{deleted text} shows text that was in SB0198S02 but was deleted in SB0198S03.

inserted text shows text that was not in SB0198S02 but was inserted into SB0198S03.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

{Senator Jerry W. Stevenson} 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;
- <u>modifies a provision relating to an annual assessment the Authority is authorized to levy on leased property;</u>

- enacts provisions relating to bonds issued by the Authority;
- modifies provisions relating to limitations on Authority board members; and
- provides for a portion of <u>state</u> sales tax revenue generated from point of the mountain state land to be paid to the Authority <u>until bonds secured by the revenue</u> are paid.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

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

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

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

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

59-12-103 (Contingently Superseded 01/01/25), as last amended by Laws of Utah 2023, Chapters 22, 213, 329, 361, and 471

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

{ 63I-1-211, as last amended by Laws of Utah 2020, Chapter 334

ENACTS:

11-59-601, Utah Code Annotated 1953

11-59-602, Utah Code Annotated 1953

11-59-603, Utah Code Annotated 1953

11-59-604, Utah Code Annotated 1953

11-59-605, Utah Code Annotated 1953

11-59-606, Utah Code Annotated 1953

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

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

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

As used in this chapter:

- (1) "Authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.
 - (2) "Board" means the authority's board, created in Section 11-59-301.
 - (3) "Development":
- (a) means the construction, reconstruction, modification, expansion, or improvement of a building, utility, infrastructure, landscape, parking lot, park, trail, recreational amenity, or other facility, including:
- (i) the demolition or preservation or repurposing of a building, infrastructure, or other facility;
- (ii) surveying, testing, locating existing utilities and other infrastructure, and other preliminary site work; and
 - (iii) any associated planning, design, engineering, and related activities; and
 - (b) includes all activities associated with:
 - (i) marketing and business recruiting activities and efforts;
- (ii) leasing, or selling or otherwise disposing of, all or any part of the point of the mountain state land; and
- (iii) planning and funding for mass transit infrastructure to service the point of the mountain state land.
- (4) "Facilities division" means the Division of Facilities Construction and Management, created in Section 63A-5b-301.
- (5) "New correctional facility" means the state correctional facility being developed in Salt Lake City to replace the state correctional facility in Draper.
 - (6) "Point of the mountain state land" means:
- (a) the approximately 700 acres of state-owned land in Draper, including land used for the operation of a state correctional facility until completion of the new correctional facility and state-owned land in the vicinity of the current state correctional facility[:]; and
 - (b) any land, in addition to the land described in Subsection (6)(a), that:
 - (i) the authority acquires; and
 - (ii) is contiguous to the land described in Subsection (6)(a).
 - (7) "Public entity" means:

- (a) the state, including each department, division, or other agency of the state; or
- (b) a county, city, town, metro township, school district, special district, special service district, interlocal cooperation entity, community reinvestment agency, or other political subdivision of the state, including the authority.
 - (8) "Publicly owned infrastructure and improvements":
 - (a) means infrastructure, improvements, facilities, or buildings that:
 - (i) benefit the public; and
 - (ii) (A) are owned by a public entity or a utility; or
 - (B) are publicly maintained or operated by a public entity; and
 - (b) includes:
 - (i) facilities, lines, or systems that provide:
 - (A) water, chilled water, or steam; or
- (B) sewer, storm drainage, natural gas, electricity, energy storage, renewable energy, microgrids, or telecommunications service;
- (ii) streets, roads, curb, gutter, sidewalk, walkways, solid waste facilities, parking facilities, and public transportation facilities; and
 - (iii) greenspace, parks, trails, recreational amenities, or other similar facilities.
 - (9) "Taxing entity" means the same as that term is defined in Section 59-2-102.

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

11-59-202. Authority powers.

- [(1)] The authority may:
- [(a)] (1) as provided in this chapter, plan, manage, and implement the development of the point of the mountain state land, including the ongoing operation of facilities on the point of the mountain state land;
- [(b)] (2) undertake, or engage a consultant to undertake, any study, effort, or activity the board considers appropriate to assist or inform the board about any aspect of the proposed development of the point of the mountain state land, including the best development model and financial projections relevant to the authority's efforts to fulfill its duties and responsibilities under this section and Section 11-59-203;
 - [(e)] (3) sue and be sued;
 - [(d)] (4) enter into contracts generally, including a contract for the sharing of records

under Section 63G-2-206;

- [(e)] (5) buy, obtain an option upon, or otherwise acquire any interest in real or personal property, as necessary to accomplish the duties and responsibilities of the authority, including an interest in real property, apart from point of the mountain state land, or personal property, outside point of the mountain state land, for publicly owned infrastructure and improvements, if the board considers the purchase, option, or other interest acquisition to be necessary for fulfilling the authority's development objectives;
- [(f)] (6) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property;
- [(g)] (7) enter into a lease agreement on real or personal property, either as lessee or lessor;
- [(h)] (8) provide for the development of the point of the mountain state land under one or more contracts, including the development of publicly owned infrastructure and improvements and other infrastructure and improvements on or related to the point of the mountain state land;
- [(i)] (9) exercise powers and perform functions under a contract, as authorized in the contract;
- [(j)] (10) accept financial or other assistance from any public or private source for the authority's activities, powers, and duties, and expend any funds so received for any of the purposes of this chapter;
- [(k)] (11) borrow money, contract with, or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this chapter and comply with any conditions of the loan, contract, or assistance;
- [(1)] (12) subject to [Subsection (2)] Part 6, Authority Bonds, issue bonds to finance the undertaking of any development objectives of the authority[, including];
- (13) issue bonds under Title 11, Chapter 17, Utah Industrial Facilities and Development Act, and [bonds] under Title 11, Chapter 42, Assessment Area Act;
- [(m)] (14) hire employees, including contract employees, in addition to or in place of staff provided under Section 11-59-304;
- [(n)] (15) transact other business and exercise all other powers provided for in this chapter;

- [(o)] (16) enter into a development agreement with a developer of some or all of the point of the mountain state land;
- [(p)] (17) provide for or finance an energy efficiency upgrade, a renewable energy system, or electric vehicle charging infrastructure as defined in Section 11-42a-102, in accordance with Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act;
- [(q)] (18) exercise powers and perform functions that the authority is authorized by statute to exercise or perform;
- [(r)] (19) enter into one or more interlocal agreements under Title 11, Chapter 13, Interlocal Cooperation Act, with one or more local government entities for the delivery of services to the point of the mountain state land;
- [(s)] (20) enter into an agreement with the federal government or an agency of the federal government, as the board considers necessary or advisable, to enable or assist the authority to exercise its powers or fulfill its duties and responsibilities under this chapter;
- [(t)] (21) provide funding for the development of publicly owned infrastructure and improvements or other infrastructure and improvements on or related to the point of the mountain state land; and
- [(u)] (22) impose impact fees under Title 11, Chapter 36a, Impact Fees Act, and other fees related to development activities.
 - [(2) The authority may not issue bonds under this part unless the board first:]
 - (a) adopts a parameters resolution for the bonds that sets forth:
 - [(i) the maximum:]
 - [(A) amount of bonds;]
 - [(B) term; and]
 - [(C) interest rate; and]
 - (ii) the expected security for the bonds; and
- [(b) submits the parameters resolution for review and recommendation to the State Finance Review Commission created in Section 63C-25-201.]
- [(3) No later than 60 days after the closing day of any bonds, the authority shall report the bonds issuance, including the amount of the bonds, terms, interest rate, and security, to:]
 - [(a) the Executive Appropriations Committee; and]
 - [(b) the State Finance Review Commission created in Section 63C-25-201.]

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

11-59-207. Annual {fee in lieu of}assessment on leased property{tax}.

- (1) As used in this section:
- (a) "Annual [fee] assessment" means [a fee] an assessment:
- (i) that is levied and collected each year, as provided in this section; and
- (ii) in an amount that is the equivalent of the cumulative real property tax that would be levied and collected on leased property by all taxing entities if the leased property were not exempt property.
- (b) "Exempt property" means real property that is exempt from ad valorem property tax because the real property is owned by the state.
- (c) "Lease agreement" means an agreement by which a private person leases from the state real property that is part of the point of the mountain state land.
 - (d) (i) "Leased property" means real property that:
 - (A) is part of the point of the mountain state land;
 - (B) is leased by a private person; and
- (C) would be subject to ad valorem property tax if the real property were owned by the private person.
- (ii) "Leased property" includes attachments and other improvements to the real property that would be included in an assessment of the value of the real property if the real property were not exempt property.
- (e) "Leased property value" means the value that leased property would have if the leased property were subject to ad valorem property tax.
- (f) "Lessee" means a private person that leases property that is part of the point of the mountain state land under a lease agreement.
- (2) Beginning January 1 of the year immediately following the execution of a lease agreement, a lessee under the lease agreement shall pay an annual [fee] assessment with respect to the leased property that is the subject of the lease agreement.
 - (3) In a county in which the point of the mountain state land is located:
- (a) the county assessor shall determine the leased property value of leased property that is subject to an annual [fee] assessment as though the leased property were subject to ad valorem property tax;

- (b) the county treasurer shall collect an annual [fee] assessment in the same way and at the same time that the treasurer would collect ad valorem property tax on the leased property if the leased property were subject to ad valorem property tax;
- (c) the county may retain an administrative fee for collecting and distributing the annual [fee] assessment in the same amount that would apply if the leased property were not exempt property; and
- (d) the county treasurer shall distribute to the authority all revenue from an annual [fee] assessment on leased property in the same way and at the same time as the treasurer distributes ad valorem property tax revenue to taxing entities in accordance with Section 59-2-1365.
- (4) Leased property is not subject to a privilege tax under Title 59, Chapter 4, Privilege Tax.

Section $\frac{3}{4}$. Section 11-59-306 is amended to read:

11-59-306. Limitations on board members.

- (1) As used in this section:
- (a) "Designated individual" means an individual:
- (i) (A) who is a member of the Senate or House of Representatives;
- (B) who has been appointed as a member of the board under Subsection 11-59-302(2)(a) or (b); and
- (C) whose legislative district includes some or all of the point of the mountain state land; or
- (ii) who is designated to serve as a board member under Subsection 11-59-302(2)(e) or (f).
 - (b) "Direct financial benefit":
- (i) means any form of financial benefit that accrues to an individual directly as a result of the development of the point of the mountain state land, including:
- (A) compensation, commission, or any other form of a payment or increase of money; and
 - (B) an increase in the value of a business or property; and
- (ii) does not include a financial benefit that accrues to the public generally as a result of the development of the point of the mountain state land.
 - (c) "Family member" means a parent, spouse, sibling, child, or grandchild.

- (d) (i) "Interest in real property" means every type of real property interest, whether recorded or unrecorded, including:
 - [(i)] (A) a legal or equitable interest;
 - [(ii)] (B) an option on real property;
 - [(iii)] (C) an interest under a contract;
 - [(iv)] (D) fee simple ownership;
- [(v)] (E) ownership as a tenant in common or in joint tenancy or another joint ownership arrangement;
- [(vi)] (F) ownership through a partnership, limited liability company, or corporation that holds title to a real property interest in the name of the partnership, limited liability company, or corporation;
 - [(vii)] (G) leasehold interest; and
 - [(viii)] (H) any other real property interest that is capable of being owned.
 - (ii) "Interest in real property" does not include:
- (A) an interest in a personal residence in which the individual resides or, in the case of an intended future acquisition, intends to reside; or
- (B) an interest as a tenant paying market-rate rent in a building that is located on point of the mountain state land.
 - (2) An individual may not serve as a member of the board if:
- (a) subject to Subsection (5) for a designated individual, the individual owns an interest in real property[, other than a personal residence in which the individual resides,] on or within five miles of the point of the mountain state land;
- (b) a family member of the individual owns an interest in real property[, other than a personal residence in which the family member resides,] located on or within one-half mile of the point of the mountain state land;
- (c) the individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a firm, company, or other entity that the individual reasonably believes is likely to participate in or receive compensation or other direct financial benefit from the development of the point of the mountain state land; or
- (d) the individual or a family member of the individual receives or is expected to receive a direct financial benefit.

- (3) (a) Before taking office as a board member, an individual shall submit to the authority a statement:
- (i) verifying that the individual's service as a board member does not violate Subsection (2); and
- (ii) for a designated individual, identifying any interest in real property[, other than a personal residence in which the individual resides,] located on or within five miles of the point of the mountain state land.
- (b) If a designated individual takes action, during the individual's service as a board member, to initiate, negotiate, or otherwise arrange for the acquisition of an interest in real property[, other than a personal residence in which the individual intends to live,] located on or within five miles of the point of the mountain state land, the designated individual shall submit a written statement to the board chair describing the action, the interest in real property that the designated individual intends to acquire, and the location of the real property.
- (4) Except for a board member who is a designated individual, a board member is disqualified from further service as a board member if the board member, at any time during the board member's service on the board, takes any action to initiate, negotiate, or otherwise arrange for the acquisition of an interest in real property[, other than a personal residence in which the member intends to reside,] located on or within five miles of the point of the mountain state land.
- (5) A designated individual who submits a written statement under Subsection (3)(a)(ii) or (b) may not serve or continue to serve as a board member unless at least two-thirds of all other board members conclude that the designated individual's service as a board member does not and will not create a material conflict of interest impairing the ability of the designated individual to exercise fair and impartial judgment as a board member and to act in the best interests of the authority.
- (6) (a) The board may not allow a firm, company, or other entity to participate in planning, managing, or implementing the development of the point of the mountain state land if a board member or a family member of a board member owns an interest in, is directly affiliated with, or is an employee or officer of the firm, company, or other entity.
- (b) Before allowing a firm, company, or other entity to participate in planning, managing, or implementing the development of the point of the mountain state land, the board

may require the firm, company, or other entity to certify that no board member or family member of a board member owns an interest in, is directly affiliated with, or is an employee or officer of the firm, company, or other entity.

Section $\{4\}$ 5. Section 11-59-601 is enacted to read:

Part 6. Authority Bonds

- <u>11-59-601.</u> Resolution authorizing issuance of authority bonds -- Characteristics of bonds -- Notice.
 - (1) The authority may not issue bonds under this part unless the board first:
- (a) adopts a parameters resolution, as defined in Section 63C-25-101, for the bonds; and
- (b) submits the parameters resolution for review and recommendation to the State Finance Review Commission created in Section 63C-25-201.
- (2) (a) As provided in the authority resolution authorizing the issuance of bonds under this part or the trust indenture under which the bonds are issued, bonds issued under this part may be issued in one or more series and may be sold at public or private sale and in the manner provided in the resolution or indenture.
- (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest at the rate, be in the denomination and in the form, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be subject to the terms of redemption or tender, with or without premium, be payable in the medium of payment and at the place, and have other characteristics as provided in the authority resolution authorizing the issuance of the bonds or the trust indenture under which the bonds are issued.
- (3) Upon the board's adoption of a resolution providing for the issuance of bonds, the board may provide for the publication of the resolution:
- (a) for the area within the authority's boundaries, as a class A notice under Section 63G-30-102, for at least 30 days; and
 - (b) as required in Section 45-1-101.
- (4) In lieu of publishing the entire resolution, the board may publish notice of bonds that contains the information described in Subsection 11-14-316(2).
 - (5) For a period of 30 days after the publication, any person in interest may contest:
 - (a) the legality of the resolution or proceeding;

- (b) any bonds that may be authorized by the resolution or proceeding; or
- (c) any provisions made for the security and payment of the bonds.
- (6) (a) (i) A person may contest the matters set forth in Subsection (5) by filing a verified written complaint in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, within 30 days after the publication under Subsection (5).
- (ii) Notwithstanding Title 78B, Chapter 3a, Venue for Civil Actions, a person filing a complaint under Subsection (6)(a)(i) shall bring the action in the county in which the person resides if the action is brought in district court.
- (b) A person may not contest the matters set forth in Subsection (5), or the regularity, formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for contesting provided in Subsection (6)(a).
- (7) No later than 60 days after the closing day of any bonds, the authority shall report the bonds issuance, including the amount of the bonds, terms, interest rate, and security, to:
 - (a) the Executive Appropriations Committee; and
 - (b) the State Finance Review Commission created in Section 63C-25-201.

Section $\{5\}$ 6. Section 11-59-602 is enacted to read:

- <u>11-59-602.</u> Sources from which bonds may be payable -- Authority powers regarding bonds.
- (1) The principal and interest on bonds issued by the authority may be made payable from:
 - (a) the income and revenues of the projects financed with the proceeds of the bonds;
- (b) the income and revenues of certain designated projects whether or not they were financed in whole or in part with the proceeds of the bonds;
- (c) the income, proceeds, revenues, property, and funds the authority derives from or holds in connection with its undertaking and carrying out development of point of the mountain state land;
 - (d) revenue from an annual {fee}assessment under Section 11-59-207;
 - (e) authority revenues generally;
- (f) a contribution, loan, grant, or other financial assistance from the federal government or a public entity in aid of the authority; or
 - (g) funds derived from any combination of the methods listed in Subsections (1)(a)

through (f).

- (2) In connection with the issuance of authority bonds, the authority may:
- (a) pledge all or any part of its gross or net rents, fees, or revenues to which authority right then exists or may thereafter come into existence;
- (b) encumber by mortgage, deed of trust, or otherwise all or any part of authority real or personal property, then owned or thereafter acquired; and
- (c) make the covenants and take the action that may be necessary, convenient, or desirable to secure authority bonds, or, except as otherwise provided in this chapter, that will tend to make the bonds more marketable, even though the covenants or actions are not specifically enumerated in this chapter.

Section $\frac{\{6\}}{7}$. Section 11-59-603 is enacted to read:

11-59-603. Purchase of authority bonds.

- (1) Any {person} individual, firm, corporation, association, political subdivision of the state, or other entity or public or private officer may purchase bonds issued by an authority under this part with funds owned or controlled by the purchaser.
- (2) Nothing in this section may be construed to relieve a purchaser of authority bonds of any duty to exercise reasonable care in selecting and purchasing securities.

Section $\frac{7}{8}$. Section 11-59-604 is enacted to read:

<u>11-59-604.</u> Those executing bonds not personally liable -- Limitation of obligations under bond -- Negotiability.

- (1) A member of the board or other person executing an authority bond is not liable personally on the bond.
- (2) (a) A bond issued by the authority is not a general obligation or liability of the state or any political subdivision of the state and does not constitute a charge against the general credit or taxing powers of the state or any political subdivision of the state.
- (b) A bond issued by the authority is not payable out of any funds or properties other than those of the authority.
- (c) The state and political subdivisions of the state are not and may not be held liable on a bond issued by the authority.
- (d) A bond issued by the authority does not constitute indebtedness within the meaning of any constitutional or statutory debt limitation.

- (3) A bond issued by the authority under this part is fully negotiable.
- Section $\frac{8}{9}$. Section 11-59-605 is enacted to read:
- 11-59-605. Obligee rights -- Board may confer other rights.
- (1) In addition to all other rights that are conferred on an obligee of a bond issued by the authority under this part and subject to contractual restrictions binding on the obligee, an obligee may:
- (a) by mandamus, suit, action, or other proceeding, compel an authority and authority board, officers, agents, or employees to perform every term, provision, and covenant contained in any contract of the authority with or for the benefit of the obligee, and require the authority to carry out the covenants and agreements of the authority and to fulfill all duties imposed on the authority by this part; and
- (b) by suit, action, or proceeding in equity, enjoin any acts or things that may be unlawful or violate the rights of the obligee.
- (2) (a) (i) In a board resolution authorizing the issuance of bonds or in a trust indenture, mortgage, lease, or other contract, the board may confer upon an obligee holding or representing a specified amount in bonds, the rights described in Subsection (2)(b), to accrue upon the happening of an event or default prescribed in the resolution, indenture, mortgage, lease, or other contract, and to be exercised by suit, action, or proceeding in any court of competent jurisdiction.
 - (ii) The rights that the board may confer under Subsection (2)(a)(i) are the rights to:
- (A) cause possession of all or part of a development project to be surrendered to an obligee;
- (B) obtain the appointment of a receiver of all or part of an authority's development project and of the rents and profits from it; and
- (C) require the authority and its board and employees to account as if the authority and the board and employees were the trustees of an express trust.
- (b) If a receiver is appointed through the exercise of a right granted under Subsection (2)(a)(ii)(B), the receiver:
- (i) may enter and take possession of the development project or any part of it, operate and maintain it, and collect and receive all fees, rents, revenues, or other charges arising from it after the receiver's appointment; and

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

Section $\frac{9}{10}$. Section 11-59-606 is enacted to read:

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

- (1) A bond issued by the authority under this part is issued for an essential public and governmental purpose and is, together with interest on the bond and income from it, exempt from all state taxes except the corporate franchise tax.
- (2) The authority may purchase the authority's own bonds at a price that the board determines.
- (3) Nothing in this section limits the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the authority on its rents, fees, grants, properties, or revenues.

Section $\frac{\{10\}}{11}$. Section **59-12-103** (Contingently Superseded 01/01/25) is amended to read:

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

- (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:
 - (a) retail sales of tangible personal property made within the state;
 - (b) amounts paid for:
- (i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;
- (ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
 - (iii) an ancillary service associated with a:
 - (A) telecommunications service described in Subsection (1)(b)(i); or
 - (B) mobile telecommunications service described in Subsection (1)(b)(ii);
 - (c) sales of the following for commercial use:
 - (i) gas;
 - (ii) electricity;

- (iii) heat;
 (iv) coal;
- (v) fuel oil; or
- (vi) other fuels;
- (d) sales of the following for residential use:
- (i) gas;
- (ii) electricity;
- (iii) heat;
- (iv) coal;
- (v) fuel oil; or
- (vi) other fuels;
- (e) sales of prepared food;
- (f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;
- (g) amounts paid or charged for services for repairs or renovations of tangible personal property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
 - (i) the tangible personal property; and
- (ii) parts used in the repairs or renovations of the tangible personal property described in Subsection (1)(g)(i), regardless of whether:
- (A) any parts are actually used in the repairs or renovations of that tangible personal property; or
- (B) the particular parts used in the repairs or renovations of that tangible personal property are exempt from a tax under this chapter;
 - (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for

assisted cleaning or washing of tangible personal property;

- (i) amounts paid or charged for tourist home, hotel, motel, or trailer court accommodations and services that are regularly rented for less than 30 consecutive days;
 - (j) amounts paid or charged for laundry or dry cleaning services;
- (k) amounts paid or charged for leases or rentals of tangible personal property if within this state the tangible personal property is:
 - (i) stored;
 - (ii) used; or
 - (iii) otherwise consumed;
- (l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:
 - (i) stored;
 - (ii) used; or
 - (iii) consumed;
 - (m) amounts paid or charged for a sale:
 - (i) (A) of a product transferred electronically; or
 - (B) of a repair or renovation of a product transferred electronically; and
 - (ii) regardless of whether the sale provides:
 - (A) a right of permanent use of the product; or
 - (B) a right to use the product that is less than a permanent use, including a right:
 - (I) for a definite or specified length of time; and
 - (II) that terminates upon the occurrence of a condition; and
- (n) sales of leased tangible personal property from the lessor to the lessee made in the state.
- (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:
 - (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - (A) 4.70% plus the rate specified in Subsection (11)(a); and
- (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional

State Sales and Use Tax Act; and

- (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:
 - (i) a state tax imposed on the transaction at a tax rate of 2%; and
- (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:
- (i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and
- (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.
- (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.
- (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.
- (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.
- (C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.

- (D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.
 - (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).
- (B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction imposed on the shared vehicle owner.
- (iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.
- (v) [(A)] A car-sharing program is not required to list or otherwise identify an individual-owned shared vehicle on a return or an attachment to a return.
 - (vi) A car-sharing program shall:
 - (A) retain tax information for each car-sharing program transaction; and
- (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the commission's request.
- (f) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:
 - (A) a state tax imposed on the entire bundled transaction equal to the sum of:
 - (I) the tax rate described in Subsection (2)(a)(i)(A); and
- (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and
- (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections

- 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).
- (ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.
- (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):
- (A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:
- (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or
 - (II) state or federal law provides otherwise; or
- (B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:
- (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or
 - (II) state or federal law provides otherwise.
- (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a

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

- (A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or
- (B) is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.
 - (ii) A purchaser and a seller may correct the taxability of a transaction if:
- (A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and
- (B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.
- (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (h) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:
- (A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or
- (B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.
- (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular

course of business for nontax purposes.

- (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:
 - (i) Subsection (2)(a)(i)(A);
 - (ii) Subsection (2)(b)(i);
 - (iii) Subsection (2)(c)(i); or
 - (iv) Subsection (2)(f)(i)(A)(I).
- (j) (i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:
 - (A) Subsection (2)(a)(i)(A);
 - (B) Subsection (2)(b)(i);
 - (C) Subsection (2)(c)(i); or
 - (D) Subsection (2)(f)(i)(A)(I).
- (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:
 - (A) Subsection (2)(a)(i)(A);
 - (B) Subsection (2)(b)(i);
 - (C) Subsection (2)(c)(i); or
 - (D) Subsection (2)(f)(i)(A)(I).
- (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:
 - (A) on the first day of a calendar quarter; and
 - (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
 - (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
 - (A) Subsection (2)(a)(i)(A);
 - (B) Subsection (2)(b)(i);
 - (C) Subsection (2)(c)(i); or
 - (D) Subsection (2)(f)(i)(A)(I).

- (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."
- (l) (i) For a location described in Subsection (2)(l)(ii), the commission shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.
- (ii) Subsection (2)(1)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:
 - (A) a commercial use;
 - (B) an industrial use; or
 - (C) a residential use.
 - (3) (a) The following state taxes shall be deposited into the General Fund:
 - (i) the tax imposed by Subsection (2)(a)(i)(A);
 - (ii) the tax imposed by Subsection (2)(b)(i);
 - (iii) the tax imposed by Subsection (2)(c)(i); and
 - (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- (b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:
 - (i) the tax imposed by Subsection (2)(a)(ii);
 - (ii) the tax imposed by Subsection (2)(b)(ii);
 - (iii) the tax imposed by Subsection (2)(c)(ii); and
 - (iv) the tax imposed by Subsection (2)(f)(i)(B).
- (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.
- (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):
 - (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (B) for the fiscal year; or
 - (ii) \$17,500,000.
 - (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Department of Natural Resources to:

- (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or
- (B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
- (ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
 - (iii) At the end of each fiscal year:
- (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
- (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.
- (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.
 - (ii) At the end of each fiscal year:
- (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
- (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
 - (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the

Drinking Water Loan Program Subaccount created in Section 73-10c-5.

- (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.
- (ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:
- (A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;
 - (B) fund state required dam safety improvements; and
- (C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.
- (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.
- (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
- (i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
 - (ii) develop underground sources of water, including springs and wells; and
 - (iii) develop surface water sources.
- (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:
- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (ii) \$17,500,000.

- (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
- (A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and
- (B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.
- (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
- (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:
- (A) transferred each fiscal year to the Division of Water Resources as designated sales and use tax revenue; and
- (B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.
- (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
- (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:
 - (i) preconstruction costs:
- (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and
- (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;
- (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
 - (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and

Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

- (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the remaining difference described in Subsection (5)(a) shall be deposited each year into the Water Rights Restricted Account created by Section 73-2-1.6.
- (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year.
- (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:
 - (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
 - (ii) the tax imposed by Subsection (2)(b)(i);
 - (iii) the tax imposed by Subsection (2)(c)(i); and
 - (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
 - (b) (i) As used in this Subsection (7)(b):
- (A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.
- (B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.
- (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).
- (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv).
- (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (7)(b)(iii).

- (iii) The commission shall annually deposit the amount described in Subsection (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.
- (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant revenue.
- (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1, 2023, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:
- (A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);
- (B) the amount of revenue generated in the current fiscal year by registration fees designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund of 2005; and
- (C) revenues transferred by the Division of Finance to the Transportation Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.
- (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a given fiscal year.
- (iii) The commission shall annually deposit the amount described in Subsection (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).
- (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:
 - (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
 - (ii) the tax imposed by Subsection (2)(b)(i);
 - (iii) the tax imposed by Subsection (2)(c)(i); and
 - (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

- (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.
- (c) The commission shall annually deposit the amount described in Subsection (8)(b) into the Transit Transportation Investment Fund created in Section 72-2-124.
 - (d) (i) As used in this Subsection (8)(d):
- (A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.
- (B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.
- (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).
- (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through (iv).
- (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (8)(d)(iii).
- (iii) The commission shall annually deposit the amount described in Subsection (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.
- (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant revenue.
 - (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year

- 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.
 - (11) (a) The rate specified in this subsection is 0.15%.
- (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.
- (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.
- (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.
- (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall transfer the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the General Fund.
- (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.
 - (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year

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

- (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (b) the tax imposed by Subsection (2)(b)(i);
- (c) the tax imposed by Subsection (2)(c)(i); and
- (d) the tax imposed by Subsection (2)(f)(i)(A)(I).
- (16) (a) As used in this Subsection (16):
- (i) "Additional land" means point of the mountain state land described in Subsection 11-59-102(6)(b) that the point of the mountain authority acquires after the point of the mountain authority provides the commission a map under Subsection (16)c).
- (ii) "Point of the mountain authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.
- (iii) "Point of the mountain state land" means the same as that term is defined in Section 11-59-102.
- (b) Notwithstanding Subsection (3)(a), the commission shall \{\frac{\tansfer}{\tansfer}\}\distribute}\) to the point of the mountain authority \(\frac{\(\frac{64\%}{\chi}\)}{\(\frac{50\%}{\chi}\)}\) of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7\% rate, on transactions occurring on the point of the mountain state land.
- (c) The \{\tansfer\}\distribution\ under Subsection (16)(b) shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map that:
 - (i) accurately describes the point of the mountain state land; and
 - (ii) the point of the mountain authority certifies as accurate.
- (d) A {transfer} distribution under Subsection (16)(b) with respect to additional land shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map of point of the mountain state land that:
- (i) accurately describes the point of the mountain state land, including the additional land; and
 - (ii) the point of the mountain authority certifies as accurate.
 - (e) (i) Upon the payment in full of bonds secured by the sales and use tax revenue

distributed to the point of the mountain authority under Subsection (16)(b), the point of the mountain authority shall immediately notify the commission in writing that the bonds are paid in full.

(ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection (16)(b) at the beginning of the calendar quarter immediately following the date that the commission receives the written notice under Subsection (16)(e)(i).

Section $\frac{\{11\}}{12}$. Section 59-12-103 (Contingently Effective 01/01/25) is amended to read:

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

- (1) A tax is imposed on the purchaser as provided in this part on the purchase price or sales price for amounts paid or charged for the following transactions:
 - (a) retail sales of tangible personal property made within the state;
 - (b) amounts paid for:
- (i) telecommunications service, other than mobile telecommunications service, that originates and terminates within the boundaries of this state;
- (ii) mobile telecommunications service that originates and terminates within the boundaries of one state only to the extent permitted by the Mobile Telecommunications Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
 - (iii) an ancillary service associated with a:
 - (A) telecommunications service described in Subsection (1)(b)(i); or
 - (B) mobile telecommunications service described in Subsection (1)(b)(ii);
 - (c) sales of the following for commercial use:
 - (i) gas;
 - (ii) electricity;
 - (iii) heat;
 - (iv) coal;
 - (v) fuel oil; or
 - (vi) other fuels;
 - (d) sales of the following for residential use:
 - (i) gas;

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

- (i) stored;
- (ii) used; or
- (iii) otherwise consumed;
- (l) amounts paid or charged for tangible personal property if within this state the tangible personal property is:
 - (i) stored;
 - (ii) used; or
 - (iii) consumed;
 - (m) amounts paid or charged for a sale:
 - (i) (A) of a product transferred electronically; or
 - (B) of a repair or renovation of a product transferred electronically; and
 - (ii) regardless of whether the sale provides:
 - (A) a right of permanent use of the product; or
 - (B) a right to use the product that is less than a permanent use, including a right:
 - (I) for a definite or specified length of time; and
 - (II) that terminates upon the occurrence of a condition; and
- (n) sales of leased tangible personal property from the lessor to the lessee made in the state.
- (2) (a) Except as provided in Subsections (2)(b) through (f), a state tax and a local tax are imposed on a transaction described in Subsection (1) equal to the sum of:
 - (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
 - (A) 4.70% plus the rate specified in Subsection (11)(a); and
- (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and
- (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
 - (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

transaction under this chapter other than this part.

- (b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:
 - (i) a state tax imposed on the transaction at a tax rate of 2%; and
- (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.
- (c) (i) Except as provided in Subsection (2)(f) or (g), a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of the tax rates a county, city, or town imposes under this chapter on the amounts paid or charged for food or food ingredients.
- (ii) There is no state tax imposed on amounts paid or charged for food and food ingredients.
- (d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.
- (e) (i) (A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.
- (B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.
- (C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.
- (D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.
 - (ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.
- (iii) (A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).

- (B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction imposed on the shared vehicle owner.
- (iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.
- (v) [(A)] A car-sharing program is not required to list or otherwise identify an individual-owned shared vehicle on a return or an attachment to a return.
 - (vi) A car-sharing program shall:
 - (A) retain tax information for each car-sharing program transaction; and
- (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the commission's request.
- (f) (i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:
 - (A) a state tax imposed on the entire bundled transaction equal to the sum of:
 - (I) the tax rate described in Subsection (2)(a)(i)(A); and
- (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and
- (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).
- (ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract

is 40% taxable under this chapter and 60% nontaxable under this chapter.

- (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):
- (A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter and tangible personal property, a product, or service that is not subject to taxation under this chapter, the entire bundled transaction is subject to taxation under this chapter unless:
- (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is not subject to taxation under this chapter from the books and records the seller keeps in the seller's regular course of business; or
 - (II) state or federal law provides otherwise; or
- (B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:
- (I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or
 - (II) state or federal law provides otherwise.
- (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (g) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:
- (A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or
 - (B) is able to identify by reasonable and verifiable standards, from the books and

records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

- (ii) A purchaser and a seller may correct the taxability of a transaction if:
- (A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and
- (B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.
- (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (h) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:
- (A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or
- (B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.
- (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.
- (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:
 - (i) Subsection (2)(a)(i)(A);
 - (ii) Subsection (2)(b)(i); or
 - (iii) Subsection (2)(f)(i)(A)(I).
 - (j) (i) A tax rate increase takes effect on the first day of the first billing period that

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

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(b)(i); or
- (C) Subsection (2)(f)(i)(A)(I).
- (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:
 - (A) Subsection (2)(a)(i)(A);
 - (B) Subsection (2)(b)(i); or
 - (C) Subsection (2)(f)(i)(A)(I).
- (k) (i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:
 - (A) on the first day of a calendar quarter; and
 - (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
 - (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
 - (A) Subsection (2)(a)(i)(A);
 - (B) Subsection (2)(b)(i); or
 - (C) Subsection (2)(f)(i)(A)(I).
- (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."
- (1) (i) For a location described in Subsection (2)(1)(ii), the commission shall determine the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other fuel at the location.
- (ii) Subsection (2)(1)(i) applies to a location where gas, electricity, heat, coal, fuel oil, or other fuel is furnished through a single meter for two or more of the following uses:
 - (A) a commercial use;
 - (B) an industrial use; or
 - (C) a residential use.
 - (3) (a) The following state taxes shall be deposited into the General Fund:

- (i) the tax imposed by Subsection (2)(a)(i)(A);
- (ii) the tax imposed by Subsection (2)(b)(i); and
- (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).
- (b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:
 - (i) the tax imposed by Subsection (2)(a)(ii);
 - (ii) the tax imposed by Subsection (2)(b)(ii);
 - (iii) the tax imposed by Subsection (2)(c); and
 - (iv) the tax imposed by Subsection (2)(f)(i)(B).
- (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.
- (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):
 - (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (B) for the fiscal year; or
 - (ii) \$17,500,000.
- (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Department of Natural Resources to:
- (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or
- (B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
- (ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
 - (iii) At the end of each fiscal year:

- (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
- (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.
- (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.
 - (ii) At the end of each fiscal year:
- (A) 50% of any unexpended designated sales and use tax revenue shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;
- (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
- (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.
- (ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:
- (A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

- (B) fund state required dam safety improvements; and
- (C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.
- (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.
- (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
- (i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;
 - (ii) develop underground sources of water, including springs and wells; and
 - (iii) develop surface water sources.
- (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:
- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (ii) \$17,500,000.
 - (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
- (A) transferred each fiscal year to the Department of Natural Resources as designated sales and use tax revenue; and
- (B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.
- (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
- (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:
- (A) transferred each fiscal year to the Division of Water Resources as designated sales and use tax revenue; and

- (B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.
- (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use tax revenue described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.
- (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:
 - (i) preconstruction costs:
- (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and
- (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
- (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;
- (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and
- (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).
- (e) After making the transfers required by Subsections (5)(b) and (c), 15% of the remaining difference described in Subsection (5)(a) shall be deposited each year into the Water Rights Restricted Account created by Section 73-2-1.6.
- (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), each fiscal year, the commission shall deposit into the Water Infrastructure Restricted Account created in Section 73-10g-103 the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year.
- (7) (a) Notwithstanding Subsection (3)(a) and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1, 2023, the commission shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 17% of the revenue collected from the following sales and use taxes:

- (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (ii) the tax imposed by Subsection (2)(b)(i); and
- (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).
- (b) (i) As used in this Subsection (7)(b):
- (A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.
- (B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.
- (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation Investment Fund created in Subsection 72-2-124(10).
- (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 17% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iii).
- (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (7)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (7)(b) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (7)(b)(iii).
- (iii) The commission shall annually deposit the amount described in Subsection (7)(b)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.
- (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (7)(b) in the same proportion as the decline in relevant revenue.
- (c) (i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1, 2023, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is equal to 5% of:
- (A) the amount of revenue generated in the current fiscal year by the portion of taxes listed under Subsection (3)(a) that equals 20.68% of the revenue collected from taxes described in Subsections (7)(a)(i) through (iv);

- (B) the amount of revenue generated in the current fiscal year by registration fees designated under Section 41-1a-1201 to be deposited into the Transportation Investment Fund of 2005; and
- (C) revenues transferred by the Division of Finance to the Transportation Investment Fund of 2005 in accordance with Section 72-2-106 in the current fiscal year.
- (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a given fiscal year.
- (iii) The commission shall annually deposit the amount described in Subsection (7)(c)(i) into the Active Transportation Investment Fund created in Subsection 72-2-124(11).
- (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b) and (d)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:
 - (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
 - (ii) the tax imposed by Subsection (2)(b)(i); and
 - (iii) the tax imposed by Subsection (2)(f)(i)(A)(I).
- (b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.
- (c) The commission shall annually deposit the amount described in Subsection (8)(b) into the Transit Transportation Investment Fund created in Section 72-2-124.
 - (d) (i) As used in this Subsection (8)(d):
- (A) "Additional growth revenue" means the amount of relevant revenue collected in the current fiscal year that exceeds by more than 3% the relevant revenue collected in the previous fiscal year.
- (B) "Combined amount" means the combined total amount of money deposited into the Cottonwood Canyons fund under Subsections (7)(b)(iii) and (8)(d)(iii) in any single fiscal year.
 - (C) "Cottonwood Canyons fund" means the Cottonwood Canyons Transportation

Investment Fund created in Subsection 72-2-124(10).

- (D) "Relevant revenue" means the portion of taxes listed under Subsection (3)(a) that equals 3.68% of the revenue collected from taxes described in Subsections (8)(a)(i) through (iii).
- (ii) For a fiscal year beginning on or after July 1, 2020, the commission shall annually reduce the deposit under Subsection (8)(a) into the Transportation Investment Fund of 2005 by an amount equal to the amount of the deposit under this Subsection (8)(d) to the Cottonwood Canyons fund in the previous fiscal year plus 25% of additional growth revenue, subject to the limit in Subsection (8)(d)(iii).
- (iii) The commission shall annually deposit the amount described in Subsection (8)(d)(ii) into the Cottonwood Canyons fund, subject to an annual maximum combined amount for any single fiscal year of \$20,000,000.
- (iv) If the amount of relevant revenue declines in a fiscal year compared to the previous fiscal year, the commission shall decrease the amount of the contribution to the Cottonwood Canyons fund under this Subsection (8)(d) in the same proportion as the decline in relevant revenue.
- (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.
- (10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.
 - (11) (a) The rate specified in this subsection is 0.15%.
- (b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid Expansion Fund created in Section 26B-1-315.
 - (12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year

- 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.
- (13) (a) For each fiscal year beginning with fiscal year 2020-21, the commission shall annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.
- (b) If the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall transfer the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the General Fund.
- (14) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.
- (15) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenues collected from the following sales and use taxes:
 - (a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
 - (b) the tax imposed by Subsection (2)(b)(i); and
 - (c) the tax imposed by Subsection (2)(f)(i)(A)(I).
 - (16) (a) As used in this Subsection (16):
- (i) "Additional land" means point of the mountain state land described in Subsection 11-59-102(6)(b) that the point of the mountain authority acquires after the point of the mountain authority provides the commission a map under Subsection (16)c).
- (ii) "Point of the mountain authority" means the Point of the Mountain State Land Authority, created in Section 11-59-201.
- (iii) "Point of the mountain state land" means the same as that term is defined in Section 11-59-102.

- (b) Notwithstanding Subsection (3)(a), the commission shall \{\text{transfer}\}\distribute\) to the point of the mountain authority \(\frac{64\%}{50\%}\) of the revenue from the sales and use tax imposed by Subsection (2)(a)(i)(A) at a 4.7\% rate, on transactions occurring on the point of the mountain state land.
- (c) The {transfer} distribution under Subsection (16)(b) shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map that:
 - (i) accurately describes the point of the mountain state land; and
 - (ii) the point of the mountain authority certifies as accurate.
- (d) A {transfer}distribution under Subsection (16)(b) with respect to additional land shall begin the next calendar quarter that begins at least 90 days after the point of the mountain authority provides the commission a map of point of the mountain state land that:
- (i) accurately describes the point of the mountain state land, including the additional land; and
 - (ii) the point of the mountain authority certifies as accurate.

{Section 12. Section 63I-1-211 is amended to read:

63I-1-211. Repeal dates: Title 11.

Title 11, Chapter 59, Point of the Mountain State Land Authority Act, is repealed

January 1, 2029.}(e) (i) Upon the payment in full of bonds secured by the sales and use tax

revenue distributed to the point of the mountain authority under Subsection (16)(b), the point

of the mountain authority shall immediately notify the commission in writing that the bonds are

paid in full.

(ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection (16)(b) at the beginning of the calendar quarter immediately following the date that the commission receives the written notice under Subsection (16)(e)(i).

Section 13. Effective date.

- (1) Except as provided in Subsection (2), this bill takes effect on May 1, 2024.
- (2) The actions affecting Section 59-12-103 (Contingently Effective 01/01/25) contingently take effect on January 1, 2025.