

**TRANSPORTATION FUNDING MODIFICATIONS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kay J. Christofferson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to transportation funding.

**Highlighted Provisions:**

This bill:

- ▶ renames the Transportation Investment Fund of 2005 as the Rebecca D. Lockhart Transportation Investment Fund;
- ▶ repeals the requirements that certain sales and use tax revenue be deposited into the Transportation Fund;
- ▶ for a fiscal year beginning on or after July 1, 2016, amends the amount of certain sales and use tax revenue that is deposited into the Rebecca D. Lockhart Transportation Investment Fund in certain circumstances; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**59-12-103**, as last amended by Laws of Utah 2014, Chapters 380 and 429

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



- 28 **63J-3-103**, as last amended by Laws of Utah 2014, Chapter 63
- 29 **63M-1-3410**, as enacted by Laws of Utah 2014, Chapter 429
- 30 **63M-1-3412**, as enacted by Laws of Utah 2014, Chapter 429
- 31 **72-2-107**, as last amended by Laws of Utah 2010, Chapter 391
- 32 **72-2-118**, as last amended by Laws of Utah 2013, Chapter 400
- 33 **72-2-121.3**, as last amended by Laws of Utah 2013, Chapter 389
- 34 **72-2-124**, as last amended by Laws of Utah 2013, Chapters 389 and 400
- 35 **72-2-125**, as last amended by Laws of Utah 2013, Chapter 400

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

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

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

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

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

44 (b) amounts paid for:

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

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

50 (iii) an ancillary service associated with a:

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

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

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

54 (i) gas;

55 (ii) electricity;

56 (iii) heat;

57 (iv) coal;

58 (v) fuel oil; or

- 59 (vi) other fuels;
- 60 (d) sales of the following for residential use:
  - 61 (i) gas;
  - 62 (ii) electricity;
  - 63 (iii) heat;
  - 64 (iv) coal;
  - 65 (v) fuel oil; or
  - 66 (vi) other fuels;
- 67 (e) sales of prepared food;
- 68 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 69 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 70 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 71 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 72 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 73 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 74 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 75 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 76 exhibition, cultural, or athletic activity;
- 77 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 78 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
  - 79 (i) the tangible personal property; and
  - 80 (ii) parts used in the repairs or renovations of the tangible personal property described
  - 81 in Subsection (1)(g)(i), regardless of whether:
    - 82 (A) any parts are actually used in the repairs or renovations of that tangible personal
    - 83 property; or
    - 84 (B) the particular parts used in the repairs or renovations of that tangible personal
    - 85 property are exempt from a tax under this chapter;
  - 86 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
  - 87 assisted cleaning or washing of tangible personal property;
    - 88 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
    - 89 accommodations and services that are regularly rented for less than 30 consecutive days;

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

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

92 this state the tangible personal property is:

93 (i) stored;

94 (ii) used; or

95 (iii) otherwise consumed;

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

97 tangible personal property is:

98 (i) stored;

99 (ii) used; or

100 (iii) consumed; and

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

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

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

104 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

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

112 (A) 4.70%; and

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

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

115 through [59-12-215](#) is in a county in which the state imposes the tax under Part 18, Additional

116 State Sales and Use Tax Act; and

117 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales

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

119 through [59-12-215](#) is in a city, town, or the unincorporated area of a county in which the state

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

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

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

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

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

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

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

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

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

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

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

139 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
140 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
141 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
142 Additional State Sales and Use Tax Act; and

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

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

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

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

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

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

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

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

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

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

170 (II) state or federal law provides otherwise.

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

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

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

182 (B) is able to identify by reasonable and verifiable standards, from the books and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 217 (A) Subsection (2)(a)(i)(A);
- 218 (B) Subsection (2)(b)(i);
- 219 (C) Subsection (2)(c)(i); or
- 220 (D) Subsection (2)(d)(i)(A)(I).

221 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing  
222 statement for the billing period is rendered on or after the effective date of the repeal of the tax  
223 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 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is  
229 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or  
230 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)(i)(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 expended 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 4-18-106.

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) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
365 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section  
366 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
367 by a 1/64% tax rate on the taxable transactions under Subsection (1).]~~

368 [(8)(a)] (6) Notwithstanding Subsection (3)(a), [in addition to the amounts deposited

369 in Subsection (7), and subject to Subsection (8)(b),] for a fiscal year beginning on or after July  
 370 1, [2012] 2016, the Division of Finance shall deposit into the Rebecca D. Lockhart  
 371 Transportation Investment Fund [~~of 2005~~] created by Section 72-2-124[:(i)] a portion of the  
 372 taxes listed under Subsection (3)(a) in an amount equal to [~~8.3%~~] 23% of the revenues  
 373 collected from the following taxes[~~, which represents a portion of the approximately 17% of~~  
 374 ~~sales and use tax revenues generated annually by the sales and use tax on vehicles and~~  
 375 ~~vehicle-related products~~]:

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

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

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

379 [~~(D)~~] (d) the tax imposed by Subsection (2)(d)(i)(A)(I)[~~; plus~~].

380 [(i) ~~an amount equal to 30% of the growth in the amount of revenues collected in the~~  
 381 ~~current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through~~  
 382 ~~(D) that exceeds the amount collected from the sales and use taxes described in Subsections~~  
 383 ~~(8)(a)(i)(A) through (D) in the 2010-11 fiscal year.~~]

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

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

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

394 [(ii) ~~In any fiscal year in which the portion of the sales and use taxes deposited under~~  
 395 ~~Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes~~  
 396 ~~described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of~~  
 397 ~~Finance shall deposit 17% of the revenues collected from the sales and use taxes described in~~  
 398 ~~Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).]~~

399 [(iii) ~~In all subsequent fiscal years after a year in which 17% of the revenues collected~~

400 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited  
401 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues  
402 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the  
403 current fiscal year under Subsection (8)(a).]

404 [~~(9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under~~  
405 ~~Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of~~  
406 ~~Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under~~  
407 ~~Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section~~  
408 ~~72-2-124.~~]

409 [(10)] (7) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal  
410 year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
411 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

412 [(11) (a) ~~Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),~~  
413 ~~and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July~~  
414 ~~1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005~~  
415 ~~created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the~~  
416 ~~transactions described in Subsection (1).~~]

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

422 [(12) (a) ~~Notwithstanding Subsection (3)(a), and except as provided in Subsection~~  
423 ~~(12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the~~  
424 ~~Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a~~  
425 ~~.025% tax rate on the transactions described in Subsection (1) to be expended to address~~  
426 ~~chokepoints in construction management.~~]

427 [(b) ~~For purposes of Subsection (12)(a), the Division of Finance may not deposit into~~  
428 ~~the Transportation Fund any tax revenue generated by amounts paid or charged for food and~~  
429 ~~food ingredients, except for tax revenue generated by a bundled transaction attributable to food~~  
430 ~~and food ingredients and tangible personal property other than food and food ingredients~~

431 described in Subsection (2)(d).]

432 ~~[(13)]~~ (8) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the  
433 fiscal year during which the Division of Finance receives notice under Subsection  
434 63M-1-3410(3) that construction on a qualified hotel, as defined in Section 63M-1-3402, has  
435 begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit  
436 \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel  
437 Impact Mitigation Fund, created in Section 63M-1-3412.

438 ~~[(14)]~~ (9) Notwithstanding Subsections (4) through ~~[(13)]~~ (8), an amount required to be  
439 expended or deposited in accordance with Subsections (4) through ~~[(13)]~~ (8) may not include  
440 an amount the Division of Finance deposits in accordance with Section 59-12-103.2.

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

442 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**  
443 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

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

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

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

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

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

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

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

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

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

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

- 462 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;
- 463 (b) the motor vehicle is rented as a personal household goods moving van; or
- 464 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily
- 465 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an
- 466 insurance agreement.

467 (4) (a) (i) The tax authorized under this section shall be administered, collected, and

468 enforced in accordance with:

469 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,

470 Tax Collection; and

471 (B) Chapter 1, General Taxation Policies.

472 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to

473 Subsections 59-12-103(4) through ~~(12)~~ (9) or Section 59-12-107.1 or 59-12-123.

474 (b) The commission shall retain and deposit an administrative charge in accordance

475 with Section 59-1-306 from the revenues the commission collects from a tax under this part.

476 (c) Except as provided under Subsection (4)(b), all revenue received by the

477 commission under this section shall be deposited daily with the state treasurer and credited

478 monthly to the Marda Dillree Corridor Preservation Fund under Section 72-2-117.

479 Section 3. Section 63J-3-103 is amended to read:

480 **63J-3-103. Definitions.**

481 As used in this chapter:

482 (1) (a) "Appropriations" means actual unrestricted capital and operating appropriations

483 from unrestricted General Fund and Education Fund sources.

484 (b) "Appropriations" includes appropriations that are contingent upon available

485 surpluses in the General Fund and Education Fund.

486 (c) "Appropriations" does not mean:

487 (i) public education expenditures;

488 (ii) Utah Education and Telehealth Network expenditures in support of public

489 education;

490 (iii) Utah College of Applied Technology expenditures in support of public education;

491 (iv) Tax Commission expenditures related to collection of income taxes in support of

492 public education;



- 493 (v) debt service expenditures;
- 494 (vi) emergency expenditures;
- 495 (vii) expenditures from all other fund or subfund sources;
- 496 (viii) transfers or appropriations from the Education Fund to the Uniform School Fund;
- 497 (ix) transfers into, or appropriations made to, the General Fund Budget Reserve
- 498 Account established in Section [63J-1-312](#);
- 499 (x) transfers into, or appropriations made to, the Education Budget Reserve Account
- 500 established in Section [63J-1-313](#);
- 501 (xi) transfers in accordance with Section [63J-1-314](#) into, or appropriations made to the
- 502 State Disaster Recovery Restricted Account created in Section [53-2a-603](#);
- 503 (xii) money appropriated to fund the total one-time project costs for the construction of
- 504 capital developments as defined in Section [63A-5-104](#);
- 505 (xiii) transfers or deposits into or appropriations made to the Centennial Highway Fund
- 506 created by Section [72-2-118](#);
- 507 (xiv) transfers or deposits into or appropriations made to the Rebecca D. Lockhart
- 508 Transportation Investment Fund [~~of 2005~~] created by Section [72-2-124](#);
- 509 (xv) transfers or deposits into or appropriations made to:
- 510 (A) the Department of Transportation from any source; or
- 511 (B) any transportation-related account or fund from any source; or
- 512 (xvi) supplemental appropriations from the General Fund to the Division of Forestry,
- 513 Fire, and State Lands to provide money for wildland fire control expenses incurred during the
- 514 current or previous fire years.
- 515 (2) "Base year real per capita appropriations" means the result obtained for the state by
- 516 dividing the fiscal year 1985 actual appropriations of the state less debt money by:
- 517 (a) the state's July 1, 1983 population; and
- 518 (b) the fiscal year 1983 inflation index divided by 100.
- 519 (3) "Calendar year" means the time period beginning on January 1 of any given year
- 520 and ending on December 31 of the same year.
- 521 (4) "Fiscal emergency" means an extraordinary occurrence requiring immediate
- 522 expenditures and includes the settlement under Laws of Utah 1988, Fourth Special Session,
- 523 Chapter 4.

524 (5) "Fiscal year" means the time period beginning on July 1 of any given year and  
525 ending on June 30 of the subsequent year.

526 (6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual  
527 capital and operations appropriations from General Fund and non-Uniform School Fund  
528 income tax revenue sources, less debt money.

529 (7) "Inflation index" means the change in the general price level of goods and services  
530 as measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic  
531 Analysis, U.S. Department of Commerce calculated as provided in Section [63J-3-202](#).

532 (8) (a) "Maximum allowable appropriations limit" means the appropriations that could  
533 be, or could have been, spent in any given year under the limitations of this chapter.

534 (b) "Maximum allowable appropriations limit" does not mean actual appropriations  
535 spent or actual expenditures.

536 (9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two  
537 fiscal years previous to the fiscal year for which the maximum allowable inflation and  
538 population appropriations limit is being computed under this chapter.

539 (10) "Most recent fiscal year's population" means the fiscal year population two fiscal  
540 years previous to the fiscal year for which the maximum allowable inflation and population  
541 appropriations limit is being computed under this chapter.

542 (11) "Population" means the number of residents of the state as of July 1 of each year  
543 as calculated by the Governor's Office of Management and Budget according to the procedures  
544 and requirements of Section [63J-3-202](#).

545 (12) "Revenues" means the revenues of the state from every tax, penalty, receipt, and  
546 other monetary exaction and interest connected with it that are recorded as unrestricted revenue  
547 of the General Fund and from non-Uniform School Fund income tax revenues, except as  
548 specifically exempted by this chapter.

549 (13) "Security" means any bond, note, warrant, or other evidence of indebtedness,  
550 whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an  
551 "indebtedness" within the meaning of any provision of the constitution or laws of this state.

552 Section 4. Section **63M-1-3410** is amended to read:

553 **63M-1-3410. Report by office -- Posting of report.**

554 (1) Before November 1 of each year, the office shall submit a written report to the

555 Economic Development and Workforce Services Interim Committee of the Legislature, the  
556 Governor's Office of Management and Budget, and the Office of the Legislative Fiscal Analyst  
557 describing:

558 (a) the state's success in attracting new conventions and corresponding new state  
559 revenue;

560 (b) the estimated amount of tax credit commitments and the associated calculation  
561 made by the office and the period of time over which tax credits are expected to be paid;

562 (c) the economic impact on the state related to generating new state revenue and  
563 providing tax credits; and

564 (d) the estimated and actual costs and economic benefits of the tax credit commitments  
565 that the office made.

566 (2) The office shall post the annual report under Subsection (1) on its website and on a  
567 state website.

568 (3) Upon the commencement of the construction of a qualified hotel, the office shall  
569 send a written notice to the Division of Finance:

570 (a) referring to the two annual deposits required under Subsection ~~59-12-103(14)~~(8);  
571 and

572 (b) notifying the Division of Finance that construction on the qualified hotel has begun.

573 Section 5. Section **63M-1-3412** is amended to read:

574 **63M-1-3412. Hotel Impact Mitigation Fund.**

575 (1) As used in this section:

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

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

579 (c) "Mitigation fund" means the Hotel Impact Mitigation Fund, created in Subsection  
580 (2).

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

583 (3) The mitigation fund shall:

584 (a) be administered by the board;

585 (b) earn interest; and

586 (c) be funded by:

587 (i) payments required to be deposited into the mitigation fund by the Division of

588 Finance under Subsection [59-12-103](#)~~[(14)]~~(8);

589 (ii) money required to be deposited into the mitigation fund under Subsection

590 [17-31-9](#)(2) by the county in which a qualified hotel is located; and

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

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

593 (5) (a) In accordance with office rules, the board shall annually pay up to \$2,100,000 of

594 money in the mitigation fund:

595 (i) to affected hotels;

596 (ii) for four consecutive years, beginning 12 months after the date of initial occupancy

597 of the qualified hotel occurs; and

598 (iii) to mitigate direct losses.

599 (b) (i) If the amount the board pays under Subsection (5)(a) in any year is less than

600 \$2,100,000, the board shall pay to the Stay Another Day and Bounce Back Fund, created in

601 Section [63M-1-3411](#), the difference between \$2,100,000 and the amount paid under Subsection

602 (5)(a).

603 (ii) The board shall make any required payment under Subsection (5)(b)(i) within 90

604 days after the end of the year for which a determination is made of how much the board is

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

606 (6) A host local government or qualified hotel owner may make payments to the

607 Division of Finance for deposit into the mitigation fund.

608 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

609 office shall, in consultation with the Utah Hotel and Lodging Association and the county in

610 which the qualified hotel is located, make rules establishing procedures and criteria governing

611 payments under Subsection (5)(a) to affected hotels.

612 Section 6. Section [72-2-107](#) is amended to read:

613 **72-2-107. Appropriation from Transportation Fund -- Deposit into class B and**

614 **class C roads account.**

615 (1) There is appropriated to the department from the Transportation Fund annually an

616 amount equal to 30% of an amount which the director of finance shall compute in the

617 following manner: The total revenue deposited into the Transportation Fund during the fiscal  
618 year from state highway-user taxes and fees, minus:

619 (a) those amounts appropriated or transferred from the Transportation Fund during the  
620 same fiscal year to:

621 (i) the Department of Public Safety;

622 (ii) the State Tax Commission;

623 (iii) the Division of Finance; and

624 (iv) the Utah Travel Council; and

625 ~~[(v)]~~ (b) any other amounts appropriated or transferred for any other state agencies not  
626 a part of the department~~[-and]~~.

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

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

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

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

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

640 Section 7. Section 72-2-118 is amended to read:

641 **72-2-118. Centennial Highway Fund.**

642 (1) There is created a capital projects fund entitled the Centennial Highway Fund  
643 within the Rebecca D. Lockhart Transportation Investment Fund ~~[of 2005]~~ created by Section  
644 72-2-124.

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

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

648 (b) appropriations made to the fund by the Legislature.

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

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

651 (4) The executive director may use fund money, as prioritized by the Transportation  
652 Commission, only to pay the costs of construction, reconstruction, or renovation to state and  
653 federal highways.

654 (5) When the highway general obligation bonds have been paid off and the highway  
655 projects completed that are intended to be paid from revenues deposited in the account as  
656 determined by the Executive Appropriations Committee under Subsection (6)(d), the Division  
657 of Finance shall transfer any existing balance in the account into the Rebecca D. Lockhart  
658 Transportation Investment Fund [~~of 2005~~] created by Section 72-2-124.

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

661 (b) The department shall monitor the highway construction, reconstruction, or  
662 renovation projects that are being paid from revenues deposited in the fund.

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

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

666 (ii) the department shall report to the committee the status of all highway construction,  
667 reconstruction, or renovation projects that are being paid from revenues deposited in the fund.

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

670 (i) all highway general obligation bonds that are intended to be paid from revenues  
671 deposited in the fund have been paid off; and

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

674 Section 8. Section **72-2-121.3** is amended to read:

675 **72-2-121.3. Special revenue fund -- 2010 Salt Lake County Revenue Bonds**

676 **Sinking Fund.**

677 (1) There is created a special revenue fund within the County of the First Class State  
678 Highway Projects Fund entitled "2010 Salt Lake County Revenue Bond Sinking Fund."

679 (2) The fund consists of:

680 (a) money transferred into the fund from the County of the First Class State Highway  
681 Projects Fund in accordance with Subsection 72-2-121(4)(d); and

682 (b) for a fiscal year beginning on or after July 1, 2013, money transferred into the fund  
683 from the Rebecca D. Lockhart Transportation Investment Fund [~~of 2005~~] in accordance with  
684 Subsection 72-2-124(4)(a)(iv).

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

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

687 (4) (a) The director of the Division of Finance may use fund money only as provided in  
688 this section.

689 (b) The director of the Division of Finance may not distribute any money from the fund  
690 under this section until the director has received a formal opinion from the attorney general that  
691 Salt Lake County has entered into a binding agreement with the state of Utah containing all of  
692 the terms required by Section 72-2-121.4.

693 (c) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake  
694 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, on  
695 July 1 of each year beginning July 1, 2011, the director of the Division of Finance shall transfer  
696 from the County of the First Class State Highway Projects Fund and the Transportation  
697 Investment Fund of 2005 to the 2010 Salt Lake County Revenue Bond Sinking Fund the  
698 amount certified by Salt Lake County that is necessary to pay:

699 (i) up to two times the debt service requirement necessary to pay debt service on the  
700 revenue bonds issued by Salt Lake County for that fiscal year; and

701 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,  
702 and fund any debt service reserve requirements.

703 (d) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake  
704 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, the  
705 director of the Division of Finance shall, upon request from Salt Lake County, transfer to Salt  
706 Lake County or its designee from the 2010 Salt Lake County Revenue Bond Sinking Fund the  
707 amount certified by Salt Lake County as necessary to pay:

708 (i) the debt service on the revenue bonds issued by Salt Lake County as provided in the  
709 interlocal agreement required by Section 72-2-121.4; and

710 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,  
711 and fund any debt service reserve requirements.

712 (5) Any money remaining in the 2010 Salt Lake County Revenue Bond Sinking Fund  
713 at the end of the fiscal year lapses to the County of the First Class State Highway Projects  
714 Fund.

715 Section 9. Section **72-2-124** is amended to read:

716 **72-2-124. Rebecca D. Lockhart Transportation Investment Fund.**

717 (1) There is created a capital projects fund entitled the Rebecca D. Lockhart  
718 Transportation Investment Fund [~~of 2005~~].

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

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

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

723 (c) the sales and use tax revenues deposited into the fund in accordance with Section  
724 [59-12-103](#); and

725 (d) registration fees designated under Section [41-1a-1201](#).

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

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

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

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

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

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

738 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
739 Lake County Revenue Bond Sinking Fund created by Section [72-2-121.3](#) the amount certified  
740 by Salt Lake County in accordance with Subsection [72-2-121.3](#)(4)(c) as necessary to pay the



741 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

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

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

746 (vii) for fiscal year 2013-14 only, to transfer up to \$13,250,000 to the County of the  
747 First Class State Highway Projects Fund created in Section 72-2-121 to be used for the  
748 purposes described in Section 72-2-121.

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

751 (5) (a) Before bonds authorized by Section 63B-18-401 may be issued in any fiscal  
752 year, the department and the commission shall appear before the Executive Appropriations  
753 Committee of the Legislature and present the amount of bond proceeds that the department  
754 needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4)  
755 for the next fiscal year.

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

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

761 Section 10. Section 72-2-125 is amended to read:

762 **72-2-125. Critical Highway Needs Fund.**

763 (1) There is created a capital projects fund within the Transportation Investment Fund  
764 of 2005 known as the "Critical Highway Needs Fund."

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

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

768 (b) appropriations made to the fund by the Legislature.

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

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

771 (4) (a) The executive director shall use money deposited into the fund to pay the costs

772 of right-of-way acquisition, maintenance, construction, reconstruction, or renovation to state  
773 and federal highways identified by the department and prioritized by the commission in  
774 accordance with this Subsection (4).

775 (b) (i) The department shall:

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

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

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

782 (III) the highway construction project mitigates congestion;

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

784 and

785 (V) the highway construction project is a critical alternative route for priority Interstate  
786 15 reconstruction projects; and

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

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

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

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

792 transportation capacity projects adopted under Section [72-1-304](#).

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

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

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

801 (ii) Money expended from the fund for principal, interest, and issuance costs of bonds  
802 issued under Section [63B-16-101](#) is not considered an expenditure for purposes of the

803 \$1,200,000,000 cap under Subsection (4)(d)(i).

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

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

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

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

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

818 (5) When the general obligation bonds authorized by Section 63B-16-101 have been  
819 paid off and the highway projects completed that are included in the prioritized project list  
820 under Subsection (4), the Division of Finance shall transfer any existing balance in the fund  
821 into the Rebecca D. Lockhart Transportation Investment Fund [~~of 2005~~] created by Section  
822 72-2-124.

823 (6) (a) The Division of Finance shall monitor the general obligation bonds authorized  
824 by Section 63B-16-101.

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

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

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

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

832 (d) When the Division of Finance has reported that the general obligation bonds issued  
833 by Section 63B-16-101 have been paid off and the department has reported that projects

834 included in the prioritized project list are complete to the Executive Appropriations Committee  
835 of the Legislature, the Division of Finance shall transfer any existing fund balance in  
836 accordance with Subsection (5).

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

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

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

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

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

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

849 Section 11. **Effective date.**

850 This bill takes effect on July 1, 2016.

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**Legislative Review Note**

**as of 2-25-15 10:01 AM**

**Office of Legislative Research and General Counsel**