

Transportation Funding Alignment Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor:

LONG TITLE**General Description:**

This bill adjusts a sales and use tax earmark related to transportation and adjusts other transportation funding.

Highlighted Provisions:

This bill:

- changes the percentage of a sales and use tax earmark for the Transportation Investment Fund of 2005;

- removes a transfer from the Transportation Fund to the Transportation Investment Fund of 2005;

- removes language to restore funding for litter and carcass removal for the Department of Transportation; and

- makes technical changes.

Money Appropriated in this Bill:

This bill appropriates (\$330,000,000) in capital project funds for fiscal year 2026, all of which is from the General Fund.

Other Special Clauses:

None

Utah Code Sections Affected:**AMENDS:**

53-2a-1102, as last amended by Laws of Utah 2023, Chapters 34, 471

59-12-103, as last amended by Laws of Utah 2024, Chapters 88, 501

72-2-106, as last amended by Laws of Utah 2023, Chapter 22

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

Section 1. Section **53-2a-1102** is amended to read:

**53-2a-1102 . Search and Rescue Financial Assistance Program -- Uses --
Rulemaking -- Distribution.**

- (1) As used in this section:
- (a) "Assistance card program" means the Utah Search and Rescue Assistance Card Program created within this section.
 - (b) "Card" means the Search and Rescue Assistance Card issued under this section to a participant.
 - (c) "Participant" means an individual, family, or group who is registered pursuant to this section as having a valid card at the time search, rescue, or both are provided.
 - (d) "Program" means the Search and Rescue Financial Assistance Program created within this section.
 - (e)(i) "Reimbursable base expenses" means those reasonable expenses incidental to search and rescue activities.
 - (ii) "Reimbursable base expenses" include:
 - (A) rental for fixed wing aircraft, snowmobiles, boats, and generators;
 - (B) replacement and upgrade of search and rescue equipment;
 - (C) training of search and rescue volunteers;
 - (D) costs of providing life insurance and workers' compensation benefits for volunteer search and rescue team members under Section 67-20-7.5; and
 - (E) any other equipment or expenses necessary or appropriate for conducting search and rescue activities.
 - (iii) "Reimbursable base expenses" do not include any salary or overtime paid to an individual on a regular or permanent payroll, including permanent part-time employees of any agency of the state.
 - (f) "Rescue" means search services, rescue services, or both search and rescue services.
- (2) There is created the Search and Rescue Financial Assistance Program within the division.
- (3)(a) The financial program and the assistance card program shall be funded from the following revenue sources:
- (i) any voluntary contributions to the state received for search and rescue operations;
 - (ii) money received by the state under Subsection (11) and under Sections 23A-4-209, 41-22-34, and 73-18-24;
 - (iii) money deposited under Subsection ~~[59-12-103(13)]~~ 59-12-103(12);
 - (iv) contributions deposited in accordance with Section 41-1a-230.7; and
 - (v) appropriations made to the program by the Legislature.
- (b) Money received from the revenue sources in Subsections (3)(a)(i), (ii), and (iv), and

90% of the money described in Subsection (3)(a)(iii), shall be deposited into the General Fund as a dedicated credit to be used solely for the program.

(c) Ten percent of the money described in Subsection (3)(a)(iii) shall be deposited into the General Fund as a dedicated credit to be used solely to promote the assistance card program.

(d) Funding for the program is nonlapsing.

(4) Subject to Subsections (3)(b) and (c), the director shall use the money described in this section to reimburse counties for all or a portion of each county's reimbursable base expenses for search and rescue operations, subject to:

(a) the approval of the Search and Rescue Advisory Board as provided in Section 53-2a-1104;

(b) money available in the program; and

(c) rules made under Subsection (7).

(5) Money described in Subsection (3) may not be used to reimburse for any paid personnel costs or paid man hours spent in emergency response and search and rescue related activities.

(6) The Legislature finds that these funds are for a general and statewide public purpose.

(7) The division, with the approval of the Search and Rescue Advisory Board, shall make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section:

(a) specifying the costs that qualify as reimbursable base expenses;

(b) defining the procedures of counties to submit expenses and be reimbursed;

(c) defining a participant in the assistance card program, including:

(i) individuals; and

(ii) families and organized groups who qualify as participants;

(d) defining the procedure for issuing a card to a participant;

(e) defining excluded expenses that may not be reimbursed under the program, including medical expenses;

(f) establishing the card renewal cycle for the Utah Search and Rescue Assistance Card Program;

(g) establishing the frequency of review of the fee schedule;

(h) providing for the administration of the program; and

(i) providing a formula to govern the distribution of available money among the counties for uncompensated search and rescue expenses based on:

- (i) the total qualifying expenses submitted;
- (ii) the number of search and rescue incidents per county population;
- (iii) the number of victims that reside outside the county; and
- (iv) the number of volunteer hours spent in each county in emergency response and search and rescue related activities per county population.

(8)(a) The division shall, in consultation with the Division of Outdoor Recreation, establish the fee schedule of the Utah Search and Rescue Assistance Card Program under Subsection 63J-1-504(7).

(b) The division shall provide a discount of not less than 10% of the card fee under Subsection (8)(a) to a person who has paid a fee under Section 23A-4-209, 41-22-34, or 73-18-24 during the same calendar year in which the person applies to be a participant in the assistance card program.

(9) Counties may not bill reimbursable base expenses to an individual for costs incurred for the rescue of an individual, if the individual is a current participant in the Utah Search and Rescue Assistance Card Program at the time of rescue, unless:

- (a) the rescuing county finds that the participant acted recklessly in creating a situation resulting in the need for the county to provide rescue services; or
- (b) the rescuing county finds that the participant intentionally created a situation resulting in the need for the county to provide rescue services.

(10)(a) There is created the Utah Search and Rescue Assistance Card Program. The program is located within the division.

(b) The program may not be used to cover any expenses, such as medically related expenses, that are not reimbursable base expenses related to the rescue.

(11)(a) To participate in the program, a person shall purchase a search and rescue assistance card from the division by paying the fee as determined by the division in Subsection (8).

(b) The money generated by the fees shall be deposited into the General Fund as a dedicated credit for the Search and Rescue Financial Assistance Program created in this section.

(c) Participation and payment of fees by a person under Sections 23A-4-209, 41-22-34, and 73-18-24 do not constitute purchase of a card under this section.

(12) The division shall consult with the Division of Outdoor Recreation regarding:

- (a) administration of the assistance card program; and
- (b) outreach and marketing strategies.

(13) Pursuant to Subsection 31A-1-103(7), the Utah Search and Rescue Assistance Card Program under this section is exempt from being considered insurance as that term is defined in Section 31A-1-301.

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

59-12-103 . Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenue.

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

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

(b) amounts paid for:

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

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

(iii) an ancillary service associated with a:

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

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

(c) sales of the following for commercial use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(d) sales of the following for residential use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(e) sales of prepared food;

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

167 user fees for theaters, movies, operas, museums, planetariums, shows of any type or
168 nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses,
169 menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling
170 matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling
171 lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts,
172 ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides,
173 river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or
174 any other amusement, entertainment, recreation, exhibition, cultural, or athletic
175 activity;

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

179 (i) the tangible personal property; and

180 (ii) parts used in the repairs or renovations of the tangible personal property described
181 in Subsection (1)(g)(i), regardless of whether:

182 (A) any parts are actually used in the repairs or renovations of that tangible
183 personal property; or

184 (B) the particular parts used in the repairs or renovations of that tangible personal
185 property are exempt from a tax under this chapter;

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

188 (i) amounts paid or charged for short-term rentals of tourist home, hotel, motel, or trailer
189 court accommodations and services;

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

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

193 (i) stored;

194 (ii) used; or

195 (iii) otherwise consumed;

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

198 (i) stored;

199 (ii) used; or

200 (iii) consumed;

(m) amounts paid or charged for a sale:

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

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

(ii) regardless of whether the sale provides:

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

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

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

(II) that terminates upon the occurrence of a condition; and

(n) sales of leased tangible personal property from the lessor to the lessee made in the state.

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

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

(A) 4.70% plus the rate specified in Subsection (11)(a); and

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

State Sales and Use Tax Act, if the location of the transaction as determined

under Sections 59-12-211 through 59-12-215 is in a county in which the

state imposes the tax under Part 18, Additional State Sales and Use Tax Act;

and

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

State Sales and Use Tax Act, if the location of the transaction as determined

under Sections 59-12-211 through 59-12-215 is in a city, town, or the

unincorporated area of a county in which the state imposes the tax under

Part 20, Supplemental State Sales and Use Tax Act; and

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

(b) Except as provided in Subsection (2)(f) or (g) and subject to Subsection (2)(l), a state tax and a local tax are imposed on a transaction described in Subsection (1)(d) equal to the sum of:

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

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

(c) Except as provided in Subsection (2)(f) or (g), a state tax and a local tax are imposed on amounts paid or charged for food and food ingredients equal to the sum of:

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

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

(d) Except as provided in Subsection (2)(f) or (g), a state tax is imposed on amounts paid or charged for fuel to a common carrier that is a railroad for use in a locomotive engine at a rate of 4.85%.

(e)(i)(A) If a shared vehicle owner certifies to the commission, on a form prescribed by the commission, that the shared vehicle is an individual-owned shared vehicle, a tax imposed under Subsection (2)(a)(i)(A) does not apply to car sharing, a car-sharing program, a shared vehicle driver, or a shared vehicle owner.

(B) A shared vehicle owner's certification described in Subsection (2)(e)(i)(A) is required once during the time that the shared vehicle owner owns the shared vehicle.

(C) The commission shall verify that a shared vehicle is an individual-owned shared vehicle by verifying that the applicable Utah taxes imposed under this chapter were paid on the purchase of the shared vehicle.

(D) The exception under Subsection (2)(e)(i)(A) applies to a certified individual-owned shared vehicle shared through a car-sharing program even if non-certified shared vehicles are also available to be shared through the same car-sharing program.

(ii) A tax imposed under Subsection (2)(a)(i)(B) or (2)(a)(ii) applies to car sharing.

(iii)(A) A car-sharing program may rely in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i).

(B) If a car-sharing program relies in good faith on a shared vehicle owner's representation that the shared vehicle is an individual-owned shared vehicle certified with the commission as described in Subsection (2)(e)(i), the car-sharing program is not liable for any tax, penalty, fee, or other sanction imposed on the shared vehicle owner.

(iv) If all shared vehicles shared through a car-sharing program are certified as described in Subsection (2)(e)(i)(A) for a tax period, the car-sharing program has

- no obligation to collect and remit the tax under Subsection (2)(a)(i)(A) for that tax period.
- (v) A car-sharing program is not required to list or otherwise identify an individual-owned shared vehicle on a return or an attachment to a return.
- (vi) A car-sharing program shall:
- (A) retain tax information for each car-sharing program transaction; and
 - (B) provide the information described in Subsection (2)(e)(vi)(A) to the commission at the commission's request.
- (f)(i) For a bundled transaction that is attributable to food and food ingredients and tangible personal property other than food and food ingredients, a state tax and a local tax is imposed on the entire bundled transaction equal to the sum of:
- (A) a state tax imposed on the entire bundled transaction equal to the sum of:
 - (I) the tax rate described in Subsection (2)(a)(i)(A); and
 - (II)(Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and
 - (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
 - (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates described in Subsection (2)(a)(ii).
- (ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract is 40% taxable under this chapter and 60% nontaxable under this chapter.
- (iii) Subject to Subsection (2)(f)(iv), for a bundled transaction other than a bundled transaction described in Subsection (2)(f)(i) or (ii):
- (A) if the sales price of the bundled transaction is attributable to tangible personal property, a product, or a service that is subject to taxation under this chapter

- 303 and tangible personal property, a product, or service that is not subject to
304 taxation under this chapter, the entire bundled transaction is subject to taxation
305 under this chapter unless:
- 306 (I) the seller is able to identify by reasonable and verifiable standards the
307 tangible personal property, product, or service that is not subject to taxation
308 under this chapter from the books and records the seller keeps in the seller's
309 regular course of business; or
- 310 (II) state or federal law provides otherwise; or
- 311 (B) if the sales price of a bundled transaction is attributable to two or more items
312 of tangible personal property, products, or services that are subject to taxation
313 under this chapter at different rates, the entire bundled transaction is subject to
314 taxation under this chapter at the higher tax rate unless:
- 315 (I) the seller is able to identify by reasonable and verifiable standards the
316 tangible personal property, product, or service that is subject to taxation
317 under this chapter at the lower tax rate from the books and records the seller
318 keeps in the seller's regular course of business; or
- 319 (II) state or federal law provides otherwise.
- 320 (iv) For purposes of Subsection (2)(f)(iii), books and records that a seller keeps in the
321 seller's regular course of business includes books and records the seller keeps in
322 the regular course of business for nontax purposes.
- 323 (g)(i) Except as otherwise provided in this chapter and subject to Subsections
324 (2)(g)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible
325 personal property, a product, or a service that is subject to taxation under this
326 chapter, and the sale, lease, or rental of tangible personal property, other property,
327 a product, or a service that is not subject to taxation under this chapter, the entire
328 transaction is subject to taxation under this chapter unless the seller, at the time of
329 the transaction:
- 330 (A) separately states the portion of the transaction that is not subject to taxation
331 under this chapter on an invoice, bill of sale, or similar document provided to
332 the purchaser; or
- 333 (B) is able to identify by reasonable and verifiable standards, from the books and
334 records the seller keeps in the seller's regular course of business, the portion of
335 the transaction that is not subject to taxation under this chapter.
- 336 (ii) A purchaser and a seller may correct the taxability of a transaction if:

- 337 (A) after the transaction occurs, the purchaser and the seller discover that the
338 portion of the transaction that is not subject to taxation under this chapter was
339 not separately stated on an invoice, bill of sale, or similar document provided
340 to the purchaser because of an error or ignorance of the law; and
- 341 (B) the seller is able to identify by reasonable and verifiable standards, from the
342 books and records the seller keeps in the seller's regular course of business, the
343 portion of the transaction that is not subject to taxation under this chapter.
- 344 (iii) For purposes of Subsections (2)(g)(i) and (ii), books and records that a seller
345 keeps in the seller's regular course of business includes books and records the
346 seller keeps in the regular course of business for nontax purposes.
- 347 (h)(i) If the sales price of a transaction is attributable to two or more items of tangible
348 personal property, products, or services that are subject to taxation under this
349 chapter at different rates, the entire purchase is subject to taxation under this
350 chapter at the higher tax rate unless the seller, at the time of the transaction:
- 351 (A) separately states the items subject to taxation under this chapter at each of the
352 different rates on an invoice, bill of sale, or similar document provided to the
353 purchaser; or
- 354 (B) is able to identify by reasonable and verifiable standards the tangible personal
355 property, product, or service that is subject to taxation under this chapter at the
356 lower tax rate from the books and records the seller keeps in the seller's regular
357 course of business.
- 358 (ii) For purposes of Subsection (2)(h)(i), books and records that a seller keeps in the
359 seller's regular course of business includes books and records the seller keeps in
360 the regular course of business for nontax purposes.
- 361 (i) Subject to Subsections (2)(j) and (k), a tax rate repeal or tax rate change for a tax rate
362 imposed under the following shall take effect on the first day of a calendar quarter:
- 363 (i) Subsection (2)(a)(i)(A);
- 364 (ii) Subsection (2)(b)(i);
- 365 (iii) Subsection (2)(c)(i); or
- 366 (iv) Subsection (2)(f)(i)(A)(I).
- 367 (j)(i) A tax rate increase takes effect on the first day of the first billing period that
368 begins on or after the effective date of the tax rate increase if the billing period for
369 the transaction begins before the effective date of a tax rate increase imposed
370 under:

- 371 (A) Subsection (2)(a)(i)(A);
372 (B) Subsection (2)(b)(i);
373 (C) Subsection (2)(c)(i); or
374 (D) Subsection (2)(f)(i)(A)(I).
- 375 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
376 statement for the billing period is rendered on or after the effective date of the
377 repeal of the tax or the tax rate decrease imposed under:
378 (A) Subsection (2)(a)(i)(A);
379 (B) Subsection (2)(b)(i);
380 (C) Subsection (2)(c)(i); or
381 (D) Subsection (2)(f)(i)(A)(I).
- 382 (k)(i) For a tax rate described in Subsection (2)(k)(ii), if a tax due on a catalogue sale
383 is computed on the basis of sales and use tax rates published in the catalogue, a
384 tax rate repeal or change in a tax rate takes effect:
385 (A) on the first day of a calendar quarter; and
386 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate
387 change.
- 388 (ii) Subsection (2)(k)(i) applies to the tax rates described in the following:
389 (A) Subsection (2)(a)(i)(A);
390 (B) Subsection (2)(b)(i);
391 (C) Subsection (2)(c)(i); or
392 (D) Subsection (2)(f)(i)(A)(I).
- 393 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
394 the commission may by rule define the term "catalogue sale."
- 395 (l)(i) For a location described in Subsection (2)(l)(ii), the commission shall determine
396 the taxable status of a sale of gas, electricity, heat, coal, fuel oil, or other fuel
397 based on the predominant use of the gas, electricity, heat, coal, fuel oil, or other
398 fuel at the location.
- 399 (ii) Subsection (2)(l)(i) applies to a location where gas, electricity, heat, coal, fuel oil,
400 or other fuel is furnished through a single meter for two or more of the following
401 uses:
402 (A) a commercial use;
403 (B) an industrial use; or
404 (C) a residential use.

- (3)(a) The following state taxes shall be deposited into the General Fund:
- (i) the tax imposed by Subsection (2)(a)(i)(A);
 - (ii) the tax imposed by Subsection (2)(b)(i);
 - (iii) the tax imposed by Subsection (2)(c)(i); and
 - (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- (b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:
- (i) the tax imposed by Subsection (2)(a)(ii);
 - (ii) the tax imposed by Subsection (2)(b)(ii);
 - (iii) the tax imposed by Subsection (2)(c)(ii); and
 - (iv) the tax imposed by Subsection (2)(f)(i)(B).
- (c) The state tax imposed by Subsection (2)(d) shall be deposited into the General Fund.
- (4)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):
- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (B) for the fiscal year; or
 - (ii) \$17,500,000.
- (b)(i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as designated sales and use tax revenue to the Division of Wildlife Resources to:
- (A) implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species; or
 - (B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 23A-3-214(3)(a) through (d) to protect sensitive plant and animal species.
- (ii) Money transferred to the Division of Wildlife Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.
- (iii) At the end of each fiscal year:

- 439 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
440 the Water Resources Conservation and Development Fund created in Section
441 73-10-24;
- 442 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
443 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
444 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
445 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 446 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in
447 Subsection (4)(a) shall be deposited each year in the Agriculture Resource
448 Development Fund created in Section 4-18-106.
- 449 (d)(i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount
450 described in Subsection (4)(a) shall be transferred each year as designated sales
451 and use tax revenue to the Division of Water Rights to cover the costs incurred in
452 hiring legal and technical staff for the adjudication of water rights.
- 453 (ii) At the end of each fiscal year:
- 454 (A) 50% of any unexpended designated sales and use tax revenue shall lapse to
455 the Water Resources Conservation and Development Fund created in Section
456 73-10-24;
- 457 (B) 25% of any unexpended designated sales and use tax revenue shall lapse to the
458 Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and
459 (C) 25% of any unexpended designated sales and use tax revenue shall lapse to the
460 Drinking Water Loan Program Subaccount created in Section 73-10c-5.
- 461 (e)(i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount
462 described in Subsection (4)(a) shall be deposited into the Water Resources
463 Conservation and Development Fund created in Section 73-10-24 for use by the
464 Division of Water Resources.
- 465 (ii) In addition to the uses allowed of the Water Resources Conservation and
466 Development Fund under Section 73-10-24, the Water Resources Conservation
467 and Development Fund may also be used to:
- 468 (A) conduct hydrologic and geotechnical investigations by the Division of Water
469 Resources in a cooperative effort with other state, federal, or local entities, for
470 the purpose of quantifying surface and ground water resources and describing
471 the hydrologic systems of an area in sufficient detail so as to enable local and
472 state resource managers to plan for and accommodate growth in water use

- 473 without jeopardizing the resource;
- 474 (B) fund state required dam safety improvements; and
- 475 (C) protect the state's interest in interstate water compact allocations, including the
- 476 hiring of technical and legal staff.
- 477 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in
- 478 Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program
- 479 Subaccount created in Section 73-10c-5 for use by the Water Quality Board to fund
- 480 wastewater projects.
- 481 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
- 482 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program
- 483 Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:
- 484 (i) provide for the installation and repair of collection, treatment, storage, and
- 485 distribution facilities for any public water system, as defined in Section 19-4-102;
- 486 (ii) develop underground sources of water, including springs and wells; and
- 487 (iii) develop surface water sources.
- 488 (5)(a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 489 2006, the difference between the following amounts shall be expended as provided in
- 490 this Subsection (5), if that difference is greater than \$1:
- 491 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for
- 492 the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1);
- 493 and
- 494 (ii) \$17,500,000.
- 495 (b)(i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
- 496 (A) transferred each fiscal year to the Department of Natural Resources as
- 497 designated sales and use tax revenue; and
- 498 (B) expended by the Department of Natural Resources for watershed rehabilitation
- 499 or restoration.
- 500 (ii) At the end of each fiscal year, 100% of any unexpended designated sales and use
- 501 tax revenue described in Subsection (5)(b)(i) shall lapse to the Water Resources
- 502 Conservation and Development Fund created in Section 73-10-24.
- 503 (c)(i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
- 504 remaining difference described in Subsection (5)(a) shall be:
- 505 (A) transferred each fiscal year to the Division of Water Resources as designated
- 506 sales and use tax revenue; and

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

- 541 (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 542 (ii) the tax imposed by Subsection (2)(b)(i);
- 543 (iii) the tax imposed by Subsection (2)(c)(i); and
- 544 (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 545 (b)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall
- 546 annually reduce the deposit under Subsection (7)(a) into the Transportation
- 547 Investment Fund of 2005 by an amount equal to .44% of the revenue collected
- 548 from the following sales and use taxes:
- 549 (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- 550 (B) the tax imposed by Subsection (2)(b)(i);
- 551 (C) the tax imposed by Subsection (2)(c)(i); and
- 552 (D) the tax imposed by Subsection (2)(f)(i)(A)(I).
- 553 (ii) The commission shall annually deposit the amount described in Subsection
- 554 (7)(b)(i) into the Cottonwood Canyons Transportation Investment Fund created in
- 555 Section 72-2-124.
- 556 (c)(i) Subject to Subsection (7)(c)(ii), for a fiscal year beginning on or after July 1,
- 557 2023, the commission shall annually reduce the deposit into the Transportation
- 558 Investment Fund of 2005 under Subsections (7)(a) and (7)(b) by an amount that is
- 559 equal to 5% of:
- 560 (A) the amount of revenue generated in the current fiscal year by the portion of
- 561 taxes listed under Subsection (3)(a) that equals 20.68% of the revenue
- 562 collected from taxes described in Subsections (7)(a)(i) through (iv);
- 563 (B) the amount of revenue generated in the current fiscal year by registration fees
- 564 designated under Section 41-1a-1201 to be deposited into the Transportation
- 565 Investment Fund of 2005; and
- 566 (C) revenue transferred by the Division of Finance to the Transportation
- 567 Investment Fund of 2005 in accordance with Section 72-2-106 in the current
- 568 fiscal year.
- 569 (ii) The amount described in Subsection (7)(c)(i) may not exceed \$45,000,000 in a
- 570 given fiscal year.
- 571 (iii) The commission shall annually deposit the amount described in Subsection
- 572 (7)(c)(i) into the Active Transportation Investment Fund created in Subsection
- 573 72-2-124(11).
- 574 (d)(i) For a fiscal year beginning on or after July 1, 2024, the commission shall

annually reduce the deposit into the Transportation Investment Fund of 2005 under this Subsection (7) by an amount that is equal to 1% of the revenue collected from the following sales and use taxes:

- (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (B) the tax imposed by Subsection (2)(b)(i);
- (C) the tax imposed by Subsection (2)(c)(i); and
- (D) the tax imposed by Subsection (2)(f)(i)(A)(I).

(ii) The commission shall annually deposit the amount described in Subsection (7)(d)(i) into the Commuter Rail Subaccount created in Section 72-2-124.

(8)(a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsection (7), and subject to Subsections (8)(b)[~~and (d)(ii)~~], for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenue collected from the following taxes:

- (i) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); and
- (iv) the tax imposed by Subsection (2)(f)(i)(A)(I).

(b) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(a) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(c) The commission shall annually deposit the amount described in Subsection (8)(b) into the Transit Transportation Investment Fund created in Section 72-2-124.

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

(10) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the commission receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the commission shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact

Mitigation Fund, created in Section 63N-2-512.

(11)(a) The rate specified in this subsection is 0.15%.

(b) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2019, annually transfer the amount of revenue collected from the rate described in Subsection (11)(a) on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) into the Medicaid ACA Fund created in Section 26B-1-315.

(12) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2020-21, the commission shall deposit \$200,000 into the General Fund as a dedicated credit solely for use of the Search and Rescue Financial Assistance Program created in, and expended in accordance with, Title 53, Chapter 2a, Part 11, Search and Rescue Act.

~~[(13)(a) For each fiscal year beginning with fiscal year 2020-21, the commission shall annually transfer \$1,813,400 of the revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) to the General Fund.]~~

~~[(b) If the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) is less than \$1,813,400 for a fiscal year, the commission shall transfer the total revenue deposited into the Transportation Investment Fund of 2005 under Subsections (7) and (8) during the fiscal year to the General Fund.]~~

~~[(14)]~~ (13) Notwithstanding Subsection (3)(a), and as described in Section 63N-3-610, beginning the first day of the calendar quarter one year after the sales and use tax boundary for a housing and transit reinvestment zone is established, the commission, at least annually, shall transfer an amount equal to 15% of the sales and use tax increment within an established sales and use tax boundary, as defined in Section 63N-3-602, into the Transit Transportation Investment Fund created in Section 72-2-124.

~~[(15)]~~ (14) Notwithstanding Subsection (3)(a), the commission shall, for a fiscal year beginning on or after July 1, 2022, transfer into the Outdoor Adventure Infrastructure Restricted Account, created in Section 51-9-902, a portion of the taxes listed under Subsection (3)(a) equal to 1% of the revenue collected from the following sales and use taxes:

(a) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

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

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

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

643 ~~[(16)]~~ (15) Notwithstanding Subsection (3)(a), beginning October 1, 2024 the commission
644 shall transfer to the Utah Fairpark Area Investment and Restoration District, created in
645 Section 11-70-201, the revenue from the sales and use tax imposed by Subsection
646 (2)(a)(i)(A) at a 4.7% rate, on transactions occurring within the district sales tax area, as
647 defined in Section 11-70-101.

648 ~~[(17)]~~ (16)(a) As used in this Subsection ~~[(17)]~~ (16):

649 (i) "Additional land" means point of the mountain state land described in Subsection
650 11-59-102(6)(b) that the point of the mountain authority acquires after the point of
651 the mountain authority provides the commission a map under Subsection ~~[(17)(e)]~~
652 (16)(c).

653 (ii) "Point of the mountain authority" means the Point of the Mountain State Land
654 Authority, created in Section 11-59-201.

655 (iii) "Point of the mountain state land" means the same as that term is defined in
656 Section 11-59-102.

657 (b) Notwithstanding Subsection (3)(a), the commission shall distribute to the point of the
658 mountain authority 50% of the revenue from the sales and use tax imposed by
659 Subsection (2)(a)(i)(A) at a 4.7% rate, on transactions occurring on the point of the
660 mountain state land.

661 (c) The distribution under Subsection ~~[(17)(b)]~~ (16)(b) shall begin the next calendar
662 quarter that begins at least 90 days after the point of the mountain authority provides
663 the commission a map that:

664 (i) accurately describes the point of the mountain state land; and

665 (ii) the point of the mountain authority certifies as accurate.

666 (d) A distribution under Subsection ~~[(17)(b)]~~ (16)(b) with respect to additional land shall
667 begin the next calendar quarter that begins at least 90 days after the point of the
668 mountain authority provides the commission a map of point of the mountain state
669 land that:

670 (i) accurately describes the point of the mountain state land, including the additional
671 land; and

672 (ii) the point of the mountain authority certifies as accurate.

673 (e)(i) Upon the payment in full of bonds secured by the sales and use tax revenue
674 distributed to the point of the mountain authority under Subsection ~~[(17)(b)]~~ (16)(b),
675 the point of the mountain authority shall immediately notify the commission in
676 writing that the bonds are paid in full.

(ii) The commission shall discontinue distributions of sales and use tax revenue under Subsection ~~[(17)(b)]~~ (16)(b) at the beginning of the calendar quarter that begins at least 90 days after the date that the commission receives the written notice under Subsection ~~[(17)(e)(i)]~~ (16)(e)(i).

Section 3. Section **72-2-106** is amended to read:

72-2-106 . Appropriation and transfers from Transportation Fund.

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

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

~~[(3)]~~ (2) For a fiscal year beginning on or after July 1, 2019, the Division of Finance shall annually transfer to the Transportation Investment Fund of 2005 created by Section 72-2-124 an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

~~[(4)]~~ (3) For purposes of the calculation described in Subsection 59-12-103(7)(c), the Division of Finance shall notify the State Tax Commission of the amount of any transfer made under ~~[Subsections (2) and (3)]~~ Subsection (2).

Section 4. **FY 2026 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for fiscal year 2026.

Subsection 4(a). **Capital Project Funds**

The Legislature has reviewed the following capital project funds. The Legislature authorizes the State Division of Finance to transfer amounts between funds and accounts as indicated.

ITEM 1 To Transportation - Transportation Investment Fund of 2005

From General Fund

(330,000,000)

Schedule of Programs:

711	Transportation Investment Fund	(330,000,000)
712	Section 5. Effective Date.	
713	<u>This bill takes effect on May 7, 2025.</u>	