
478 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

479 (d) (i) For a fiscal year beginning on or after July 1, 2024, the commission shall
480 annually reduce the deposit into the Transportation Investment Fund of 2005 under this
481 Subsection (7) by an amount that is equal to 1% of the revenue collected from the following
482 sales and use taxes:

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

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

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

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

487 (ii) The commission shall annually deposit the amount described in Subsection
488 (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.

489 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
490 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or

491 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
492 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
493 in an amount equal to 3.68% of the revenues collected from the following taxes:

- 494 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 495 (ii) the tax imposed by Subsection (2)(b)(i);
- 496 (iii) the tax imposed by Subsection (2)(c)(i); and
- 497 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

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

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

505 (d) (i) As used in this Subsection (8)(d):

506 (A) "Additional growth revenue" means the amount of relevant revenue collected in
507 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
508 previous fiscal year.

509 (B) "Combined amount" means the combined total amount of money deposited into the
510 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

511 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
512 Investment Fund created in Subsection 72-2-124(10).

513 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
514 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through
515 (iv).

516 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
517 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
518 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
519 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
520 limit in Subsection (8)(d)(iii).

521 (iii) The commission shall annually deposit the amount described in Subsection

522 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
523 for any single fiscal year of \$20,000,000.

524 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
525 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
526 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant
527 revenue.

528 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
529 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
530 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

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

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

538 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
539 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
540 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax
541 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

542 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
543 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
544 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
545 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

546 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
547 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund
548 of 2005 under Subsections (7) and (8) to the General Fund.

549 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
550 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall
551 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under
552 Subsections (7) and (8) during the fiscal year to the General Fund.

553 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,
 554 beginning the first day of the calendar quarter one year after the sales and use tax boundary for
 555 a housing and transit reinvestment zone is established, the commission, at least annually, shall
 556 transfer an amount equal to 15% of the sales and use tax increment within an established sales
 557 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation
 558 Investment Fund created in Section 72-2-124.

559 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
 560 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure
 561 Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection
 562 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

- 563 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 564 (b) the tax imposed by Subsection (2)(b)(i);
- 565 (c) the tax imposed by Subsection (2)(c)(i); and
- 566 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

567 Section 2. Section 59-12-103 (Contingently Effective 01/01/25) is amended to read:

568 **59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --**
 569 **Effective dates -- Use of sales and use tax revenues.**

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

- 572 (a) retail sales of tangible personal property made within the state;
- 573 (b) amounts paid for:
 - 574 (i) telecommunications service, other than mobile telecommunications service, that
 575 originates and terminates within the boundaries of this state;
 - 576 (ii) mobile telecommunications service that originates and terminates within the
 577 boundaries of one state only to the extent permitted by the Mobile Telecommunications
 578 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
 - 579 (iii) an ancillary service associated with a:
 - 580 (A) telecommunications service described in Subsection (1)(b)(i); or
 - 581 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
 - 582 (c) sales of the following for commercial use:
 - 583 (i) gas;

- 584 (ii) electricity;
- 585 (iii) heat;
- 586 (iv) coal;
- 587 (v) fuel oil; or
- 588 (vi) other fuels;
- 589 (d) sales of the following for residential use:
 - 590 (i) gas;
 - 591 (ii) electricity;
 - 592 (iii) heat;
 - 593 (iv) coal;
 - 594 (v) fuel oil; or
 - 595 (vi) other fuels;
- 596 (e) sales of prepared food;
- 597 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 598 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 599 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 600 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 601 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 602 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 603 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 604 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 605 exhibition, cultural, or athletic activity;
- 606 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 607 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
 - 608 (i) the tangible personal property; and
 - 609 (ii) parts used in the repairs or renovations of the tangible personal property described
 - 610 in Subsection (1)(g)(i), regardless of whether:
 - 611 (A) any parts are actually used in the repairs or renovations of that tangible personal
 - 612 property; or
 - 613 (B) the particular parts used in the repairs or renovations of that tangible personal
 - 614 property are exempt from a tax under this chapter;

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

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

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

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

622 (i) stored;

623 (ii) used; or

624 (iii) otherwise consumed;

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

627 (i) stored;

628 (ii) used; or

629 (iii) consumed;

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

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

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

633 (ii) regardless of whether the sale provides:

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

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

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

637 (II) that terminates upon the occurrence of a condition; and

638 (n) sales of leased tangible personal property from the lessor to the lessee made in the
639 state.

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

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

643 (A) 4.70% plus the rate specified in Subsection (11)(a); and

644 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
645 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

646 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
647 State Sales and Use Tax Act; and

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

652 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
653 transaction under this chapter other than this part.

654 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a
655 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
656 the sum of:

657 (i) a state tax imposed on the transaction at a tax rate of 2%; and

658 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
659 transaction under this chapter other than this part.

660 (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on amounts
661 paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or
662 town imposes under this chapter on the amounts paid or charged for food or food ingredients.

663 (ii) There is no state tax imposed on amounts paid or charged for food and food
664 ingredients.

665 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts
666 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at
667 a rate of 4.85%.

668 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed
669 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax
670 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a
671 shared vehicle driver, or a shared vehicle owner.

672 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
673 required once during the time that the shared vehicle owner owns the shared vehicle.

674 (C) The commission shall verify that a shared vehicle is an individual-owned shared
675 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the
676 purchase of the shared vehicle.

677 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
678 individual-owned shared vehicle shared through a car-sharing program even if non-certified
679 shared vehicles are also available to be shared through the same car-sharing program.

680 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

681 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's
682 representation that the shared vehicle is an individual-owned shared vehicle certified with the
683 commission as described in Subsection (2)(e)(i).

684 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
685 representation that the shared vehicle is an individual-owned shared vehicle certified with the
686 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any
687 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

688 (iv) If all shared vehicles shared through a car-sharing program are certified as
689 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation
690 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

691 (v) [~~(A)~~] A car-sharing program is not required to list or otherwise identify an
692 individual-owned shared vehicle on a return or an attachment to a return.

693 (vi) A car-sharing program shall:

694 (A) retain tax information for each car-sharing program transaction; and

695 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at
696 the commission's request.

697 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
698 tangible personal property other than food and food ingredients, a state tax and a local tax is
699 imposed on the entire bundled transaction equal to the sum of:

700 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

701 (I) the tax rate described in Subsection (2)(a)(i)(A); and

702 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
703 Sales and Use Tax Act, if the location of the transaction as determined under Sections
704 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
705 Additional State Sales and Use Tax Act; and

706 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
707 Sales and Use Tax Act, if the location of the transaction as determined under Sections

708 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
709 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

733 (II) state or federal law provides otherwise.

734 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
735 seller's regular course of business includes books and records the seller keeps in the regular
736 course of business for nontax purposes.

737 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)
738 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a

739 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
740 of tangible personal property, other property, a product, or a service that is not subject to
741 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
742 the seller, at the time of the transaction:

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

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

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

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

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

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

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

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

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

768 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
769 seller's regular course of business includes books and records the seller keeps in the regular

770 course of business for nontax purposes.

771 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax
772 rate imposed under the following shall take effect on the first day of a calendar quarter:

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

774 (ii) Subsection (2)(b)(i); or

775 (iii) Subsection (2)(f)(i)(A)(I).

776 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
777 begins on or after the effective date of the tax rate increase if the billing period for the

778 transaction begins before the effective date of a tax rate increase imposed under:

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

780 (B) Subsection (2)(b)(i); or

781 (C) Subsection (2)(f)(i)(A)(I).

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

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

786 (B) Subsection (2)(b)(i); or

787 (C) Subsection (2)(f)(i)(A)(I).

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

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

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

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

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

795 (B) Subsection (2)(b)(i); or

796 (C) Subsection (2)(f)(i)(A)(I).

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

799 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine
800 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the

801 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

802 (ii) Subsection (2)(1)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
803 or other fuel is furnished through a single meter for two or more of the following uses:

804 (A) a commercial use;

805 (B) an industrial use; or

806 (C) a residential use.

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

808 (i) the tax imposed by Subsection (2)(a)(i)(A);

809 (ii) the tax imposed by Subsection (2)(b)(i); and

810 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

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

813 (i) the tax imposed by Subsection (2)(a)(ii);

814 (ii) the tax imposed by Subsection (2)(b)(ii);

815 (iii) the tax imposed by Subsection (2)(c); and

816 (iv) the tax imposed by Subsection (2)(f)(i)(B).

817 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General
818 Fund.

819 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
820 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
821 through (g):

822 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

823 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

824 (B) for the fiscal year; or

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

826 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
827 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax
828 revenue to the Department of Natural Resources to:

829 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
830 protect sensitive plant and animal species; or

831 (B) award grants, up to the amount authorized by the Legislature in an appropriations

832 act, to political subdivisions of the state to implement the measures described in Subsections
833 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

839 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
840 Water Resources Conservation and Development Fund created in Section 73-10-24;

841 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
842 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

843 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
844 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

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

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

853 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
854 Water Resources Conservation and Development Fund created in Section 73-10-24;

855 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
856 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

857 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
858 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

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

862 (ii) In addition to the uses allowed of the Water Resources Conservation and

863 Development Fund under Section 73-10-24, the Water Resources Conservation and
864 Development Fund may also be used to:

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

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

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

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

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

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

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

882 (iii) develop surface water sources.

883 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
884 2006, the difference between the following amounts shall be expended as provided in this
885 Subsection (5), if that difference is greater than \$1:

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

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

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

890 (A) transferred each fiscal year to the Department of Natural Resources as designated
891 sales and use tax revenue; and

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

894 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
895 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation
896 and Development Fund created in Section 73-10-24.

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

899 (A) transferred each fiscal year to the Division of Water Resources as designated sales
900 and use tax revenue; and

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

903 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
904 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation
905 and Development Fund created in Section 73-10-24.

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

910 (i) preconstruction costs:

911 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
912 26, Bear River Development Act; and

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

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

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

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

921 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
922 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water
923 Rights Restricted Account created by Section 73-2-1.6.

924 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),

925 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account
 926 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the
 927 transactions described in Subsection (1) for the fiscal year.

928 (7) (a) Notwithstanding Subsection (3)(a) and subject to ~~[Subsection (7)(b)]~~
 929 Subsections (7)(b), (c), and (d), for a fiscal year beginning on or after July 1, 2023, the
 930 commission shall deposit into the Transportation Investment Fund of 2005 created by Section
 931 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue
 932 collected from the following sales and use taxes:

- 933 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 934 (ii) the tax imposed by Subsection (2)(b)(i); and
- 935 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

936 (b) (i) As used in this Subsection (7)(b):

937 (A) "Additional growth revenue" means the amount of relevant revenue collected in
 938 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
 939 previous fiscal year.

940 (B) "Combined amount" means the combined total amount of money deposited into the
 941 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

942 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
 943 Investment Fund created in Subsection 72-2-124(10).

944 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
 945 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iii).

946 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
 947 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
 948 an amount equal to ~~[the amount of the deposit under this Subsection (7)(b) to the Cottonwood~~
 949 ~~Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the~~
 950 ~~limit in Subsection (7)(b)(iii)].~~44% of the revenue collected from the following sales and use
 951 taxes:

- 952 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 953 (B) the tax imposed by Subsection (2)(b)(i);
- 954 (C) the tax imposed by Subsection (2)(c)(i); and
- 955 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).

956 (iii) The commission shall annually deposit the amount described in Subsection
957 (7)(b)(ii) into the Cottonwood Canyons fund~~[-subject to an annual maximum combined~~
958 ~~amount for any single fiscal year of \$20,000,000].~~

959 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
960 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
961 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant
962 revenue.

963 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
964 2023, the commission shall annually reduce the deposit into the Transportation Investment
965 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

966 (A) the amount of revenue generated in the current fiscal year by the portion of taxes
967 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described
968 in Subsections (7)(a)(i) through (iv);

969 (B) the amount of revenue generated in the current fiscal year by registration fees
970 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund
971 of 2005; and

972 (C) revenues transferred by the Division of Finance to the Transportation Investment
973 Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

974 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
975 given fiscal year.

976 (iii) The commission shall annually deposit the amount described in Subsection
977 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

978 (d) For a fiscal year beginning on or after July 1, 2024, the commission shall annually
979 reduce the deposit into the Transportation Investment Fund of 2005 under this Subsection (7)
980 by an amount that is equal to 1% of the revenue collected from the following sales and use
981 taxes:

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

983 (ii) the tax imposed by Subsection (2)(b)(i);

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

985 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

986 (e) The commission shall annually deposit the amount described in Subsection (7)(d)(i)

987 into the Commuter Rail Subaccount created in Section [72-2-124](#).

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

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

994 (ii) the tax imposed by Subsection (2)(b)(i); and

995 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

996 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
997 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by
998 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by
999 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale
1000 or use in this state that exceeds 29.4 cents per gallon.

1001 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
1002 into the Transit Transportation Investment Fund created in Section [72-2-124](#).

1003 (d) (i) As used in this Subsection (8)(d):

1004 (A) "Additional growth revenue" means the amount of relevant revenue collected in
1005 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
1006 previous fiscal year.

1007 (B) "Combined amount" means the combined total amount of money deposited into the
1008 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

1009 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
1010 Investment Fund created in Subsection [72-2-124](#)(10).

1011 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
1012 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through
1013 (iii).

1014 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
1015 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
1016 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
1017 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the

1018 limit in Subsection (8)(d)(iii).

1019 (iii) The commission shall annually deposit the amount described in Subsection
1020 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
1021 for any single fiscal year of \$20,000,000.

1022 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
1023 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
1024 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant
1025 revenue.

1026 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1027 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
1028 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1029 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
1030 fiscal year during which the commission receives notice under Section 63N-2-510 that
1031 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission
1032 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by
1033 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in
1034 Section 63N-2-512.

1035 (11) (a) The rate specified in this subsection is 0.15%.

1036 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
1037 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
1038 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax
1039 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

1040 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1041 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
1042 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
1043 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

1044 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
1045 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund
1046 of 2005 under Subsections (7) and (8) to the General Fund.

1047 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
1048 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall

1049 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under
1050 Subsections (7) and (8) during the fiscal year to the General Fund.

1051 (14) Notwithstanding Subsection (3)(a), and as described in Section [63N-3-610](#),
1052 beginning the first day of the calendar quarter one year after the sales and use tax boundary for
1053 a housing and transit reinvestment zone is established, the commission, at least annually, shall
1054 transfer an amount equal to 15% of the sales and use tax increment within an established sales
1055 and use tax boundary, as defined in Section [63N-3-602](#), into the Transit Transportation
1056 Investment Fund created in Section [72-2-124](#).

1057 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
1058 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure
1059 Restricted Account, created in Section [51-9-902](#), a portion of the taxes listed under Subsection
1060 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

- 1061 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
1062 (b) the tax imposed by Subsection (2)(b)(i); and
1063 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).

1064 Section 3. Section [59-12-2216](#) is amended to read:

1065 **[59-12-2216](#). County option sales and use tax for a fixed guideway, to fund a**
1066 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**
1067 **revenues.**

1068 (1) Subject to the other provisions of this part, a county legislative body may impose a
1069 sales and use tax of up to .30% on the transactions described in Subsection [59-12-103](#)(1)
1070 within the county, including the cities and towns within the county.

1071 (2) (a) Subject to Subsection (3), before obtaining voter approval in accordance with
1072 Section [59-12-2208](#), a county legislative body shall adopt a resolution specifying the
1073 percentage of revenues the county will receive from the sales and use tax under this section that
1074 will be allocated to fund uses described in Section [59-12-2212.2](#).

1075 (b) A county legislative body of a county of the third through sixth class that imposes a
1076 sales and use tax as described in Subsection (1) on or after January 1, 2024, shall specify the
1077 percentage of revenues the county will receive from the sales and use tax under this section that
1078 will be allocated to fund uses described in Section [59-12-2212.2](#) or for public safety purposes
1079 as provided in Subsection (3)(b).

1080 (3) (a) ~~[A]~~ Except as provided in Subsection (2)(b), a county legislative body shall in
1081 the resolution described in Subsection (2) allocate 100% of the revenues the county will
1082 receive from the sales and use tax under this section for one or more of the purposes described
1083 in Section [59-12-2212.2](#).

1084 (b) In addition to the purposes described in Section [59-12-2212.2](#), a county legislative
1085 body of a county of the third through sixth class that imposes a sales and use tax as authorized
1086 in this section on or after January 1, 2024, may allocate revenues to public safety purposes.

1087 (4) Notwithstanding Section [59-12-2208](#), the opinion question required by Section
1088 [59-12-2208](#) shall state the allocations the county legislative body makes in accordance with this
1089 section.

1090 (5) The revenues collected from a sales and use tax under this section shall be:

1091 (a) allocated in accordance with the allocations specified in the resolution under
1092 Subsection (2); and

1093 (b) expended as provided in this section.

1094 (6) If a county legislative body allocates revenues collected from a sales and use tax
1095 under this section for a state highway project, before beginning the state highway project within
1096 the county, the county legislative body shall:

1097 (a) obtain approval from the Transportation Commission to complete the project; and

1098 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter
1099 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

1100 (7) (a) If after a county legislative body imposes a sales and use tax under this section
1101 the county legislative body seeks to change an allocation specified in the resolution under
1102 Subsection (2), the county legislative body may change the allocation by:

1103 ~~[(a)]~~ (i) adopting a resolution ~~[in accordance with Subsection (2)]~~ specifying the
1104 percentage of revenues the county will receive from the sales and use tax under this section that
1105 will be allocated to fund one or more of the items described in Section [59-12-2212.2](#)~~;~~ or
1106 Subsection (2)(b); and

1107 ~~[(b)]~~ (ii) obtaining approval to change the allocation of the sales and use tax by a
1108 majority of all of the members of the county legislative body; and

1109 ~~[(c)]~~ (iii) subject to Subsection (8)(a):

1110 ~~[(d)]~~ (A) in accordance with Section [59-12-2208](#), submitting an opinion question to the

1111 county's registered voters voting on changing the allocation so that each registered voter has the
1112 opportunity to express the registered voter's opinion on whether the allocation should be
1113 changed; and

1114 ~~(fif)~~ (B) in accordance with Section 59-12-2208, obtaining approval to change the
1115 allocation from a majority of the county's registered voters voting on changing the allocation.

1116 (b) A county of the third through sixth class that imposes a sales and use tax as
1117 authorized in this section on or after January 1, 2024, that seeks to change the allocation of the
1118 revenues is not required to submit the opinion question to the county's registered voters.

1119 (8) (a) Notwithstanding Section 59-12-2208, the opinion question required by
1120 Subsection (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance
1121 with Subsection (7)(a) and approved by the county legislative body in accordance with
1122 Subsection (7)(b).

1123 (b) Notwithstanding Section 59-12-2208, a county legislative body of a county of the
1124 third through sixth class that imposes a sales and use tax under this section on or after January
1125 1, 2024, may, but is not required to, submit an opinion question to the county's registered
1126 voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

1127 (9) Revenues collected from a sales and use tax under this section that a county
1128 allocates for a state highway within the county shall be:

1129 (a) deposited into the Highway Projects Within Counties Fund created by Section
1130 72-2-121.1; and

1131 (b) expended as provided in Section 72-2-121.1.

1132 (10) (a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b),
1133 revenues collected from a sales and use tax under this section that a county allocates for a
1134 project, debt service, or bond issuance cost relating to a highway that is a principal arterial
1135 highway or minor arterial highway that is included in a metropolitan planning organization's
1136 regional transportation plan, but is not a state highway, shall be transferred to the Department
1137 of Transportation if the transfer of the revenues is required under an interlocal agreement:

1138 (i) entered into on or before January 1, 2010; and

1139 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

1140 (b) The Department of Transportation shall expend the revenues described in
1141 Subsection (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).

1142 Section 4. Section 59-12-2220 is amended to read:

1143 **59-12-2220. County option sales and use tax to fund highways or a system for**
1144 **public transit -- Base -- Rate.**

1145 (1) Subject to the other provisions of this part and subject to the requirements of this
1146 section, the following counties may impose a sales and use tax under this section:

1147 (a) a county legislative body may impose the sales and use tax on the transactions
1148 described in Subsection 59-12-103(1) located within the county, including the cities and towns
1149 within the county if:

1150 (i) the entire boundary of a county is annexed into a large public transit district; and

1151 (ii) the maximum amount of sales and use tax authorizations allowed pursuant to

1152 Section 59-12-2203 and authorized under the following sections has been imposed:

1153 (A) Section 59-12-2213;

1154 (B) Section 59-12-2214;

1155 (C) Section 59-12-2215;

1156 (D) Section 59-12-2216;

1157 (E) Section 59-12-2217;

1158 (F) Section 59-12-2218; and

1159 (G) Section 59-12-2219;

1160 (b) if the county is not annexed into a large public transit district, the county legislative
1161 body may impose the sales and use tax on the transactions described in Subsection

1162 59-12-103(1) located within the county, including the cities and towns within the county if:

1163 (i) the county is an eligible political subdivision; or

1164 (ii) a city or town within the boundary of the county is an eligible political subdivision;

1165 or

1166 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b)

1167 may impose the sales and use tax on the transactions described in Subsection 59-12-103(1)

1168 located within the county, including the cities and towns within the county.

1169 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
1170 county legislative body that imposes a sales and use tax under this section may impose the tax
1171 at a rate of .2%.

1172 (3) (a) The commission shall distribute sales and use tax revenue collected under this

1173 section as determined by a county legislative body as described in Subsection (3)(b).

1174 (b) If a county legislative body imposes a sales and use tax as described in this section,
1175 the county legislative body may elect to impose a sales and use tax revenue distribution as
1176 described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and
1177 type of a public transit provider in the county.

1178 (4) If a county legislative body imposes a sales and use tax as described in this section,
1179 and the entire boundary of the county is annexed into a large public transit district, and the
1180 county is a county of the first class, the commission shall distribute the sales and use tax
1181 revenue as follows:

1182 (a) .10% to a public transit district as described in Subsection (11);

1183 (b) .05% to the cities and towns as provided in Subsection (8); and

1184 (c) .05% to the county legislative body.

1185 (5) If a county legislative body imposes a sales and use tax as described in this section
1186 and the entire boundary of the county is annexed into a large public transit district, and the
1187 county is a county not described in Subsection (4), the commission shall distribute the sales
1188 and use tax revenue as follows:

1189 (a) .10% to a public transit district as described in Subsection (11);

1190 (b) .05% to the cities and towns as provided in Subsection (8); and

1191 (c) .05% to the county legislative body.

1192 (6) (a) Except as provided in Subsection (12)(c), if the entire boundary of a county that
1193 imposes a sales and use tax as described in this section is not annexed into a single public
1194 transit district, but a city or town within the county is annexed into a single public transit
1195 district, or if the city or town is an eligible political subdivision, the commission shall distribute
1196 the sales and use tax revenue collected within the county as provided in Subsection (6)(b) or
1197 (c).

1198 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
1199 annexed into the single public transit district, or an eligible political subdivision, the
1200 commission shall distribute the sales and use tax revenue collected within the portion of the
1201 county that is within a public transit district or eligible political subdivision as follows:

1202 (i) .05% to a public transit provider as described in Subsection (11);

1203 (ii) .075% to the cities and towns as provided in Subsection (8); and

1204 (iii) .075% to the county legislative body.

1205 (c) Except as provided in Subsection (12)(c), for a city, town, or portion of the county
1206 described in Subsection (6)(a) that is not annexed into a single public transit district or eligible
1207 political subdivision in the county, the commission shall distribute the sales and use tax
1208 revenue collected within that portion of the county as follows:

1209 (i) .08% to the cities and towns as provided in Subsection (8); and
1210 (ii) .12% to the county legislative body.

1211 (7) For a county without a public transit service that imposes a sales and use tax as
1212 described in this section, the commission shall distribute the sales and use tax revenue
1213 collected within the county as follows:

1214 (a) .08% to the cities and towns as provided in Subsection (8); and
1215 (b) .12% to the county legislative body.

1216 (8) (a) Subject to Subsections (8)(b) and (c), the commission shall make the
1217 distributions required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:

1218 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
1219 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7)
1220 shall be distributed to the unincorporated areas, cities, and towns within those counties on the
1221 basis of the percentage that the population of each unincorporated area, city, or town bears to
1222 the total population of all of the counties that impose a tax under this section; and

1223 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
1224 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7)
1225 shall be distributed to the unincorporated areas, cities, and towns within those counties on the
1226 basis of the location of the transaction as determined under Sections [59-12-211](#) through
1227 [59-12-215](#).

1228 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis
1229 of the most recent official census or census estimate of the United States Census Bureau.

1230 (ii) If a needed population estimate is not available from the United States Census
1231 Bureau, population figures shall be derived from an estimate from the Utah Population
1232 Estimates Committee created by executive order of the governor.

1233 (c) (i) Beginning on January 1, 2024, if the Housing and Community Development
1234 Division within the Department of Workforce Services determines that a city, town, or metro

1235 township is ineligible for funds in accordance with Subsection 10-9a-408(7), beginning the
1236 first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute
1237 the distribution that city, town, or metro township would have received under Subsection (8)(a)
1238 to cities, towns, or metro townships to which Subsection 10-9a-408(7) does not apply.

1239 (ii) Beginning on January 1, 2024, if the Housing and Community Development
1240 Division within the Department of Workforce Services determines that a county is ineligible
1241 for funds in accordance with Subsection 17-27a-408(7), beginning the first day of the calendar
1242 quarter after receiving 90 days' notice, the commission shall distribute the distribution that
1243 county would have received under Subsection (8)(a) to counties to which Subsection
1244 17-27a-408(7) does not apply.

1245 (9) If a public transit service is organized after the date a county legislative body first
1246 imposes a tax under this section, a change in a distribution required by this section may not
1247 take effect until the first distribution the commission makes under this section after a 90-day
1248 period that begins on the date the commission receives written notice from the public transit
1249 provider that the public transit service has been organized.

1250 (10) (a) [A] Except as provided in Subsection (10)(b), a county, city, or town that
1251 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
1252 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in Section
1253 59-12-2212.2.

1254 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
1255 the sales and use tax authorized in this section, the county may also use funds distributed in
1256 accordance with Subsection (4)(c) for public safety purposes.

1257 (11) (a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public
1258 transit as described in this section may be used for capital expenses and service delivery
1259 expenses of:

1260 (i) a public transit district;

1261 (ii) an eligible political subdivision; or

1262 (iii) another entity providing a service for public transit or a transit facility within the
1263 relevant county, as those terms are defined in Section 17B-2a-802.

1264 (b) (i) If a county of the first class imposes a sales and use tax described in this section,
1265 for a three-year period following the date on which the county imposes the sales and use tax

1266 under this section, revenue designated for public transit within a county of the first class as
1267 described in Subsection (4)(a) shall be transferred to the County of the First Class Highway
1268 Projects Fund created in Section 72-2-121.

1269 (ii) If a county of the first class imposes a sales and use tax described in this section,
1270 beginning on the day three years after the date on which the county imposed the tax as
1271 described in Subsection (11)(b)(i), for revenue designated for public transit as described in
1272 Subsection (4)(a):

1273 (A) 50% of the revenue from a sales and use tax imposed under this section in a county
1274 of the first class shall be transferred to the County of the First Class Highway Projects Fund
1275 created in Section 72-2-121; and

1276 (B) 50% of the revenue from a sales and use tax imposed under this section in a county
1277 of the first class shall be transferred to the Transit Transportation Investment Fund created in
1278 Subsection 72-2-124(9).

1279 (c) (i) If a county that is not a county of the first class for which the entire boundary of
1280 the county is annexed into a large public transit district imposes a sales and use tax described in
1281 this section, for a three-year period following the date on which the county imposes the sales
1282 and use tax under this section, revenue designated for public transit as described in Subsection
1283 (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose
1284 described in Subsection (11)(a).

1285 (ii) If a county that is not a county of the first class for which the entire boundary of the
1286 county is annexed into a large public transit district imposes a sales and use tax described in
1287 this section, beginning on the day three years after the date on which the county imposed the
1288 tax as described in Subsection (11)(c)(i), for the revenue that is designated for public transit in
1289 Subsection (5)(a):

1290 (A) 50% shall be transferred to the Transit Transportation Investment Fund created in
1291 Subsection 72-2-124(9); and

1292 (B) 50% shall be transferred to the relevant county legislative body to be used for a
1293 purpose described in Subsection (11)(a).

1294 (d) Except as provided in Subsection (12)(c), for a county that imposes a sales and use
1295 tax under this section, for revenue designated for public transit as described in Subsection
1296 (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a

1297 purpose described in Subsection (11)(a).

1298 (12) (a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
1299 required to, submit an opinion question to the county's registered voters in accordance with
1300 Section 59-12-2208 to impose a sales and use tax under this section.

1301 (b) If a county passes an ordinance to impose a sales and use tax as described in this
1302 section, the sales and use tax shall take effect on the first day of the calendar quarter after a
1303 90-day period that begins on the date the commission receives written notice from the county
1304 of the passage of the ordinance.

1305 (c) A county that imposed the local option sales and use tax described in this section
1306 before January 1, 2023, may maintain that county's distribution allocation in place as of
1307 January 1, 2023.

1308 (13) (a) Revenue collected from a sales and use tax under this section may not be used
1309 to supplant existing General Fund appropriations that a county, city, or town budgeted for
1310 transportation or public transit as of the date the tax becomes effective for a county, city, or
1311 town.

1312 (b) The limitation under Subsection (13)(a) does not apply to a designated
1313 transportation or public transit capital or reserve account a county, city, or town established
1314 before the date the tax becomes effective.

1315 Section 5. Section 63B-31-103 is amended to read:

1316 **63B-31-103. Transportation bonds -- Maximum amount -- Use for State**
1317 **Infrastructure Bank Fund loans.**

1318 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
1319 under this section may not exceed \$30,000,000.

1320 (b) When the Department of Transportation certifies to the commission the amount of
1321 bond proceeds that the commission needs to provide funding for the purposes described in
1322 Subsection (2), the commission may issue and sell general obligation bonds in an amount equal
1323 to the certified amount plus costs of issuance.

1324 (c) The commission may not issue general obligation bonds authorized under this
1325 section if the issuance for general obligation bonds would result in the total current outstanding
1326 general obligation debt of the state exceeding 50% of the limitation described in the Utah
1327 Constitution, Article XIV, Section 1.

1328 (2) (a) Proceeds from the bonds issued under this section shall be provided to the
1329 Department of Transportation to transfer to the State Infrastructure Bank Fund created in
1330 Section [72-2-202](#) to be used to issue loans pursuant to Title 72, Chapter 2, Part 2, State
1331 Infrastructure Bank Fund.

1332 (b) Any distribution from the State Infrastructure Bank Fund shall be contingent upon a
1333 commitment from the borrower that revenue is available to repay the loan from the State
1334 Infrastructure Bank Fund which shall be paid in whole or in part from revenue distributions
1335 described in Subsection [~~[72-2-121\(4\)\(k\)](#)~~] [72-2-121\(4\)\(j\)](#).

1336 (c) Notwithstanding Subsection [72-2-204\(2\)](#), a loan or assistance made with proceeds
1337 from bonds issued under this section shall bear an interest rate not to exceed .5% above the
1338 bond market interest rate available to the state for an issuance under this section.

1339 Section 6. Section **63J-1-602.1** is amended to read:

1340 **63J-1-602.1. List of nonlapsing appropriations from accounts and funds.**

1341 Appropriations made from the following accounts or funds are nonlapsing:

1342 (1) The Native American Repatriation Restricted Account created in Section [9-9-407](#).

1343 (2) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission,
1344 as provided under Title 9, Chapter 23, Pete Suazo Utah Athletic Commission Act.

1345 (3) Funds collected for directing and administering the C-PACE district created in
1346 Section [11-42a-106](#).

1347 (4) Money received by the Utah Inland Port Authority, as provided in Section
1348 [11-58-105](#).

1349 (5) The Commerce Electronic Payment Fee Restricted Account created in Section
1350 [13-1-17](#).

1351 (6) The Division of Air Quality Oil, Gas, and Mining Restricted Account created in
1352 Section [19-2a-106](#).

1353 (7) The Division of Water Quality Oil, Gas, and Mining Restricted Account created in
1354 Section [19-5-126](#).

1355 (8) State funds for matching federal funds in the Children's Health Insurance Program
1356 as provided in Section [26B-3-906](#).

1357 (9) Funds collected from the program fund for local health department expenses
1358 incurred in responding to a local health emergency under Section [26B-7-111](#).

- 1359 (10) The Technology Development Restricted Account created in Section 31A-3-104.
1360 (11) The Criminal Background Check Restricted Account created in Section
1361 31A-3-105.
1362 (12) The Captive Insurance Restricted Account created in Section 31A-3-304, except
1363 to the extent that Section 31A-3-304 makes the money received under that section free revenue.
1364 (13) The Title Licensee Enforcement Restricted Account created in Section
1365 31A-23a-415.
1366 (14) The Health Insurance Actuarial Review Restricted Account created in Section
1367 31A-30-115.
1368 (15) The State Mandated Insurer Payments Restricted Account created in Section
1369 31A-30-118.
1370 (16) The Insurance Fraud Investigation Restricted Account created in Section
1371 31A-31-108.
1372 (17) The Underage Drinking Prevention Media and Education Campaign Restricted
1373 Account created in Section 32B-2-306.
1374 (18) The Drinking While Pregnant Prevention Media and Education Campaign
1375 Restricted Account created in Section 32B-2-308.
1376 (19) The School Readiness Restricted Account created in Section 35A-15-203.
1377 (20) Money received by the Utah State Office of Rehabilitation for the sale of certain
1378 products or services, as provided in Section 35A-13-202.
1379 (21) The Oil and Gas Administrative Penalties Account created in Section 40-6-11.
1380 (22) The Oil and Gas Conservation Account created in Section 40-6-14.5.
1381 (23) The Division of Oil, Gas, and Mining Restricted account created in Section
1382 40-6-23.
1383 (24) The Electronic Payment Fee Restricted Account created by Section 41-1a-121 to
1384 the Motor Vehicle Division.
1385 (25) The License Plate Restricted Account created by Section 41-1a-122.
1386 (26) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account
1387 created by Section 41-3-110 to the State Tax Commission.
1388 (27) The State Disaster Recovery Restricted Account to the Division of Emergency
1389 Management, as provided in Section 53-2a-603.

1390 (28) The Response, Recovery, and Post-disaster Mitigation Restricted Account created
1391 in Section [53-2a-1302](#).

1392 (29) The Department of Public Safety Restricted Account to the Department of Public
1393 Safety, as provided in Section [53-3-106](#).

1394 (30) The Utah Highway Patrol Aero Bureau Restricted Account created in Section
1395 [53-8-303](#).

1396 (31) The DNA Specimen Restricted Account created in Section [53-10-407](#).

1397 (32) The Technical Colleges Capital Projects Fund created in Section [53B-2a-118](#).

1398 (33) The Higher Education Capital Projects Fund created in Section [53B-22-202](#).

1399 (34) A certain portion of money collected for administrative costs under the School
1400 Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).

1401 (35) The Public Utility Regulatory Restricted Account created in Section [54-5-1.5](#),
1402 subject to Subsection [54-5-1.5\(4\)\(d\)](#).

1403 (36) Funds collected from a surcharge fee to provide certain licensees with access to an
1404 electronic reference library, as provided in Section [58-3a-105](#).

1405 (37) Certain fines collected by the Division of Professional Licensing for violation of
1406 unlawful or unprofessional conduct that are used for education and enforcement purposes, as
1407 provided in Section [58-17b-505](#).

1408 (38) Funds collected from a surcharge fee to provide certain licensees with access to an
1409 electronic reference library, as provided in Section [58-22-104](#).

1410 (39) Funds collected from a surcharge fee to provide certain licensees with access to an
1411 electronic reference library, as provided in Section [58-55-106](#).

1412 (40) Funds collected from a surcharge fee to provide certain licensees with access to an
1413 electronic reference library, as provided in Section [58-56-3.5](#).

1414 (41) Certain fines collected by the Division of Professional Licensing for use in
1415 education and enforcement of the Security Personnel Licensing Act, as provided in Section
1416 [58-63-103](#).

1417 (42) The Relative Value Study Restricted Account created in Section [59-9-105](#).

1418 (43) The Cigarette Tax Restricted Account created in Section [59-14-204](#).

1419 (44) Funds paid to the Division of Real Estate for the cost of a criminal background
1420 check for a mortgage loan license, as provided in Section [61-2c-202](#).

1421 (45) Funds paid to the Division of Real Estate for the cost of a criminal background
1422 check for principal broker, associate broker, and sales agent licenses, as provided in Section
1423 [61-2f-204](#).

1424 (46) Certain funds donated to the Department of Health and Human Services, as
1425 provided in Section [26B-1-202](#).

1426 (47) Certain funds donated to the Division of Child and Family Services, as provided
1427 in Section [80-2-404](#).

1428 (48) Funds collected by the Office of Administrative Rules for publishing, as provided
1429 in Section [63G-3-402](#).

1430 (49) The Immigration Act Restricted Account created in Section [63G-12-103](#).

1431 (50) Money received by the military installation development authority, as provided in
1432 Section [63H-1-504](#).

1433 (51) The Computer Aided Dispatch Restricted Account created in Section [63H-7a-303](#).

1434 (52) The Unified Statewide 911 Emergency Service Account created in Section
1435 [63H-7a-304](#).

1436 (53) The Utah Statewide Radio System Restricted Account created in Section
1437 [63H-7a-403](#).

1438 (54) The Utah Capital Investment Restricted Account created in Section [63N-6-204](#).

1439 (55) The Motion Picture Incentive Account created in Section [63N-8-103](#).

1440 (56) Funds collected by the housing of state probationary inmates or state parole
1441 inmates, as provided in Subsection [64-13e-104\(2\)](#).

1442 (57) Certain forestry and fire control funds utilized by the Division of Forestry, Fire,
1443 and State Lands, as provided in Section [65A-8-103](#).

1444 (58) The following funds or accounts created in Section [72-2-124](#):

1445 (a) Transportation Investment Fund of 2005;

1446 (b) Transit Transportation Investment Fund;

1447 (c) Cottonwood Canyons Transportation Investment Fund;

1448 (d) Active Transportation Investment Fund; and

1449 (e) Commuter Rail Subaccount.

1450 [~~58~~] (59) The Amusement Ride Safety Restricted Account, as provided in Section
1451 [72-16-204](#).

1452 [~~(59)~~] (60) Certain funds received by the Office of the State Engineer for well drilling
1453 fines or bonds, as provided in Section 73-3-25.

1454 [~~(60)~~] (61) The Water Resources Conservation and Development Fund, as provided in
1455 Section 73-23-2.

1456 [~~(61)~~] (62) Award money under the State Asset Forfeiture Grant Program, as provided
1457 under Section 77-11b-403.

1458 [~~(62)~~] (63) Funds donated or paid to a juvenile court by private sources, as provided in
1459 Subsection 78A-6-203(1)(c).

1460 [~~(63)~~] (64) Fees for certificate of admission created under Section 78A-9-102.

1461 [~~(64)~~] (65) Funds collected for adoption document access as provided in Sections
1462 78B-6-141, 78B-6-144, and 78B-6-144.5.

1463 [~~(65)~~] (66) Funds collected for indigent defense as provided in Title 78B, Chapter 22,
1464 Part 4, Utah Indigent Defense Commission.

1465 [~~(66)~~] (67) The Utah Geological Survey Oil, Gas, and Mining Restricted Account
1466 created in Section 79-3-403.

1467 [~~(67)~~] (68) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades
1468 State Park, and Green River State Park, as provided under Section 79-4-403.

1469 [~~(68)~~] (69) Certain funds received by the Division of State Parks from the sale or
1470 disposal of buffalo, as provided under Section 79-4-1001.

1471 Section 7. Section 72-2-121 is amended to read:

1472 **72-2-121. County of the First Class Highway Projects Fund.**

1473 (1) There is created a special revenue fund within the Transportation Fund known as
1474 the "County of the First Class Highway Projects Fund."

1475 (2) The fund consists of money generated from the following revenue sources:

1476 (a) any voluntary contributions received for new construction, major renovations, and
1477 improvements to highways within a county of the first class;

1478 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
1479 deposited into or transferred to the fund;

1480 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into
1481 or transferred to the fund;

1482 (d) a portion of the local option highway construction and transportation corridor

1483 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited into
1484 or transferred to the fund; and

1485 (e) the portion of the sales and use tax transferred into the fund as described in
1486 Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).

1487 (3) (a) The fund shall earn interest.

1488 (b) All interest earned on fund money shall be deposited into the fund.

1489 (4) Subject to Subsection (9), the executive director shall use the fund money only:

1490 (a) to pay debt service and bond issuance costs for bonds issued under Sections
1491 63B-16-102, 63B-18-402, and 63B-27-102;

1492 (b) for right-of-way acquisition, new construction, major renovations, and
1493 improvements to highways within a county of the first class and to pay any debt service and
1494 bond issuance costs related to those projects, including improvements to a highway located
1495 within a municipality in a county of the first class where the municipality is located within the
1496 boundaries of more than a single county;

1497 (c) for the construction, acquisition, use, maintenance, or operation of:

1498 (i) an active transportation facility for nonmotorized vehicles;

1499 (ii) multimodal transportation that connects an origin with a destination; or

1500 (iii) a facility that may include a:

1501 (A) pedestrian or nonmotorized vehicle trail;

1502 (B) nonmotorized vehicle storage facility;

1503 (C) pedestrian or vehicle bridge; or

1504 (D) vehicle parking lot or parking structure;

1505 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
1506 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
1507 transferred in accordance with Subsection 72-2-124(4)(a)(iv);

1508 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
1509 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects
1510 described in Subsection 63B-18-401(4)(a);

1511 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
1512 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to
1513 transfer an amount equal to 50% of the revenue generated by the local option highway

1514 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
1515 a county of the first class:

1516 (i) to the legislative body of a county of the first class; and

1517 (ii) to be used by a county of the first class for:

1518 (A) highway construction, reconstruction, or maintenance projects; or

1519 (B) the enforcement of state motor vehicle and traffic laws;

1520 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified

1521 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the

1522 transfer under Subsection (4)(e) has been made, to annually transfer an amount of the sales and

1523 use tax revenue imposed in a county of the first class and deposited into the fund in accordance

1524 with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:

1525 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under

1526 Section 63B-27-102; and

1527 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued

1528 under Sections 63B-31-102 and 63B-31-103;

1529 (h) after the department has verified that the amount required under Subsection

1530 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the

1531 payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to

1532 annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a

1533 system for public transit;

1534 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified

1535 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after

1536 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer

1537 under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited

1538 into the fund under Subsection (2)(b):

1539 (i) to the legislative body of a county of the first class; and

1540 (ii) to fund parking facilities in a county of the first class that facilitate significant

1541 economic development and recreation and tourism within the state;

1542 ~~[(j) for the 2018-19 fiscal year only, after the department has verified that the amount~~

1543 ~~required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under~~

1544 ~~Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections~~

1545 ~~(4)(g), (h), and (i) have been made, to transfer \$12,000,000 to the department to distribute for~~
 1546 ~~the following projects:]~~

1547 ~~[(i) \$2,000,000 to West Valley City for highway improvement to 4100 South;]~~

1548 ~~[(ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from~~
 1549 ~~6800 West to 7300 West;]~~

1550 ~~[(iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;]~~

1551 ~~[(iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from~~
 1552 ~~13400 South to 13200 South;]~~

1553 ~~[(v) \$1,000,000 to Murray City for highway improvements to 5600 South from State~~
 1554 ~~Street to Van Winkle;]~~

1555 ~~[(vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from~~
 1556 ~~11400 South to 12300 South;]~~

1557 ~~[(vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;]~~

1558 ~~[(viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to~~
 1559 ~~10200 South from 2700 West to 3200 West;]~~

1560 ~~[(ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near~~
 1561 ~~Mountain View Corridor;]~~

1562 ~~[(x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and]~~

1563 ~~[(xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from~~
 1564 ~~7200 West to 8000 West; and]~~

1565 ~~[(k)] (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021,~~
 1566 ~~and for 15 years thereafter, to annually transfer the following amounts to the following cities,~~
 1567 ~~metro townships, and the county of the first class for priority projects to mitigate congestion~~
 1568 ~~and improve transportation safety:~~

1569 (i) \$2,000,000 to Sandy;

1570 (ii) ~~[\$2,000,000]~~ \$2,300,000 to Taylorsville;

1571 (iii) \$1,100,000 to Salt Lake City;

1572 (iv) \$1,100,000 to West Jordan;

1573 (v) \$1,100,000 to West Valley City;

1574 (vi) \$800,000 to Herriman;

1575 (vii) \$700,000 to Draper;

- 1576 (viii) \$700,000 to Riverton;
- 1577 (ix) \$700,000 to South Jordan;
- 1578 (x) \$500,000 to Bluffdale;
- 1579 (xi) \$500,000 to Midvale;
- 1580 (xii) \$500,000 to Millcreek;
- 1581 (xiii) \$500,000 to Murray;
- 1582 (xiv) \$400,000 to Cottonwood Heights; and
- 1583 (xv) \$300,000 to Holladay[-]; and
- 1584 (k) for the 2024-25 and 2025-26 fiscal years, and subject to revenue balances after the
- 1585 distributions under Subsection (4)(j), to reimburse the following municipalities for the amounts
- 1586 and projects indicated, as each project progresses and as revenue balances allow:
- 1587 (i) \$1,900,000 to South Jordan for improvements to Bingham Rim Road from
- 1588 Grandville Avenue to Mountain View Corridor;
- 1589 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street and
- 1590 700 West;
- 1591 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
- 1592 throughout Salt Lake City;
- 1593 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard and
- 1594 2300 East;
- 1595 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800
- 1596 South and I-15;
- 1597 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 1598 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 1599 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal trail between
- 1600 11800 South and 13800 South;
- 1601 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
- 1602 South;
- 1603 (x) \$470,000 to the department for construction of a sound wall on Bangerter Highway
- 1604 at approximately 11200 South;
- 1605 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800 South
- 1606 and 5300 South;

- 1607 (xii) \$1,450,000 to West Valley for construction of a road connecting 5400 South to
 1608 U-111;
- 1609 (xiii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100
 1610 South;
- 1611 (xiv) \$1,900,000 to South Jordan for construction of arterial roads connecting U-111
 1612 and Old Bingham Highway;
- 1613 (xv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East
 1614 between 3300 South and Atkin Avenue;
- 1615 (xvi) \$1,230,000 to Holladay for improvements to Highland Drive between Van
 1616 Winkle Expressway and Arbor Lane;
- 1617 (xvii) \$1,800,000 to West Valley City for improvements to 4000 West between 4100
 1618 South and 4700 South and improvements to 4700 South from 4000 West to Bangerter
 1619 Highway; and
- 1620 (xviii) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215
 1621 interchange.

1622 (5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in
 1623 Subsection ~~[(4)(k)]~~ (4)(j), the executive director shall proportionately reduce the amounts
 1624 transferred as described in Subsection ~~[(4)(k)]~~ (4)(j).

1625 (b) A local government entity, as that term is defined in Section 63J-1-220, is exempt
 1626 from entering into an agreement as described in Section 63J-1-220 pertaining to the receipt or
 1627 expenditure of any funding described in Subsection ~~[(4)(k)]~~ (4)(j).

1628 (c) A local government may not use revenue described in Subsection ~~[(4)(k)]~~ (4)(j) to
 1629 supplant existing class B or class C road funds that a local government has budgeted for
 1630 transportation projects.

1631 ~~[(d)(i) A municipality or county that received a transfer of funds described in~~
 1632 ~~Subsection (4)(j) shall submit to the department a statement of cash flow and progress~~
 1633 ~~pertaining to the municipality's or county's respective project described in Subsection (4)(j).]~~

1634 ~~[(ii) After the department is satisfied that the municipality or county described in~~
 1635 ~~Subsection (4)(j) has made substantial progress and the expenditure of funds is programmed~~
 1636 ~~and imminent, the department may transfer to the same municipality or county the respective~~
 1637 ~~amounts described in Subsection (4)(k).]~~

1638 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the
1639 fund and bond proceeds from bonds issued under Sections [63B-16-102](#), [63B-18-402](#), and
1640 [63B-27-102](#) are considered a local matching contribution for the purposes described under
1641 Section [72-2-123](#).

1642 (7) The additional administrative costs of the department to administer this fund shall
1643 be paid from money in the fund.

1644 (8) Subject to Subsection (9), and notwithstanding any statutory or other restrictions on
1645 the use or expenditure of the revenue sources deposited into this fund, the Department of
1646 Transportation may use the money in this fund for any of the purposes detailed in Subsection
1647 (4).

1648 (9) (a) ~~[Any]~~ Except as provided in Subsection (9)(b), any revenue deposited into the
1649 fund as described in Subsection (2)(e) shall be [used to provide funding or loans for public
1650 transit projects, operations, and supporting infrastructure in the county of the first class.]
1651 transferred into the County of the First Class Infrastructure Bank Fund created in Section
1652 [72-2-302](#).

1653 (b) For the first three years after a county of the first class imposes a sales and use tax
1654 authorized in Section [59-12-2220](#), revenue deposited into the fund as described in Subsection
1655 (2)(e) shall be allocated as follows:

1656 (i) 10% to the department to construct a bus rapid transit facility on 5600 West; and

1657 (ii) 90% into the County of the First Class Infrastructure Bank Fund created in Section
1658 [72-2-302](#).

1659 Section 8. Section **72-2-121.1** is amended to read:

1660 **72-2-121.1. Highway Projects Within Counties Fund -- Accounting for revenues**
1661 **-- Interest -- Expenditure of revenues.**

1662 (1) There is created a special revenue fund within the Transportation Fund known as
1663 the "Highway Projects Within Counties Fund."

1664 (2) The Highway Projects Within Counties Fund shall be funded by revenues generated
1665 by a tax imposed by a county under Section [59-12-2216](#), if those revenues are allocated:

1666 (a) for a state highway within the county; and

1667 (b) in accordance with Section [59-12-2216](#).

1668 (3) The department shall make a separate accounting for:

- 1669 (a) the revenues described in Subsection (2); and
- 1670 (b) each county for which revenues are deposited into the Highway Projects Within
- 1671 Counties Fund.
- 1672 (4) (a) The Highway Projects Within Counties Fund shall earn interest.
- 1673 (b) The department shall allocate the interest earned on the Highway Projects Within
- 1674 Counties Fund:
- 1675 (i) proportionately;
- 1676 (ii) to each county's balance in the Highway Projects Within Counties Fund; and
- 1677 (iii) on the basis of each county's balance in the Highway Projects Within Counties
- 1678 Fund.
- 1679 (5) The department shall expend the revenues and interest deposited into the Highway
- 1680 Projects Within Counties Fund to pay:
- 1681 (a) for a state highway project within the county for which the requirements of
- 1682 Subsection [~~59-12-2216(6)~~] 59-12-2216(4) are met;
- 1683 (b) debt service on a project described in Subsection (5)(a); or
- 1684 (c) bond issuance costs related to a project described in Subsection (5)(a).
- 1685 Section 9. Section **72-2-124** is amended to read:
- 1686 **72-2-124. Transportation Investment Fund of 2005.**
- 1687 (1) There is created a capital projects fund entitled the Transportation Investment Fund
- 1688 of 2005.
- 1689 (2) The fund consists of money generated from the following sources:
- 1690 (a) any voluntary contributions received for the maintenance, construction,
- 1691 reconstruction, or renovation of state and federal highways;
- 1692 (b) appropriations made to the fund by the Legislature;
- 1693 (c) registration fees designated under Section 41-1a-1201;
- 1694 (d) the sales and use tax revenues deposited into the fund in accordance with Section
- 1695 59-12-103; and
- 1696 (e) revenues transferred to the fund in accordance with Section 72-2-106.
- 1697 (3) (a) The fund shall earn interest.
- 1698 (b) All interest earned on fund money shall be deposited into the fund.
- 1699 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use

1700 fund money to pay:

1701 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
1702 federal highways prioritized by the Transportation Commission through the prioritization
1703 process for new transportation capacity projects adopted under Section 72-1-304;

1704 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
1705 projects described in Subsections 63B-18-401(2), (3), and (4);

1706 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
1707 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
1708 with Subsection 72-2-121(4)(e);

1709 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1710 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified
1711 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the
1712 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

1713 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
1714 for projects prioritized in accordance with Section 72-2-125;

1715 (vi) all highway general obligation bonds that are intended to be paid from revenues in
1716 the Centennial Highway Fund created by Section 72-2-118;

1717 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
1718 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
1719 in Section 72-2-121;

1720 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
1721 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
1722 nonmotorized transportation for projects that:

1723 (A) mitigate traffic congestion on the state highway system;

1724 (B) are part of an active transportation plan approved by the department; and

1725 (C) are prioritized by the commission through the prioritization process for new
1726 transportation capacity projects adopted under Section 72-1-304;

1727 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
1728 reconstruction, or renovation of or improvement to the following projects:

1729 (A) the connector road between Main Street and 1600 North in the city of Vineyard;

1730 (B) Geneva Road from University Parkway to 1800 South;

- 1731 (C) the SR-97 interchange at 5600 South on I-15;
- 1732 (D) two lanes on U-111 from Herriman Parkway to 11800 South;
- 1733 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 1734 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 1735 (G) widening I-15 between mileposts 6 and 8;
- 1736 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 1737 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in
- 1738 Spanish Fork Canyon;
- 1739 (J) I-15 northbound between mileposts 43 and 56;
- 1740 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43
- 1741 and 45.1;
- 1742 (L) east Zion SR-9 improvements;
- 1743 (M) Toquerville Parkway;
- 1744 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 1745 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for
- 1746 construction of an interchange on Bangerter Highway at 13400 South; and
- 1747 (P) an environmental impact study for Kimball Junction in Summit County; and
- 1748 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 1749 costs based upon a statement of cash flow that the local jurisdiction where the project is located
- 1750 provides to the department demonstrating the need for money for the project, for the following
- 1751 projects in the following amounts:
 - 1752 (A) \$5,000,000 for Payson Main Street repair and replacement;
 - 1753 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
 - 1754 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
 - 1755 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40
 - 1756 between mile markers 7 and 10.
- 1757 (b) The executive director may use fund money to exchange for an equal or greater
- 1758 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1759 (5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of
- 1760 ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director
- 1761 may not program fund money to a project prioritized by the commission under Section

1762 72-1-304, including fund money from the Transit Transportation Investment Fund, within the
1763 boundaries of the municipality until the department receives notification from the Housing and
1764 Community Development Division within the Department of Workforce Services that
1765 ineligibility under this Subsection (5) no longer applies to the municipality.

1766 (b) Within the boundaries of a municipality described in Subsection (5)(a), the
1767 executive director:

1768 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
1769 facility or interchange connecting limited-access facilities;

1770 (ii) may not program fund money for the construction, reconstruction, or renovation of
1771 an interchange on a limited-access facility;

1772 (iii) may program Transit Transportation Investment Fund money for a
1773 multi-community fixed guideway public transportation project; and

1774 (iv) may not program Transit Transportation Investment Fund money for the
1775 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
1776 transportation project.

1777 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1778 director before July 1, 2022, for projects prioritized by the commission under Section
1779 72-1-304.

1780 (6) (a) Except as provided in Subsection (6)(b), if the department receives a notice of
1781 ineligibility for a county as described in Subsection 17-27a-408(7), the executive director may
1782 not program fund money to a project prioritized by the commission under Section 72-1-304,
1783 including fund money from the Transit Transportation Investment Fund, within the boundaries
1784 of the unincorporated area of the county until the department receives notification from the
1785 Housing and Community Development Division within the Department of Workforce Services
1786 that ineligibility under this Subsection (6) no longer applies to the county.

1787 (b) Within the boundaries of the unincorporated area of a county described in
1788 Subsection (6)(a), the executive director:

1789 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
1790 facility to a project prioritized by the commission under Section 72-1-304;

1791 (ii) may not program fund money for the construction, reconstruction, or renovation of
1792 an interchange on a limited-access facility;

- 1793 (iii) may program Transit Transportation Investment Fund money for a
1794 multi-community fixed guideway public transportation project; and
- 1795 (iv) may not program Transit Transportation Investment Fund money for the
1796 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
1797 transportation project.
- 1798 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1799 director before July 1, 2022, for projects prioritized by the commission under Section
1800 [72-1-304](#).
- 1801 (7) (a) Before bonds authorized by Section [63B-18-401](#) or [63B-27-101](#) may be issued
1802 in any fiscal year, the department and the commission shall appear before the Executive
1803 Appropriations Committee of the Legislature and present the amount of bond proceeds that the
1804 department needs to provide funding for the projects identified in Subsections [63B-18-401](#)(2),
1805 (3), and (4) or Subsection [63B-27-101](#)(2) for the current or next fiscal year.
- 1806 (b) The Executive Appropriations Committee of the Legislature shall review and
1807 comment on the amount of bond proceeds needed to fund the projects.
- 1808 (8) The Division of Finance shall, from money deposited into the fund, transfer the
1809 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1810 Section [63B-18-401](#) or [63B-27-101](#) in the current fiscal year to the appropriate debt service or
1811 sinking fund.
- 1812 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit
1813 Transportation Investment Fund.
- 1814 (b) The fund shall be funded by:
- 1815 (i) contributions deposited into the fund in accordance with Section [59-12-103](#);
- 1816 (ii) appropriations into the account by the Legislature;
- 1817 (iii) deposits of sales and use tax increment related to a housing and transit
1818 reinvestment zone as described in Section [63N-3-610](#);
- 1819 (iv) transfers of local option sales and use tax revenue as described in Subsection
1820 [59-12-2220](#)(11)(b) or (c);
- 1821 (v) private contributions; and
- 1822 (vi) donations or grants from public or private entities.
- 1823 (c) (i) The fund shall earn interest.

- 1824 (ii) All interest earned on fund money shall be deposited into the fund.
- 1825 (d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:
- 1826 (i) for public transit capital development of new capacity projects and fixed guideway
- 1827 capital development projects to be used as prioritized by the commission through the
- 1828 prioritization process adopted under Section 72-1-304; or
- 1829 (ii) to the department for oversight of a fixed guideway capital development project for
- 1830 which the department has responsibility.
- 1831 (e) (i) Subject to Subsections (9)(g) and (h), the commission may only prioritize money
- 1832 from the fund for a public transit capital development project or pedestrian or nonmotorized
- 1833 transportation project that provides connection to the public transit system if the public transit
- 1834 district or political subdivision provides funds of equal to or greater than 30% of the costs
- 1835 needed for the project.
- 1836 (ii) A public transit district or political subdivision may use money derived from a loan
- 1837 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or
- 1838 part of the 30% requirement described in Subsection (9)(e)(i) if:
- 1839 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
- 1840 State Infrastructure Bank Fund; and
- 1841 (B) the proposed capital project has been prioritized by the commission pursuant to
- 1842 Section 72-1-303.
- 1843 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 1844 an agreement for a large public transit district to pay the department \$5,000,000 per year for 15
- 1845 years to be used to facilitate the purchase of zero emissions or low emissions rail engines and
- 1846 trainsets for regional public transit rail systems.
- 1847 (g) For any revenue transferred into the fund pursuant to Subsection
- 1848 59-12-2220(11)(b):
- 1849 (i) the commission may prioritize money from the fund for public transit projects,
- 1850 operations, or maintenance within the county of the first class; and
- 1851 (ii) Subsection (9)(e) does not apply.
- 1852 (h) For any revenue transferred into the fund pursuant to Subsection
- 1853 59-12-2220(11)(c):
- 1854 (i) the commission may prioritize public transit projects, operations, or maintenance in

1855 the county from which the revenue was generated; and
1856 (ii) Subsection (9)(e) does not apply.
1857 (10) (a) There is created in the Transportation Investment Fund of 2005 the
1858 Cottonwood Canyons Transportation Investment Fund.
1859 (b) The fund shall be funded by:
1860 (i) money deposited into the fund in accordance with Section 59-12-103;
1861 (ii) appropriations into the account by the Legislature;
1862 (iii) private contributions; and
1863 (iv) donations or grants from public or private entities.
1864 (c) (i) The fund shall earn interest.
1865 (ii) All interest earned on fund money shall be deposited into the fund.
1866 (d) The Legislature may appropriate money from the fund for public transit or
1867 transportation projects in the Cottonwood Canyons of Salt Lake County.
1868 (e) The department may use up to 2% of the revenue deposited into the account under
1869 Subsection 59-12-103(7)(b) to contract with local governments as necessary for public safety
1870 enforcement related to the Cottonwood Canyons of Salt Lake County.
1871 (11) (a) There is created in the Transportation Investment Fund of 2005 the Active
1872 Transportation Investment Fund.
1873 (b) The fund shall be funded by:
1874 (i) money deposited into the fund in accordance with Section 59-12-103;
1875 (ii) appropriations into the account by the Legislature; and
1876 (iii) donations or grants from public or private entities.
1877 (c) (i) The fund shall earn interest.
1878 (ii) All interest earned on fund money shall be deposited into the fund.
1879 (d) The executive director may only use fund money to pay the costs needed for:
1880 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
1881 paved pedestrian or paved nonmotorized trail projects that:
1882 (A) are prioritized by the commission through the prioritization process for new
1883 transportation capacity projects adopted under Section 72-1-304;
1884 (B) serve a regional purpose; and
1885 (C) are part of an active transportation plan approved by the department or the plan

1886 described in Subsection (11)(d)(ii);

1887 (ii) the development of a plan for a statewide network of paved pedestrian or paved
1888 nonmotorized trails that serve a regional purpose; and

1889 (iii) the administration of the fund, including staff and overhead costs.

1890 (12) (a) As used in this Subsection (12), "commuter rail" means the same as that term
1891 is defined in Section 63N-3-602.

1892 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
1893 Subaccount.

1894 (c) The subaccount shall be funded by:

1895 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;

1896 (ii) appropriations into the subaccount by the Legislature;

1897 (iii) private contributions; and

1898 (iv) donations or grants from public or private entities.

1899 (d) (i) The subaccount shall earn interest.

1900 (ii) All interest earned on money in the subaccount shall be deposited into the
1901 subaccount.

1902 (e) As prioritized by the commission through the prioritization process adopted under
1903 Section 72-1-304 or as directed by the Legislature, the department may only use money from
1904 the subaccount for projects that improve the state's commuter rail infrastructure, including the
1905 building or improvement of grade-separated crossings between commuter rail lines and public
1906 highways.

1907 Section 10. Section 72-2-301 is enacted to read:

1908 **Part 3. County of the First Class Infrastructure Bank Fund**

1909 **72-2-301. Definitions.**

1910 As used in this part:

1911 (1) "Fund" means the County of the First Class Infrastructure Bank Fund created under
1912 Section 72-2-302.

1913 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure
1914 loan, to provide financial assistance for transportation projects or publicly owned infrastructure
1915 projects, including:

1916 (a) capital reserves and other security for bond or debt instrument financing; or

1917 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by
 1918 a public entity to finance transportation projects.

1919 (3) "Infrastructure loan" means a loan of fund money to finance a transportation project
 1920 or publicly owned infrastructure project.

1921 (4) "Public entity" means a county of the first class or any of the following located
 1922 within a county of the first class:

1923 (a) a municipality;

1924 (b) a special district;

1925 (c) a special service district; or

1926 (d) an intergovernmental entity organized under state law.

1927 (5) "Publicly owned infrastructure project" means a project to improve sewer or water
 1928 infrastructure that is owned by a public entity.

1929 (6) "Transportation project" means a project:

1930 (a) to improve a state or local highway;

1931 (b) to improve a public transportation facility or nonmotorized transportation facility;

1932 (c) to construct or improve parking facilities;

1933 (d) that is subject to a transportation reinvestment zone agreement pursuant to Section
 1934 [11-13-227](#) if the state is party to the agreement; or

1935 (e) that is part of a housing and transit reinvestment zone created pursuant to Title 63N,
 1936 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

1937 (7) "Transportation project" includes the costs of acquisition, construction,
 1938 reconstruction, rehabilitation, equipping, and fixturing.

1939 (8) "Transportation project" may only include a project if the project is part of:

1940 (a) the statewide long range plan;

1941 (b) a regional transportation plan of the area metropolitan planning organization if a
 1942 metropolitan planning organization exists for the area; or

1943 (c) a local government general plan or economic development initiative.

1944 Section 11. Section **72-2-302** is enacted to read:

1945 **72-2-302. County of the First Class Infrastructure Bank -- Creation -- Use of**
 1946 **money.**

1947 (1) There is created a revolving loan fund entitled the County of the First Class

1948 Infrastructure Bank Fund.

1949 (2) (a) The fund consists of money generated from the following revenue sources:

1950 (i) deposits into the fund in accordance with Subsection [72-2-121\(9\)](#);

1951 (ii) appropriations made to the fund by the Legislature;

1952 (iii) federal money and grants that are deposited into the fund;

1953 (iv) money transferred to the fund by the commission from other money available to
1954 the department;

1955 (v) state grants that are deposited into the fund;

1956 (vi) contributions or grants from any other private or public sources for deposit into the
1957 fund; and

1958 (vii) subject to Subsection (2)(b) and Section [72-2-306](#), all money collected from
1959 repayments of fund money used for infrastructure loans or infrastructure assistance.

1960 (b) When a loan from the fund is repaid, the department may request and the
1961 Legislature may transfer from the fund to the source from which the money originated an
1962 amount equal to the repaid loan.

1963 (3) (a) The fund shall earn interest.

1964 (b) All interest earned on fund money shall be deposited into the fund.

1965 (4) Money in the fund shall be used by the department, as prioritized by the
1966 commission, only to:

1967 (a) provide infrastructure loans or infrastructure assistance; and

1968 (b) pay the department for the costs of administering the fund, providing infrastructure
1969 loans or infrastructure assistance, monitoring transportation projects and publicly owned
1970 infrastructure projects, and obtaining repayments of infrastructure loans or infrastructure
1971 assistance.

1972 (5) (a) The department may establish separate accounts in the fund for infrastructure
1973 loans, infrastructure assistance, administrative and operating expenses, or any other purpose to
1974 implement this part.

1975 (b) Prioritization of infrastructure loans described in Subsection (5)(a) shall follow the
1976 same process as described in Section [72-2-303](#).

1977 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1978 department may make rules governing how the fund and its accounts may be held by an escrow

1979 agent.

1980 (6) Fund money shall be invested by the state treasurer as provided in Title 51, Chapter
1981 7, State Money Management Act, and the earnings from the investments shall be credited to the
1982 fund.

1983 Section 12. Section **72-2-303** is enacted to read:

1984 **72-2-303. Loans and assistance -- Authority -- Rulemaking.**

1985 (1) Money in the fund may be used by the department, as prioritized by the commission
1986 or as directed by the Legislature, to make infrastructure loans or to provide infrastructure
1987 assistance to any public entity for any purpose consistent with any applicable constitutional
1988 limitation.

1989 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1990 commission shall make rules providing procedures and standards for making infrastructure
1991 loans and providing infrastructure assistance and a process for prioritization of requests for
1992 loans and assistance.

1993 (3) The prioritization process, procedures, and standards for making an infrastructure
1994 loan or providing infrastructure assistance may include consideration of the following:

1995 (a) availability of money in the fund;

1996 (b) credit worthiness of the project;

1997 (c) demonstration that the project will encourage, enhance, or create economic benefits
1998 to the state or political subdivision;

1999 (d) likelihood that assistance would enable the project to proceed at an earlier date than
2000 would otherwise be possible;

2001 (e) the extent to which assistance would foster innovative public-private partnerships
2002 and attract private debt or equity investment;

2003 (f) demonstration that the project provides a benefit to the state highway system,
2004 including safety or mobility improvements;

2005 (g) the amount of proposed assistance as a percentage of the overall project costs with
2006 emphasis on local and private participation;

2007 (h) demonstration that the project provides intermodal connectivity with public
2008 transportation, pedestrian, or nonmotorized transportation facilities; and

2009 (i) other provisions the commission considers appropriate.

2010 Section 13. Section **72-2-304** is enacted to read:

2011 **72-2-304. Loan program procedures -- Repayment.**

2012 (1) A public entity within a county of the first class may obtain an infrastructure loan
2013 from the department, upon approval by the commission, by entering into a loan contract with
2014 the department secured by legally issued bonds, notes, or other evidence of indebtedness
2015 validly issued under state law, including pledging all or any portion of a revenue source
2016 controlled by the public entity to the repayment of the loan.

2017 (2) A loan or assistance from the fund shall bear interest at a rate not to exceed .5%
2018 above bond market interest rates available to the state.

2019 (3) A loan shall be repaid no later than 20 years from the date the department issues the
2020 loan to the borrower, with repayment commencing no later than:

2021 (a) when the project is completed; or

2022 (b) in the case of a highway project, when the facility has opened to traffic.

2023 (4) The public entity shall repay the infrastructure loan in accordance with the loan
2024 contract from any of the following sources:

2025 (a) transportation project or publicly owned infrastructure project revenues, including
2026 special assessment revenues;

2027 (b) general funds of the public entity;

2028 (c) money withheld under Subsection (7); or

2029 (d) any other legally available revenues.

2030 (5) An infrastructure loan contract with a public entity may provide that a portion of
2031 the proceeds of the loan may be applied to fund a reserve fund to secure the repayment of the
2032 loan.

2033 (6) Before obtaining an infrastructure loan, a county or municipality shall:

2034 (a) publish its intention to obtain an infrastructure loan at least once in accordance with
2035 the publication of notice requirements under Section [11-14-316](#); and

2036 (b) adopt an ordinance or resolution authorizing the infrastructure loan.

2037 (7) (a) If a public entity fails to comply with the terms of a public entity's infrastructure
2038 loan contract, the department may seek any legal or equitable remedy to obtain compliance or
2039 payment of damages.

2040 (b) If a public entity fails to make infrastructure loan payments when due, the state

2041 shall, at the request of the department, withhold an amount of money due to the public entity
2042 and deposit the withheld money into the fund to pay the amounts due under the contract.

2043 (c) The department may elect when to request the withholding of money under this
2044 Subsection (7).

2045 (8) All loan contracts, bonds, notes, or other evidence of indebtedness securing the
2046 loan contracts shall be held, collected, and accounted for in accordance with Section
2047 [63B-1b-202](#).

2048 (9) For any money received into the fund for repayment of a loan as described in this
2049 section, the department shall distribute the repaid money as described in Section [72-2-306](#).

2050 Section 14. Section **72-2-305** is enacted to read:

2051 **72-2-305. Department authority to contract.**

2052 The department may, upon approval of the commission:

2053 (1) make all contracts, execute all instruments, and do all things necessary or
2054 convenient to provide financial assistance for transportation projects or publicly owned
2055 infrastructure projects in accordance with this chapter; and

2056 (2) enter into and perform the contracts and agreements with entities concerning the
2057 planning, construction, leasing, or other acquisition, installation, or financing of transportation
2058 projects or publicly owned infrastructure projects.

2059 Section 15. Section **72-2-306** is enacted to read:

2060 **72-2-306. Distribution of funds after repayment.**

2061 (1) Any money deposited into the fund from repayment of a loan or interest issued
2062 under this part shall be distributed as described in this section.

2063 (2) As the department receives repayment of a loan and interest issued under this part,
2064 the department shall distribute:

2065 (a) 50% of the money to Sandy, for a bridge connecting a commuter rail station on the
2066 west side of I-15 with the east side of I-15;

2067 (b) 30% of the money to Bluffdale, for construction of a multiple lane, grade-separated
2068 rail crossing at 1000 West and 14600 South; and

2069 (c) 20% of the money to the department, to construct and provide enhanced ingress and
2070 egress to a transit mobility center on property north of Big Cottonwood Canyon.

2071 Section 16. **FY 2025 Appropriation.**

2072 The following sums of money are appropriated for the fiscal year beginning July 1,
2073 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for
2074 fiscal year 2025.

2075 Subsection 16(a). **Operating and Capital Budgets.**

2076 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
2077 Legislature appropriates the following sums of money from the funds or accounts indicated for
2078 the use and support of the government of the state of Utah.

2079 ITEM 1 To Transportation - Operations/Maintenance Management

2080 From Cottonwood Canyon Transportation Investment Fund \$400,000

2081 Schedule of Programs:

2082 Maintenance Administration \$400,000

2083 Subsection 16(b). **Restricted Fund and Account Transfers.**

2084 The Legislature authorizes the State Division of Finance to transfer the following
2085 amounts between the following funds or accounts as indicated. Expenditures and outlays from
2086 the funds to which the money is transferred must be authorized by an appropriation.

2087 ITEM 2 To Pass-Through

2088 From Rail Transportation Restricted Account, One-time \$11,000,000

2089 Schedule of Programs:

2090 Pass-Through \$11,000,000

2091 The Legislature intends that the Department of Transportation pass through:

2092 (1) \$10,000,000 appropriated by the item to the city of Vineyard for the 12th Overpass
2093 Project; and

2094 (2) \$1,000,000 appropriated by this item to the city of Orem for the Center Street
2095 Railroad Crossing.

2096 Section 17. **Effective date.**

2097 (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.

2098 (2) The actions affecting Section [59-12-103](#) (Contingently Effective 01/01/25) take
2099 effect on January 1, 2025.