

Representative Jordan D. Teuscher proposes the following substitute bill:

POINT OF THE MOUNTAIN STATE LAND AUTHORITY

AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jerry W Stevenson

House Sponsor: Jordan D. Teuscher

LONG TITLE

General Description:

This bill modifies provisions relating to the Point of the Mountain State Land Authority.

Highlighted Provisions:

This bill:

- ▶ modifies the definition of point of the mountain state land, for purposes of the Point of the Mountain State Land Authority Act;
- ▶ modifies a provision relating to an annual assessment the Authority is authorized to levy on leased property;
- ▶ enacts provisions relating to bonds issued by the Authority;
- ▶ modifies provisions relating to limitations on Authority board members; and
- ▶ provides for a portion of state sales tax revenue generated from point of the mountain state land to be paid to the Authority until bonds secured by the revenue are paid.

Money Appropriated in this Bill:

None

Other Special Clauses:



26 This bill provides a special effective date.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **11-59-102**, as last amended by Laws of Utah 2023, Chapters 16, 263

30 **11-59-202**, as last amended by Laws of Utah 2023, Chapter 139

31 **11-59-207**, as enacted by Laws of Utah 2022, Chapter 237

32 **11-59-306**, as last amended by Laws of Utah 2022, Chapter 237

33 **59-12-103 (Contingently Superseded 01/01/25)**, as last amended by Laws of Utah
34 2023, Chapters 22, 213, 329, 361, and 471

35 **59-12-103 (Contingently Effective 01/01/25)**, as last amended by Laws of Utah 2023,
36 Chapters 22, 213, 329, 361, 459, and 471

37 ENACTS:

38 **11-59-601**, Utah Code Annotated 1953

39 **11-59-602**, Utah Code Annotated 1953

40 **11-59-603**, Utah Code Annotated 1953

41 **11-59-604**, Utah Code Annotated 1953

42 **11-59-605**, Utah Code Annotated 1953

43 **11-59-606**, Utah Code Annotated 1953



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

46 Section 1. Section **11-59-102** is amended to read:

47 **11-59-102. Definitions.**

48 As used in this chapter:

49 (1) "Authority" means the Point of the Mountain State Land Authority, created in
50 Section **11-59-201**.

51 (2) "Board" means the authority's board, created in Section **11-59-301**.

52 (3) "Development":

53 (a) means the construction, reconstruction, modification, expansion, or improvement of
54 a building, utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or
55 other facility, including:

56 (i) the demolition or preservation or repurposing of a building, infrastructure, or other

- 57 facility;
- 58 (ii) surveying, testing, locating existing utilities and other infrastructure, and other
59 preliminary site work; and
- 60 (iii) any associated planning, design, engineering, and related activities; and
- 61 (b) includes all activities associated with:
- 62 (i) marketing and business recruiting activities and efforts;
- 63 (ii) leasing, or selling or otherwise disposing of, all or any part of the point of the
64 mountain state land; and
- 65 (iii) planning and funding for mass transit infrastructure to service the point of the
66 mountain state land.
- 67 (4) "Facilities division" means the Division of Facilities Construction and
68 Management, created in Section [63A-5b-301](#).
- 69 (5) "New correctional facility" means the state correctional facility being developed in
70 Salt Lake City to replace the state correctional facility in Draper.
- 71 (6) "Point of the mountain state land" means:
- 72 (a) the approximately 700 acres of state-owned land in Draper, including land used for
73 the operation of a state correctional facility until completion of the new correctional facility and
74 state-owned land in the vicinity of the current state correctional facility[-]; and
- 75 (b) any land, in addition to the land described in Subsection (6)(a), that:
- 76 (i) the \hat{H} → [authority] state ← \hat{H} acquires; and
- 77 (ii) is contiguous to the land described in Subsection (6)(a).
- 78 (7) "Public entity" means:
- 79 (a) the state, including each department, division, or other agency of the state; or
- 80 (b) a county, city, town, metro township, school district, special district, special service
81 district, interlocal cooperation entity, community reinvestment agency, or other political
82 subdivision of the state, including the authority.
- 83 (8) "Publicly owned infrastructure and improvements":
- 84 (a) means infrastructure, improvements, facilities, or buildings that:
- 85 (i) benefit the public; and
- 86 (ii) (A) are owned by a public entity or a utility; or
- 87 (B) are publicly maintained or operated by a public entity; and

- 88 (b) includes:
- 89 (i) facilities, lines, or systems that provide:
- 90 (A) water, chilled water, or steam; or
- 91 (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy,
- 92 microgrids, or telecommunications service;
- 93 (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking
- 94 facilities, and public transportation facilities; and
- 95 (iii) greenspace, parks, trails, recreational amenities, or other similar facilities.

96 (9) "Taxing entity" means the same as that term is defined in Section 59-2-102.

97 Section 2. Section 11-59-202 is amended to read:

98 **11-59-202. Authority powers.**

99 ~~[(+)]~~ The authority may:

100 ~~[(a)]~~ (1) as provided in this chapter, plan, manage, and implement the development of
101 the point of the mountain state land, including the ongoing operation of facilities on the point
102 of the mountain state land;

103 ~~[(b)]~~ (2) undertake, or engage a consultant to undertake, any study, effort, or activity
104 the board considers appropriate to assist or inform the board about any aspect of the proposed
105 development of the point of the mountain state land, including the best development model and
106 financial projections relevant to the authority's efforts to fulfill its duties and responsibilities
107 under this section and Section 11-59-203;

108 ~~[(c)]~~ (3) sue and be sued;

109 ~~[(d)]~~ (4) enter into contracts generally, including a contract for the sharing of records
110 under Section 63G-2-206;

111 ~~[(e)]~~ (5) buy, obtain an option upon, or otherwise acquire any interest in real or
112 personal property, as necessary to accomplish the duties and responsibilities of the authority,
113 including an interest in real property, apart from point of the mountain state land, or personal
114 property, outside point of the mountain state land, for publicly owned infrastructure and
115 improvements, if the board considers the purchase, option, or other interest acquisition to be
116 necessary for fulfilling the authority's development objectives;

117 ~~[(f)]~~ (6) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in
118 real or personal property;

119 ~~[(g)]~~ (7) enter into a lease agreement on real or personal property, either as lessee or
120 lessor;

121 ~~[(h)]~~ (8) provide for the development of the point of the mountain state land under one
122 or more contracts, including the development of publicly owned infrastructure and
123 improvements and other infrastructure and improvements on or related to the point of the
124 mountain state land;

125 ~~[(i)]~~ (9) exercise powers and perform functions under a contract, as authorized in the
126 contract;

127 ~~[(j)]~~ (10) accept financial or other assistance from any public or private source for the
128 authority's activities, powers, and duties, and expend any funds so received for any of the
129 purposes of this chapter;

130 ~~[(k)]~~ (11) borrow money, contract with, or accept financial or other assistance from the
131 federal government, a public entity, or any other source for any of the purposes of this chapter
132 and comply with any conditions of the loan, contract, or assistance;

133 ~~[(l)]~~ (12) subject to ~~[Subsection (2)]~~ [Part 6, Authority Bonds](#), issue bonds to finance the
134 undertaking of any development objectives of the authority~~[-including];~~

135 (13) issue bonds under Title 11, Chapter 17, Utah Industrial Facilities and
136 Development Act, and ~~[bonds]~~ under Title 11, Chapter 42, Assessment Area Act;

137 ~~[(m)]~~ (14) hire employees, including contract employees, in addition to or in place of
138 staff provided under Section [11-59-304](#);

139 ~~[(n)]~~ (15) transact other business and exercise all other powers provided for in this
140 chapter;

141 ~~[(o)]~~ (16) enter into a development agreement with a developer of some or all of the
142 point of the mountain state land;

143 ~~[(p)]~~ (17) provide for or finance an energy efficiency upgrade, a renewable energy
144 system, or electric vehicle charging infrastructure as defined in Section [11-42a-102](#), in
145 accordance with Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act;

146 ~~[(q)]~~ (18) exercise powers and perform functions that the authority is authorized by
147 statute to exercise or perform;

148 ~~[(r)]~~ (19) enter into one or more interlocal agreements under Title 11, Chapter 13,
149 Interlocal Cooperation Act, with one or more local government entities for the delivery of

150 services to the point of the mountain state land;

151 ~~[(s)] (20)~~ enter into an agreement with the federal government or an agency of the
152 federal government, as the board considers necessary or advisable, to enable or assist the
153 authority to exercise its powers or fulfill its duties and responsibilities under this chapter;

154 ~~[(t)] (21)~~ provide funding for the development of publicly owned infrastructure and
155 improvements or other infrastructure and improvements on or related to the point of the
156 mountain state land; and

157 ~~[(u)] (22)~~ impose impact fees under Title 11, Chapter 36a, Impact Fees Act, and other
158 fees related to development activities.

159 ~~[(2) The authority may not issue bonds under this part unless the board first:]~~

160 ~~[(a) adopts a parameters resolution for the bonds that sets forth:]~~

161 ~~[(i) the maximum:]~~

162 ~~[(A) amount of bonds;]~~

163 ~~[(B) term; and]~~

164 ~~[(C) interest rate; and]~~

165 ~~[(ii) the expected security for the bonds; and]~~

166 ~~[(b) submits the parameters resolution for review and recommendation to the State
167 Finance Review Commission created in Section [63C-25-201](#).]~~

168 ~~[(3) No later than 60 days after the closing day of any bonds, the authority shall report
169 the bonds issuance, including the amount of the bonds, terms, interest rate, and security, to:]~~

170 ~~[(a) the Executive Appropriations Committee; and]~~

171 ~~[(b) the State Finance Review Commission created in Section [63C-25-201](#).]~~

172 Section 3. Section **11-59-207** is amended to read:

173 **11-59-207. Annual assessment on leased property.**

174 (1) As used in this section:

175 (a) "Annual ~~[fee]~~ assessment" means ~~[a fee]~~ an assessment:

176 (i) that is levied and collected each year, as provided in this section; and

177 (ii) in an amount that is the equivalent of the cumulative real property tax that would
178 be levied and collected on leased property by all taxing entities if the leased property were not
179 exempt property.

180 (b) "Exempt property" means real property that is exempt from ad valorem property tax

181 because the real property is owned by the state.

182 (c) "Lease agreement" means an agreement by which a private person leases from the
183 state real property that is part of the point of the mountain state land.

184 (d) (i) "Leased property" means real property that:

185 (A) is part of the point of the mountain state land;

186 (B) is leased by a private person; and

187 (C) would be subject to ad valorem property tax if the real property were owned by the
188 private person.

189 (ii) "Leased property" includes attachments and other improvements to the real
190 property that would be included in an assessment of the value of the real property if the real
191 property were not exempt property.

192 (e) "Leased property value" means the value that leased property would have if the
193 leased property were subject to ad valorem property tax.

194 (f) "Lessee" means a private person that leases property that is part of the point of the
195 mountain state land under a lease agreement.

196 (2) Beginning January 1 of the year immediately following the execution of a lease
197 agreement, a lessee under the lease agreement shall pay an annual [~~fee~~] assessment with respect
198 to the leased property that is the subject of the lease agreement.

199 (3) In a county in which the point of the mountain state land is located:

200 (a) the county assessor shall determine the leased property value of leased property that
201 is subject to an annual [~~fee~~] assessment as though the leased property were subject to ad
202 valorem property tax;

203 (b) the county treasurer shall collect an annual [~~fee~~] assessment in the same way and at
204 the same time that the treasurer would collect ad valorem property tax on the leased property if
205 the leased property were subject to ad valorem property tax;

206 (c) the county may retain an administrative fee for collecting and distributing the
207 annual [~~fee~~] assessment in the same amount that would apply if the leased property were not
208 exempt property; and

209 (d) the county treasurer shall distribute to the authority all revenue from an annual [~~fee~~]
210 assessment on leased property in the same way and at the same time as the treasurer distributes
211 ad valorem property tax revenue to taxing entities in accordance with Section [59-2-1365](#).

212 (4) Leased property is not subject to a privilege tax under Title 59, Chapter 4, Privilege
213 Tax.

214 Section 4. Section 11-59-306 is amended to read:

215 **11-59-306. Limitations on board members.**

216 (1) As used in this section:

217 (a) "Designated individual" means an individual:

218 (i) (A) who is a member of the Senate or House of Representatives;

219 (B) who has been appointed as a member of the board under Subsection

220 11-59-302(2)(a) or (b); and

221 (C) whose legislative district includes some or all of the point of the mountain state

222 land; or

223 (ii) who is designated to serve as a board member under Subsection 11-59-302(2)(e) or

224 (f).

225 (b) "Direct financial benefit":

226 (i) means any form of financial benefit that accrues to an individual directly as a result
227 of the development of the point of the mountain state land, including:

228 (A) compensation, commission, or any other form of a payment or increase of money;

229 and

230 (B) an increase in the value of a business or property; and

231 (ii) does not include a financial benefit that accrues to the public generally as a result of

232 the development of the point of the mountain state land.

233 (c) "Family member" means a parent, spouse, sibling, child, or grandchild.

234 (d) (i) "Interest in real property" means every type of real property interest, whether
235 recorded or unrecorded, including:

236 [(+)] (A) a legal or equitable interest;

237 [(+)] (B) an option on real property;

238 [(+)] (C) an interest under a contract;

239 [(+)] (D) fee simple ownership;

240 [(+)] (E) ownership as a tenant in common or in joint tenancy or another joint
241 ownership arrangement;

242 [(+)] (F) ownership through a partnership, limited liability company, or corporation

243 that holds title to a real property interest in the name of the partnership, limited liability
244 company, or corporation;

245 [~~(vii)~~] (G) leasehold interest; and

246 [~~(viii)~~] (H) any other real property interest that is capable of being owned.

247 (ii) "Interest in real property" does not include:

248 (A) an interest in a personal residence in which the individual resides or, in the case of
249 an intended future acquisition, intends to reside; or

250 (B) an interest as a tenant paying market-rate rent in a building that is located on point
251 of the mountain state land.

252 (2) An individual may not serve as a member of the board if:

253 (a) subject to Subsection (5) for a designated individual, the individual owns an interest
254 in real property[~~, other than a personal residence in which the individual resides,~~] on or within
255 five miles of the point of the mountain state land;

256 (b) a family member of the individual owns an interest in real property[~~, other than a~~
257 ~~personal residence in which the family member resides,~~] located on or within one-half mile of
258 the point of the mountain state land;

259 (c) the individual or a family member of the individual owns an interest in, is directly
260 affiliated with, or is an employee or officer of a firm, company, or other entity that the
261 individual reasonably believes is likely to participate in or receive compensation or other direct
262 financial benefit from the development of the point of the mountain state land; or

263 (d) the individual or a family member of the individual receives or is expected to
264 receive a direct financial benefit.

265 (3) (a) Before taking office as a board member, an individual shall submit to the
266 authority a statement:

267 (i) verifying that the individual's service as a board member does not violate
268 Subsection (2); and

269 (ii) for a designated individual, identifying any interest in real property[~~, other than a~~
270 ~~personal residence in which the individual resides,~~] located on or within five miles of the point
271 of the mountain state land.

272 (b) If a designated individual takes action, during the individual's service as a board
273 member, to initiate, negotiate, or otherwise arrange for the acquisition of an interest in real

274 property[, other than a personal residence in which the individual intends to live,] located on or
275 within five miles of the point of the mountain state land, the designated individual shall submit
276 a written statement to the board chair describing the action, the interest in real property that the
277 designated individual intends to acquire, and the location of the real property.

278 (4) Except for a board member who is a designated individual, a board member is
279 disqualified from further service as a board member if the board member, at any time during
280 the board member's service on the board, takes any action to initiate, negotiate, or otherwise
281 arrange for the acquisition of an interest in real property[, other than a personal residence in
282 which the member intends to reside,] located on or within five miles of the point of the
283 mountain state land.

284 (5) A designated individual who submits a written statement under Subsection
285 (3)(a)(ii) or (b) may not serve or continue to serve as a board member unless at least two-thirds
286 of all other board members conclude that the designated individual's service as a board member
287 does not and will not create a material conflict of interest impairing the ability of the
288 designated individual to exercise fair and impartial judgment as a board member and to act in
289 the best interests of the authority.

290 (6) (a) The board may not allow a firm, company, or other entity to participate in
291 planning, managing, or implementing the development of the point of the mountain state land
292 if a board member or a family member of a board member owns an interest in, is directly
293 affiliated with, or is an employee or officer of the firm, company, or other entity.

294 (b) Before allowing a firm, company, or other entity to participate in planning,
295 managing, or implementing the development of the point of the mountain state land, the board
296 may require the firm, company, or other entity to certify that no board member or family
297 member of a board member owns an interest in, is directly affiliated with, or is an employee or
298 officer of the firm, company, or other entity.

299 Section 5. Section **11-59-601** is enacted to read:

300 **Part 6. Authority Bonds**

301 **11-59-601. Resolution authorizing issuance of authority bonds -- Characteristics**
302 **of bonds -- Notice.**

303 (1) The authority may not issue bonds under this part unless the board first:

304 (a) adopts a parameters resolution, as defined in Section [63C-25-101](#), for the bonds;

305 and

306 (b) submits the parameters resolution for review and recommendation to the State
307 Finance Review Commission created in Section [63C-25-201](#).

308 (2) (a) As provided in the authority resolution authorizing the issuance of bonds under
309 this part or the trust indenture under which the bonds are issued, bonds issued under this part
310 may be issued in one or more series and may be sold at public or private sale and in the manner
311 provided in the resolution or indenture.

312 (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest
313 at the rate, be in the denomination and in the form, carry the conversion or registration
314 privileges, have the rank or priority, be executed in the manner, be subject to the terms of
315 redemption or tender, with or without premium, be payable in the medium of payment and at
316 the place, and have other characteristics as provided in the authority resolution authorizing the
317 issuance of the bonds or the trust indenture under which the bonds are issued.

318 (3) Upon the board's adoption of a resolution providing for the issuance of bonds, the
319 board may provide for the publication of the resolution:

320 (a) for the area within the authority's boundaries, as a class A notice under Section
321 [63G-30-102](#), for at least 30 days; and

322 (b) as required in Section [45-1-101](#).

323 (4) In lieu of publishing the entire resolution, the board may publish notice of bonds
324 that contains the information described in Subsection [11-14-316\(2\)](#).

325 (5) For a period of 30 days after the publication, any person in interest may contest:

326 (a) the legality of the resolution or proceeding;

327 (b) any bonds that may be authorized by the resolution or proceeding; or

328 (c) any provisions made for the security and payment of the bonds.

329 (6) (a) (i) A person may contest the matters set forth in Subsection (5) by filing a
330 verified written complaint in a court with jurisdiction under Title 78A, Judiciary and Judicial
331 Administration, within 30 days after the publication under Subsection (5).

332 (ii) Notwithstanding Title 78B, Chapter 3a, Venue for Civil Actions, a person filing a
333 complaint under Subsection (6)(a)(i) shall bring the action in the county in which the person
334 resides if the action is brought in district court.

335 (b) A person may not contest the matters set forth in Subsection (5), or the regularity,

336 formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for
337 contesting provided in Subsection (6)(a).

338 (7) No later than 60 days after the closing day of any bonds, the authority shall report
339 the bonds issuance, including the amount of the bonds, terms, interest rate, and security, to:

340 (a) the Executive Appropriations Committee; and

341 (b) the State Finance Review Commission created in Section [63C-25-201](#).

342 Section 6. Section **11-59-602** is enacted to read:

343 **11-59-602. Sources from which bonds may be payable -- Authority powers**
344 **regarding bonds.**

345 (1) The principal and interest on bonds issued by the authority may be made payable
346 from:

347 (a) the income and revenues of the projects financed with the proceeds of the bonds;

348 (b) the income and revenues of certain designated projects whether or not they were
349 financed in whole or in part with the proceeds of the bonds;

350 (c) the income, proceeds, revenues, property, and funds the authority derives from or
351 holds in connection with its undertaking and carrying out development of point of the mountain
352 state land;

353 (d) revenue from an annual assessment under Section [11-59-207](#);

354 (e) authority revenues generally;

355 (f) a contribution, loan, grant, or other financial assistance from the federal government
356 or a public entity in aid of the authority; or

357 (g) funds derived from any combination of the methods listed in Subsections (1)(a)
358 through (f).

359 (2) In connection with the issuance of authority bonds, the authority may:

360 (a) pledge all or any part of its gross or net rents, fees, or revenues to which authority
361 right then exists or may thereafter come into existence;

362 (b) encumber by mortgage, deed of trust, or otherwise all or any part of authority real
363 or personal property, then owned or thereafter acquired; and

364 (c) make the covenants and take the action that may be necessary, convenient, or
365 desirable to secure authority bonds, or, except as otherwise provided in this chapter, that will
366 tend to make the bonds more marketable, even though the covenants or actions are not

367 specifically enumerated in this chapter.

368 Section 7. Section **11-59-603** is enacted to read:

369 **11-59-603. Purchase of authority bonds.**

370 (1) Any individual, firm, corporation, association, political subdivision of the state, or
371 other entity or public or private officer may purchase bonds issued by an authority under this
372 part with funds owned or controlled by the purchaser.

373 (2) Nothing in this section may be construed to relieve a purchaser of authority bonds
374 of any duty to exercise reasonable care in selecting and purchasing securities.

375 Section 8. Section **11-59-604** is enacted to read:

376 **11-59-604. Those executing bonds not personally liable -- Limitation of**
377 **obligations under bond -- Negotiability.**

378 (1) A member of the board or other person executing an authority bond is not liable
379 personally on the bond.

380 (2) (a) A bond issued by the authority is not a general obligation or liability of the state
381 or any political subdivision of the state and does not constitute a charge against the general
382 credit or taxing powers of the state or any political subdivision of the state.

383 (b) A bond issued by the authority is not payable out of any funds or properties other
384 than those of the authority.

385 (c) The state and political subdivisions of the state are not and may not be held liable
386 on a bond issued by the authority.

387 (d) A bond issued by the authority does not constitute indebtedness within the meaning
388 of any constitutional or statutory debt limitation.

389 (3) A bond issued by the authority under this part is fully negotiable.

390 Section 9. Section **11-59-605** is enacted to read:

391 **11-59-605. Obligee rights -- Board may confer other rights.**

392 (1) In addition to all other rights that are conferred on an obligee of a bond issued by
393 the authority under this part and subject to contractual restrictions binding on the obligee, an
394 obligee may:

395 (a) by mandamus, suit, action, or other proceeding, compel an authority and authority
396 board, officers, agents, or employees to perform every term, provision, and covenant contained
397 in any contract of the authority with or for the benefit of the obligee, and require the authority

398 to carry out the covenants and agreements of the authority and to fulfill all duties imposed on
399 the authority by this part; and

400 (b) by suit, action, or proceeding in equity, enjoin any acts or things that may be
401 unlawful or violate the rights of the obligee.

402 (2) (a) (i) In a board resolution authorizing the issuance of bonds or in a trust indenture,
403 mortgage, lease, or other contract, the board may confer upon an obligee holding or
404 representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue
405 upon the happening of an event or default prescribed in the resolution, indenture, mortgage,
406 lease, or other contract, and to be exercised by suit, action, or proceeding in any court of
407 competent jurisdiction.

408 (ii) The rights that the board may confer under Subsection (2)(a)(i) are the rights to:

409 (A) cause possession of all or part of a development project to be surrendered to an
410 obligee;

411 (B) obtain the appointment of a receiver of all or part of an authority's development
412 project and of the rents and profits from it; and

413 (C) require the authority and its board and employees to account as if the authority and
414 the board and employees were the trustees of an express trust.

415 (b) If a receiver is appointed through the exercise of a right granted under Subsection
416 (2)(a)(ii)(B), the receiver:

417 (i) may enter and take possession of the development project or any part of it, operate
418 and maintain it, and collect and receive all fees, rents, revenues, or other charges arising from it
419 after the receiver's appointment; and

420 (ii) shall keep money collected as receiver for the authority in separate accounts and
421 apply it pursuant to the authority obligations as the court directs.

422 Section 10. Section **11-59-606** is enacted to read:

423 **11-59-606. Bonds exempt from taxes -- Authority may purchase its own bonds.**

424 (1) A bond issued by the authority under this part is issued for an essential public and
425 governmental purpose and is, together with interest on the bond and income from it, exempt
426 from all state taxes except the corporate franchise tax.

427 (2) The authority may purchase the authority's own bonds at a price that the board
428 determines.

429 (3) Nothing in this section limits the right of an obligee to pursue a remedy for the
430 enforcement of a pledge or lien given under this part by the authority on its rents, fees, grants,
431 properties, or revenues.

432 Section 11. Section **59-12-103 (Contingently Superseded 01/01/25)** is amended to
433 read:

434 **59-12-103 (Contingently Superseded 01/01/25). Sales and use tax base -- Rates --**
435 **Effective dates -- Use of sales and use tax revenues.**

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

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

439 (b) amounts paid for:

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

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

445 (iii) an ancillary service associated with a:

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

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

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

449 (i) gas;

450 (ii) electricity;

451 (iii) heat;

452 (iv) coal;

453 (v) fuel oil; or

454 (vi) other fuels;

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

456 (i) gas;

457 (ii) electricity;

458 (iii) heat;

459 (iv) coal;

- 460 (v) fuel oil; or
- 461 (vi) other fuels;
- 462 (e) sales of prepared food;
- 463 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 464 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 465 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 466 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 467 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 468 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 469 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 470 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 471 exhibition, cultural, or athletic activity;
- 472 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 473 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 474 (i) the tangible personal property; and
- 475 (ii) parts used in the repairs or renovations of the tangible personal property described
- 476 in Subsection (1)(g)(i), regardless of whether:
- 477 (A) any parts are actually used in the repairs or renovations of that tangible personal
- 478 property; or
- 479 (B) the particular parts used in the repairs or renovations of that tangible personal
- 480 property are exempt from a tax under this chapter;
- 481 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 482 assisted cleaning or washing of tangible personal property;
- 483 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 484 accommodations and services that are regularly rented for less than 30 consecutive days;
- 485 (j) amounts paid or charged for laundry or dry cleaning services;
- 486 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 487 this state the tangible personal property is:
- 488 (i) stored;
- 489 (ii) used; or
- 490 (iii) otherwise consumed;

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

493 (i) stored;

494 (ii) used; or

495 (iii) consumed;

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

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

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

499 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

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

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

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

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

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

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

522 the sum of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

560 (vi) A car-sharing program shall:

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

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

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

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

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

569 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
570 Sales and Use Tax Act, if the location of the transaction as determined under Sections
571 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
572 Additional State Sales and Use Tax Act; and

573 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
574 Sales and Use Tax Act, if the location of the transaction as determined under Sections
575 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
576 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

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

600 (II) state or federal law provides otherwise.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 647 (A) Subsection (2)(a)(i)(A);
- 648 (B) Subsection (2)(b)(i);
- 649 (C) Subsection (2)(c)(i); or
- 650 (D) Subsection (2)(f)(i)(A)(I).

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

- 654 (A) Subsection (2)(a)(i)(A);
- 655 (B) Subsection (2)(b)(i);
- 656 (C) Subsection (2)(c)(i); or
- 657 (D) Subsection (2)(f)(i)(A)(I).

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

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

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

- 664 (A) Subsection (2)(a)(i)(A);
- 665 (B) Subsection (2)(b)(i);
- 666 (C) Subsection (2)(c)(i); or
- 667 (D) Subsection (2)(f)(i)(A)(I).

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

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

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

- 675 (A) a commercial use;
- 676 (B) an industrial use; or

677 (C) a residential use.

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

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

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

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

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

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

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

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

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

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

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

691 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
692 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
693 through (g):

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

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

696 (B) for the fiscal year; or

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

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

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

703 (B) award grants, up to the amount authorized by the Legislature in an appropriations
704 act, to political subdivisions of the state to implement the measures described in Subsections
705 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

706 (ii) Money transferred to the Department of Natural Resources under Subsection
707 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

754 (iii) develop surface water sources.

755 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
756 2006, the difference between the following amounts shall be expended as provided in this
757 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

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

782 (i) preconstruction costs:

783 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
784 26, Bear River Development Act; and

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

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

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

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

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

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

800 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal

801 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation
802 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under
803 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

- 804 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 805 (ii) the tax imposed by Subsection (2)(b)(i);
- 806 (iii) the tax imposed by Subsection (2)(c)(i); and
- 807 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

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

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

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

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

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

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

823 (iii) The commission shall annually deposit the amount described in Subsection
824 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
825 for any single fiscal year of \$20,000,000.

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

830 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
831 2023, the commission shall annually reduce the deposit into the Transportation Investment

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

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

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

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

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

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

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

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

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

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

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

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

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

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

862 (A) "Additional growth revenue" means the amount of relevant revenue collected in

863 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
864 previous fiscal year.

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

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

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

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

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

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

884 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
885 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
886 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

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

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

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

898 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
899 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
900 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
901 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

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

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

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

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

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

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

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

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

923 (16) (a) As used in this Subsection (16):

924 (i) "Additional land" means point of the mountain state land described in Subsection

925 11-59-102(6)(b) that the point of the mountain authority acquires after the point of the
 926 mountain authority provides the commission a map under Subsection (16)c).

927 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
 928 Authority, created in Section 11-59-201.

929 (iii) "Point of the mountain state land" means the same as that term is defined in
 930 Section 11-59-102.

931 (b) Notwithstanding Subsection (3)(a), the commission shall distribute to the point of
 932 the mountain authority 50% of the revenue from the sales and use tax imposed by Subsection
 933 (2)(a)(i)(A) at a 4.7% rate, on transactions occurring on the point of the mountain state land.

934 (c) The distribution under Subsection (16)(b) shall begin the next calendar quarter that
 935 begins at least 90 days after the point of the mountain authority provides the commission a map
 936 that:

937 (i) accurately describes the point of the mountain state land; and

938 (ii) the point of the mountain authority certifies as accurate.

939 (d) A distribution under Subsection (16)(b) with respect to additional land shall begin
 940 the next calendar quarter that begins at least 90 days after the point of the mountain authority
 941 provides the commission a map of point of the mountain state land that:

942 (i) accurately describes the point of the mountain state land, including the additional
 943 land; and

944 (ii) the point of the mountain authority certifies as accurate.

945 (e) (i) Upon the payment in full of bonds secured by the sales and use tax revenue
 946 distributed to the point of the mountain authority under Subsection (16)(b), the point of the
 947 mountain authority shall immediately notify the commission in writing that the bonds are paid
 948 in full.

949 (ii) The commission shall discontinue distributions of sales and use tax revenue under
 950 Subsection (16)(b) at the beginning of the calendar quarter ~~H~~→ **[immediately following]** **that begins**
 950a **at least 90 days after** ←~~H~~ the date that
 951 the commission receives the written notice under Subsection (16)(e)(i).

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

953 **59-12-103 (Contingently Effective 01/01/25). Sales and use tax base -- Rates --**

954 **Effective dates -- Use of sales and use tax revenues.**

955 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or

956 sales price for amounts paid or charged for the following transactions:
957 (a) retail sales of tangible personal property made within the state;
958 (b) amounts paid for:
959 (i) telecommunications service, other than mobile telecommunications service, that
960 originates and terminates within the boundaries of this state;
961 (ii) mobile telecommunications service that originates and terminates within the
962 boundaries of one state only to the extent permitted by the Mobile Telecommunications
963 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
964 (iii) an ancillary service associated with a:
965 (A) telecommunications service described in Subsection (1)(b)(i); or
966 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
967 (c) sales of the following for commercial use:
968 (i) gas;
969 (ii) electricity;
970 (iii) heat;
971 (iv) coal;
972 (v) fuel oil; or
973 (vi) other fuels;
974 (d) sales of the following for residential use:
975 (i) gas;
976 (ii) electricity;
977 (iii) heat;
978 (iv) coal;
979 (v) fuel oil; or
980 (vi) other fuels;
981 (e) sales of prepared food;
982 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
983 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
984 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
985 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
986 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf

987 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
988 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
989 horseback rides, sports activities, or any other amusement, entertainment, recreation,
990 exhibition, cultural, or athletic activity;

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

993 (i) the tangible personal property; and

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

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

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

1000 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
1001 assisted cleaning or washing of tangible personal property;

1002 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
1003 accommodations and services that are regularly rented for less than 30 consecutive days;

1004 (j) amounts paid or charged for laundry or dry cleaning services;

1005 (k) amounts paid or charged for leases or rentals of tangible personal property if within
1006 this state the tangible personal property is:

1007 (i) stored;

1008 (ii) used; or

1009 (iii) otherwise consumed;

1010 (l) amounts paid or charged for tangible personal property if within this state the
1011 tangible personal property is:

1012 (i) stored;

1013 (ii) used; or

1014 (iii) consumed;

1015 (m) amounts paid or charged for a sale:

1016 (i) (A) of a product transferred electronically; or

1017 (B) of a repair or renovation of a product transferred electronically; and

- 1018 (ii) regardless of whether the sale provides:
- 1019 (A) a right of permanent use of the product; or
- 1020 (B) a right to use the product that is less than a permanent use, including a right:
- 1021 (I) for a definite or specified length of time; and
- 1022 (II) that terminates upon the occurrence of a condition; and
- 1023 (n) sales of leased tangible personal property from the lessor to the lessee made in the
- 1024 state.
- 1025 (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax
- 1026 are imposed on a transaction described in Subsection (1) equal to the sum of:
- 1027 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 1028 (A) 4.70% plus the rate specified in Subsection (11)(a); and
- 1029 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 1030 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 1031 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
- 1032 State Sales and Use Tax Act; and
- 1033 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 1034 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 1035 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
- 1036 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 1037 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 1038 transaction under this chapter other than this part.
- 1039 (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a
- 1040 state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to
- 1041 the sum of:
- 1042 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 1043 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 1044 transaction under this chapter other than this part.
- 1045 (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on amounts
- 1046 paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or
- 1047 town imposes under this chapter on the amounts paid or charged for food or food ingredients.
- 1048 (ii) There is no state tax imposed on amounts paid or charged for food and food

1049 ingredients.

1050 (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts
1051 paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at
1052 a rate of 4.85%.

1053 (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed
1054 by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax
1055 imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a
1056 shared vehicle driver, or a shared vehicle owner.

1057 (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is
1058 required once during the time that the shared vehicle owner owns the shared vehicle.

1059 (C) The commission shall verify that a shared vehicle is an individual-owned shared
1060 vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the
1061 purchase of the shared vehicle.

1062 (D) The exception under Subsection (2)(e)(i)(A) applies to a certified
1063 individual-owned shared vehicle shared through a car-sharing program even if non-certified
1064 shared vehicles are also available to be shared through the same car-sharing program.

1065 (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

1066 (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's
1067 representation that the shared vehicle is an individual-owned shared vehicle certified with the
1068 commission as described in Subsection (2)(e)(i).

1069 (B) If a car-sharing program relies in good faith on a shared vehicle owner's
1070 representation that the shared vehicle is an individual-owned shared vehicle certified with the
1071 commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any
1072 tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

1073 (iv) If all shared vehicles shared through a car-sharing program are certified as
1074 described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation
1075 to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.

1076 (v) [~~(A)~~] A car-sharing program is not required to list or otherwise identify an
1077 individual-owned shared vehicle on a return or an attachment to a return.

1078 (vi) A car-sharing program shall:

1079 (A) retain tax information for each car-sharing program transaction; and

1080 (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at
1081 the commission's request.

1082 (f) (i) For a bundled transaction that is attributable to food and food ingredients and
1083 tangible personal property other than food and food ingredients, a state tax and a local tax is
1084 imposed on the entire bundled transaction equal to the sum of:

1085 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

1086 (I) the tax rate described in Subsection (2)(a)(i)(A); and

1087 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State
1088 Sales and Use Tax Act, if the location of the transaction as determined under Sections
1089 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,
1090 Additional State Sales and Use Tax Act; and

1091 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State
1092 Sales and Use Tax Act, if the location of the transaction as determined under Sections
1093 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which
1094 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

1095 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
1096 described in Subsection (2)(a)(ii).

1097 (ii) If an optional computer software maintenance contract is a bundled transaction that
1098 consists of taxable and nontaxable products that are not separately itemized on an invoice or
1099 similar billing document, the purchase of the optional computer software maintenance contract
1100 is 40% taxable under this chapter and 60% nontaxable under this chapter.

1101 (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled
1102 transaction described in Subsection (2)(f)(i) or (ii):

1103 (A) if the sales price of the bundled transaction is attributable to tangible personal
1104 property, a product, or a service that is subject to taxation under this chapter and tangible
1105 personal property, a product, or service that is not subject to taxation under this chapter, the
1106 entire bundled transaction is subject to taxation under this chapter unless:

1107 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1108 personal property, product, or service that is not subject to taxation under this chapter from the
1109 books and records the seller keeps in the seller's regular course of business; or

1110 (II) state or federal law provides otherwise; or

1111 (B) if the sales price of a bundled transaction is attributable to two or more items of
1112 tangible personal property, products, or services that are subject to taxation under this chapter
1113 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
1114 higher tax rate unless:

1115 (I) the seller is able to identify by reasonable and verifiable standards the tangible
1116 personal property, product, or service that is subject to taxation under this chapter at the lower
1117 tax rate from the books and records the seller keeps in the seller's regular course of business; or

1118 (II) state or federal law provides otherwise.

1119 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
1120 seller's regular course of business includes books and records the seller keeps in the regular
1121 course of business for nontax purposes.

1122 (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii)
1123 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
1124 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
1125 of tangible personal property, other property, a product, or a service that is not subject to
1126 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
1127 the seller, at the time of the transaction:

1128 (A) separately states the portion of the transaction that is not subject to taxation under
1129 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

1130 (B) is able to identify by reasonable and verifiable standards, from the books and
1131 records the seller keeps in the seller's regular course of business, the portion of the transaction
1132 that is not subject to taxation under this chapter.

1133 (ii) A purchaser and a seller may correct the taxability of a transaction if:

1134 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
1135 the transaction that is not subject to taxation under this chapter was not separately stated on an
1136 invoice, bill of sale, or similar document provided to the purchaser because of an error or
1137 ignorance of the law; and

1138 (B) the seller is able to identify by reasonable and verifiable standards, from the books
1139 and records the seller keeps in the seller's regular course of business, the portion of the
1140 transaction that is not subject to taxation under this chapter.

1141 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps

1142 in the seller's regular course of business includes books and records the seller keeps in the
1143 regular course of business for nontax purposes.

1144 (h) (i) If the sales price of a transaction is attributable to two or more items of tangible
1145 personal property, products, or services that are subject to taxation under this chapter at
1146 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
1147 unless the seller, at the time of the transaction:

1148 (A) separately states the items subject to taxation under this chapter at each of the
1149 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

1150 (B) is able to identify by reasonable and verifiable standards the tangible personal
1151 property, product, or service that is subject to taxation under this chapter at the lower tax rate
1152 from the books and records the seller keeps in the seller's regular course of business.

1153 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
1154 seller's regular course of business includes books and records the seller keeps in the regular
1155 course of business for nontax purposes.

1156 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax
1157 rate imposed under the following shall take effect on the first day of a calendar quarter:

1158 (i) Subsection (2)(a)(i)(A);

1159 (ii) Subsection (2)(b)(i); or

1160 (iii) Subsection (2)(f)(i)(A)(I).

1161 (j) (i) A tax rate increase takes effect on the first day of the first billing period that
1162 begins on or after the effective date of the tax rate increase if the billing period for the
1163 transaction begins before the effective date of a tax rate increase imposed under:

1164 (A) Subsection (2)(a)(i)(A);

1165 (B) Subsection (2)(b)(i); or

1166 (C) Subsection (2)(f)(i)(A)(I).

1167 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
1168 statement for the billing period is rendered on or after the effective date of the repeal of the tax
1169 or the tax rate decrease imposed under:

1170 (A) Subsection (2)(a)(i)(A);

1171 (B) Subsection (2)(b)(i); or

1172 (C) Subsection (2)(f)(i)(A)(I).

1173 (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
 1174 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
 1175 or change in a tax rate takes effect:

1176 (A) on the first day of a calendar quarter; and

1177 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

1178 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:

1179 (A) Subsection (2)(a)(i)(A);

1180 (B) Subsection (2)(b)(i); or

1181 (C) Subsection (2)(f)(i)(A)(I).

1182 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
 1183 the commission may by rule define the term "catalogue sale."

1184 (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine
 1185 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the
 1186 predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.

1187 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
 1188 or other fuel is furnished through a single meter for two or more of the following uses:

1189 (A) a commercial use;

1190 (B) an industrial use; or

1191 (C) a residential use.

1192 (3) (a) The following state taxes shall be deposited into the General Fund:

1193 (i) the tax imposed by Subsection (2)(a)(i)(A);

1194 (ii) the tax imposed by Subsection (2)(b)(i); and

1195 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

1196 (b) The following local taxes shall be distributed to a county, city, or town as provided
 1197 in this chapter:

1198 (i) the tax imposed by Subsection (2)(a)(ii);

1199 (ii) the tax imposed by Subsection (2)(b)(ii);

1200 (iii) the tax imposed by Subsection (2)(c); and

1201 (iv) the tax imposed by Subsection (2)(f)(i)(B).

1202 (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General
 1203 Fund.

1204 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1205 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
1206 through (g):

1207 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

1208 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and

1209 (B) for the fiscal year; or

1210 (ii) \$17,500,000.

1211 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
1212 described in Subsection (4)(a) shall be transferred each year as designated sales and use tax
1213 revenue to the Department of Natural Resources to:

1214 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
1215 protect sensitive plant and animal species; or

1216 (B) award grants, up to the amount authorized by the Legislature in an appropriations
1217 act, to political subdivisions of the state to implement the measures described in Subsections
1218 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

1219 (ii) Money transferred to the Department of Natural Resources under Subsection
1220 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other
1221 person to list or attempt to have listed a species as threatened or endangered under the
1222 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

1223 (iii) At the end of each fiscal year:

1224 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
1225 Water Resources Conservation and Development Fund created in Section 73-10-24;

1226 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
1227 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

1228 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
1229 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

1230 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
1231 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund
1232 created in Section 4-18-106.

1233 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described
1234 in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to

1235 the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for
1236 the adjudication of water rights.

1237 (ii) At the end of each fiscal year:

1238 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the
1239 Water Resources Conservation and Development Fund created in Section 73-10-24;

1240 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
1241 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

1242 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
1243 Drinking Water Loan Program Subaccount created in Section 73-10c-5.

1244 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
1245 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
1246 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

1247 (ii) In addition to the uses allowed of the Water Resources Conservation and
1248 Development Fund under Section 73-10-24, the Water Resources Conservation and
1249 Development Fund may also be used to:

1250 (A) conduct hydrologic and geotechnical investigations by the Division of Water
1251 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
1252 quantifying surface and ground water resources and describing the hydrologic systems of an
1253 area in sufficient detail so as to enable local and state resource managers to plan for and
1254 accommodate growth in water use without jeopardizing the resource;

1255 (B) fund state required dam safety improvements; and

1256 (C) protect the state's interest in interstate water compact allocations, including the
1257 hiring of technical and legal staff.

1258 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1259 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
1260 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1261 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
1262 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
1263 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1264 (i) provide for the installation and repair of collection, treatment, storage, and
1265 distribution facilities for any public water system, as defined in Section 19-4-102;

1266 (ii) develop underground sources of water, including springs and wells; and
1267 (iii) develop surface water sources.

1268 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
1269 2006, the difference between the following amounts shall be expended as provided in this
1270 Subsection (5), if that difference is greater than \$1:

1271 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the
1272 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
1273 (ii) \$17,500,000.

1274 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
1275 (A) transferred each fiscal year to the Department of Natural Resources as designated
1276 sales and use tax revenue; and
1277 (B) expended by the Department of Natural Resources for watershed rehabilitation or
1278 restoration.

1279 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
1280 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation
1281 and Development Fund created in Section 73-10-24.

1282 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
1283 remaining difference described in Subsection (5)(a) shall be:
1284 (A) transferred each fiscal year to the Division of Water Resources as designated sales
1285 and use tax revenue; and
1286 (B) expended by the Division of Water Resources for cloud-seeding projects
1287 authorized by Title 73, Chapter 15, Modification of Weather.

1288 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
1289 tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation
1290 and Development Fund created in Section 73-10-24.

1291 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
1292 remaining difference described in Subsection (5)(a) shall be deposited into the Water
1293 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
1294 Division of Water Resources for:
1295 (i) preconstruction costs:
1296 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter

1297 26, Bear River Development Act; and

1298 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
1299 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

1300 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
1301 Chapter 26, Bear River Development Act;

1302 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project
1303 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

1304 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
1305 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

1306 (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the
1307 remaining difference described in Subsection (5)(a) shall be deposited each year into the Water
1308 Rights Restricted Account created by Section 73-2-1.6.

1309 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a),
1310 each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account
1311 created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the
1312 transactions described in Subsection (1) for the fiscal year.

1313 (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal
1314 year beginning on or after July 1, 2023, the commission shall deposit into the Transportation
1315 Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under
1316 Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

1317 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1318 (ii) the tax imposed by Subsection (2)(b)(i); and

1319 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

1320 (b) (i) As used in this Subsection (7)(b):

1321 (A) "Additional growth revenue" means the amount of relevant revenue collected in
1322 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
1323 previous fiscal year.

1324 (B) "Combined amount" means the combined total amount of money deposited into the
1325 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

1326 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
1327 Investment Fund created in Subsection 72-2-124(10).

1328 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
1329 equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iii).

1330 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
1331 reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by
1332 an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood
1333 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
1334 limit in Subsection (7)(b)(iii).

1335 (iii) The commission shall annually deposit the amount described in Subsection
1336 (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount
1337 for any single fiscal year of \$20,000,000.

1338 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
1339 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
1340 Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant
1341 revenue.

1342 (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
1343 2023, the commission shall annually reduce the deposit into the Transportation Investment
1344 Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:

1345 (A) the amount of revenue generated in the current fiscal year by the portion of taxes
1346 listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described
1347 in Subsections (7)(a)(i) through (iv);

1348 (B) the amount of revenue generated in the current fiscal year by registration fees
1349 designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund
1350 of 2005; and

1351 (C) revenues transferred by the Division of Finance to the Transportation Investment
1352 Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.

1353 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
1354 given fiscal year.

1355 (iii) The commission shall annually deposit the amount described in Subsection
1356 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).

1357 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
1358 Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or

1359 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
1360 Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a)
1361 in an amount equal to 3.68% of the revenues collected from the following taxes:

- 1362 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 1363 (ii) the tax imposed by Subsection (2)(b)(i); and
- 1364 (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).

1365 (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually
1366 reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by
1367 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by
1368 the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale
1369 or use in this state that exceeds 29.4 cents per gallon.

1370 (c) The commission shall annually deposit the amount described in Subsection (8)(b)
1371 into the Transit Transportation Investment Fund created in Section 72-2-124.

1372 (d) (i) As used in this Subsection (8)(d):

1373 (A) "Additional growth revenue" means the amount of relevant revenue collected in
1374 the current fiscal year that exceeds by more than 3% the relevant revenue collected in the
1375 previous fiscal year.

1376 (B) "Combined amount" means the combined total amount of money deposited into the
1377 Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.

1378 (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation
1379 Investment Fund created in Subsection 72-2-124(10).

1380 (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that
1381 equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through
1382 (iii).

1383 (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually
1384 reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by
1385 an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood
1386 Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the
1387 limit in Subsection (8)(d)(iii).

1388 (iii) The commission shall annually deposit the amount described in Subsection
1389 (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount

1390 for any single fiscal year of \$20,000,000.

1391 (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous
1392 fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood
1393 Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant
1394 revenue.

1395 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1396 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
1397 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1398 (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
1399 fiscal year during which the commission receives notice under Section 63N-2-510 that
1400 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission
1401 shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by
1402 the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in
1403 Section 63N-2-512.

1404 (11) (a) The rate specified in this subsection is 0.15%.

1405 (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
1406 beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the
1407 rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax
1408 under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.

1409 (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
1410 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit
1411 solely for use of the Search and Rescue Financial Assistance Program created in, and expended
1412 in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

1413 (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall
1414 annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund
1415 of 2005 under Subsections (7) and (8) to the General Fund.

1416 (b) If the total revenue deposited into the Transportation Investment Fund of 2005
1417 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall
1418 transfer the total revenue deposited into the Transportation Investment Fund of 2005 under
1419 Subsections (7) and (8) during the fiscal year to the General Fund.

1420 (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610,

1421 beginning the first day of the calendar quarter one year after the sales and use tax boundary for
1422 a housing and transit reinvestment zone is established, the commission, at least annually, shall
1423 transfer an amount equal to 15% of the sales and use tax increment within an established sales
1424 and use tax boundary, as defined in Section [63N-3-602](#), into the Transit Transportation
1425 Investment Fund created in Section [72-2-124](#).

1426 (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year
1427 beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure
1428 Restricted Account, created in Section [51-9-902](#), a portion of the taxes listed under Subsection
1429 (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:

1430 (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

1431 (b) the tax imposed by Subsection (2)(b)(i); and

1432 (c) the tax imposed by Subsection (2)(f)(i)(A)(I).

1433 (16) (a) As used in this Subsection (16):

1434 (i) "Additional land" means point of the mountain state land described in Subsection
1435 [11-59-102\(6\)\(b\)](#) that the point of the mountain authority acquires after the point of the
1436 mountain authority provides the commission a map under Subsection (16)c).

1437 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
1438 Authority, created in Section [11-59-201](#).

1439 (iii) "Point of the mountain state land" means the same as that term is defined in
1440 Section [11-59-102](#).

1441 (b) Notwithstanding Subsection (3)(a), the commission shall distribute to the point of
1442 the mountain authority 50% of the revenue from the sales and use tax imposed by Subsection
1443 (2)(a)(i)(A) at a 4.7% rate, on transactions occurring on the point of the mountain state land.

1444 (c) The distribution under Subsection (16)(b) shall begin the next calendar quarter that
1445 begins at least 90 days after the point of the mountain authority provides the commission a map
1446 that:

1447 (i) accurately describes the point of the mountain state land; and

1448 (ii) the point of the mountain authority certifies as accurate.

1449 (d) A distribution under Subsection (16)(b) with respect to additional land shall begin
1450 the next calendar quarter that begins at least 90 days after the point of the mountain authority
1451 provides the commission a map of point of the mountain state land that:

1452 (i) accurately describes the point of the mountain state land, including the additional
1453 land; and

1454 (ii) the point of the mountain authority certifies as accurate.

1455 (e) (i) Upon the payment in full of bonds secured by the sales and use tax revenue
1456 distributed to the point of the mountain authority under Subsection (16)(b), the point of the
1457 mountain authority shall immediately notify the commission in writing that the bonds are paid
1458 in full.

1459 (ii) The commission shall discontinue distributions of sales and use tax revenue under
1460 Subsection (16)(b) at the beginning of the calendar quarter ~~H~~→ **[immediately following]** **that begins**
1460a **at least 90 days after** ←~~H~~ the date that
1461 the commission receives the written notice under Subsection (16)(e)(i).

1462 Section 13. **Effective date.**

1463 (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.

1464 (2) The actions affecting Section [59-12-103](#) (Contingently Effective 01/01/25)
1465 contingently take effect on January 1, 2025.