

1                                   **INFRASTRUCTURE FUNDING AMENDMENTS**

2   2016 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: J. Stuart Adams**

5   House Sponsor: Lee B. Perry

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7 **LONG TITLE**

8 **General Description:**

9           This bill modifies provisions relating to infrastructure funding.

10 **Highlighted Provisions:**

11           This bill:

- 12           ▶ modifies state sales and use tax earmarks;
- 13           ▶ requires the Division of Finance to annually transfer a certain amount of revenue
- 14 from the Transportation Fund to the Transportation Investment Fund of 2005; and
- 15           ▶ makes technical and conforming changes.

16 **Money Appropriated in this Bill:**

17           This bill appropriates in fiscal year 2016-17:

- 18           ▶ to Transportation - Transportation Investment Fund of 2005, as an ongoing
- 19 appropriation:
- 20           • from the Transportation Fund, (\$76,633,600).

21 **Other Special Clauses:**

22           This bill provides a special effective date.

23           This bill provides a coordination clause.

24 **Utah Code Sections Affected:**

25 AMENDS:

26           **59-12-103**, as last amended by Laws of Utah 2015, Chapter 283

27           **59-12-1201**, as last amended by Laws of Utah 2012, Chapter 121

28           **63N-2-512**, as last amended by Laws of Utah 2015, Chapter 417 and renumbered and  
29 amended by Laws of Utah 2015, Chapter 283

30 **72-2-106**, as last amended by Laws of Utah 2010, Chapter 278

31 **72-2-107**, as last amended by Laws of Utah 2010, Chapter 391

32 **72-2-124**, as last amended by Laws of Utah 2015, Chapter 421

33 **Utah Code Sections Affected by Coordination Clause:**

34 **59-12-103**, as last amended by Laws of Utah 2015, Chapter 283



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

37 Section 1. Section **59-12-103** is amended to read:

38 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
39 **tax revenues.**

40 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or  
41 charged for the following transactions:

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

43 (b) amounts paid for:

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

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

49 (iii) an ancillary service associated with a:

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

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

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

53 (i) gas;

54 (ii) electricity;

55 (iii) heat;

56 (iv) coal;

57 (v) fuel oil; or

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

86 assisted cleaning or washing of tangible personal property;

87 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court

88 accommodations and services that are regularly rented for less than 30 consecutive days;

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

90 (k) amounts paid or charged for leases or rentals of tangible personal property if within

91 this state the tangible personal property is:

92 (i) stored;

93 (ii) used; or

94 (iii) otherwise consumed;

95 (l) amounts paid or charged for tangible personal property if within this state the

96 tangible personal property is:

97 (i) stored;

98 (ii) used; or

99 (iii) consumed; and

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

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

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

103 (ii) regardless of whether the sale provides:

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

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

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

107 (II) that terminates upon the occurrence of a condition.

108 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax

109 is imposed on a transaction described in Subsection (1) equal to the sum of:

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

111 (A) 4.70%; and

112 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

113 and Use Tax Act, if the location of the transaction as determined under Sections [59-12-211](#)

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

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

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

122 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
123 on a transaction described in Subsection (1)(d) equal to the sum of:

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

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

127 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
128 on amounts paid or charged for food and food ingredients equal to the sum of:

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

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

133 (d) (i) For a bundled transaction that is attributable to food and food ingredients and  
134 tangible personal property other than food and food ingredients, a state tax and a local tax is  
135 imposed on the entire bundled transaction equal to the sum of:

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

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

138 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
139 Sales and Use Tax Act, if the location of the transaction as determined under Sections

140 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
141 Additional State Sales and Use Tax Act; and

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

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

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

152 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled  
153 transaction described in Subsection (2)(d)(i) or (ii):

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

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

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

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

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

169 (II) state or federal law provides otherwise.

170 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the  
171 seller's regular course of business includes books and records the seller keeps in the regular  
172 course of business for nontax purposes.

173 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
174 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
175 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
176 of tangible personal property, other property, a product, or a service that is not subject to  
177 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
178 the seller, at the time of the transaction:

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

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

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

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

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

192 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps  
193 in the seller's regular course of business includes books and records the seller keeps in the  
194 regular course of business for nontax purposes.

195 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible  
196 personal property, products, or services that are subject to taxation under this chapter at  
197 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate

198 unless the seller, at the time of the transaction:

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

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

204 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the  
205 seller's regular course of business includes books and records the seller keeps in the regular  
206 course of business for nontax purposes.

207 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax  
208 rate imposed under the following shall take effect on the first day of a calendar quarter:

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

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

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

212 (iv) Subsection (2)(d)(i)(A)(I).

213 (h) (i) A tax rate increase takes effect on the first day of the first billing period that  
214 begins on or after the effective date of the tax rate increase if the billing period for the  
215 transaction begins before the effective date of a tax rate increase imposed under:

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

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

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

219 (D) Subsection (2)(d)(i)(A)(I).

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

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

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

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



226 (D) Subsection (2)(d)(i)(A)(I).  
227 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is  
228 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or  
229 change in a tax rate takes effect:  
230 (A) on the first day of a calendar quarter; and  
231 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.  
232 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:  
233 (A) Subsection (2)(a)(i)(A);  
234 (B) Subsection (2)(b)(i);  
235 (C) Subsection (2)(c)(i); or  
236 (D) Subsection (2)(d)(i)(A)(I).  
237 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
238 the commission may by rule define the term "catalogue sale."  
239 (3) (a) The following state taxes shall be deposited into the General Fund:  
240 (i) the tax imposed by Subsection (2)(a)(i)(A);  
241 (ii) the tax imposed by Subsection (2)(b)(i);  
242 (iii) the tax imposed by Subsection (2)(c)(i); or  
243 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).  
244 (b) The following local taxes shall be distributed to a county, city, or town as provided  
245 in this chapter:  
246 (i) the tax imposed by Subsection (2)(a)(ii);  
247 (ii) the tax imposed by Subsection (2)(b)(ii);  
248 (iii) the tax imposed by Subsection (2)(c)(ii); and  
249 (iv) the tax imposed by Subsection (2)(d)(i)(B).  
250 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
251 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)  
252 through (g):  
253 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:

254 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and  
255 (B) for the fiscal year; or  
256 (ii) \$17,500,000.

257 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount  
258 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the  
259 Department of Natural Resources to:

260 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
261 protect sensitive plant and animal species; or  
262 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
263 act, to political subdivisions of the state to implement the measures described in Subsections  
264 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

270 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
271 Conservation and Development Fund created in Section 73-10-24;

272 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
273 Program Subaccount created in Section 73-10c-5; and

274 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
275 Program Subaccount created in Section 73-10c-5.

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

279 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
280 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
281 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of

282 water rights.

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

284 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
285 Conservation and Development Fund created in Section 73-10-24;

286 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
287 Program Subaccount created in Section 73-10c-5; and

288 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
289 Program Subaccount created in Section 73-10c-5.

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

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

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

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

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

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

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

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

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

313 (iii) develop surface water sources.

314 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
315 2006, the difference between the following amounts shall be expended as provided in this  
316 Subsection (5), if that difference is greater than \$1:

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

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

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

321 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
322 credits; and

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

325 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
326 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
327 created in Section 73-10-24.

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

330 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
331 credits; and

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

334 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
335 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
336 created in Section 73-10-24.

337 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the

338 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
339 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
340 Division of Water Resources for:

341 (i) preconstruction costs:

342 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
343 26, Bear River Development Act; and

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

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

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

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

352 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
353 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be  
354 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
355 incurred for employing additional technical staff for the administration of water rights.

356 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
357 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
358 Fund created in Section 73-10-24.

359 (6) Notwithstanding Subsection (3)(a)[, for a fiscal year beginning on or after July 1,  
360 2003,] and for taxes listed under Subsection (3)(a), the amount of revenue generated by a  
361 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be  
362 deposited [in the Transportation Fund created by Section 72-2-102.] as follows:

363 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)  
364 shall be deposited into the Transportation Investment Fund of 2005 created by Section  
365 72-2-124;

366           (b) for fiscal year 2017-18 only:  
367           (i) 80% of the revenue described in this Subsection (6) shall be deposited into the  
368 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and  
369           (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the  
370 Water Infrastructure Restricted Account created by Section [73-10g-103](#);  
371           (c) for fiscal year 2018-19 only:  
372           (i) 60% of the revenue described in this Subsection (6) shall be deposited into the  
373 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and  
374           (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the  
375 Water Infrastructure Restricted Account created by Section [73-10g-103](#);  
376           (d) for fiscal year 2019-20 only:  
377           (i) 40% of the revenue described in this Subsection (6) shall be deposited into the  
378 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and  
379           (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the  
380 Water Infrastructure Restricted Account created by Section [73-10g-103](#);  
381           (e) for fiscal year 2020-21 only:  
382           (i) 20% of the revenue described in this Subsection (6) shall be deposited into the  
383 Transportation Investment Fund of 2005 created by Section [72-2-124](#); and  
384           (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the  
385 Water Infrastructure Restricted Account created by Section [73-10g-103](#); and  
386           (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described  
387 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account  
388 created by Section [73-10g-103](#).  
389           ~~[(7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of~~  
390 ~~Finance shall deposit into the Transportation Investment Fund of 2005 created in Section~~  
391 ~~[72-2-124](#) a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated~~  
392 ~~by a 1/64% tax rate on the taxable transactions under Subsection (1).]~~  
393           ~~[(8)]~~ (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in

394 Subsection ~~[(7)]~~ (6), and subject to Subsection ~~[(8)]~~ (7)(b), for a fiscal year beginning on or  
395 after July 1, 2012, the Division of Finance shall deposit into the Transportation Investment  
396 Fund of 2005 created by Section 72-2-124:

397 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
398 the revenues collected from the following taxes, which represents a portion of the  
399 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
400 on vehicles and vehicle-related products:

- 401 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 402 (B) the tax imposed by Subsection (2)(b)(i);
- 403 (C) the tax imposed by Subsection (2)(c)(i); and
- 404 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

405 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
406 current fiscal year from the sales and use taxes described in Subsections ~~[(8)]~~ (7)(a)(i)(A)  
407 through (D) that exceeds the amount collected from the sales and use taxes described in  
408 Subsections ~~[(8)]~~ (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

409 (b) (i) Subject to Subsections ~~[(8)]~~ (7)(b)(ii) and (iii), in any fiscal year that the portion  
410 of the sales and use taxes deposited under Subsection ~~[(8)]~~ (7)(a) represents an amount that is a  
411 total lower percentage of the sales and use taxes described in Subsections ~~[(8)]~~ (7)(a)(i)(A)  
412 through (D) generated in the current fiscal year than the total percentage of sales and use taxes  
413 deposited in the previous fiscal year, the Division of Finance shall deposit an amount under  
414 Subsection ~~[(8)]~~ (7)(a) equal to the product of:

415 (A) the total percentage of sales and use taxes deposited under Subsection ~~[(8)]~~ (7)(a)  
416 in the previous fiscal year; and

417 (B) the total sales and use tax revenue generated by the taxes described in Subsections  
418 ~~[(8)]~~ (7)(a)(i)(A) through (D) in the current fiscal year.

419 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
420 Subsection ~~[(8)]~~ (7)(a) would exceed 17% of the revenues collected from the sales and use  
421 taxes described in Subsections ~~[(8)]~~ (7)(a)(i)(A) through (D) in the current fiscal year, the

422 Division of Finance shall deposit 17% of the revenues collected from the sales and use taxes  
 423 described in Subsections ~~[(8)]~~ (7)(a)(i)(A) through (D) for the current fiscal year under  
 424 Subsection ~~[(8)]~~ (7)(a).

425 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
 426 from the sales and use taxes described in Subsections ~~[(8)]~~ (7)(a)(i)(A) through (D) was  
 427 deposited under Subsection ~~[(8)]~~ (7)(a), the Division of Finance shall annually deposit 17% of  
 428 the revenues collected from the sales and use taxes described in Subsections ~~[(8)]~~ (7)(a)(i)(A)  
 429 through (D) in the current fiscal year under Subsection ~~[(8)]~~ (7)(a).

430 ~~[(9)]~~ (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts  
 431 deposited under ~~[Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012]~~  
 432 Subsections (6) and (7), for the 2016-17 and 2017-18 fiscal years only, the Division of Finance  
 433 shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under  
 434 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section  
 435 72-2-124.

436 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
 437 Subsections (6) and (7), for a fiscal year beginning on or after July 1, 2018, the Division of  
 438 Finance shall annually deposit into the Transportation Investment Fund of 2005 created by  
 439 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to  
 440 3.68% of the revenues collected from the following taxes:

- 441 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 442 (ii) the tax imposed by Subsection (2)(b)(i);
- 443 (iii) the tax imposed by Subsection (2)(c)(i); and
- 444 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

445 ~~[(10)]~~ (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal  
 446 year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
 447 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

448 ~~[(11)]~~ (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection  
 449 ~~[(11)(b), and]~~ (10)(c), in addition to any amounts deposited under Subsections (6), (7), and (8),



450 ~~[and (9), beginning on July 1, 2012]~~ and for the 2016-17 fiscal year only, the Division of  
451 Finance shall deposit into the Transportation Investment Fund of 2005 created by Section  
452 ~~72-2-124~~ the amount of tax revenue generated by a ~~[-.025%]~~ .05% tax rate on the transactions  
453 described in Subsection (1).

454 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in  
455 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance  
456 shall deposit into the Transportation Investment Fund of 2005 created by Section ~~72-2-124~~ the  
457 amount of revenue described as follows:

458 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%  
459 tax rate on the transactions described in Subsection (1);

460 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%  
461 tax rate on the transactions described in Subsection (1);

462 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%  
463 tax rate on the transactions described in Subsection (1);

464 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a  
465 .05% tax rate on the transactions described in Subsection (1); and

466 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%  
467 tax rate on the transactions described in Subsection (1).

468 ~~[(b)]~~ (c) For purposes of ~~[Subsection (11)(a)]~~ Subsections (10)(a) and (b), the Division  
469 of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue  
470 generated by amounts paid or charged for food and food ingredients, except for tax revenue  
471 generated by a bundled transaction attributable to food and food ingredients and tangible  
472 personal property other than food and food ingredients described in Subsection (2)(d).

473 ~~[(12)(a) Notwithstanding Subsection (3)(a), and except as provided in Subsection~~  
474 ~~(12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the~~  
475 ~~Transportation Fund created by Section ~~72-2-102~~ the amount of tax revenue generated by a~~  
476 ~~.025% tax rate on the transactions described in Subsection (1) to be expended to address~~  
477 ~~chokepoints in construction management.]~~

478 ~~[(b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into~~  
 479 ~~the Transportation Fund any tax revenue generated by amounts paid or charged for food and~~  
 480 ~~food ingredients, except for tax revenue generated by a bundled transaction attributable to food~~  
 481 ~~and food ingredients and tangible personal property other than food and food ingredients~~  
 482 ~~described in Subsection (2)(d).]~~

483 ~~[(13)]~~ (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after  
 484 the fiscal year during which the Division of Finance receives notice under ~~[Subsection]~~ Section  
 485 63N-2-510~~[(3)]~~ that construction on a qualified hotel, as defined in Section 63N-2-502, has  
 486 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit  
 487 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel  
 488 Impact Mitigation Fund, created in Section 63N-2-512.

489 ~~[(14)]~~ (12) Notwithstanding Subsections (4) through ~~[(13)]~~ (11), an amount required to  
 490 be expended or deposited in accordance with Subsections (4) through ~~[(13)]~~ (11) may not  
 491 include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.

492 Section 2. Section **59-12-1201** is amended to read:

493 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
 494 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

495 (1) (a) Except as provided in Subsection (3), there is imposed a tax of 2.5% on all  
 496 short-term leases and rentals of motor vehicles not exceeding 30 days.

497 (b) The tax imposed in this section is in addition to all other state, county, or municipal  
 498 fees and taxes imposed on rentals of motor vehicles.

499 (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax  
 500 imposed under Subsection (1) shall take effect on the first day of a calendar quarter.

501 (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall  
 502 take effect on the first day of the first billing period:

503 (A) that begins after the effective date of the tax rate increase; and

504 (B) if the billing period for the transaction begins before the effective date of a tax rate  
 505 increase imposed under Subsection (1).

506 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax  
507 rate decrease shall take effect on the first day of the last billing period:

508 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;  
509 and

510 (B) if the billing period for the transaction begins before the effective date of the repeal  
511 of the tax or the tax rate decrease imposed under Subsection (1).

512 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

513 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

514 (b) the motor vehicle is rented as a personal household goods moving van; or

515 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily  
516 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an  
517 insurance agreement.

518 (4) (a) (i) The tax authorized under this section shall be administered, collected, and  
519 enforced in accordance with:

520 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,  
521 Tax Collection; and

522 (B) Chapter 1, General Taxation Policies.

523 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to  
524 Subsections 59-12-103(4) through ~~[(12)]~~ (10) or Section 59-12-107.1 or 59-12-123.

525 (b) The commission shall retain and deposit an administrative charge in accordance  
526 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

527 (c) Except as provided under Subsection (4)(b), all revenue received by the  
528 commission under this section shall be deposited daily with the state treasurer and credited  
529 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

530 Section 3. Section 63N-2-512 is amended to read:

531 **63N-2-512. Hotel Impact Mitigation Fund.**

532 (1) As used in this section:

533 (a) "Affected hotel" means a hotel built in the state before July 1, 2014.

534 (b) "Direct losses" means affected hotels' losses of hotel guest business attributable to  
535 the qualified hotel room supply being added to the market in the state.

536 (c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection  
537 (2).

538 (2) There is created an expendable special revenue fund known as the Hotel Impact  
539 Mitigation Fund.

540 (3) The mitigation fund shall:

541 (a) be administered by the board;

542 (b) earn interest; and

543 (c) be funded by:

544 (i) payments required to be deposited into the mitigation fund by the Division of  
545 Finance under Subsection ~~59-12-103~~(11);

546 (ii) money required to be deposited into the mitigation fund under Subsection  
547 ~~17-31-9~~(2) by the county in which a qualified hotel is located; and

548 (iii) any money deposited into the mitigation fund under Subsection (6).

549 (4) Interest earned by the mitigation fund shall be deposited into the mitigation fund.

550 (5) (a) In accordance with office rules, the board shall annually pay up to \$2,100,000 of  
551 money in the mitigation fund:

552 (i) to affected hotels;

553 (ii) for four consecutive years, beginning 12 months after the date of initial occupancy  
554 of the qualified hotel occurs; and

555 (iii) to mitigate direct losses.

556 (b) (i) If the amount the board pays under Subsection (5)(a) in any year is less than  
557 \$2,100,000, the board shall pay to the Stay Another Day and Bounce Back Fund, created in  
558 Section ~~63N-2-511~~, the difference between \$2,100,000 and the amount paid under Subsection  
559 (5)(a).

560 (ii) The board shall make any required payment under Subsection (5)(b)(i) within 90  
561 days after the end of the year for which a determination is made of how much the board is

562 required to pay to affected hotels under Subsection (5)(a).

563 (6) A host local government or qualified hotel owner may make payments to the  
564 Division of Finance for deposit into the mitigation fund.

565 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
566 office shall, in consultation with the Utah Hotel and Lodging Association and the county in  
567 which the qualified hotel is located, make rules establishing procedures and criteria governing  
568 payments under Subsection (5)(a) to affected hotels.

569 Section 4. Section 72-2-106 is amended to read:

570 **72-2-106. Appropriation and transfer from Transportation Fund.**

571 (1) On and after July 1, 1981, there is appropriated from the Transportation Fund to the  
572 use of the department an amount equal to two-elevenths of the taxes collected from the motor  
573 fuel tax and the special fuel tax, exclusive of the formula amount appropriated to the B and C  
574 road fund and the collector road fund, to be used for highway rehabilitation.

575 (2) For a fiscal year beginning on or after July 1, 2016, the Division of Finance shall  
576 annually transfer an amount equal to the amount of revenue generated by a tax imposed on  
577 motor and special fuel that is sold, used, or received for sale or used in this state at a rate of 1.8  
578 cents per gallon to the Transportation Investment Fund of 2005 created by Section 72-2-124.

579 Section 5. Section 72-2-107 is amended to read:

580 **72-2-107. Appropriation from Transportation Fund -- Deposit in class B and**  
581 **class C roads account.**

582 (1) There is appropriated to the department from the Transportation Fund annually an  
583 amount equal to 30% of an amount which the director of finance shall compute in the  
584 following manner: The total revenue deposited into the Transportation Fund during the fiscal  
585 year from state highway-user taxes and fees, minus[:-(a)] those amounts appropriated or  
586 transferred from the Transportation Fund during the same fiscal year to:

587 [(i)] (a) the Department of Public Safety;

588 [(ii)] (b) the State Tax Commission;

589 [(iii)] (c) the Division of Finance;

590 ~~[(iv)]~~ (d) the Utah Travel Council; and

591 ~~[(v)]~~ (e) any other amounts appropriated or transferred for any other state agencies not  
592 a part of the department ~~[, and]~~.

593 ~~[(b) the amount of sales and use tax revenue deposited in the Transportation Fund in  
594 accordance with Section 59-12-103.]~~

595 (2) (a) Except as provided in Subsection (2)(b), all of this money shall be placed in an  
596 account to be known as the class B and class C roads account to be used as provided in this  
597 title.

598 (b) The director of finance shall annually transfer \$500,000 of the amount calculated  
599 under Subsection (1) to the department as dedicated credits for the State Park Access Highways  
600 Improvement Program created in Section 72-3-207.

601 (3) Each quarter of every year the director of finance shall make the necessary  
602 accounting entries to transfer the money appropriated under this section to the class B and class  
603 C roads account.

604 (4) The funds in the class B and class C roads account shall be expended under the  
605 direction of the department as the Legislature shall provide.

606 Section 6. Section 72-2-124 is amended to read:

607 **72-2-124. Transportation Investment Fund of 2005.**

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

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

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

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

614 (c) the sales and use tax revenues deposited into the fund in accordance with Section  
615 59-12-103; ~~[and]~~

616 (d) registration fees designated under Section 41-1a-1201~~[-];~~ and

617 (e) revenues transferred to the fund in accordance with Section 72-2-106.

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

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

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

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

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

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

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

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

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

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

641 (b) The executive director may use fund money to exchange for an equal or greater  
642 amount of federal transportation funds to be used as provided in Subsection (4)(a).

643 (5) (a) Before bonds authorized by Section 63B-18-401 may be issued in any fiscal  
644 year, the department and the commission shall appear before the Executive Appropriations  
645 Committee of the Legislature and present the amount of bond proceeds that the department

646 needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4)  
647 for the next fiscal year.

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

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

653 (7) (a) The commission shall develop prior to June 30, 2015, a funding plan and  
654 identify a highway construction program using the prioritization process for new transportation  
655 capacity projects adopted under Section 72-1-304 that meets long-term transportation needs  
656 beyond the normal four year programming horizon.

657 (b) The commission shall report the plan and program established under Subsection  
658 (7)(a) to the Transportation Interim Committee of the Legislature by no later than September  
659 30, 2015.

660 **Section 7. Appropriation.**

661 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for  
662 the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following sums of money  
663 are appropriated from resources not otherwise appropriated, or reduced from amounts  
664 previously appropriated, out of the funds or amounts indicated. These sums of money are in  
665 addition to amounts previously appropriated for fiscal year 2017.

666 To Transportation - Transportation Investment Fund of 2005

667 From Transportation Fund (\$76,633,600)

668 The Legislature intends that the Department of Transportation discontinue the practice  
669 of transferring the revenue from the 1997 motor fuel tax increase from the Transportation Fund  
670 to the Transportation Investment Fund of 2005 on July 1, 2016.

671 **Section 8. Effective date.**

672 This bill takes effect on July 1, 2016.

673 **Section 9. Coordinating S.B. 80 with S.B. 246 -- Substantive amendments.**



674 If this S.B. 80 and S.B. 246, Funding for Infrastructure Revisions, both pass and  
675 become law, it is the intent of the Legislature that the Office of Legislative Research and  
676 General Counsel prepare the Utah Code database for publication by:

677 (1) repealing the existing language in Subsection 59-12-103(8) in S.B. 80 and enacting  
678 Subsection 59-12-103(8) to read:

679 "(8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited  
680 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall  
681 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into  
682 the Transportation Investment Fund of 2005 created by Section 72-2-124.

683 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
684 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit  
685 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the  
686 Transportation Investment Fund of 2005 created by Section 72-2-124.

687 (c) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
688 Subsections (6) and (7), for a fiscal year beginning on or after July 1, 2018, the Division of  
689 Finance shall annually deposit into the Transportation Investment Fund of 2005 created by  
690 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to  
691 3.68% of the revenues collected from the following taxes:

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

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

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

695 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I)."; and

696 (2) providing that the amendments in S.B. 246 to Subsection 59-12-103(9) do not take  
697 effect.