

1 **SALES AND USE TAX ALLOCATIONS FOR WATER**2 **RESOURCES FUNDING**

3 2013 GENERAL SESSION

4 STATE OF UTAH

5

6 **LONG TITLE**7 **General Description:**

8 This bill allocates certain sales and use tax revenues to the Water Resources
9 Conservation and Development Fund.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ allocates certain sales and use tax revenues to the Water Resources Conservation
13 and Development Fund;
- 14 ▶ modifies the funding sources for the Water Resources Conservation and
15 Development Fund to include the sales and use tax allocations; and
- 16 ▶ makes technical and conforming changes.

17 **Money Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 This bill takes effect on July 1, 2014.

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **59-12-103 (Effective 07/01/14)**, as last amended by Laws of Utah 2012, Chapters 207,
24 212, 254, 255, and 424

25 **59-12-1201**, as last amended by Laws of Utah 2012, Chapter 121

26 **73-10-25**, as last amended by Laws of Utah 1991, First Special Session, Chapter 4

27 **73-10-31**, as enacted by Laws of Utah 1996, Chapter 199

28

29 *Be it enacted by the Legislature of the state of Utah:*30 Section 1. Section **59-12-103 (Effective 07/01/14)** is amended to read:31 **59-12-103 (Effective 07/01/14). Sales and use tax base -- Rates -- Effective dates --**

32 **Use of sales and use tax revenues.**

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

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

36 (b) amounts paid for:

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

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

42 (iii) an ancillary service associated with a:

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

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

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

46 (i) gas;

47 (ii) electricity;

48 (iii) heat;

49 (iv) coal;

50 (v) fuel oil; or

51 (vi) other fuels;

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

53 (i) gas;

54 (ii) electricity;

55 (iii) heat;

56 (iv) coal;

57 (v) fuel oil; or

58 (vi) other fuels;

59 (e) sales of prepared food;

60 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or

61 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,

62 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

63 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
64 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
65 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
66 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
67 horseback rides, sports activities, or any other amusement, entertainment, recreation,
68 exhibition, cultural, or athletic activity;

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

71 (i) the tangible personal property; and

72 (ii) parts used in the repairs or renovations of the tangible personal property described
73 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
74 of that tangible personal property;

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

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

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

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

82 (i) stored;

83 (ii) used; or

84 (iii) otherwise consumed;

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

87 (i) stored;

88 (ii) used; or

89 (iii) consumed; and

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

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

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

93 (ii) regardless of whether the sale provides:

- 94 (A) a right of permanent use of the product; or
- 95 (B) a right to use the product that is less than a permanent use, including a right:
- 96 (I) for a definite or specified length of time; and
- 97 (II) that terminates upon the occurrence of a condition.
- 98 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 99 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 100 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 101 (A) 4.70%; and
- 102 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 103 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 104 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
- 105 State Sales and Use Tax Act; and
- 106 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 107 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 108 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
- 109 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 110 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 111 transaction under this chapter other than this part.
- 112 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 113 on a transaction described in Subsection (1)(d) equal to the sum of:
- 114 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 115 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 116 transaction under this chapter other than this part.
- 117 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 118 on amounts paid or charged for food and food ingredients equal to the sum of:
- 119 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
- 120 a tax rate of 1.75%; and
- 121 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 122 amounts paid or charged for food and food ingredients under this chapter other than this part.
- 123 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
- 124 tangible personal property other than food and food ingredients, a state tax and a local tax is

125 imposed on the entire bundled transaction equal to the sum of:

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

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

128 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

129 Sales and Use Tax Act, if the location of the transaction as determined under Sections

130 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

131 Additional State Sales and Use Tax Act; and

132 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State

133 Sales and Use Tax Act, if the location of the transaction as determined under Sections

134 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

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

136 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates

137 described in Subsection (2)(a)(ii).

138 (ii) If an optional computer software maintenance contract is a bundled transaction that

139 consists of taxable and nontaxable products that are not separately itemized on an invoice or

140 similar billing document, the purchase of the optional computer software maintenance contract

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

142 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled

143 transaction described in Subsection (2)(d)(i) or (ii):

144 (A) if the sales price of the bundled transaction is attributable to tangible personal

145 property, a product, or a service that is subject to taxation under this chapter and tangible

146 personal property, a product, or service that is not subject to taxation under this chapter, the

147 entire bundled transaction is subject to taxation under this chapter unless:

148 (I) the seller is able to identify by reasonable and verifiable standards the tangible

149 personal property, product, or service that is not subject to taxation under this chapter from the

150 books and records the seller keeps in the seller's regular course of business; or

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

152 (B) if the sales price of a bundled transaction is attributable to two or more items of

153 tangible personal property, products, or services that are subject to taxation under this chapter

154 at different rates, the entire bundled transaction is subject to taxation under this chapter at the

155 higher tax rate unless:

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

159 (II) state or federal law provides otherwise.

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

163 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
164 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
165 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
166 of tangible personal property, other property, a product, or a service that is not subject to
167 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
168 the seller, at the time of the transaction:

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

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

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

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

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

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

185 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
186 personal property, products, or services that are subject to taxation under this chapter at

187 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
188 unless the seller, at the time of the transaction:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

218 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
219 change in a tax rate takes effect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

239 (iv) the tax imposed by Subsection (2)(d)(i)(B).

240 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
241 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
242 through (g):

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

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

245 (B) for the fiscal year; or

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

247 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

248 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the

249 Department of Natural Resources to:

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

252 (B) award grants, up to the amount authorized by the Legislature in an appropriations
253 act, to political subdivisions of the state to implement the measures described in Subsections
254 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

303 (iii) develop surface water sources.

304 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
305 2006, the difference between the following amounts shall be expended as provided in this
306 Subsection (5), if that difference is greater than \$1:

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

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

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

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

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

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

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

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

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

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

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

331 (i) preconstruction costs:

332 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
333 26, Bear River Development Act; and

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

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

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

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

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

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

349 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
350 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%
351 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in
352 the Transportation Fund created by Section 72-2-102.

353 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of
354 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section
355 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated
356 by a 1/64% tax rate on the taxable transactions under Subsection (1).

357 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
358 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,
359 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
360 created by Section 72-2-124:

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

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

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

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

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

369 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
370 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through
371 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
372 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

373 (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of
374 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total
375 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)
376 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
377 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
378 (8)(a) equal to the product of:

379 (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the
380 previous fiscal year; and

381 (B) the total sales and use tax revenue generated by the taxes described in Subsections
382 (8)(a)(i)(A) through (D) in the current fiscal year.

383 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
384 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes
385 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of
386 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
387 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

388 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
389 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited
390 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues
391 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the
392 current fiscal year under Subsection (8)(a).

393 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
394 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of
395 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under
396 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section
397 72-2-124.

398 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
399 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
400 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

401 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),
402 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July
403 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005

404 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the
405 transactions described in Subsection (1).

406 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into
407 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or
408 charged for food and food ingredients, except for tax revenue generated by a bundled
409 transaction attributable to food and food ingredients and tangible personal property other than
410 food and food ingredients described in Subsection (2)(d).

411 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection
412 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the
413 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a
414 .025% tax rate on the transactions described in Subsection (1) to be expended to address
415 chokepoints in construction management.

416 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into
417 the Transportation Fund any tax revenue generated by amounts paid or charged for food and
418 food ingredients, except for tax revenue generated by a bundled transaction attributable to food
419 and food ingredients and tangible personal property other than food and food ingredients
420 described in Subsection (2)(d).

421 (13) Beginning on the July 1 after the last day of the first fiscal year that the Division
422 of Finance deposits 17% of sales and use tax revenues into the Transportation Investment Fund
423 of 2005 created by Section 72-2-124 in accordance with Subsection (8)(b)(ii), the Division of
424 Finance shall annually deposit into the Water Resources Construction and Development Fund
425 created in Section 73-10-24 an amount equal to the lesser of:

426 (a) 15% of the sales and use tax revenues collected in the current fiscal year from the
427 sales and use taxes described in Subsection (3)(a); or

428 (b) 30% of the growth in the amount of revenues collected in the current fiscal year
429 from the sales and uses taxes described in Subsection (3)(a) that exceeds the revenues collected
430 from the sales and use taxes described in Subsection (3)(a) in the first fiscal year that the
431 Division of Finance deposits 17% of sales and use tax revenues into the Transportation
432 Investment Fund of 2005 created by Section 72-2-124 in accordance with Subsection (8)(b)(ii).

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

434 **59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,**

435 **collection, and enforcement of tax -- Administrative charge -- Deposits.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

463 (B) Chapter 1, General Taxation Policies.

464 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to
465 Subsections 59-12-103(4) through [~~(12)~~] (13) or Section 59-12-107.1 or 59-12-123.

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

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

471 Section 3. Section **73-10-25** is amended to read:

472 **73-10-25. Contents of fund -- Investment -- Contributions.**

473 (1) The Water Resources Conservation and Development Fund consists of:

474 (a) money appropriated to it by the Legislature;

475 (b) money deposited in accordance with Section 59-12-103;

476 [~~(b)~~] (c) money received from the sale of project water and power, less operating and
477 maintenance costs;

478 [~~(c)~~] (d) annual payments on contracts for projects constructed under Section 73-10-24
479 or the State Water Conservation Program; and

480 [~~(d)~~] (e) other money or tax revenues designated by the Legislature to be credited to the
481 Water Resources Conservation and Development Fund.

482 (2) All money deposited into the Water Resources Conservation and Development
483 Fund shall be invested by the state treasurer with interest accruing to the Water Resources
484 Conservation and Development Fund, except for payments, if any, necessary to comply with
485 Section 148(f), Internal Revenue Code of 1986.

486 (3) Contributions of money, property, or equipment may be received from any political
487 subdivision of the state, federal agency, water users' association, person, or corporation for use
488 in carrying out the purposes of Section 73-10-24.

489 Section 4. Section **73-10-31** is amended to read:

490 **73-10-31. Allocation of funds for credit enhancement and interest buy-down**
491 **agreements.**

492 (1) Of the combined expenditures from the Water Resources Cities Water Loan Fund
493 and Water Resources Conservation and Development Fund authorized by the Board of Water
494 Resources each year, at least 10% shall be allocated for credit enhancement and interest
495 buy-down agreements.

496 (2) The requirement specified in Subsection (1) shall apply only so long as sales and

497 use tax is transferred to the Water Resources Conservation and Development Fund as provided
498 in ~~[Section]~~ Subsections 59-12-103(4) and (5).

499 Section 5. **Effective date.**

500 This bill takes effect on July 1, 2014.