

**TRANSPORTATION REVISIONS**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: J. Stuart Adams**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to transportation funding.

**Highlighted Provisions:**

This bill:

- ▶ provides that certain registration fees shall be deposited in the Transportation Investment Fund of 2005 rather than the Centennial Highway Fund Restricted Account;

- ▶ provides that certain sales and use tax dedications shall be deposited in the Transportation Investment Fund of 2005 rather than the Centennial Highway Fund Restricted Account and the Critical Highway Access Needs Fund;

- ▶ provides that certain principal, interest, and issuance costs of bonds shall be paid from the Transportation Investment Fund of 2005 rather than the Centennial Highway Fund Restricted Account and the Critical Highway Access Needs Fund;

and

- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill takes effect on July 1, 2012.

**Utah Code Sections Affected:**



28 AMENDS:

- 29 **41-1a-1201**, as last amended by Laws of Utah 2011, Chapters 189 and 268
- 30 **59-12-103**, as last amended by Laws of Utah 2011, Chapters 285, 303, 342, and 441
- 31 **72-2-118**, as last amended by Laws of Utah 2011, Chapter 189
- 32 **72-2-124**, as last amended by Laws of Utah 2011, Chapter 189
- 33 **72-2-125**, as last amended by Laws of Utah 2010, Chapter 278



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

36 Section 1. Section **41-1a-1201** is amended to read:

37 **41-1a-1201. Disposition of fees.**

38 (1) All fees received and collected under this part shall be transmitted daily to the state  
39 treasurer.

40 (2) Except as provided in Subsections (3), (6), and (7) and Sections 41-1a-422,  
41 41-1a-1220, 41-1a-1221, and 41-1a-1223 all fees collected under this part shall be deposited in  
42 the Transportation Fund.

43 (3) Funds generated under Subsections 41-1a-1211(1)(b)(ii), (6)(b)(ii), and (7) and  
44 Section 41-1a-1212 may be used by the commission to cover the costs incurred in issuing  
45 license plates under Part 4, License Plates and Registration Indicia.

46 (4) In accordance with Section 63J-1-602.2, all funds available to the commission for  
47 the purchase and distribution of license plates and decals are nonlapsing.

48 (5) Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of the  
49 commission in enforcing and administering this part shall be provided for by legislative  
50 appropriation from the revenues of the Transportation Fund.

51 (6) [~~(a) Except as provided in Subsection (6)(b), the~~] The following portions of the  
52 registration fees imposed under Section 41-1a-1206 for each vehicle shall be deposited in the  
53 [~~Centennial Highway Fund Restricted Account~~] Transportation Investment Fund of 2005  
54 created under Section [~~72-2-118~~] 72-2-124:

55 [~~(i) \$10~~] (a) \$30 of the registration fees imposed under Subsections 41-1a-1206(1)(a),  
56 (1)(b), (1)(f), (2), and (5);

57 [~~(ii) \$1~~] (b) \$21 of the registration fees imposed under Subsections  
58 41-1a-1206(1)(c)(i)[~~;~~] and (1)(c)(ii)[~~;~~ ~~and~~ (1)(d)(ii)];

59           ~~[(iii) \$2]~~ (c) \$2.50 of the registration fee imposed under Subsection  
60 41-1a-1206(1)(e)(ii);

61           ~~[(iv) \$3]~~ (d) \$23 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i);  
62 [and]

63           ~~[(v) \$4.50]~~ (e) \$24.50 of the registration fee imposed under Subsection  
64 41-1a-1206(1)(e)(i)[-]; and

65           (f) \$1 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(ii).

66           ~~[(b) When the highway general obligation bonds have been paid off and the highway  
67 projects completed that are intended to be paid from revenues deposited in the Centennial  
68 Highway Fund Restricted Account as determined by the Executive Appropriations Committee  
69 under Subsection 72-2-118(6)(d), the portions of the registration fees deposited under  
70 Subsection (6)(a) for each vehicle shall be deposited in the Transportation Investment Fund of  
71 2005 created by Section 72-2-124.]~~

72           ~~[(7) The following portions of the registration fees imposed under Section 41-1a-1206  
73 for each vehicle shall be deposited in the Transportation Investment Fund of 2005 created by  
74 Section 72-2-124:]~~

75           ~~[(a) \$20 of each registration fee collected under Subsections 41-1a-1206(1)(a), (1)(b),  
76 (1)(c), (1)(d)(i), (1)(e)(i), (1)(f), (2)(a), and (5); and]~~

77           ~~[(b) 50 cents of each registration fee collected under Subsection 41-1a-1206(1)(e)(ii).]~~

78           Section 2. Section **59-12-103** is amended to read:

79           **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**  
80 **tax revenues.**

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

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

84           (b) amounts paid for:

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

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

- 90 (iii) an ancillary service associated with a:
- 91 (A) telecommunications service described in Subsection (1)(b)(i); or
- 92 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
- 93 (c) sales of the following for commercial use:
- 94 (i) gas;
- 95 (ii) electricity;
- 96 (iii) heat;
- 97 (iv) coal;
- 98 (v) fuel oil; or
- 99 (vi) other fuels;
- 100 (d) sales of the following for residential use:
- 101 (i) gas;
- 102 (ii) electricity;
- 103 (iii) heat;
- 104 (iv) coal;
- 105 (v) fuel oil; or
- 106 (vi) other fuels;
- 107 (e) sales of prepared food;
- 108 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 109 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 110 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 111 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 112 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 113 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 114 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 115 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 116 exhibition, cultural, or athletic activity;
- 117 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 118 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 119 (i) the tangible personal property; and
- 120 (ii) parts used in the repairs or renovations of the tangible personal property described

121 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations  
122 of that tangible personal property;

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

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

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

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

130 (i) stored;

131 (ii) used; or

132 (iii) otherwise consumed;

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

135 (i) stored;

136 (ii) used; or

137 (iii) consumed; and

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

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

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

141 (ii) regardless of whether the sale provides:

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

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

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

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

146 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
147 is imposed on a transaction described in Subsection (1) equal to the sum of:

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

149 (A) 4.70%; and

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

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

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

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

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

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

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

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

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

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

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

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

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

176 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
177 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
178 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
179 Additional State Sales and Use Tax Act; and

180 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
181 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
182 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

183 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

186 (ii) Subject to Subsection (2)(d)(iii), for a bundled transaction other than a bundled  
187 transaction described in Subsection (2)(d)(i):

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

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

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

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

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

203 (II) state or federal law provides otherwise.

204 (iii) For purposes of Subsection (2)(d)(ii), 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 (e) Subject to Subsections (2)(f) and (g), 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 (f) (i) A tax rate increase shall take effect on the first day of the first billing period that

214 begins after the effective date of the tax rate increase if the billing period for the transaction

215 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 shall take effect on the first day of the last

221 billing period that began before the effective date of the repeal of the tax or the tax rate

222 decrease if the billing period for the transaction begins before the effective date of the repeal of

223 the tax or the tax rate decrease imposed under:

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

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

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

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

228 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale

229 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal

230 or change in a tax rate takes effect:

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

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

233 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:

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

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

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

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

238 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

239 the commission may by rule define the term "catalogue sale."

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

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

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

243 (iii) the tax imposed by Subsection (2)(c)(i); or

244 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).



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

- 247 (i) the tax imposed by Subsection (2)(a)(ii);
- 248 (ii) the tax imposed by Subsection (2)(b)(ii);
- 249 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 250 (iv) the tax imposed by Subsection (2)(d)(i)(B).

251 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
252 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
253 through (g):

- 254 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
  - 255 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
  - 256 (B) for the fiscal year; or
- 257 (ii) \$17,500,000.

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

- 261 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to  
262 protect sensitive plant and animal species; or
- 263 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
264 act, to political subdivisions of the state to implement the measures described in Subsections  
265 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

- 271 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
272 Conservation and Development Fund created in Section 73-10-24;
- 273 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
274 Program Subaccount created in Section 73-10c-5; and
- 275 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

276 Program Subaccount created in Section 73-10c-5.

277 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
278 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
279 created in Section 4-18-6.

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

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

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

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

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

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

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

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

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

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

305 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
306 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount

307 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

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

- 311 (i) provide for the installation and repair of collection, treatment, storage, and  
312 distribution facilities for any public water system, as defined in Section 19-4-102;
- 313 (ii) develop underground sources of water, including springs and wells; and
- 314 (iii) develop surface water sources.

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

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

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

- 322 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
323 credits; and
- 324 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
325 restoration.

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

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

- 331 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
332 credits; and
- 333 (B) expended by the Division of Water Resources for cloud-seeding projects  
334 authorized by Title 73, Chapter 15, Modification of Weather.

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

338 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the  
339 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
340 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
341 Division of Water Resources for:

342 (i) preconstruction costs:

343 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
344 26, Bear River Development Act; and

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

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

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

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

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

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

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

364 (7) [~~a~~] Notwithstanding Subsection (3)(a) [~~and until Subsection (7)(b) applies~~],  
365 beginning on [~~January 1, 2000~~] July 1, 2012, the Division of Finance shall deposit into the  
366 [~~Centennial Highway Fund Restricted Account~~] Transportation Investment Fund of 2005  
367 created in Section [~~72-2-118~~] 72-2-124 a portion of the taxes listed under Subsection (3)(a)  
368 equal to the revenues generated by a 1/64% tax rate on the taxable transactions under

369 Subsection (1).

370 ~~[(b) Notwithstanding Subsection (3)(a), when the highway general obligation bonds~~  
371 ~~have been paid off and the highway projects completed that are intended to be paid from~~  
372 ~~revenues deposited in the Centennial Highway Fund Restricted Account as determined by the~~  
373 ~~Executive Appropriations Committee under Subsection 72-2-118(6)(d), the Division of~~  
374 ~~Finance shall deposit into the Transportation Investment Fund of 2005 created by Section~~  
375 ~~72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated~~  
376 ~~by a 1/64% tax rate on the taxable transactions under Subsection (1).]~~

377 ~~[(8) (a) Notwithstanding Subsection (3)(a) and in addition to the amount deposited in~~  
378 ~~Subsection (7)(a), for the 2010-11 fiscal year only, the Division of Finance shall deposit into~~  
379 ~~the Centennial Highway Fund Restricted Account created by Section 72-2-118 a portion of the~~  
380 ~~taxes listed under Subsection (3)(a) equal to 1.93% of the revenues collected from the~~  
381 ~~following taxes, which represents a portion of the approximately 17% of sales and use tax~~  
382 ~~revenues generated annually by the sales and use tax on vehicles and vehicle-related products:]~~

383 ~~[(i) the tax imposed by Subsection (2)(a)(i)(A);]~~

384 ~~[(ii) the tax imposed by Subsection (2)(b)(i);]~~

385 ~~[(iii) the tax imposed by Subsection (2)(c)(i); and]~~

386 ~~[(iv) the tax imposed by Subsection (2)(d)(i)(A)(I).]~~

387 ~~[(b) Notwithstanding Subsection (3)(a), in addition to the amount deposited in~~  
388 ~~Subsection (7)(a), and until Subsection (8)(c) applies, for the 2011-12 fiscal year only, the~~  
389 ~~Division of Finance shall deposit into the Centennial Highway Fund Restricted Account~~  
390 ~~created by Section 72-2-118 a portion of the taxes listed under Subsection (3)(a) equal to 8.3%~~  
391 ~~of the revenues collected from the following taxes, which represents a portion of the~~  
392 ~~approximately 17% of sales and use tax revenues generated annually by the sales and use tax~~  
393 ~~on vehicles and vehicle-related products:]~~

394 ~~[(i) the tax imposed by Subsection (2)(a)(i)(A);]~~

395 ~~[(ii) the tax imposed by Subsection (2)(b)(i);]~~

396 ~~[(iii) the tax imposed by Subsection (2)(c)(i); and]~~

397 ~~[(iv) the tax imposed by Subsection (2)(d)(i)(A)(I).]~~

398 ~~[(c) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under~~  
399 ~~Subsection (7)(b), and until Subsection (8)(d) or (e) applies, when the highway general~~

400 obligation bonds have been paid off and the highway projects completed that are intended to be  
 401 paid from revenues deposited in the Centennial Highway Fund Restricted Account as  
 402 determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the  
 403 Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by  
 404 Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to 8.3% of the  
 405 revenues collected from the following taxes, which represents a portion of the approximately  
 406 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and  
 407 vehicle-related products:]

408 [i] the tax imposed by Subsection (2)(a)(i)(A);]

409 [(ii) the tax imposed by Subsection (2)(b)(i);]

410 [(iii) the tax imposed by Subsection (2)(c)(i); and]

411 [(iv) the tax imposed by Subsection (2)(d)(i)(A)(I).]

412 [(f)] (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
 413 Subsection (7)[(a), until Subsection (8)(e) applies], and subject to Subsection (8)[(f)](b), for a  
 414 fiscal year beginning on or after July 1, 2012, the Division of Finance shall deposit into the  
 415 [Centennial Highway Fund Restricted Account] Transportation Investment Fund of 2005  
 416 created by Section [~~72-2-118~~] 72-2-124:

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

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

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

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

424 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

425 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
 426 current fiscal year from the sales and use taxes described in Subsections (8)[(f)](a)(i)(A)  
 427 through (D) that exceeds the amount collected from the sales and use taxes described in  
 428 Subsections (8)[(f)](a)(i)(A) through (D) in the 2010-11 fiscal year.

429 [(e) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under  
 430 Subsection (7)(b), and subject to Subsection (8)(f), when the highway general obligation bonds

431 have been paid off and the highway projects completed that are intended to be paid from  
 432 revenues deposited in the Centennial Highway Fund Restricted Account as determined by the  
 433 Executive Appropriations Committee under Subsection 72-2-118(6)(d), for a fiscal year  
 434 beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation  
 435 Investment Fund of 2005 created by Section 72-2-124:]

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

440 [(A) the tax imposed by Subsection (2)(a)(i)(A);]

441 [(B) the tax imposed by Subsection (2)(b)(i);]

442 [(C) the tax imposed by Subsection (2)(c)(i); and]

443 [(D) the tax imposed by Subsection (2)(d)(i)(A)(I), plus]

444 [(ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
 445 current fiscal year from the sales and use taxes described in Subsections (8)(e)(i)(A) through  
 446 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
 447 (8)(e)(i)(A) through (D) in the 2010-11 fiscal year.]

448 [(f) (b) (i) Subject to Subsections (8)[(f)](b)(ii) and (iii), in any fiscal year that the  
 449 portion of the sales and use taxes deposited under Subsection (8)[(f)](a) [(or (e))] represents an  
 450 amount that is a total lower percentage of the sales and use taxes described in Subsections  
 451 (8)[(e)](a)(i)(A) through (D) generated in the current fiscal year than the total percentage of  
 452 sales and use taxes deposited in the previous fiscal year, the Division of Finance shall deposit  
 453 an amount under Subsection (8)[(f)](a) [(or (e))] equal to the product of:

454 (A) the total percentage of sales and use taxes deposited under Subsection (8)[(f)](a)  
 455 [(or (e))] in the previous fiscal year; and

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

458 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
 459 Subsection (8)[(f)](a) [(or (e))] would exceed 17% of the revenues collected from the sales and  
 460 use taxes described in Subsections (8)[(e)](a)(i)(A) through (D) in the current fiscal year, the  
 461 Division of Finance shall deposit 17% of the revenues collected from the sales and use taxes

462 described in Subsections (8)~~(e)~~(a)(i)(A) through (D) for the current fiscal year under  
 463 Subsection (8)~~(d)~~(a) ~~or (e)~~.

464 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
 465 from the sales and use taxes described in Subsections (8)~~(e)~~(a)(i)(A) through (D) was  
 466 deposited under Subsection (8)~~(d)~~(a) ~~or (e)~~, the Division of Finance shall annually deposit  
 467 17% of the revenues collected from the sales and use taxes described in Subsections  
 468 (8)~~(e)~~(a)(i)(A) through (D) in the current fiscal year under Subsection (8)~~(d)~~(a) ~~or (e)~~.

469 ~~[(9)(a) Notwithstanding Subsection (3)(a) and for the fiscal year 2008-09 only, the  
 470 Division of Finance shall deposit \$55,000,000 of the revenues generated by the taxes listed  
 471 under Subsection (3)(a) into the Critical Highway Needs Fund created by Section 72-2-125.]~~

472 ~~[(b) (9) Notwithstanding Subsection (3)(a) [and until Subsection (9)(c) applies], and in  
 473 addition to the amounts deposited under Subsection (7) and (8), for a fiscal year beginning on  
 474 or after July 1, [2009] 2012, the Division of Finance shall annually deposit \$90,000,000 of the  
 475 revenues generated by the taxes listed under Subsection (3)(a) into the [Critical Highway  
 476 Needs] Transportation Investment Fund of 2005 created by Section [72-2-125] 72-2-124.~~

477 ~~[(c) Notwithstanding Subsection (3)(a) and in addition to any amounts deposited under  
 478 Subsections (7) and (8), when the general obligation bonds authorized by Section 63B-16-101  
 479 have been paid off and the highway projects completed that are included in the prioritized  
 480 project list under Subsection 72-2-125(4) as determined in accordance with Subsection  
 481 72-2-125(6), the Division of Finance shall annually deposit \$90,000,000 of the revenues  
 482 generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund  
 483 of 2005 created by Section 72-2-124.]~~

484 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
 485 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
 486 created by Section 9-4-1409 and expended as provided in Section 9-4-1409.

487 (11) (a) ~~[(i)]~~ Notwithstanding Subsection (3)(a), except as provided in Subsection  
 488 (11)~~(a)(ii)~~(b), and ~~[until Subsection (11)(b) applies]~~ in addition to any amounts deposited  
 489 under Subsections (7), (8), and (9), beginning on [January 1, 2009] July 1, 2012, the Division  
 490 of Finance shall deposit into the [Critical Highway Needs Fund] Transportation Investment  
 491 Fund of 2005 created by Section [72-2-125] 72-2-124 the amount of tax revenue generated by a  
 492 .025% tax rate on the transactions described in Subsection (1).



493            [(i)] (b) For purposes of Subsection (11)(a)[(i)], the Division of Finance may not  
494 deposit into the [~~Critical Highway Needs Fund~~] Transportation Investment Fund of 2005 any  
495 tax revenue generated by amounts paid or charged for food and food ingredients, except for tax  
496 revenue generated by a bundled transaction attributable to food and food ingredients and  
497 tangible personal property other than food and food ingredients described in Subsection (2)(e).

498            [(b) (i) ~~Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b)(ii);~~  
499 ~~and in addition to any amounts deposited under Subsections (7), (9), and (10), when the general~~  
500 ~~obligation bonds authorized by Section 63B-16-101 have been paid off and the highway~~  
501 ~~projects completed that are included in the prioritized project list under Subsection 72-2-125(4)~~  
502 ~~as determined in accordance with Subsection 72-2-125(6), the Division of Finance shall~~  
503 ~~deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the~~  
504 ~~amount of tax revenue generated by a .025% tax rate on the transactions described in~~  
505 ~~Subsection (1).]~~

506            [(ii) ~~For purposes of Subsection (11)(b)(i), the Division of Finance may not deposit~~  
507 ~~into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or~~  
508 ~~charged for food and food ingredients, except for tax revenue generated by a bundled~~  
509 ~~transaction attributable to food and food ingredients and tangible personal property other than~~  
510 ~~food and food ingredients described in Subsection (2)(e).]~~

511            (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection  
512 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the  
513 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a  
514 .025% tax rate on the transactions described in Subsection (1) to be expended to address  
515 chokepoints in construction management.

516            (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into  
517 the Transportation Fund any tax revenue generated by amounts paid or charged for food and  
518 food ingredients, except for tax revenue generated by a bundled transaction attributable to food  
519 and food ingredients and tangible personal property other than food and food ingredients  
520 described in Subsection (2)(e).

521            Section 3. Section **72-2-118** is amended to read:

522            **72-2-118. Centennial Highway Fund Restricted Account.**

523            (1) There is created a restricted account entitled the Centennial Highway Fund

524 Restricted Account within the Transportation Investment Fund of 2005 created by Section  
525 72-2-124.

526 (2) The account consists of money generated from the following revenue sources:

527 (a) any voluntary contributions received for the construction, major reconstruction, or  
528 major renovation of state or federal highways; and

529 (b) appropriations made to the fund by the Legislature[;],

530 [~~(c) registration fees designated under Subsection 41-1a-1201(6)(a); and]~~

531 [~~(d) the sales and use tax amounts provided for in Section 59-12-103.]~~

532 (3) (a) The account shall earn interest.

533 (b) All interest earned on account money shall be deposited into the account.

534 (4) The executive director may use account money, as prioritized by the Transportation  
535 Commission, only to pay the costs of construction, major reconstruction, or major renovation  
536 to state and federal highways.

537 (5) When the highway general obligation bonds have been paid off and the highway  
538 projects completed that are intended to be paid from revenues deposited in the account as  
539 determined by the Executive Appropriations Committee under Subsection (6)(d), the Division  
540 of Finance shall transfer any existing balance in the account into the Transportation Investment  
541 Fund of 2005 created by Section 72-2-124.

542 (6) (a) The Division of Finance shall monitor the highway general obligation bonds  
543 that are being paid from revenues deposited in the account.

544 (b) The department shall monitor the highway construction, major reconstruction, or  
545 major renovation projects that are being paid from revenues deposited in the account.

546 (c) Upon request by the Executive Appropriations Committee of the Legislature:

547 (i) the Division of Finance shall report to the committee the status of all highway  
548 general obligation bonds that are being paid from revenues deposited in the account; and

549 (ii) the department shall report to the committee the status of all highway construction,  
550 major reconstruction, or major renovation projects that are being paid from revenues deposited  
551 in the account.

552 (d) The Executive Appropriations Committee of the Legislature shall notify the State  
553 Tax Commission, the department, and the Division of Finance when:

554 (i) all highway general obligation bonds that are intended to be paid from revenues

555 deposited in the account have been paid off; and

556 (ii) all highway projects that are intended to be paid from revenues deposited in the  
557 account have been completed.

558 [~~(7) (a) The Division of Finance shall, from funds that are deposited into the  
559 Centennial Highway Fund Restricted Account, transfer into the Transportation Investment  
560 Fund of 2005 created by Section 72-2-124 the amount of funds certified by the Transportation  
561 Commission in accordance with Subsection (7)(b) that are not required to pay:]~~

562 [~~(i) principal, interest, and issuance costs of bonds issued for projects in the Centennial  
563 Highway Program in the current fiscal year; or]~~

564 [~~(ii) construction or reconstruction costs for projects in the Centennial Highway  
565 Program in the current fiscal year.]~~

566 [~~(b) The Division of Finance shall transfer the amount under Subsection (7)(a) when  
567 the Division of Finance receives a written letter from the Transportation Commission certifying  
568 the amount of funds available under Subsection (7)(a).]~~

569 Section 4. Section **72-2-124** is amended to read:

570 **72-2-124. Transportation Investment Fund of 2005.**

571 (1) There is created a special revenue fund entitled the Transportation Investment Fund  
572 of 2005.

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

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

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

577 (c) the sales and use tax revenues deposited into the fund in accordance with Section  
578 59-12-103; and

579 (d) registration fees designated under [~~Subsection~~] Section 41-1a-1201[~~(7)~~].

580 [~~(3) When the highway general obligation bonds have been paid off and the highway  
581 projects completed that are intended to be paid from revenues deposited in the Centennial  
582 Highway Fund Restricted Account as determined by the Executive Appropriations Committee  
583 under Subsection 72-2-118(6)(d), the fund shall also consist of money generated from the  
584 following sources:]~~

585 [~~(a) registration fees designated under Subsection 41-1a-1201(6)(a); and]~~

586 ~~[(b) the sales and use tax amounts provided for in Section 59-12-103.]~~

587 ~~[(4)]~~ (3) (a) The fund shall earn interest.

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

589 ~~[(5)]~~ (4) (a) Except as provided in Subsection ~~[(5)]~~ (4)(b), the executive director may  
590 use fund money only to pay:

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

594 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway  
595 projects described in Subsection 63B-18-401(2); ~~[and]~~

596 (iii) principal, interest, and issuance costs of bonds authorized by Section  
597 63B-18-401~~[-]~~;

598 (iv) principal, interest, and issuance costs of bonds authorized by Section 63-16-101  
599 for projects prioritized in accordance with Section 72-2-125; and

600 (v) all highway general obligation bonds that are intended to be paid from revenues in  
601 the Centennial Highway Fund Restricted Account created by Section 72-2-118.

602 (b) The executive director may use fund money to exchange for an equal or greater  
603 amount of federal transportation funds to be used as provided in Subsection ~~[(5)]~~ (4)(a).

604 ~~[(6)]~~ (5) (a) Before bonds authorized by Section 63B-18-401 may be issued in any  
605 fiscal year, the department and the commission shall appear before the Executive  
606 Appropriations Committee of the Legislature and present the amount of bond proceeds that the  
607 department needs to provide funding for the projects identified in Subsection 63B-18-401(2)  
608 for the next fiscal year.

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

611 ~~[(7)]~~ (6) The Division of Finance shall, from money deposited into the fund, transfer  
612 the amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized  
613 by Section 63B-18-401 in the current fiscal year to the appropriate debt service or sinking fund.

614 Section 5. Section **72-2-125** is amended to read:

615 **72-2-125. Critical Highway Needs Fund.**

616 (1) There is created a special revenue fund within the Transportation Investment Fund

617 of 2005 known as the "Critical Highway Needs Fund."

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

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

621 (b) appropriations made to the fund by the Legislature~~[-and]~~.

622 ~~[(c) the sales and use tax revenues deposited into the fund in accordance with Section~~  
623 ~~59-12-103.]~~

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

625 (b) Interest on fund money shall be deposited into the fund.

626 (4) (a) The executive director shall use money deposited into the fund to pay~~[-(i)]~~ the  
627 costs of right-of-way acquisition, maintenance, construction, reconstruction, or renovation to  
628 state and federal highways identified by the department and prioritized by the commission in  
629 accordance with this Subsection (4)~~[-and]~~.

630 ~~[(ii) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101.]~~

631 (b) (i) The department shall:

632 (A) establish a complete list of projects to be maintained, constructed, reconstructed, or  
633 renovated using the funding described in Subsection (4)(a) based on the following criteria:

634 (I) the highway construction project is a high priority project due to high growth in the  
635 surrounding area;

636 (II) the highway construction project addresses critical access needs that have a high  
637 impact due to commercial and energy development;

638 (III) the highway construction project mitigates congestion;

639 (IV) whether local matching funds are available for the highway construction project;

640 and

641 (V) the highway construction project is a critical alternative route for priority Interstate  
642 15 reconstruction projects; and

643 (B) submit the list of projects to the commission for prioritization in accordance with  
644 Subsection (4)(c).

645 (ii) A project that is included in the list under this Subsection (4):

646 (A) is not required to be currently listed in the statewide long-range plan; and

647 (B) is not required to be prioritized through the prioritization process for new

648 transportation capacity projects adopted under Section 72-1-304.

649 (c) (i) The commission shall prioritize the project list submitted by the department in  
650 accordance with Subsection (4)(b).

651 (ii) For projects prioritized under this Subsection (4)(c), the commission shall give  
652 priority consideration to fully funding a project that meets the criteria under Subsection  
653 (4)(b)(i)(A)(V).

654 (d) (i) Expenditures of bond proceeds issued in accordance with Section 63B-16-101  
655 by the department for the construction of highway projects prioritized under this Subsection (4)  
656 may not exceed \$1,200,000,000.

657 (ii) Money expended from the fund for principal, interest, and issuance costs of bonds  
658 issued under Section 63B-16-101 is not considered an expenditure for purposes of the  
659 \$1,200,000,000 cap under Subsection (4)(d)(i).

660 (e) (i) Before bonds authorized by Section 63B-16-101 may be issued in any fiscal  
661 year, the department and the commission shall appear before the Executive Appropriations  
662 Committee of the Legislature and present:

663 (A) the commission's current list of projects established and prioritized in accordance  
664 with this Subsection (4); and

665 (B) the amount of bond proceeds that the department needs to provide funding for  
666 projects on the project list prioritized in accordance with this Subsection (4) for the next fiscal  
667 year.

668 (ii) The Executive Appropriations Committee of the Legislature shall review and  
669 comment on the prioritized project list and the amount of bond proceeds needed to fund the  
670 projects on the prioritized list.

671 (f) The Division of Finance shall, from money deposited into the fund, transfer the  
672 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
673 Section 63B-16-101 in the current fiscal year to the appropriate debt service or sinking fund.

674 (5) When the general obligation bonds authorized by Section 63B-16-101 have been  
675 paid off and the highway projects completed that are included in the prioritized project list  
676 under Subsection (4), the Division of Finance shall transfer any existing balance in the fund  
677 into the Transportation Investment Fund of 2005 created by Section 72-2-124.

678 (6) (a) The Division of Finance shall monitor the general obligation bonds authorized

679 by Section 63B-16-101.

680 (b) The department shall monitor the highway construction or reconstruction projects  
681 that are included in the prioritized project list under Subsection (4).

682 (c) Upon request by the Executive Appropriations Committee of the Legislature:

683 (i) the Division of Finance shall report to the committee the status of all general  
684 obligation bonds issued under Section 63B-16-101; and

685 (ii) the department shall report to the committee the status of all highway construction  
686 or reconstruction projects that are included in the prioritized project list under Subsection (4).

687 (d) When the Division of Finance has reported that the general obligation bonds issued  
688 by Section 63B-16-101 have been paid off and the department has reported that projects  
689 included in the prioritized project list are complete to the Executive Appropriations Committee  
690 of the Legislature, the Division of Finance shall transfer any existing fund balance in  
691 accordance with Subsection (5).

692 (7) (a) Unless prioritized and approved by the Transportation Commission, the  
693 department may not delay a project prioritized under this section to a different fiscal year than  
694 programmed by the commission due to an unavoidable shortfall in revenues if:

695 (i) the prioritized project was funded by the Legislature in an appropriations act; or

696 (ii) general obligation bond proceeds have been issued for the project in the current  
697 fiscal year.

698 (b) For projects identified under Subsection (7)(a), the commission shall prioritize and  
699 approve any project delays for projects prioritized under this section due to an unavoidable  
700 shortfall in revenues if:

701 (i) the prioritized project was funded by the Legislature in an appropriations act; or

702 (ii) general obligation bond proceeds have been issued for the project in the current  
703 fiscal year.

704 **Section 6. Effective date.**

705 This bill takes effect on July 1, 2012.

**Legislative Review Note**  
**as of 2-16-12 4:01 PM**

**Office of Legislative Research and General Counsel**