

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 in certain circumstances;
- ▶ 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;

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- 26 ▶ creates the Commuter Rail Subaccount within the Transit Transportation Investment
- 27 Fund and transfers certain sales and use tax revenues into the Commuter Rail
- 28 Subaccount; and
- 29 ▶ makes technical changes.

30 Money Appropriated in this Bill:

- 31 This bill appropriates in fiscal year 2025:
- 32 ▶ to Transportation - Operations/Maintenance Management - Maintenance
- 33 Administration as an ongoing appropriation:
- 34 • from the Cottonwood Canyon Transportation Investment Fund, \$400,000
- 35 ▶ to Transportation - Pass-Through - Pass-Through as a one-time appropriation:
- 36 • from the Rail Transportation Restricted Account, One-time, \$11,000,000

37 Other Special Clauses:

38 This bill provides a special effective date.

39 Utah Code Sections Affected:

40 AMENDS:

41 **59-12-103 (Contingently Superseded 01/01/25)**, as last amended by Laws of Utah

42 2023, Chapters 22, 213, 329, 361, and 471

43 **59-12-103 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023,

44 Chapters 22, 213, 329, 361, 459, and 471

45 **59-12-2216**, as last amended by Laws of Utah 2019, Chapter 479

46 **59-12-2220**, as last amended by Laws of Utah 2023, Chapter 529

47 **63B-31-103**, as last amended by Laws of Utah 2022, Chapter 259

48 **63J-1-602.1**, as last amended by Laws of Utah 2023, Chapters 26, 33, 34, 194, 212,

49 330, 419, 434, 448, and 534

50 **72-2-121**, as last amended by Laws of Utah 2023, Chapter 529

51 **72-2-124**, as last amended by Laws of Utah 2023, Chapters 22, 88, 219, and 529

52 ENACTS:

53 **72-2-301**, Utah Code Annotated 1953

54 **72-2-302**, Utah Code Annotated 1953

55 **72-2-303**, Utah Code Annotated 1953

56 **72-2-304**, Utah Code Annotated 1953

57 [72-2-305](#), Utah Code Annotated 1953

58 [72-2-306](#), Utah Code Annotated 1953

59

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

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 Section **59-12-103 (Contingently Superseded 01/01/25)** is amended to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

63 **59-12-103 (Contingently Superseded 01/01/25).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

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

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

68 (b) amounts paid for:

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

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

74 (iii) an ancillary service associated with a:

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

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

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

78 (i) gas;

79 (ii) electricity;

80 (iii) heat;

81 (iv) coal;

82 (v) fuel oil; or

83 (vi) other fuels;

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

85 (i) gas;

86 (ii) electricity;

87 (iii) heat;

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

- 119 (iii) otherwise consumed;
- 120 (l) amounts paid or charged for tangible personal property if within this state the
- 121 tangible personal property is:
 - 122 (i) stored;
 - 123 (ii) used; or
 - 124 (iii) consumed;
 - 125 (m) amounts paid or charged for a sale:
 - 126 (i) (A) of a product transferred electronically; or
 - 127 (B) of a repair or renovation of a product transferred electronically; and
 - 128 (ii) regardless of whether the sale provides:
 - 129 (A) a right of permanent use of the product; or
 - 130 (B) a right to use the product that is less than a permanent use, including a right:
 - 131 (I) for a definite or specified length of time; and
 - 132 (II) that terminates upon the occurrence of a condition; and
 - 133 (n) sales of leased tangible personal property from the lessor to the lessee made in the
 - 134 state.
- 135 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
- 136 are imposed on a transaction described in Subsection (1) equal to the sum of:
 - 137 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - 138 (A) 4.70% plus the rate specified in Subsection (11)(a); and
 - 139 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
 - 140 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
 - 141 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
 - 142 State Sales and Use Tax Act; and
 - 143 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
 - 144 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
 - 145 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
 - 146 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
 - 147 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
 - 148 transaction under this chapter other than this part.
 - 149 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a

150 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
151 the sum of:

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

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

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

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

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

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

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

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

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

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

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

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

180 (B) If a car-sharing program relies in good faith on a shared vehicle owner's

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

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

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

189 (vi) A car-sharing program shall:

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

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

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

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

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

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

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

204 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
205 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

229 (II) state or federal law provides otherwise.

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

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

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

241 (B) is able to identify by reasonable and verifiable standards, from the books and
242 records the seller keeps in the seller's regular course of business, the portion of the transaction

243 that is not subject to taxation under this chapter.

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

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

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

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

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

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

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

264 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
265 seller's regular course of business includes books and records the seller keeps in the regular
266 course of business for nontax purposes.

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

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

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

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

272 (iv) Subsection (2)(f)(i)(A)(I).

273 (j) (i) A tax rate increase takes effect on the first day of the first billing period that

274 begins on or after the effective date of the tax rate increase if the billing period for the
275 transaction begins before the effective date of a tax rate increase imposed under:

- 276 (A) Subsection (2)(a)(i)(A);
- 277 (B) Subsection (2)(b)(i);
- 278 (C) Subsection (2)(c)(i); or
- 279 (D) Subsection (2)(f)(i)(A)(I).

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

- 283 (A) Subsection (2)(a)(i)(A);
- 284 (B) Subsection (2)(b)(i);
- 285 (C) Subsection (2)(c)(i); or
- 286 (D) Subsection (2)(f)(i)(A)(I).

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

- 290 (A) on the first day of a calendar quarter; and
- 291 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

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

- 293 (A) Subsection (2)(a)(i)(A);
- 294 (B) Subsection (2)(b)(i);
- 295 (C) Subsection (2)(c)(i); or
- 296 (D) Subsection (2)(f)(i)(A)(I).

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

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

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

- 304 (A) a commercial use;

305 (B) an industrial use; or

306 (C) a residential use.

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

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

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

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

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

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

313 in this chapter:

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

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

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

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

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

319 Fund.

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

321 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)

322 through (g):

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

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

325 (B) for the fiscal year; or

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

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

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

329 revenue to the Department of Natural Resources to:

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

331 protect sensitive plant and animal species; or

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

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

334 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

366 (A) conduct hydrologic and geotechnical investigations by the Division of Water

367 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
368 quantifying surface and ground water resources and describing the hydrologic systems of an
369 area in sufficient detail so as to enable local and state resource managers to plan for and
370 accommodate growth in water use without jeopardizing the resource;

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

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

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

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

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

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

383 (iii) develop surface water sources.

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

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

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

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

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

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

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

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

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

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

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

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

411 (i) preconstruction costs:

412 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
413 26, Bear River Development Act; and

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

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

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

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

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

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

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

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

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

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

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

438 (b) ~~[(i) As used in this Subsection (7)(b):]~~

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

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

445 ~~[(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation~~
 446 ~~Investment Fund created in Subsection 72-2-124(10).]~~

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

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

454 (i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually
 455 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
 456 an amount equal to .44% of the revenue collected from the following sales and use taxes:

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

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

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

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

461 ~~[(iii)]~~ (ii) The commission shall annually deposit the amount described in Subsection

462 ~~[(7)(b)(ii)]~~ (7)(b)(i) into the ~~[Cottonwood Canyons fund, subject to an annual maximum~~

463 ~~combined amount for any single fiscal year of \$20,000,000.]~~ Cottonwood Canyons

464 Transportation Investment Fund created in Section 72-2-124.

465 ~~[(iv) If the amount of relevant revenue declines in a fiscal year compared to the~~

466 ~~previous fiscal year, the commission shall decrease the amount of the contribution to the~~

467 ~~Cottonwood Canyons fund under this Subsection (7)(b) in the same proportion as the decline in~~

468 ~~relevant revenue.]~~

469 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,

470 2023, the commission shall annually reduce the deposit into the Transportation Investment

471 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

472 (A) the amount of revenue generated in the current fiscal year by the portion of taxes

473 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described

474 in Subsections (7)(a)(i) through (iv);

475 (B) the amount of revenue generated in the current fiscal year by registration fees

476 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund

477 of 2005; and

478 (C) revenues transferred by the Division of Finance to the Transportation Investment

479 Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

480 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a

481 given fiscal year.

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

483 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

484 (d) (i) For a fiscal year beginning on or after July 1, 2024, the commission shall

485 annually reduce the deposit into the Transportation Investment Fund of 2005 under this

486 Subsection (7) by an amount that is equal to 1% of the revenue collected from the following

487 sales and use taxes:

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

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

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

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

492 (ii) The commission shall annually deposit the amount described in Subsection
 493 (7)(d)(i) into the Commuter Rail Subaccount created in Section [72-2-124](#).

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

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

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

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

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

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

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

510 [~~(d) (i) As used in this Subsection (8)(d):~~]

511 [~~(A) "Additional growth revenue" means the amount of relevant revenue collected in~~
 512 ~~the current fiscal year that exceeds by more than 3% the relevant revenue collected in the~~
 513 ~~previous fiscal year.]~~

514 [~~(B) "Combined amount" means the combined total amount of money deposited into~~
 515 ~~the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal~~
 516 ~~year.]~~

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

519 [~~(D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that~~
 520 ~~equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through~~
 521 ~~(iv).]~~

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

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

530 ~~[(iv) If the amount of relevant revenue declines in a fiscal year compared to the~~
531 ~~previous fiscal year, the commission shall decrease the amount of the contribution to the~~
532 ~~Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in~~
533 ~~relevant revenue.]~~

534 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
535 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
536 created by Section [35A-8-1009](#) and expended as provided in Section [35A-8-1009](#).

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

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

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

548 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
549 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
550 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
551 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

552 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall

553 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund
554 of 2005 under Subsections (7) and (8) to the General Fund.

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

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

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

- 569 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 570 (b) the tax imposed by Subsection (2)(b)(i);
- 571 (c) the tax imposed by Subsection (2)(c)(i); and
- 572 (d) the tax imposed by Subsection (2)(f)(i)(A)(I).

573 Section 2. Section 59-12-103 (Contingently Effective 01/01/25) is amended to read:
574 **59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --**
575 **Effective dates -- Use of sales and use tax revenues.**

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

- 578 (a) retail sales of tangible personal property made within the state;
- 579 (b) amounts paid for:
 - 580 (i) telecommunications service, other than mobile telecommunications service, that
581 originates and terminates within the boundaries of this state;
 - 582 (ii) mobile telecommunications service that originates and terminates within the
583 boundaries of one state only to the extent permitted by the Mobile Telecommunications

584 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
585 (iii) an ancillary service associated with a:
586 (A) telecommunications service described in Subsection (1)(b)(i); or
587 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
588 (c) sales of the following for commercial use:
589 (i) gas;
590 (ii) electricity;
591 (iii) heat;
592 (iv) coal;
593 (v) fuel oil; or
594 (vi) other fuels;
595 (d) sales of the following for residential use:
596 (i) gas;
597 (ii) electricity;
598 (iii) heat;
599 (iv) coal;
600 (v) fuel oil; or
601 (vi) other fuels;
602 (e) sales of prepared food;
603 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
604 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
605 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
606 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
607 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
608 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
609 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
610 horseback rides, sports activities, or any other amusement, entertainment, recreation,
611 exhibition, cultural, or athletic activity;
612 (g) amounts paid or charged for services for repairs or renovations of tangible personal
613 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
614 (i) the tangible personal property; and

615 (ii) parts used in the repairs or renovations of the tangible personal property described
616 in Subsection (1)(g)(i), regardless of whether:

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

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

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

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

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

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

628 (i) stored;

629 (ii) used; or

630 (iii) otherwise consumed;

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

633 (i) stored;

634 (ii) used; or

635 (iii) consumed;

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

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

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

639 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

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

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

650 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
651 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
652 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
653 State Sales and Use Tax Act; and

654 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
655 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
656 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
657 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; 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 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a
661 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
662 the sum of:

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

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

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

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

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

674 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed
675 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax
676 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a

677 shared vehicle driver, or a shared vehicle owner.

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

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

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

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

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

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

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

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

699 (vi) A car-sharing program shall:

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

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

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

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

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

708 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
709 Sales and Use Tax Act, if the location of the transaction as determined under Sections
710 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
711 Additional State Sales and Use Tax Act; and

712 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
713 Sales and Use Tax Act, if the location of the transaction as determined under Sections
714 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
715 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

739 (II) state or federal law provides otherwise.

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

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

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

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

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

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

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

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

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

769 (A) separately states the items subject to taxation under this chapter at each of the

770 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

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

774 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
775 seller's regular course of business includes books and records the seller keeps in the regular
776 course of business for nontax purposes.

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

- 779 (i) Subsection (2)(a)(i)(A);
- 780 (ii) Subsection (2)(b)(i); or
- 781 (iii) Subsection (2)(f)(i)(A)(I).

782 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
783 begins on or after the effective date of the tax rate increase if the billing period for the
784 transaction begins before the effective date of a tax rate increase 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 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
789 statement for the billing period is rendered on or after the effective date of the repeal of the tax
790 or the tax rate decrease imposed under:

- 791 (A) Subsection (2)(a)(i)(A);
- 792 (B) Subsection (2)(b)(i); or
- 793 (C) Subsection (2)(f)(i)(A)(I).

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

- 797 (A) on the first day of a calendar quarter; and
- 798 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

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

- 800 (A) Subsection (2)(a)(i)(A);

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

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

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

805 (1) (i) For a location described in Subsection (2)(1)(ii), the commission shall determine
806 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
807 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

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

810 (A) a commercial use;

811 (B) an industrial use; or

812 (C) a residential use.

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

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

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

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

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

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

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

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

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

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

825 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
826 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
827 through (g):

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

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

830 (B) for the fiscal year; or

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

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

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

837 (B) award grants, up to the amount authorized by the Legislature in an appropriations
838 act, to political subdivisions of the state to implement the measures described in Subsections
839 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

888 (iii) develop surface water sources.

889 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
890 2006, the difference between the following amounts shall be expended as provided in this
891 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

916 (i) preconstruction costs:

917 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
918 26, Bear River Development Act; and

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

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

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

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

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

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

934 (7) (a) Notwithstanding Subsection (3)(a) and subject to ~~[Subsection (7)(b)]~~
 935 Subsections (7)(b), (c), and (d), for a fiscal year beginning on or after July 1, 2023, the
 936 commission shall deposit into the Transportation Investment Fund of 2005 created by Section
 937 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue
 938 collected from the following sales and use taxes:

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

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

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

942 (b) ~~[(i) As used in this Subsection (7)(b):]~~

943 ~~[(A) "Additional growth revenue" means the amount of relevant revenue collected in
 944 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
 945 previous fiscal year.]~~

946 ~~[(B) "Combined amount" means the combined total amount of money deposited into
 947 the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal
 948 year.]~~

949 ~~[(C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
 950 Investment Fund created in Subsection 72-2-124(10).]~~

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

953 ~~[(ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
 954 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
 955 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood~~

956 ~~Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the~~
957 ~~limit in Subsection (7)(b)(iii):]~~

958 (i) For a fiscal year beginning on or after July 1, 2024, the commission shall annually
959 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
960 an amount equal to .44% of the revenue collected from the following sales and use taxes:

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

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

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

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

965 ~~[(iii)]~~ (ii) The commission shall annually deposit the amount described in Subsection
966 ~~[(7)(b)(ii)]~~ (7)(b)(i) into the [Cottonwood Canyons fund, subject to an annual maximum
967 ~~combined amount for any single fiscal year of \$20,000,000] Cottonwood Canyons
968 Transportation Investment Fund created in Section 72-2-124.~~

969 ~~[(iv) If the amount of relevant revenue declines in a fiscal year compared to the~~
970 ~~previous fiscal year, the commission shall decrease the amount of the contribution to the~~
971 ~~Cottonwood Canyons fund under this Subsection (7)(b) in the same proportion as the decline in~~
972 ~~relevant revenue.]~~

973 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
974 2023, the commission shall annually reduce the deposit into the Transportation Investment
975 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

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

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

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

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

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

987 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection [72-2-124](#)(11).

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

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

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

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

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

996 (ii) The commission shall annually deposit the amount described in Subsection
 997 (7)(d)(i) into the Commuter Rail Subaccount created in Section [72-2-124](#).

998 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
 999 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or
 1000 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
 1001 Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under Subsection (3)(a)
 1002 in an amount equal to 3.68% of the revenues collected from the following taxes:

1003 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1004 (ii) the tax imposed by Subsection (2)(b)(i); and

1005 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

1006 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
 1007 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by
 1008 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by
 1009 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale
 1010 or use in this state that exceeds 29.4 cents per gallon.

1011 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
 1012 into the Transit Transportation Investment Fund created in Section [72-2-124](#).

1013 [~~(d) (i) As used in this Subsection (8)(d):~~]

1014 [~~(A) "Additional growth revenue" means the amount of relevant revenue collected in~~
 1015 ~~the current fiscal year that exceeds by more than 3% the relevant revenue collected in the~~
 1016 ~~previous fiscal year.]~~

1017 [~~(B) "Combined amount" means the combined total amount of money deposited into~~

1018 the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal
1019 year.]

1020 [~~(C)~~ "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
1021 Investment Fund created in Subsection ~~72-2-124~~(10).]

1022 [~~(D)~~ "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
1023 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through
1024 (iii).]

1025 [~~(ii)~~ For a fiscal year beginning on or after July 1, 2020, the commission shall annually
1026 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
1027 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
1028 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
1029 limit in Subsection (8)(d)(iii).]

1030 [~~(iii)~~ The commission shall annually deposit the amount described in Subsection
1031 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
1032 for any single fiscal year of \$20,000,000.]

1033 [~~(iv)~~ If the amount of relevant revenue declines in a fiscal year compared to the
1034 previous fiscal year, the commission shall decrease the amount of the contribution to the
1035 Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in
1036 relevant revenue.]

1037 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1038 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
1039 created by Section ~~35A-8-1009~~ and expended as provided in Section ~~35A-8-1009~~.

1040 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
1041 fiscal year during which the commission receives notice under Section ~~63N-2-510~~ that
1042 construction on a qualified hotel, as defined in Section ~~63N-2-502~~, has begun, the commission
1043 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by
1044 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in
1045 Section ~~63N-2-512~~.

1046 (11) (a) The rate specified in this subsection is 0.15%.

1047 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
1048 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the

1049 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax
1050 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

1051 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1052 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
1053 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
1054 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

1055 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
1056 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund
1057 of 2005 under Subsections (7) and (8) to the General Fund.

1058 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
1059 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall
1060 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under
1061 Subsections (7) and (8) during the fiscal year to the General Fund.

1062 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,
1063 beginning the first day of the calendar quarter one year after the sales and use tax boundary for
1064 a housing and transit reinvestment zone is established, the commission, at least annually, shall
1065 transfer an amount equal to 15% of the sales and use tax increment within an established sales
1066 and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation
1067 Investment Fund created in Section 72-2-124.

1068 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
1069 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure
1070 Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection
1071 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

1072 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1073 (b) the tax imposed by Subsection (2)(b)(i); and

1074 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).

1075 Section 3. Section 59-12-2216 is amended to read:

1076 **59-12-2216. County option sales and use tax for a fixed guideway, to fund a**
1077 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**
1078 **revenues.**

1079 (1) Subject to the other provisions of this part, a county legislative body may impose a

1080 sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1)
1081 within the county, including the cities and towns within the county.

1082 (2) (a) Subject to Subsection (3), before obtaining voter approval in accordance with
1083 Section 59-12-2208, a county legislative body shall adopt a resolution specifying the
1084 percentage of revenues the county will receive from the sales and use tax under this section that
1085 will be allocated to fund uses described in Section 59-12-2212.2.

1086 (b) A county legislative body of a county of the third through sixth class that imposes a
1087 sales and use tax as described in Subsection (1) on or after January 1, 2024, shall specify the
1088 percentage of revenues the county will receive from the sales and use tax under this section that
1089 will be allocated to fund uses described in Section 59-12-2212.2 or for public safety purposes
1090 as provided in Subsection (3)(b).

1091 (3) (a) [~~A~~] Except as provided in Subsection (2)(b), a county legislative body shall in
1092 the resolution described in Subsection (2) allocate 100% of the revenues the county will
1093 receive from the sales and use tax under this section for one or more of the purposes described
1094 in Section 59-12-2212.2.

1095 (b) In addition to the purposes described in Section 59-12-2212.2, a county legislative
1096 body of a county of the third through sixth class that imposes a sales and use tax as authorized
1097 in this section on or after January 1, 2024, may allocate revenues to public safety purposes.

1098 (4) Notwithstanding Section 59-12-2208, the opinion question required by Section
1099 59-12-2208 shall state the allocations the county legislative body makes in accordance with this
1100 section.

1101 (5) The revenues collected from a sales and use tax under this section shall be:

1102 (a) allocated in accordance with the allocations specified in the resolution under
1103 Subsection (2); and

1104 (b) expended as provided in this section.

1105 (6) If a county legislative body allocates revenues collected from a sales and use tax
1106 under this section for a state highway project, before beginning the state highway project within
1107 the county, the county legislative body shall:

1108 (a) obtain approval from the Transportation Commission to complete the project; and

1109 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter
1110 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

1111 (7) (a) If after a county legislative body imposes a sales and use tax under this section
 1112 the county legislative body seeks to change an allocation specified in the resolution under
 1113 Subsection (2), the county legislative body may change the allocation by:

1114 ~~[(a)]~~ (i) adopting a resolution ~~[in accordance with Subsection (2)]~~ specifying the
 1115 percentage of revenues the county will receive from the sales and use tax under this section that
 1116 will be allocated to fund one or more of the items described in Section [59-12-2212.2](#)~~;~~ or
 1117 Subsection (2)(b); and

1118 ~~[(b)]~~ (ii) obtaining approval to change the allocation of the sales and use tax by a
 1119 majority of all of the members of the county legislative body; and

1120 ~~[(c)]~~ (iii) subject to Subsection (8)(a):

1121 ~~[(i)]~~ (A) in accordance with Section [59-12-2208](#), submitting an opinion question to the
 1122 county's registered voters voting on changing the allocation so that each registered voter has the
 1123 opportunity to express the registered voter's opinion on whether the allocation should be
 1124 changed; and

1125 ~~[(ii)]~~ (B) in accordance with Section [59-12-2208](#), obtaining approval to change the
 1126 allocation from a majority of the county's registered voters voting on changing the allocation.

1127 (b) A county of the third through sixth class that imposes a sales and use tax as
 1128 authorized in this section on or after January 1, 2024, that seeks to change the allocation of the
 1129 revenues is not required to submit the opinion question to the county's registered voters.

1130 (8) (a) Notwithstanding Section [59-12-2208](#), the opinion question required by
 1131 Subsection (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance
 1132 with Subsection (7)(a) and approved by the county legislative body in accordance with
 1133 Subsection (7)(b).

1134 (b) Notwithstanding Section [59-12-2208](#), a county legislative body of a county of the
 1135 third through sixth class that imposes a sales and use tax under this section on or after January
 1136 1, 2024, may, but is not required to, submit an opinion question to the county's registered
 1137 voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under this section.

1138 (9) Revenues collected from a sales and use tax under this section that a county
 1139 allocates for a state highway within the county shall be:

1140 (a) deposited into the Highway Projects Within Counties Fund created by Section
 1141 [72-2-121.1](#); and

1142 (b) expended as provided in Section 72-2-121.1.

1143 (10) (a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b),
1144 revenues collected from a sales and use tax under this section that a county allocates for a
1145 project, debt service, or bond issuance cost relating to a highway that is a principal arterial
1146 highway or minor arterial highway that is included in a metropolitan planning organization's
1147 regional transportation plan, but is not a state highway, shall be transferred to the Department
1148 of Transportation if the transfer of the revenues is required under an interlocal agreement:

1149 (i) entered into on or before January 1, 2010; and
1150 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

1151 (b) The Department of Transportation shall expend the revenues described in
1152 Subsection (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).
1153 Section 4. Section 59-12-2220 is amended to read:
1154 **59-12-2220. County option sales and use tax to fund highways or a system for
1155 public transit -- Base -- Rate.**

1156 (1) Subject to the other provisions of this part and subject to the requirements of this
1157 section, the following counties may impose a sales and use tax under this section:

1158 (a) a county legislative body may impose the sales and use tax on the transactions
1159 described in Subsection 59-12-103(1) located within the county, including the cities and towns
1160 within the county if:

1161 (i) the entire boundary of a county is annexed into a large public transit district; and
1162 (ii) the maximum amount of sales and use tax authorizations allowed pursuant to
1163 Section 59-12-2203 and authorized under the following sections has been imposed:

1164 (A) Section 59-12-2213;
1165 (B) Section 59-12-2214;
1166 (C) Section 59-12-2215;
1167 (D) Section 59-12-2216;
1168 (E) Section 59-12-2217;
1169 (F) Section 59-12-2218; and
1170 (G) Section 59-12-2219;

1171 (b) if the county is not annexed into a large public transit district, the county legislative
1172 body may impose the sales and use tax on the transactions described in Subsection

1173 59-12-103(1) located within the county, including the cities and towns within the county if:

1174 (i) the county is an eligible political subdivision; or

1175 (ii) a city or town within the boundary of the county is an eligible political subdivision;

1176 or

1177 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b)

1178 may impose the sales and use tax on the transactions described in Subsection 59-12-103(1)

1179 located within the county, including the cities and towns within the county.

1180 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a

1181 county legislative body that imposes a sales and use tax under this section may impose the tax

1182 at a rate of .2%.

1183 (3) (a) The commission shall distribute sales and use tax revenue collected under this

1184 section as determined by a county legislative body as described in Subsection (3)(b).

1185 (b) If a county legislative body imposes a sales and use tax as described in this section,

1186 the county legislative body may elect to impose a sales and use tax revenue distribution as

1187 described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and

1188 type of a public transit provider in the county.

1189 (4) If a county legislative body imposes a sales and use tax as described in this section,

1190 and the entire boundary of the county is annexed into a large public transit district, and the

1191 county is a county of the first class, the commission shall distribute the sales and use tax

1192 revenue as follows:

1193 (a) .10% to a public transit district as described in Subsection (11);

1194 (b) .05% to the cities and towns as provided in Subsection (8); and

1195 (c) .05% to the county legislative body.

1196 (5) If a county legislative body imposes a sales and use tax as described in this section

1197 and the entire boundary of the county is annexed into a large public transit district, and the

1198 county is a county not described in Subsection (4), the commission shall distribute the sales

1199 and use tax revenue as follows:

1200 (a) .10% to a public transit district as described in Subsection (11);

1201 (b) .05% to the cities and towns as provided in Subsection (8); and

1202 (c) .05% to the county legislative body.

1203 (6) (a) Except as provided in Subsection (12)(c), if the entire boundary of a county that

1204 imposes a sales and use tax as described in this section is not annexed into a single public
1205 transit district, but a city or town within the county is annexed into a single public transit
1206 district, or if the city or town is an eligible political subdivision, the commission shall distribute
1207 the sales and use tax revenue collected within the county as provided in Subsection (6)(b) or
1208 (c).

1209 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
1210 annexed into the single public transit district, or an eligible political subdivision, the
1211 commission shall distribute the sales and use tax revenue collected within the portion of the
1212 county that is within a public transit district or eligible political subdivision as follows:

- 1213 (i) .05% to a public transit provider as described in Subsection (11);
- 1214 (ii) .075% to the cities and towns as provided in Subsection (8); and
- 1215 (iii) .075% to the county legislative body.

1216 (c) Except as provided in Subsection (12)(c), for a city, town, or portion of the county
1217 described in Subsection (6)(a) that is not annexed into a single public transit district or eligible
1218 political subdivision in the county, the commission shall distribute the sales and use tax
1219 revenue collected within that portion of the county as follows:

- 1220 (i) .08% to the cities and towns as provided in Subsection (8); and
- 1221 (ii) .12% to the county legislative body.

1222 (7) For a county without a public transit service that imposes a sales and use tax as
1223 described in this section, the commission shall distribute the sales and use tax revenue
1224 collected within the county as follows:

- 1225 (a) .08% to the cities and towns as provided in Subsection (8); and
- 1226 (b) .12% to the county legislative body.

1227 (8) (a) Subject to Subsections (8)(b) and (c), the commission shall make the
1228 distributions required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:

1229 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
1230 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7)
1231 shall be distributed to the unincorporated areas, cities, and towns within those counties on the
1232 basis of the percentage that the population of each unincorporated area, city, or town bears to
1233 the total population of all of the counties that impose a tax under this section; and

1234 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),

1235 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7)
1236 shall be distributed to the unincorporated areas, cities, and towns within those counties on the
1237 basis of the location of the transaction as determined under Sections 59-12-211 through
1238 59-12-215.

1239 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis
1240 of the most recent official census or census estimate of the United States Census Bureau.

1241 (ii) If a needed population estimate is not available from the United States Census
1242 Bureau, population figures shall be derived from an estimate from the Utah Population
1243 Estimates Committee created by executive order of the governor.

1244 (c) (i) Beginning on January 1, 2024, if the Housing and Community Development
1245 Division within the Department of Workforce Services determines that a city, town, or metro
1246 township is ineligible for funds in accordance with Subsection 10-9a-408(7), beginning the
1247 first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute
1248 the distribution that city, town, or metro township would have received under Subsection (8)(a)
1249 to cities, towns, or metro townships to which Subsection 10-9a-408(7) does not apply.

1250 (ii) Beginning on January 1, 2024, if the Housing and Community Development
1251 Division within the Department of Workforce Services determines that a county is ineligible
1252 for funds in accordance with Subsection 17-27a-408(7), beginning the first day of the calendar
1253 quarter after receiving 90 days' notice, the commission shall distribute the distribution that
1254 county would have received under Subsection (8)(a) to counties to which Subsection
1255 17-27a-408(7) does not apply.

1256 (9) If a public transit service is organized after the date a county legislative body first
1257 imposes a tax under this section, a change in a distribution required by this section may not
1258 take effect until the first distribution the commission makes under this section after a 90-day
1259 period that begins on the date the commission receives written notice from the public transit
1260 provider that the public transit service has been organized.

1261 (10) (a) [A] Except as provided in Subsection (10)(b), a county, city, or town that
1262 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
1263 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in Section
1264 59-12-2212.2.

1265 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes

1266 the sales and use tax authorized in this section, the county may also use funds distributed in
1267 accordance with Subsection (4)(c) for public safety purposes.

1268 (11) (a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public
1269 transit as described in this section may be used for capital expenses and service delivery
1270 expenses of:

1271 (i) a public transit district;

1272 (ii) an eligible political subdivision; or

1273 (iii) another entity providing a service for public transit or a transit facility within the
1274 relevant county, as those terms are defined in Section 17B-2a-802.

1275 (b) (i) If a county of the first class imposes a sales and use tax described in this section,
1276 for a three-year period following the date on which the county imposes the sales and use tax
1277 under this section, revenue designated for public transit within a county of the first class as
1278 described in Subsection (4)(a) shall be transferred to the County of the First Class Highway
1279 Projects Fund created in Section 72-2-121.

1280 (ii) If a county of the first class imposes a sales and use tax described in this section,
1281 beginning on the day three years after the date on which the county imposed the tax as
1282 described in Subsection (11)(b)(i), for revenue designated for public transit as described in
1283 Subsection (4)(a):

1284 (A) 50% of the revenue from a sales and use tax imposed under this section in a county
1285 of the first class shall be transferred to the County of the First Class Highway Projects Fund
1286 created in Section 72-2-121; and

1287 (B) 50% of the revenue from a sales and use tax imposed under this section in a county
1288 of the first class shall be transferred to the Transit Transportation Investment Fund created in
1289 Subsection 72-2-124(9).

1290 (c) (i) If a county that is not a county of the first class for which the entire boundary of
1291 the county is annexed into a large public transit district imposes a sales and use tax described in
1292 this section, for a three-year period following the date on which the county imposes the sales
1293 and use tax under this section, revenue designated for public transit as described in Subsection
1294 (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose
1295 described in Subsection (11)(a).

1296 (ii) If a county that is not a county of the first class for which the entire boundary of the

1297 county is annexed into a large public transit district imposes a sales and use tax described in
1298 this section, beginning on the day three years after the date on which the county imposed the
1299 tax as described in Subsection (11)(c)(i), for the revenue that is designated for public transit in
1300 Subsection (5)(a):

1301 (A) 50% shall be transferred to the Transit Transportation Investment Fund created in
1302 Subsection 72-2-124(9); and

1303 (B) 50% shall be transferred to the relevant county legislative body to be used for a
1304 purpose described in Subsection (11)(a).

1305 (d) Except as provided in Subsection (12)(c), for a county that imposes a sales and use
1306 tax under this section, for revenue designated for public transit as described in Subsection
1307 (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a
1308 purpose described in Subsection (11)(a).

1309 (12) (a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
1310 required to, submit an opinion question to the county's registered voters in accordance with
1311 Section 59-12-2208 to impose a sales and use tax under this section.

1312 (b) If a county passes an ordinance to impose a sales and use tax as described in this
1313 section, the sales and use tax shall take effect on the first day of the calendar quarter after a
1314 90-day period that begins on the date the commission receives written notice from the county
1315 of the passage of the ordinance.

1316 (c) A county that imposed the local option sales and use tax described in this section
1317 before January 1, 2023, may maintain that county's distribution allocation in place as of
1318 January 1, 2023.

1319 (13) (a) Revenue collected from a sales and use tax under this section may not be used
1320 to supplant existing General Fund appropriations that a county, city, or town budgeted for
1321 transportation or public transit as of the date the tax becomes effective for a county, city, or
1322 town.

1323 (b) The limitation under Subsection (13)(a) does not apply to a designated
1324 transportation or public transit capital or reserve account a county, city, or town established
1325 before the date the tax becomes effective.

1326 Section 5. Section 63B-31-103 is amended to read:

1327 **63B-31-103. Transportation bonds -- Maximum amount -- Use for State**

1328 **Infrastructure Bank Fund loans.**

1329 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
1330 under this section may not exceed \$30,000,000.

1331 (b) When the Department of Transportation certifies to the commission the amount of
1332 bond proceeds that the commission needs to provide funding for the purposes described in
1333 Subsection (2), the commission may issue and sell general obligation bonds in an amount equal
1334 to the certified amount plus costs of issuance.

1335 (c) The commission may not issue general obligation bonds authorized under this
1336 section if the issuance for general obligation bonds would result in the total current outstanding
1337 general obligation debt of the state exceeding 50% of the limitation described in the Utah
1338 Constitution, Article XIV, Section 1.

1339 (2) (a) Proceeds from the bonds issued under this section shall be provided to the
1340 Department of Transportation to transfer to the State Infrastructure Bank Fund created in
1341 Section [72-2-202](#) to be used to issue loans pursuant to Title 72, Chapter 2, Part 2, State
1342 Infrastructure Bank Fund.

1343 (b) Any distribution from the State Infrastructure Bank Fund shall be contingent upon a
1344 commitment from the borrower that revenue is available to repay the loan from the State
1345 Infrastructure Bank Fund which shall be paid in whole or in part from revenue distributions
1346 described in Subsection [~~72-2-121(4)(k)~~] [72-2-121\(4\)\(j\)](#).

1347 (c) Notwithstanding Subsection [72-2-204\(2\)](#), a loan or assistance made with proceeds
1348 from bonds issued under this section shall bear an interest rate not to exceed .5% above the
1349 bond market interest rate available to the state for an issuance under this section.

1350 Section 6. Section **63J-1-602.1** is amended to read:

1351 **63J-1-602.1. List of nonlapsing appropriations from accounts and funds.**

1352 Appropriations made from the following accounts or funds are nonlapsing:

1353 (1) The Native American Repatriation Restricted Account created in Section [9-9-407](#).

1354 (2) Certain money payable for expenses of the Pete Suazo Utah Athletic Commission,
1355 as provided under Title 9, Chapter 23, Pete Suazo Utah Athletic Commission Act.

1356 (3) Funds collected for directing and administering the C-PACE district created in
1357 Section [11-42a-106](#).

1358 (4) Money received by the Utah Inland Port Authority, as provided in Section

1359 11-58-105.

1360 (5) The Commerce Electronic Payment Fee Restricted Account created in Section
1361 13-1-17.

1362 (6) The Division of Air Quality Oil, Gas, and Mining Restricted Account created in
1363 Section 19-2a-106.

1364 (7) The Division of Water Quality Oil, Gas, and Mining Restricted Account created in
1365 Section 19-5-126.

1366 (8) State funds for matching federal funds in the Children's Health Insurance Program
1367 as provided in Section 26B-3-906.

1368 (9) Funds collected from the program fund for local health department expenses
1369 incurred in responding to a local health emergency under Section 26B-7-111.

1370 (10) The Technology Development Restricted Account created in Section 31A-3-104.

1371 (11) The Criminal Background Check Restricted Account created in Section
1372 31A-3-105.

1373 (12) The Captive Insurance Restricted Account created in Section 31A-3-304, except
1374 to the extent that Section 31A-3-304 makes the money received under that section free revenue.

1375 (13) The Title Licensee Enforcement Restricted Account created in Section
1376 31A-23a-415.

1377 (14) The Health Insurance Actuarial Review Restricted Account created in Section
1378 31A-30-115.

1379 (15) The State Mandated Insurer Payments Restricted Account created in Section
1380 31A-30-118.

1381 (16) The Insurance Fraud Investigation Restricted Account created in Section
1382 31A-31-108.

1383 (17) The Underage Drinking Prevention Media and Education Campaign Restricted
1384 Account created in Section 32B-2-306.

1385 (18) The Drinking While Pregnant Prevention Media and Education Campaign
1386 Restricted Account created in Section 32B-2-308.

1387 (19) The School Readiness Restricted Account created in Section 35A-15-203.

1388 (20) Money received by the Utah State Office of Rehabilitation for the sale of certain
1389 products or services, as provided in Section 35A-13-202.

- 1390 (21) The Oil and Gas Administrative Penalties Account created in Section [40-6-11](#).
- 1391 (22) The Oil and Gas Conservation Account created in Section [40-6-14.5](#).
- 1392 (23) The Division of Oil, Gas, and Mining Restricted account created in Section
1393 [40-6-23](#).
- 1394 (24) The Electronic Payment Fee Restricted Account created by Section [41-1a-121](#) to
1395 the Motor Vehicle Division.
- 1396 (25) The License Plate Restricted Account created by Section [41-1a-122](#).
- 1397 (26) The Motor Vehicle Enforcement Division Temporary Permit Restricted Account
1398 created by Section [41-3-110](#) to the State Tax Commission.
- 1399 (27) The State Disaster Recovery Restricted Account to the Division of Emergency
1400 Management, as provided in Section [53-2a-603](#).
- 1401 (28) The Response, Recovery, and Post-disaster Mitigation Restricted Account created
1402 in Section [53-2a-1302](#).
- 1403 (29) The Department of Public Safety Restricted Account to the Department of Public
1404 Safety, as provided in Section [53-3-106](#).
- 1405 (30) The Utah Highway Patrol Aero Bureau Restricted Account created in Section
1406 [53-8-303](#).
- 1407 (31) The DNA Specimen Restricted Account created in Section [53-10-407](#).
- 1408 (32) The Technical Colleges Capital Projects Fund created in Section [53B-2a-118](#).
- 1409 (33) The Higher Education Capital Projects Fund created in Section [53B-22-202](#).
- 1410 (34) A certain portion of money collected for administrative costs under the School
1411 Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).
- 1412 (35) The Public Utility Regulatory Restricted Account created in Section [54-5-1.5](#),
1413 subject to Subsection [54-5-1.5\(4\)\(d\)](#).
- 1414 (36) Funds collected from a surcharge fee to provide certain licensees with access to an
1415 electronic reference library, as provided in Section [58-3a-105](#).
- 1416 (37) Certain fines collected by the Division of Professional Licensing for violation of
1417 unlawful or unprofessional conduct that are used for education and enforcement purposes, as
1418 provided in Section [58-17b-505](#).
- 1419 (38) Funds collected from a surcharge fee to provide certain licensees with access to an
1420 electronic reference library, as provided in Section [58-22-104](#).

- 1421 (39) Funds collected from a surcharge fee to provide certain licensees with access to an
1422 electronic reference library, as provided in Section 58-55-106.
- 1423 (40) Funds collected from a surcharge fee to provide certain licensees with access to an
1424 electronic reference library, as provided in Section 58-56-3.5.
- 1425 (41) Certain fines collected by the Division of Professional Licensing for use in
1426 education and enforcement of the Security Personnel Licensing Act, as provided in Section
1427 58-63-103.
- 1428 (42) The Relative Value Study Restricted Account created in Section 59-9-105.
- 1429 (43) The Cigarette Tax Restricted Account created in Section 59-14-204.
- 1430 (44) Funds paid to the Division of Real Estate for the cost of a criminal background
1431 check for a mortgage loan license, as provided in Section 61-2c-202.
- 1432 (45) Funds paid to the Division of Real Estate for the cost of a criminal background
1433 check for principal broker, associate broker, and sales agent licenses, as provided in Section
1434 61-2f-204.
- 1435 (46) Certain funds donated to the Department of Health and Human Services, as
1436 provided in Section 26B-1-202.
- 1437 (47) Certain funds donated to the Division of Child and Family Services, as provided
1438 in Section 80-2-404.
- 1439 (48) Funds collected by the Office of Administrative Rules for publishing, as provided
1440 in Section 63G-3-402.
- 1441 (49) The Immigration Act Restricted Account created in Section 63G-12-103.
- 1442 (50) Money received by the military installation development authority, as provided in
1443 Section 63H-1-504.
- 1444 (51) The Computer Aided Dispatch Restricted Account created in Section 63H-7a-303.
- 1445 (52) The Unified Statewide 911 Emergency Service Account created in Section
1446 63H-7a-304.
- 1447 (53) The Utah Statewide Radio System Restricted Account created in Section
1448 63H-7a-403.
- 1449 (54) The Utah Capital Investment Restricted Account created in Section 63N-6-204.
- 1450 (55) The Motion Picture Incentive Account created in Section 63N-8-103.
- 1451 (56) Funds collected by the housing of state probationary inmates or state parole

1452 inmates, as provided in Subsection [64-13e-104\(2\)](#).

1453 (57) Certain forestry and fire control funds utilized by the Division of Forestry, Fire,
1454 and State Lands, as provided in Section [65A-8-103](#).

1455 (58) The following funds or accounts created in Section [72-2-124](#):

1456 (a) Transportation Investment Fund of 2005;

1457 (b) Transit Transportation Investment Fund;

1458 (c) Cottonwood Canyons Transportation Investment Fund;

1459 (d) Active Transportation Investment Fund; and

1460 (e) Commuter Rail Subaccount.

1461 [~~58~~] (59) The Amusement Ride Safety Restricted Account, as provided in Section
1462 [72-16-204](#).

1463 [~~59~~] (60) Certain funds received by the Office of the State Engineer for well drilling
1464 fines or bonds, as provided in Section [73-3-25](#).

1465 [~~60~~] (61) The Water Resources Conservation and Development Fund, as provided in
1466 Section [73-23-2](#).

1467 [~~61~~] (62) Award money under the State Asset Forfeiture Grant Program, as provided
1468 under Section [77-11b-403](#).

1469 [~~62~~] (63) Funds donated or paid to a juvenile court by private sources, as provided in
1470 Subsection [78A-6-203\(1\)\(c\)](#).

1471 [~~63~~] (64) Fees for certificate of admission created under Section [78A-9-102](#).

1472 [~~64~~] (65) Funds collected for adoption document access as provided in Sections
1473 [78B-6-141](#), [78B-6-144](#), and [78B-6-144.5](#).

1474 [~~65~~] (66) Funds collected for indigent defense as provided in Title 78B, Chapter 22,
1475 Part 4, Utah Indigent Defense Commission.

1476 [~~66~~] (67) The Utah Geological Survey Oil, Gas, and Mining Restricted Account
1477 created in Section [79-3-403](#).

1478 [~~67~~] (68) Revenue for golf user fees at the Wasatch Mountain State Park, Palisades
1479 State Park, and Green River State Park, as provided under Section [79-4-403](#).

1480 [~~68~~] (69) Certain funds received by the Division of State Parks from the sale or
1481 disposal of buffalo, as provided under Section [79-4-1001](#).

1482 Section 7. Section **72-2-121** is amended to read:

1483 **72-2-121. County of the First Class Highway Projects Fund.**

1484 (1) There is created a special revenue fund within the Transportation Fund known as
1485 the "County of the First Class Highway Projects Fund."

1486 (2) The fund consists of money generated from the following revenue sources:

1487 (a) any voluntary contributions received for new construction, major renovations, and
1488 improvements to highways within a county of the first class;

1489 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
1490 deposited into or transferred to the fund;

1491 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into
1492 or transferred to the fund;

1493 (d) a portion of the local option highway construction and transportation corridor
1494 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited into
1495 or transferred to the fund; and

1496 (e) the portion of the sales and use tax transferred into the fund as described in
1497 Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).

1498 (3) (a) The fund shall earn interest.

1499 (b) All interest earned on fund money shall be deposited into the fund.

1500 (4) Subject to Subsection (9), the executive director shall use the fund money only:

1501 (a) to pay debt service and bond issuance costs for bonds issued under Sections
1502 63B-16-102, 63B-18-402, and 63B-27-102;

1503 (b) for right-of-way acquisition, new construction, major renovations, and
1504 improvements to highways within a county of the first class and to pay any debt service and
1505 bond issuance costs related to those projects, including improvements to a highway located
1506 within a municipality in a county of the first class where the municipality is located within the
1507 boundaries of more than a single county;

1508 (c) for the construction, acquisition, use, maintenance, or operation of:

1509 (i) an active transportation facility for nonmotorized vehicles;

1510 (ii) multimodal transportation that connects an origin with a destination; or

1511 (iii) a facility that may include a:

1512 (A) pedestrian or nonmotorized vehicle trail;

1513 (B) nonmotorized vehicle storage facility;

1514 (C) pedestrian or vehicle bridge; or
1515 (D) vehicle parking lot or parking structure;
1516 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
1517 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
1518 transferred in accordance with Subsection 72-2-124(4)(a)(iv);
1519 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
1520 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects
1521 described in Subsection 63B-18-401(4)(a);
1522 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
1523 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to
1524 transfer an amount equal to 50% of the revenue generated by the local option highway
1525 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
1526 a county of the first class:
1527 (i) to the legislative body of a county of the first class; and
1528 (ii) to be used by a county of the first class for:
1529 (A) highway construction, reconstruction, or maintenance projects; or
1530 (B) the enforcement of state motor vehicle and traffic laws;
1531 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified
1532 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the
1533 transfer under Subsection (4)(e) has been made, to annually transfer an amount of the sales and
1534 use tax revenue imposed in a county of the first class and deposited into the fund in accordance
1535 with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:
1536 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under
1537 Section 63B-27-102; and
1538 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
1539 under Sections 63B-31-102 and 63B-31-103;
1540 (h) after the department has verified that the amount required under Subsection
1541 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the
1542 payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to
1543 annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a
1544 system for public transit;

1545 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified
 1546 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after
 1547 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer
 1548 under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited
 1549 into the fund under Subsection (2)(b):

1550 (i) to the legislative body of a county of the first class; and

1551 (ii) to fund parking facilities in a county of the first class that facilitate significant
 1552 economic development and recreation and tourism within the state;

1553 ~~[(j) for the 2018-19 fiscal year only, after the department has verified that the amount~~
 1554 ~~required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under~~
 1555 ~~Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections~~
 1556 ~~(4)(g), (h), and (i) have been made, to transfer \$12,000,000 to the department to distribute for~~
 1557 ~~the following projects:]~~

1558 ~~[(i) \$2,000,000 to West Valley City for highway improvement to 4100 South;]~~

1559 ~~[(ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from~~
 1560 ~~6800 West to 7300 West;]~~

1561 ~~[(iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;]~~

1562 ~~[(iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from~~
 1563 ~~13400 South to 13200 South;]~~

1564 ~~[(v) \$1,000,000 to Murray City for highway improvements to 5600 South from State~~
 1565 ~~Street to Van Winkle;]~~

1566 ~~[(vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from~~
 1567 ~~11400 South to 12300 South;]~~

1568 ~~[(vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;]~~

1569 ~~[(viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to~~
 1570 ~~10200 South from 2700 West to 3200 West;]~~

1571 ~~[(ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near~~
 1572 ~~Mountain View Corridor;]~~

1573 ~~[(x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and]~~

1574 ~~[(xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from~~
 1575 ~~7200 West to 8000 West; and]~~

1576 ~~(k)~~ (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021,
1577 and for 15 years thereafter, to annually transfer the following amounts to the following cities,
1578 metro townships, and the county of the first class for priority projects to mitigate congestion
1579 and improve transportation safety:

- 1580 (i) \$2,000,000 to Sandy;
- 1581 (ii) ~~[\$2,000,000]~~ \$2,300,000 to Taylorsville;
- 1582 (iii) \$1,100,000 to Salt Lake City;
- 1583 (iv) \$1,100,000 to West Jordan;
- 1584 (v) \$1,100,000 to West Valley City;
- 1585 (vi) \$800,000 to Herriman;
- 1586 (vii) \$700,000 to Draper;
- 1587 (viii) \$700,000 to Riverton;
- 1588 (ix) \$700,000 to South Jordan;
- 1589 (x) \$500,000 to Bluffdale;
- 1590 (xi) \$500,000 to Midvale;
- 1591 (xii) \$500,000 to Millcreek;
- 1592 (xiii) \$500,000 to Murray;
- 1593 (xiv) \$400,000 to Cottonwood Heights; and
- 1594 (xv) \$300,000 to Holladay[-]; and

1595 (k) for the 2024-25 and 2025-26 fiscal years, and subject to revenue balances after the
1596 distributions under Subsection (4)(j), to reimburse the following municipalities for the amounts
1597 and projects indicated, as each project progresses and as revenue balances allow:

- 1598 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from
1599 Grandville Avenue to Mountain View Corridor;
- 1600 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street and
1601 700 West;
- 1602 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
1603 throughout Salt Lake City;
- 1604 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard and
1605 2300 East;
- 1606 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800

- 1607 South and I-15;
- 1608 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 1609 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 1610 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal trail between
- 1611 11800 South and 13800 South;
- 1612 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
- 1613 South;
- 1614 (x) \$470,000 to the department for construction of a sound wall on Bangerter Highway
- 1615 at approximately 11200 South;
- 1616 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800 South
- 1617 and 5300 South;
- 1618 (xii) \$1,450,000 to West Valley for construction of a road connecting 5400 South to
- 1619 U-111;
- 1620 (xiii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100
- 1621 South;
- 1622 (xiv) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111
- 1623 and Old Bingham Highway;
- 1624 (xv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East
- 1625 between 3300 South and Atkin Avenue;
- 1626 (xvi) \$1,230,000 to Holladay for improvements to Highland Drive between Van
- 1627 Winkle Expressway and Arbor Lane;
- 1628 (xvii) \$1,800,000 to West Valley City for improvements to 4000 West between 4100
- 1629 South and 4700 South and improvements to 4700 South from 4000 West to Bangerter
- 1630 Highway; and
- 1631 (xviii) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215
- 1632 interchange.
- 1633 (5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in
- 1634 Subsection ~~[(4)(k)]~~ (4)(j), the executive director shall proportionately reduce the amounts
- 1635 transferred as described in Subsection ~~[(4)(k)]~~ (4)(j).
- 1636 (b) A local government entity, as that term is defined in Section 63J-1-220, is exempt
- 1637 from entering into an agreement as described in Section 63J-1-220 pertaining to the receipt or

1638 expenditure of any funding described in Subsection ~~[(4)(k)]~~ (4)(j).

1639 (c) A local government may not use revenue described in Subsection ~~[(4)(k)]~~ (4)(j) to
1640 supplant existing class B or class C road funds that a local government has budgeted for
1641 transportation projects.

1642 ~~[(d)(i) A municipality or county that received a transfer of funds described in
1643 Subsection (4)(j) shall submit to the department a statement of cash flow and progress
1644 pertaining to the municipality's or county's respective project described in Subsection (4)(j).]~~

1645 ~~[(ii) After the department is satisfied that the municipality or county described in
1646 Subsection (4)(j) has made substantial progress and the expenditure of funds is programmed
1647 and imminent, the department may transfer to the same municipality or county the respective
1648 amounts described in Subsection (4)(k).]~~

1649 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the
1650 fund and bond proceeds from bonds issued under Sections [63B-16-102](#), [63B-18-402](#), and
1651 [63B-27-102](#) are considered a local matching contribution for the purposes described under
1652 Section [72-2-123](#).

1653 (7) The additional administrative costs of the department to administer this fund shall
1654 be paid from money in the fund.

1655 (8) Subject to Subsection (9), and notwithstanding any statutory or other restrictions on
1656 the use or expenditure of the revenue sources deposited into this fund, the Department of
1657 Transportation may use the money in this fund for any of the purposes detailed in Subsection
1658 (4).

1659 ~~[(9) Any revenue deposited into the fund as described in Subsection (2)(e) shall be
1660 used to provide funding or loans for public transit projects, operations, and supporting
1661 infrastructure in the county of the first class.]~~

1662 (9) For the first three years after a county of the first class imposes a sales and use tax
1663 authorized in Section [59-12-2220](#), revenue deposited into the fund as described in Subsection
1664 (2)(e) shall be allocated as follows:

1665 (a) 10% to the department to construct an express bus facility on 5600 West; and

1666 (b) 90% into the County of the First Class Infrastructure Bank Fund created in Section
1667 [72-2-302](#).

1668 Section 8. Section [72-2-124](#) is amended to read:

1669 **72-2-124. Transportation Investment Fund of 2005.**

1670 (1) There is created a capital projects fund entitled the Transportation Investment Fund
1671 of 2005.

1672 (2) The fund consists of money generated from the following sources:

1673 (a) any voluntary contributions received for the maintenance, construction,
1674 reconstruction, or renovation of state and federal highways;

1675 (b) appropriations made to the fund by the Legislature;

1676 (c) registration fees designated under Section [41-1a-1201](#);

1677 (d) the sales and use tax revenues deposited into the fund in accordance with Section
1678 [59-12-103](#); and

1679 (e) revenues transferred to the fund in accordance with Section [72-2-106](#).

1680 (3) (a) The fund shall earn interest.

1681 (b) All interest earned on fund money shall be deposited into the fund.

1682 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use
1683 fund money to pay:

1684 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
1685 federal highways prioritized by the Transportation Commission through the prioritization
1686 process for new transportation capacity projects adopted under Section [72-1-304](#);

1687 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
1688 projects described in Subsections [63B-18-401](#)(2), (3), and (4);

1689 (iii) principal, interest, and issuance costs of bonds authorized by Section [63B-18-401](#)
1690 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
1691 with Subsection [72-2-121](#)(4)(e);

1692 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1693 Lake County Revenue Bond Sinking Fund created by Section [72-2-121.3](#) the amount certified
1694 by Salt Lake County in accordance with Subsection [72-2-121.3](#)(4)(c) as necessary to pay the
1695 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

1696 (v) principal, interest, and issuance costs of bonds authorized by Section [63B-16-101](#)
1697 for projects prioritized in accordance with Section [72-2-125](#);

1698 (vi) all highway general obligation bonds that are intended to be paid from revenues in
1699 the Centennial Highway Fund created by Section [72-2-118](#);

1700 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
1701 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
1702 in Section 72-2-121;

1703 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
1704 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
1705 nonmotorized transportation for projects that:

1706 (A) mitigate traffic congestion on the state highway system;

1707 (B) are part of an active transportation plan approved by the department; and

1708 (C) are prioritized by the commission through the prioritization process for new
1709 transportation capacity projects adopted under Section 72-1-304;

1710 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
1711 reconstruction, or renovation of or improvement to the following projects:

1712 (A) the connector road between Main Street and 1600 North in the city of Vineyard;

1713 (B) Geneva Road from University Parkway to 1800 South;

1714 (C) the SR-97 interchange at 5600 South on I-15;

1715 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
1716 [+1800 South] South Jordan Parkway;

1717 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;

1718 (F) improvements to 1600 North in Orem from 1200 West to State Street;

1719 (G) widening I-15 between mileposts 6 and 8;

1720 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;

1721 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in
1722 Spanish Fork Canyon;

1723 (J) I-15 northbound between mileposts 43 and 56;

1724 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43
1725 and 45.1;

1726 (L) east Zion SR-9 improvements;

1727 (M) Toquerville Parkway;

1728 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;

1729 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for
1730 construction of an interchange on Bangerter Highway at 13400 South; and

- 1731 (P) an environmental impact study for Kimball Junction in Summit County; and
1732 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
1733 costs based upon a statement of cash flow that the local jurisdiction where the project is located
1734 provides to the department demonstrating the need for money for the project, for the following
1735 projects in the following amounts:
- 1736 (A) \$5,000,000 for Payson Main Street repair and replacement;
 - 1737 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
 - 1738 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
 - 1739 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40
1740 between mile markers 7 and 10.
- 1741 (b) The executive director may use fund money to exchange for an equal or greater
1742 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1743 (c) (i) Construction related to the project described in Subsection (4)(a)(ix)(D) may not
1744 commence until a right-of-way not owned by a federal agency that is required for the
1745 realignment and extension of U-111, as described in the department's 2023 environmental
1746 study related to the project, is donated to the department.
- 1747 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not donated for the
1748 project as described in Subsection (4)(c)(i) on or before July 1, 2024, the department may
1749 proceed with the project, except that the project will be limited to two lanes on U-111 from
1750 Herriman Parkway to 11800 South.
- 1751 (5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of
1752 ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director
1753 may not program fund money to a project prioritized by the commission under Section
1754 72-1-304, including fund money from the Transit Transportation Investment Fund, within the
1755 boundaries of the municipality until the department receives notification from the Housing and
1756 Community Development Division within the Department of Workforce Services that
1757 ineligibility under this Subsection (5) no longer applies to the municipality.
- 1758 (b) Within the boundaries of a municipality described in Subsection (5)(a), the
1759 executive director:
- 1760 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
1761 facility or interchange connecting limited-access facilities;

1762 (ii) may not program fund money for the construction, reconstruction, or renovation of
1763 an interchange on a limited-access facility;

1764 (iii) may program Transit Transportation Investment Fund money for a
1765 multi-community fixed guideway public transportation project; and

1766 (iv) may not program Transit Transportation Investment Fund money for the
1767 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
1768 transportation project.

1769 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1770 director before July 1, 2022, for projects prioritized by the commission under Section
1771 [72-1-304](#).

1772 (6) (a) Except as provided in Subsection (6)(b), if the department receives a notice of
1773 ineligibility for a county as described in Subsection [17-27a-408\(7\)](#), the executive director may
1774 not program fund money to a project prioritized by the commission under Section [72-1-304](#),
1775 including fund money from the Transit Transportation Investment Fund, within the boundaries
1776 of the unincorporated area of the county until the department receives notification from the
1777 Housing and Community Development Division within the Department of Workforce Services
1778 that ineligibility under this Subsection (6) no longer applies to the county.

1779 (b) Within the boundaries of the unincorporated area of a county described in
1780 Subsection (6)(a), the executive director:

1781 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access
1782 facility to a project prioritized by the commission under Section [72-1-304](#);

1783 (ii) may not program fund money for the construction, reconstruction, or renovation of
1784 an interchange on a limited-access facility;

1785 (iii) may program Transit Transportation Investment Fund money for a
1786 multi-community fixed guideway public transportation project; and

1787 (iv) may not program Transit Transportation Investment Fund money for the
1788 construction, reconstruction, or renovation of a station that is part of a fixed guideway public
1789 transportation project.

1790 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1791 director before July 1, 2022, for projects prioritized by the commission under Section
1792 [72-1-304](#).

1793 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued
1794 in any fiscal year, the department and the commission shall appear before the Executive
1795 Appropriations Committee of the Legislature and present the amount of bond proceeds that the
1796 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),
1797 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

1798 (b) The Executive Appropriations Committee of the Legislature shall review and
1799 comment on the amount of bond proceeds needed to fund the projects.

1800 (8) The Division of Finance shall, from money deposited into the fund, transfer the
1801 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1802 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or
1803 sinking fund.

1804 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit
1805 Transportation Investment Fund.

1806 (b) The fund shall be funded by:

1807 (i) contributions deposited into the fund in accordance with Section 59-12-103;

1808 (ii) appropriations into the account by the Legislature;

1809 (iii) deposits of sales and use tax increment related to a housing and transit
1810 reinvestment zone as described in Section 63N-3-610;

1811 (iv) transfers of local option sales and use tax revenue as described in Subsection
1812 59-12-2220(11)(b) or (c);

1813 (v) private contributions; and

1814 (vi) donations or grants from public or private entities.

1815 (c) (i) The fund shall earn interest.

1816 (ii) All interest earned on fund money shall be deposited into the fund.

1817 (d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:

1818 (i) for public transit capital development of new capacity projects and fixed guideway
1819 capital development projects to be used as prioritized by the commission through the
1820 prioritization process adopted under Section 72-1-304; or

1821 (ii) to the department for oversight of a fixed guideway capital development project for
1822 which the department has responsibility.

1823 (e) (i) Subject to Subsections (9)(g) and (h), the commission may only prioritize money

1824 from the fund for a public transit capital development project or pedestrian or nonmotorized
1825 transportation project that provides connection to the public transit system if the public transit
1826 district or political subdivision provides funds of equal to or greater than 30% of the costs
1827 needed for the project.

1828 (ii) A public transit district or political subdivision may use money derived from a loan
1829 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or
1830 part of the 30% requirement described in Subsection (9)(e)(i) if:

1831 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
1832 State Infrastructure Bank Fund; and

1833 (B) the proposed capital project has been prioritized by the commission pursuant to
1834 Section 72-1-303.

1835 (f) Before July 1, 2022, the department and a large public transit district shall enter into
1836 an agreement for a large public transit district to pay the department \$5,000,000 per year for 15
1837 years to be used to facilitate the purchase of zero emissions or low emissions rail engines and
1838 trainsets for regional public transit rail systems.

1839 (g) For any revenue transferred into the fund pursuant to Subsection
1840 59-12-2220(11)(b):

1841 (i) the commission may prioritize money from the fund for public transit projects,
1842 operations, or maintenance within the county of the first class; and

1843 (ii) Subsection (9)(e) does not apply.

1844 (h) For any revenue transferred into the fund pursuant to Subsection
1845 59-12-2220(11)(c):

1846 (i) the commission may prioritize public transit projects, operations, or maintenance in
1847 the county from which the revenue was generated; and

1848 (ii) Subsection (9)(e) does not apply.

1849 (10) (a) There is created in the Transportation Investment Fund of 2005 the
1850 Cottonwood Canyons Transportation Investment Fund.

1851 (b) The fund shall be funded by:

1852 (i) money deposited into the fund in accordance with Section 59-12-103;

1853 (ii) appropriations into the account by the Legislature;

1854 (iii) private contributions; and

- 1855 (iv) donations or grants from public or private entities.
- 1856 (c) (i) The fund shall earn interest.
- 1857 (ii) All interest earned on fund money shall be deposited into the fund.
- 1858 (d) The Legislature may appropriate money from the fund for public transit or
- 1859 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 1860 (e) The department may use up to 2% of the revenue deposited into the account under
- 1861 Subsection 59-12-103(7)(b) to contract with local governments as necessary for public safety
- 1862 enforcement related to the Cottonwood Canyons of Salt Lake County.
- 1863 (11) (a) There is created in the Transportation Investment Fund of 2005 the Active
- 1864 Transportation Investment Fund.
- 1865 (b) The fund shall be funded by:
- 1866 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1867 (ii) appropriations into the account by the Legislature; and
- 1868 (iii) donations or grants from public or private entities.
- 1869 (c) (i) The fund shall earn interest.
- 1870 (ii) All interest earned on fund money shall be deposited into the fund.
- 1871 (d) The executive director may only use fund money to pay the costs needed for:
- 1872 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 1873 paved pedestrian or paved nonmotorized trail projects that:
- 1874 (A) are prioritized by the commission through the prioritization process for new
- 1875 transportation capacity projects adopted under Section 72-1-304;
- 1876 (B) serve a regional purpose; and
- 1877 (C) are part of an active transportation plan approved by the department or the plan
- 1878 described in Subsection (11)(d)(ii);
- 1879 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 1880 nonmotorized trails that serve a regional purpose; and
- 1881 (iii) the administration of the fund, including staff and overhead costs.
- 1882 (12) (a) As used in this Subsection (12), "commuter rail" means the same as that term
- 1883 is defined in Section 63N-3-602.
- 1884 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 1885 Subaccount.

1886 (c) The subaccount shall be funded by:
 1887 (i) contributions deposited into the subaccount in accordance with Section [59-12-103](#);
 1888 (ii) appropriations into the subaccount by the Legislature;
 1889 (iii) private contributions; and
 1890 (iv) donations or grants from public or private entities.
 1891 (d) (i) The subaccount shall earn interest.
 1892 (ii) All interest earned on money in the subaccount shall be deposited into the
 1893 subaccount.

1894 (e) As prioritized by the commission through the prioritization process adopted under
 1895 Section [72-1-304](#) or as directed by the Legislature, the department may only use money from
 1896 the subaccount for projects that improve the state's commuter rail infrastructure, including the
 1897 building or improvement of grade-separated crossings between commuter rail lines and public
 1898 highways.

1899 (f) Appropriations made in accordance with this section are nonlapsing in accordance
 1900 with Section [63J-1-602.1](#).

1901 Section 9. Section **72-2-301** is enacted to read:

Part 3. County of the First Class Infrastructure Bank Fund

72-2-301. Definitions.

1904 As used in this part:

1905 (1) "Fund" means the County of the First Class Infrastructure Bank Fund created under
 1906 Section [72-2-302](#).

1907 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure
 1908 loan, to provide financial assistance for transportation projects or publicly owned infrastructure
 1909 projects, including:

1910 (a) capital reserves and other security for bond or debt instrument financing; or

1911 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by
 1912 a public entity to finance transportation projects.

1913 (3) "Infrastructure loan" means a loan of fund money to finance a transportation project
 1914 or publicly owned infrastructure project.

1915 (4) "Public entity" means a county of the first class or any of the following located
 1916 within a county of the first class:

- 1917 (a) a municipality;
- 1918 (b) a special district;
- 1919 (c) a special service district; or
- 1920 (d) an intergovernmental entity organized under state law.

1921 (5) "Publicly owned infrastructure project" means a project to improve sewer or water
 1922 infrastructure that is owned by a public entity.

1923 (6) "Transportation project" means a project:

- 1924 (a) to improve a state or local highway;
- 1925 (b) to improve a public transportation facility or nonmotorized transportation facility;
- 1926 (c) to construct or improve parking facilities;
- 1927 (d) that is subject to a transportation reinvestment zone agreement pursuant to Section

1928 11-13-227 if the state is party to the agreement; or

1929 (e) that is part of a housing and transit reinvestment zone created pursuant to Title 63N,
 1930 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

1931 (7) "Transportation project" includes the costs of acquisition, construction,
 1932 reconstruction, rehabilitation, equipping, and fixturing.

1933 (8) "Transportation project" may only include a project if the project is part of:

- 1934 (a) the statewide long range plan;
- 1935 (b) a regional transportation plan of the area metropolitan planning organization if a
 1936 metropolitan planning organization exists for the area; or
- 1937 (c) a local government general plan or economic development initiative.

1938 Section 10. Section **72-2-302** is enacted to read:

1939 **72-2-302. County of the First Class Infrastructure Bank -- Creation -- Use of**
 1940 **money.**

1941 (1) There is created a revolving loan fund entitled the County of the First Class
 1942 Infrastructure Bank Fund.

1943 (2) (a) The fund consists of money generated from the following revenue sources:

- 1944 (i) deposits into the fund in accordance with Subsection [72-2-121\(9\)](#);
- 1945 (ii) appropriations made to the fund by the Legislature;
- 1946 (iii) federal money and grants that are deposited into the fund;
- 1947 (iv) money transferred to the fund by the commission from other money available to

1948 the department;

1949 (v) state grants that are deposited into the fund;

1950 (vi) contributions or grants from any other private or public sources for deposit into the
1951 fund; and

1952 (vii) subject to Subsection (2)(b) and Section [72-2-306](#), all money collected from
1953 repayments of fund money used for infrastructure loans or infrastructure assistance.

1954 (b) When a loan from the fund is repaid, the department may request and the
1955 Legislature may transfer from the fund to the source from which the money originated an
1956 amount equal to the repaid loan.

1957 (3) (a) The fund shall earn interest.

1958 (b) All interest earned on fund money shall be deposited into the fund.

1959 (4) Money in the fund shall be used by the department, as prioritized by the
1960 commission, only to:

1961 (a) provide infrastructure loans or infrastructure assistance; and

1962 (b) pay the department for the costs of administering the fund, providing infrastructure
1963 loans or infrastructure assistance, monitoring transportation projects and publicly owned
1964 infrastructure projects, and obtaining repayments of infrastructure loans or infrastructure
1965 assistance.

1966 (5) (a) The department may establish separate accounts in the fund for infrastructure
1967 loans, infrastructure assistance, administrative and operating expenses, or any other purpose to
1968 implement this part.

1969 (b) Prioritization of infrastructure loans described in Subsection (5)(a) shall follow the
1970 same process as described in Section [72-2-303](#).

1971 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1972 department may make rules governing how the fund and its accounts may be held by an escrow
1973 agent.

1974 (6) Fund money shall be invested by the state treasurer as provided in Title 51, Chapter
1975 7, State Money Management Act, and the earnings from the investments shall be credited to the
1976 fund.

1977 Section 11. Section **72-2-303** is enacted to read:

1978 **72-2-303. Loans and assistance -- Authority -- Rulemaking.**

1979 (1) Money in the fund may be used by the department, as prioritized by the commission
1980 or as directed by the Legislature, to make infrastructure loans or to provide infrastructure
1981 assistance to any public entity for any purpose consistent with any applicable constitutional
1982 limitation.

1983 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1984 commission shall make rules providing procedures and standards for making infrastructure
1985 loans and providing infrastructure assistance and a process for prioritization of requests for
1986 loans and assistance.

1987 (3) The prioritization process, procedures, and standards for making an infrastructure
1988 loan or providing infrastructure assistance may include consideration of the following:

1989 (a) availability of money in the fund;

1990 (b) credit worthiness of the project;

1991 (c) demonstration that the project will encourage, enhance, or create economic benefits
1992 to the state or political subdivision;

1993 (d) likelihood that assistance would enable the project to proceed at an earlier date than
1994 would otherwise be possible;

1995 (e) the extent to which assistance would foster innovative public-private partnerships
1996 and attract private debt or equity investment;

1997 (f) demonstration that the project provides a benefit to the state highway system,
1998 including safety or mobility improvements;

1999 (g) the amount of proposed assistance as a percentage of the overall project costs with
2000 emphasis on local and private participation;

2001 (h) demonstration that the project provides intermodal connectivity with public
2002 transportation, pedestrian, or nonmotorized transportation facilities; and

2003 (i) other provisions the commission considers appropriate.

2004 Section 12. Section **72-2-304** is enacted to read:

2005 **72-2-304. Loan program procedures -- Repayment.**

2006 (1) A public entity within a county of the first class may obtain an infrastructure loan
2007 from the department, upon approval by the commission, by entering into a loan contract with
2008 the department secured by legally issued bonds, notes, or other evidence of indebtedness
2009 validly issued under state law, including pledging all or any portion of a revenue source

2010 controlled by the public entity to the repayment of the loan.

2011 (2) A loan or assistance from the fund shall bear interest at a rate not to exceed .5%
2012 above bond market interest rates available to the state.

2013 (3) A loan shall be repaid no later than 20 years from the date the department issues the
2014 loan to the borrower, with repayment commencing no later than:

2015 (a) when the project is completed; or

2016 (b) in the case of a highway project, when the facility has opened to traffic.

2017 (4) The public entity shall repay the infrastructure loan in accordance with the loan
2018 contract from any of the following sources:

2019 (a) transportation project or publicly owned infrastructure project revenues, including
2020 special assessment revenues;

2021 (b) general funds of the public entity;

2022 (c) money withheld under Subsection (7); or

2023 (d) any other legally available revenues.

2024 (5) An infrastructure loan contract with a public entity may provide that a portion of
2025 the proceeds of the loan may be applied to fund a reserve fund to secure the repayment of the
2026 loan.

2027 (6) Before obtaining an infrastructure loan, a county or municipality shall:

2028 (a) publish its intention to obtain an infrastructure loan at least once in accordance with
2029 the publication of notice requirements under Section [11-14-316](#); and

2030 (b) adopt an ordinance or resolution authorizing the infrastructure loan.

2031 (7) (a) If a public entity fails to comply with the terms of a public entity's infrastructure
2032 loan contract, the department may seek any legal or equitable remedy to obtain compliance or
2033 payment of damages.

2034 (b) If a public entity fails to make infrastructure loan payments when due, the state
2035 shall, at the request of the department, withhold an amount of money due to the public entity
2036 and deposit the withheld money into the fund to pay the amounts due under the contract.

2037 (c) The department may elect when to request the withholding of money under this
2038 Subsection (7).

2039 (8) All loan contracts, bonds, notes, or other evidence of indebtedness securing the
2040 loan contracts shall be held, collected, and accounted for in accordance with Section

2041 [63B-1b-202.](#)

2042 (9) For any money received into the fund for repayment of a loan as described in this
2043 section, the department shall distribute the repaid money as described in Section [72-2-306.](#)

2044 Section 13. Section **72-2-305** is enacted to read:

2045 **72-2-305. Department authority to contract.**

2046 The department may, upon approval of the commission:

2047 (1) make all contracts, execute all instruments, and do all things necessary or
2048 convenient to provide financial assistance for transportation projects or publicly owned
2049 infrastructure projects in accordance with this chapter; and

2050 (2) enter into and perform the contracts and agreements with entities concerning the
2051 planning, construction, leasing, or other acquisition, installation, or financing of transportation
2052 projects or publicly owned infrastructure projects.

2053 Section 14. Section **72-2-306** is enacted to read:

2054 **72-2-306. Distribution of funds after repayment.**

2055 (1) Any money deposited into the fund from repayment of a loan or interest issued
2056 under this part shall be distributed as described in this section.

2057 (2) As the department receives repayment of a loan and interest issued under this part,
2058 the department shall distribute:

2059 (a) 50% of the money to Sandy, for a bridge connecting a commuter rail station on the
2060 west side of I-15 with the east side of I-15;

2061 (b) 30% of the money to Bluffdale, for construction of a multiple lane, grade-separated
2062 rail crossing at 1000 West and 14600 South; and

2063 (c) 20% of the money to the department, to construct and provide enhanced ingress and
2064 egress to a transit mobility center on property north of Big Cottonwood Canyon.

2065 Section 15. **FY 2025 Appropriation.**

2066 The following sums of money are appropriated for the fiscal year beginning July 1,
2067 2024, and ending June 30, 2025. These are additions to amounts previously appropriated for
2068 fiscal year 2025.

2069 Subsection 15(a). **Operating and Capital Budgets.**

2070 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
2071 Legislature appropriates the following sums of money from the funds or accounts indicated for

2072 the use and support of the government of the state of Utah.

2073 ITEM 1 To Transportation - Operations/Maintenance Management

2074 From Cottonwood Canyon Transportation Investment Fund \$400,000

2075 Schedule of Programs:

2076 Maintenance Administration \$400,000

2077 ITEM 2 To Transportation - Pass-Through

2078 From Rail Transportation Restricted Account, One-time \$11,000,000

2079 Schedule of Programs:

2080 Pass-Through \$11,000,000

2081 The Legislature intends that the Department of Transportation pass through:

2082 (1) \$10,000,000 appropriated by this item to the city of Vineyard for the 12th Overpass

2083 Project; and

2084 (2) \$1,000,000 appropriated by this item to the city of Orem for the Center Street

2085 Railroad Crossing.

2086 Section 16. **Effective date.**

2087 (1) Except as provided in Subsection (2), this bill takes effect on July 1, 2024.

2088 (2) The actions affecting Section [59-12-103](#) (Contingently Effective 01/01/25) take

2089 effect on January 1, 2025.