

Representative Kay J. Christofferson proposes the following substitute bill:

COUNTY SALES TAX AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kay J. Christofferson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the provision regarding local option sales and use tax distribution.

Highlighted Provisions:

This bill:

- ▶ defines terms;
 - ▶ removes the requirement for a county legislative body to receive voter approval to change the allocation for a certain local option sales and use tax;
 - ▶ amends the distribution for a certain local option sales and use tax;
 - ▶ provides the State Tax Commission with direction on how to distribute the city and town portion of the sales and use tax within a county;
 - ▶ specifies the ways a county, city, or town may expend the sales and use tax revenue when a county selects certain allocations;
 - ▶ provides requirements for a county to meet if the county elects to change distribution allocations;
 - ▶ eliminates the deadline for a county to impose the local option sales and use tax;
- and
- ▶ makes technical changes.

Money Appropriated in this Bill:



None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-12-2202, as last amended by Laws of Utah 2019, Chapter 479

59-12-2216, as last amended by Laws of Utah 2019, Chapter 479

59-12-2219, as last amended by Laws of Utah 2019, Chapter 479

59-12-2220, as last amended by Laws of Utah 2022, Chapter 259

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

Section 1. Section **59-12-2202** is amended to read:

59-12-2202. Definitions.

As used in this part:

(1) "Airline" means the same as that term is defined in Section **59-2-102**.

(2) "Airport facility" means the same as that term is defined in Section **59-12-602**.

(3) "Airport of regional significance" means an airport identified by the Federal Aviation Administration in the most current National Plan of Integrated Airport Systems or an update to the National Plan of Integrated Airport Systems.

(4) "Annexation" means an annexation to:

(a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or

(b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

(5) "Annexing area" means an area that is annexed into a county, city, or town.

(6) "Class A road" means the same as that term is described in Section **72-3-102**.

(7) "Class B road" means the same as that term is described in Section **72-3-103**.

(8) "Class C road" means the same as that term is described in Section **72-3-104**.

(9) "Class D road" means the same as that term is described in Section **72-3-105**.

(10) "Council of governments" means the same as that term is defined in Section **72-2-117.5**.

(11) "Eligible political subdivision" means a political subdivision that:

(a) provides public transit services;

(b) is not a public transit district; and

(c) is not annexed into a public transit district.

~~[(11)]~~ (12) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

~~[(12)]~~ (13) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.

~~[(13)]~~ (14) "Major collector highway" means the same as that term is defined in Section 72-4-102.5.

~~[(14)]~~ (15) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.

~~[(15)]~~ (16) "Minor arterial highway" means the same as that term is defined in Section 72-4-102.5.

~~[(16)]~~ (17) "Minor collector road" means the same as that term is defined in Section 72-4-102.5.

~~[(17)]~~ (18) "Principal arterial highway" means the same as that term is defined in Section 72-4-102.5.

(19) "Public transit" means the same as that term is defined in Section 17B-2a-802.

(20) "Public transit district" means the same as that term is defined in Section 17B-2a-802.

(21) "Public transit provider" means a public transit district or an eligible political subdivision.

(22) "Public transit service" means a service provided as part of public transit.

~~[(18)]~~ (23) "Regionally significant transportation facility" means:

(a) in a county of the first or second class:

(i) a principal arterial highway;

(ii) a minor arterial highway;

(iii) a fixed guideway that:

(A) extends across two or more cities or unincorporated areas; or

(B) is an extension to an existing fixed guideway; or

(iv) an airport of regional significance; or

(b) in a county of the second class that is not part of a large public transit district, or in

a county of the third, fourth, fifth, or sixth class:

(i) a principal arterial highway;

(ii) a minor arterial highway;

(iii) a major collector highway;

(iv) a minor collector road; or

(v) an airport of regional significance.

~~[(19)]~~ (24) "State highway" means a highway designated as a state highway under Title 72, Chapter 4, Designation of State Highways Act.

~~[(20)]~~ (25) (a) Subject to Subsection ~~[(20)(b)]~~ (25)(b), "system for public transit" means the same as the term "public transit" is defined in Section [17B-2a-802](#).

(b) "System for public transit" includes:

(i) the following costs related to public transit:

(A) maintenance costs; or

(B) operating costs;

(ii) a fixed guideway;

(iii) a park and ride facility;

(iv) a passenger station or passenger terminal;

(v) a right-of-way for public transit; or

(vi) the following that serve a public transit facility:

(A) a maintenance facility;

(B) a platform;

(C) a repair facility;

(D) a roadway;

(E) a storage facility;

(F) a utility line; or

(G) a facility or item similar to those described in Subsections ~~[(20)(b)(vi)(A)]~~ (25)(b)(vi)(A) through (F).

Section 2. Section **59-12-2216** is amended to read:

59-12-2216. County option sales and use tax for a fixed guideway, to fund a system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of revenues.

(1) Subject to the other provisions of this part, a county legislative body may impose a sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1) within the county, including the cities and towns within the county.

(2) Subject to Subsection (3), before obtaining voter approval in accordance with Section 59-12-2208, a county legislative body shall adopt a resolution specifying the percentage of revenues the county will receive from the sales and use tax under this section that will be allocated to fund uses described in Section 59-12-2212.2.

(3) A county legislative body shall in the resolution described in Subsection (2) allocate 100% of the revenues the county will receive from the sales and use tax under this section for one or more of the purposes described in Section 59-12-2212.2.

(4) Notwithstanding Section 59-12-2208, the opinion question required by Section 59-12-2208 shall state the allocations the county legislative body makes in accordance with this section.

(5) The revenues collected from a sales and use tax under this section shall be:

(a) allocated in accordance with the allocations specified in the resolution under Subsection (2); and

(b) expended as provided in this section.

(6) If a county legislative body allocates revenues collected from a sales and use tax under this section for a state highway project, before beginning the state highway project within the county, the county legislative body shall:

(a) obtain approval from the Transportation Commission to complete the project; and

(b) enter into an interlocal agreement established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

(7) If after a county legislative body imposes a sales and use tax under this section the county legislative body seeks to change an allocation specified in the resolution under Subsection (2), the county legislative body may change the allocation by:

(a) adopting a resolution in accordance with Subsection (2) specifying the percentage of revenues the county will receive from the sales and use tax under this section that will be allocated to fund one or more of the items described in Section 59-12-2212.2; and

(b) obtaining approval to change the allocation of the sales and use tax by a majority of all of the members of the county legislative body~~[-and]~~.

150 ~~[(c) subject to Subsection (8):]~~

151 ~~[(i) in accordance with Section 59-12-2208, submitting an opinion question to the~~
152 ~~county's registered voters voting on changing the allocation so that each registered voter has the~~
153 ~~opportunity to express the registered voter's opinion on whether the allocation should be~~
154 ~~changed; and]~~

155 ~~[(ii) in accordance with Section 59-12-2208, obtaining approval to change the~~
156 ~~allocation from a majority of the county's registered voters voting on changing the allocation.]~~

157 ~~[(8) Notwithstanding Section 59-12-2208, the opinion question required by Subsection~~
158 ~~(7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with~~
159 ~~Subsection (7)(a) and approved by the county legislative body in accordance with Subsection~~
160 ~~(7)(b).]~~

161 ~~[(9)]~~ (8) Revenues collected from a sales and use tax under this section that a county
162 allocates for a state highway within the county shall be:

163 (a) deposited into the Highway Projects Within Counties Fund created by Section
164 72-2-121.1; and

165 (b) expended as provided in Section 72-2-121.1.

166 ~~[(10)]~~ (9) (a) Notwithstanding Section 59-12-2206 and subject to Subsection ~~[(10)(b)]~~
167 (9)(b), revenues collected from a sales and use tax under this section that a county allocates for
168 a project, debt service, or bond issuance cost relating to a highway that is a principal arterial
169 highway or minor arterial highway that is included in a metropolitan planning organization's
170 regional transportation plan, but is not a state highway, shall be transferred to the Department
171 of Transportation if the transfer of the revenues is required under an interlocal agreement:

172 (i) entered into on or before January 1, 2010; and

173 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

174 (b) The Department of Transportation shall expend the revenues described in
175 Subsection ~~[(10)(a)]~~ (9)(a) as provided in the interlocal agreement described in Subsection
176 ~~[(10)(a)]~~ (9)(a).

177 Section 3. Section **59-12-2219** is amended to read:

178 **59-12-2219. County option sales and use tax for highways and public transit --**
179 **Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant**
180 **existing budgeted transportation revenue.**

181 ~~[(1) As used in this section:]~~

182 ~~[(a) "Eligible political subdivision" means a political subdivision that:]~~

183 ~~[(i) (A) on May 12, 2015, provides public transit services; or]~~

184 ~~[(B) after May 12, 2015, provides written notice to the commission in accordance with~~
185 ~~Subsection (9)(b) that it intends to provide public transit service within a county;]~~

186 ~~[(ii) is not a public transit district; and]~~

187 ~~[(iii) is not annexed into a public transit district.]~~

188 ~~[(b) "Public transit district" means a public transit district organized under Title 17B,~~
189 ~~Chapter 2a, Part 8, Public Transit District Act.]~~

190 ~~[(2)]~~ (1) Subject to the other provisions of this part, and subject to Subsection ~~[(14)]~~
191 (13), a county legislative body may impose a sales and use tax of .25% on the transactions
192 described in Subsection 59-12-103(1) within the county, including the cities and towns within
193 the county.

194 ~~[(3)]~~ (2) Subject to Subsection ~~[(10)]~~ (9), the commission shall distribute sales and use
195 tax revenue collected under this section as provided in Subsections ~~[(4) through (9)]~~ (3)
196 through (8).

197 ~~[(4)]~~ (3) If the entire boundary of a county that imposes a sales and use tax under this
198 section is annexed into a single public transit district, the commission shall distribute the sales
199 and use tax revenue collected within the county as follows:

200 (a) .10% shall be transferred to the public transit district in accordance with Section
201 59-12-2206;

202 (b) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

203 (c) .05% shall be distributed to the county legislative body.

204 ~~[(5)]~~ (4) If the entire boundary of a county that imposes a sales and use tax under this
205 section is not annexed into a single public transit district, but a city or town within the county is
206 annexed into a single large public transit district, the commission shall distribute the sales and
207 use tax revenue collected within the county as follows:

208 (a) for a city or town within the county that is annexed into a single public transit
209 district, the commission shall distribute the sales and use tax revenue collected within that city
210 or town as follows:

211 (i) .10% shall be transferred to the public transit district in accordance with Section

59-12-2206;

(ii) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

(iii) .05% shall be distributed to the county legislative body;

(b) for an eligible political subdivision within the county, the commission shall distribute the sales and use tax revenue collected within that eligible political subdivision as follows:

(i) .10% shall be transferred to the eligible political subdivision in accordance with Section 59-12-2206;

(ii) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

(iii) .05% shall be distributed to the county legislative body; and

(c) the commission shall distribute the sales and use tax revenue, except for the sales and use tax revenue described in Subsections ~~[(5)(a)]~~ (4)(a) and (b), as follows:

(i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

(ii) .15% shall be distributed to the county legislative body.

~~[(6)]~~ (5) For a county not described in Subsection ~~[(4) or (5)]~~ (3) or (4), if a county of the second, third, fourth, fifth, or sixth class imposes a sales and use tax under this section, the commission shall distribute the sales and use tax revenue collected within the county as follows:

(a) for a city or town within the county that is annexed into a single public transit district, the commission shall distribute the sales and use tax revenue collected within that city or town as follows:

(i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6);

(ii) .10% shall be distributed as provided in Subsection ~~[(8)]~~ (7); and

(iii) .05% shall be distributed to the county legislative body;

(b) for an eligible political subdivision within the county, the commission shall distribute the sales and use tax revenue collected within that eligible political subdivision as follows:

(i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6);

(ii) .10% shall be distributed as provided in Subsection ~~[(8)]~~ (7); and

(iii) .05% shall be distributed to the county legislative body; and

(c) the commission shall distribute the sales and use tax revenue, except for the sales

and use tax revenue described in Subsections ~~[(6)(a)]~~ (5)(a) and (b), as follows:

(i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

(ii) .15% shall be distributed to the county legislative body.

~~[(7)]~~ (6) (a) Subject to Subsection ~~[(7)(b)]~~ (6)(b), the commission shall make the distributions required by Subsections ~~[(4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)]~~ (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) as follows:

(i) 50% of the total revenue collected under Subsections ~~[(4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)]~~ (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax under this section shall be distributed to the unincorporated areas, cities, and towns within those counties and cities on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties and cities that impose a tax under this section; and

(ii) 50% of the total revenue collected under Subsections ~~[(4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)]~~ (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax under this section shall be distributed to the unincorporated areas, cities, and towns within those counties and cities on the basis of the location of the transaction as determined under Sections [59-12-211](#) through [59-12-215](#).

(b) (i) Population for purposes of this Subsection ~~[(7)]~~ (6) shall be determined on the basis of the most recent official census or census estimate of the United States Bureau of the Census.

(ii) If a needed population estimate is not available from the United States Bureau of the Census, population figures shall be derived from an estimate from the Utah Population Committee.

~~[(8)]~~ (7) (a) (i) Subject to the requirements in Subsections ~~[(8)(b)]~~ (7)(b) and (c), a county legislative body:

(A) for a county that obtained approval from a majority of the county's registered voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016, may, in consultation with any cities, towns, or eligible political subdivisions within the county,

and in compliance with the requirements for changing an allocation under Subsection ~~[(8)(e)]~~ (7)(e), allocate the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) by adopting a resolution specifying the percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision; or

(B) for a county that imposes a sales and use tax under this section on or after May 10, 2016, shall, in consultation with any cities, towns, or eligible political subdivisions within the county, allocate the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) by adopting a resolution specifying the percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision.

(ii) If a county described in Subsection ~~[(8)(a)(i)(A)]~~ (7)(a)(i)(A) does not allocate the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) in accordance with Subsection ~~[(8)(a)(i)(A)]~~ (7)(a)(i)(A), the commission shall distribute 100% of the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) to:

(A) a public transit district for a city or town within the county that is annexed into a single public transit district; or

(B) an eligible political subdivision within the county.

(b) If a county legislative body allocates the revenue as described in Subsection ~~[(8)(a)(i)]~~ (7)(a)(i), the county legislative body shall allocate not less than 25% of the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) to:

(i) a public transit district for a city or town within the county that is annexed into a single public transit district; or

(ii) an eligible political subdivision within the county.

(c) Notwithstanding Section 59-12-2208, the opinion question described in Section 59-12-2208 shall state the allocations the county legislative body makes in accordance with this Subsection ~~[(8)]~~ (7).

(d) The commission shall make the distributions required by Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) as follows:

(i) the percentage specified by a county legislative body shall be distributed in accordance with a resolution adopted by a county legislative body under Subsection ~~[(8)(a)]~~

(7)(a) to an eligible political subdivision or a public transit district within the county; and
(ii) except as provided in Subsection ~~[(8)(a)(ii)]~~ (7)(a)(ii), if a county legislative body allocates less than 100% of the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) to a public transit district or an eligible political subdivision, the remainder of the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) not allocated by a county legislative body through a resolution under Subsection ~~[(8)(a)]~~ (7)(a) shall be distributed as follows:

(A) 50% of the revenue as provided in Subsection ~~[(7)]~~ (6); and

(B) 50% of the revenue to the county legislative body.

(e) If a county legislative body seeks to change an allocation specified in a resolution under Subsection ~~[(8)(a)]~~ (7)(a), the county legislative body may change the allocation by:

(i) adopting a resolution in accordance with Subsection ~~[(8)(a)]~~ (7)(a) specifying the percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision;

(ii) obtaining approval to change the allocation of the sales and use tax by a majority of all the members of the county legislative body; and

(iii) subject to Subsection ~~[(8)(f)]~~ (7)(f):

(A) in accordance with Section 59-12-2208, submitting an opinion question to the county's registered voters voting on changing the allocation so that each registered voter has the opportunity to express the registered voter's opinion on whether the allocation should be changed; and

(B) in accordance with Section 59-12-2208, obtaining approval to change the allocation from a majority of the county's registered voters voting on changing the allocation.

(f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection ~~[(8)(e)(iii)(A)]~~ (7)(e)(iii)(A) shall state the allocations specified in the resolution adopted in accordance with Subsection ~~[(8)(e)]~~ (7)(e) and approved by the county legislative body in accordance with Subsection ~~[(8)(e)(ii)]~~ (7)(e)(ii).

(g) (i) If a county makes an allocation by adopting a resolution under Subsection ~~[(8)(a)]~~ (7)(a) or changes an allocation by adopting a resolution under Subsection ~~[(8)(e)]~~ (7)(e), the allocation shall take effect on the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice

meeting the requirements of Subsection ~~[(8)(g)(ii)]~~ (7)(g)(ii) from the county.

(ii) The notice described in Subsection ~~[(8)(g)(i)]~~ (7)(g)(i) shall state:

(A) that the county will make or change the percentage of an allocation under Subsection ~~[(8)(a)]~~ (7)(a) or (e); and

(B) the percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision.

~~[(9)]~~ (8) (a) If a public transit district is organized after the date a county legislative body first imposes a tax under this section, a change in a distribution required by this section may not take effect until the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice from the public transit district of the organization of the public transit district.

(b) If an eligible political subdivision intends to provide public transit service within a county after the date a county legislative body first imposes a tax under this section, a change in a distribution required by this section may not take effect until the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice from the eligible political subdivision stating that the eligible political subdivision intends to provide public transit service within the county.

~~[(10)]~~ (9) (a) (i) Notwithstanding Subsections ~~[(4) through (9)]~~ (3) through (8), for a county that has not imposed a sales and use tax under this section before May 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019, the commission shall distribute all of the sales and use tax revenue collected by the county before June 30, 2019, to the county for the purposes described in Subsection ~~[(10)(a)(ii)]~~ (9)(a)(ii).

(ii) For any revenue collected by a county pursuant to Subsection ~~[(10)(a)(i)]~~ (9)(a)(i) before June 30, 2019, the county may expend that revenue for:

(A) reducing transportation related debt;

(B) a regionally significant transportation facility; or

(C) a public transit project of regional significance.

(b) For a county that has not imposed a sales and use tax under this section before May 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019, the commission shall distribute the sales and use tax revenue collected by the county on or after July 1, 2019, as described in Subsections ~~[(4) through (9)]~~ (3) through (8).

(c) For a county that has not imposed a sales and use tax under this section before June 30, 2019, if the entire boundary of that county is annexed into a large public transit district, and if the county imposes a sales and use tax under this section on or after July 1, 2019, the commission shall distribute the sales and use tax revenue collected by the county as described in Subsections ~~[(4) through (9)]~~ (3) through (8).

~~[(11)]~~ (10) A county, city, or town may expend revenue collected from a tax under this section, except for revenue the commission distributes in accordance with Subsection ~~[(4)(a), (5)(a)(i), (5)(b)(i), or (8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i), for a purpose described in Section 59-12-2212.2.

~~[(12)]~~ (11) A public transit district or an eligible political subdivision may expend revenue the commission distributes in accordance with Subsection ~~[(4)(a), (5)(a)(i), (5)(b)(i), or (8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i) for capital expenses and service delivery expenses of the public transit district or eligible political subdivision.

~~[(13)]~~ (12) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may, but is not required to, submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

~~[(14)]~~ (13) (a) (i) Notwithstanding any other provision in this section, if the entire boundary of a county is annexed into a large public transit district, if the county legislative body wishes to impose a sales and use tax under this section, the county legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

(ii) If the entire boundary of a county is annexed into a large public transit district, the county legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.

(b) Notwithstanding the deadline described in Subsection ~~[(14)(a)]~~ (13)(a), any sales and use tax imposed under this section by passage of a county ordinance on or before June 30, 2022, may remain in effect.

~~[(15)]~~ (14) (a) Beginning on July 1, 2020, and subject to Subsection ~~[(16)]~~ (15), if a county has not imposed a sales and use tax under this section, subject to the provisions of this part, the legislative body of a city or town described in Subsection ~~[(15)(b)]~~ (14)(b) may impose a .25% sales and use tax on the transactions described in Subsection 59-12-103(1)

within the city or town.

(b) The following cities or towns may impose a sales and use tax described in Subsection ~~[(15)(a)]~~ (14)(a):

(i) a city or town that has been annexed into a public transit district; or

(ii) an eligible political subdivision.

(c) If a city or town imposes a sales and use tax as provided in this section, the commission shall distribute the sales and use tax revenue collected by the city or town as follows:

(i) .125% to the city or town that imposed the sales and use tax, to be distributed as provided in Subsection ~~[(7)]~~ (6); and

(ii) .125%, as applicable, to:

(A) the public transit district in which the city or town is annexed; or

(B) the eligible political subdivision for public transit services.

(d) If a city or town imposes a sales and use tax under this section and the county subsequently imposes a sales and use tax under this section, the commission shall distribute the sales and use tax revenue collected within the city or town as described in Subsection ~~[(15)(c)]~~ (14)(c).

~~[(16)]~~ (15) (a) (i) Notwithstanding any other provision in this section, if a city or town legislative body wishes to impose a sales and use tax under this section, the city or town legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

(ii) A city or town legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.

(b) Notwithstanding the deadline described in Subsection ~~[(16)(a)]~~ (15)(a), any sales and use tax imposed under this section by passage of an ordinance by a city or town legislative body on or before June 30, 2022, may remain in effect.

Section 4. Section **59-12-2220** is amended to read:

59-12-2220. County option sales and use tax to fund a system for public transit -- Base -- Rate.

(1) Subject to the other provisions of this part and subject to the requirements of this section, ~~[beginning on July 1, 2019,]~~ the following counties may impose a sales and use tax

under this section:

(a) a county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

(i) the entire boundary of a county is annexed into a large public transit district; and
(ii) the maximum amount of sales and use tax authorizations allowed pursuant to Section 59-12-2203 and authorized under the following sections has been imposed:

(A) Section 59-12-2213;

(B) Section 59-12-2214;

(C) Section 59-12-2215;

(D) Section 59-12-2216;

(E) Section 59-12-2217;

(F) Section 59-12-2218; and

(G) Section 59-12-2219;

(b) if the county is not annexed into a large public transit district, the county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

(i) the county is an eligible political subdivision ~~[as defined in Section 59-12-2219]~~; or

(ii) a city or town within the boundary of the county is an eligible political subdivision ~~[as defined in Section 59-12-2219]~~; or

(c) a county legislative body of a county not described in Subsection (1)(a) may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county~~[- if there is a public transit district within the boundary of the county].~~

(2) For purposes of Subsection (1) and subject to the other provisions of this section, a county legislative body that imposes a sales and use tax under this section may impose the tax at a rate of .2%.

~~[(3) A county imposing a sales and use tax under this section shall expend the revenues collected from the sales and use tax for capital expenses and service delivery expenses of:]~~

~~[(a) a public transit district,]~~

~~[(b) an eligible political subdivision, as that term is defined in Section 59-12-2219; or]~~

460 ~~[(c) another entity providing a service for public transit or a transit facility within the~~
461 ~~county as those terms are defined in Section 17B-2a-802.]~~

462 (3) (a) The commission shall distribute sales and use tax revenue collected under this
463 section as determined by a county legislative body as described in Subsection (3)(b).

464 (b) If a county legislative body imposes a sales and use tax as described in this section,
465 the county legislative body may elect to impose a sales and use tax revenue distribution as
466 described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and
467 type of a public transit provider in the county.

468 (4) If a county legislative body imposes a sales and use tax as described in this section,
469 and the entire boundary of the county is annexed into a large public transit district, and the
470 county is a county of the first class, the commission shall distribute the sales and use tax
471 revenue as designated by the county, as follows:

472 (a) .2% sales and use tax revenue collected within the county to a public transit district
473 described in Subsection (11); or

474 (b) (i) .10% to a public transit district as described in Subsection (11);

475 (ii) .05% to the cities and towns as provided in Subsection (8); and

476 (iii) .05% to the county legislative body.

477 (5) If a county legislative body imposes a sales and use tax as described in this section
478 and the entire boundary of the county is annexed into a large public transit district, and the
479 county is a county not described in Subsection (4), the commission shall distribute the sales
480 and use tax revenue as designated by the county as follows:

481 (a) .2% sales and use tax revenue collected within the county to a public transit district
482 as described in Subsection (11); or

483 (b) (i) .10% to a public transit district as described in Subsection (11);

484 (ii) .05% to the cities and towns as provided in Subsection (8); and

485 (iii) .05% to the county legislative body.

486 (6) (a) Except as provided in Subsection (12)(d), if the entire boundary of a county that
487 imposes a sales and use tax as described in this section is not annexed into a single public
488 transit district, but a city or town within the county is annexed into a single public transit
489 district, the commission shall distribute the sales and use tax revenue collected within the
490 county as provided in Subsection (6)(b) or (c).

(b) For a city, town, or portion of the county described in Subsection (6)(a) that is annexed into the single public transit district, or an eligible political subdivision, the county legislative body may request that the commission distribute:

(i) the .2% sales and use tax revenue collected within the portion of the county that is within a public transit district or eligible political subdivision to a public transit provider as described in Subsection (11); or

(ii) the .2% sales and use tax revenue collected within the portion of the county that is within a public transit district or eligible political subdivision as follows:

(A) .05% to a public transit provider as described in Subsection (11);

(B) .075% to the cities and towns as provided in Subsection (8); and

(C) .075% to the county legislative body.

(c) Except as provided in Subsection (12)(d), for a city, town, or portion of the county described in Subsection (6)(a) that is not annexed into a single public transit district or eligible political subdivision in the county, the commission shall distribute the .2% sales and use tax revenue collected within that portion of the county as follows:

(i) .08% to the cities and towns as provided in Subsection (8); and

(ii) .12% to the county legislative body.

(7) For a county without a public transit service that imposes a sales and use tax as described in this section, the commission shall distribute the sales and use tax revenue collected within the county as follows:

(a) .08% to the cities and towns as provided in Subsection (8); and

(b) .12% to the county legislative body;

(8) (a) Subject to Subsection (8)(b), the commission shall make the distributions required by Subsections (4)(b)(ii), (5)(b)(ii), (6)(b)(ii)(B), (6)(c)(i), and (7)(a) as follows:

(i) 50% of the total revenue collected under Subsections (4)(b)(ii), (5)(b)(ii), (6)(b)(ii)(B), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties that impose a tax under this section; and

(ii) 50% of the total revenue collected under Subsections (4)(b)(ii), (5)(b)(ii), (6)(b)(ii)(B), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)

through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the location of the transaction as determined under Sections [59-12-211](#) through [59-12-215](#).

(b) (i) Population for purposes of this Subsection (8) shall be determined on the basis of the most recent official census or census estimate of the United States Census Bureau.

(ii) If a needed population estimate is not available from the United States Census Bureau, population figures shall be derived from an estimate from the Utah Population Estimates Committee created by executive order of the governor.

(9) If a public transit service is organized after the date a county legislative body first imposes a tax under this section, a change in a distribution required by this section may not take effect until the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice from the public transit provider that the public transit service has been organized.

(10) (a) Except as provided in Subsection (10)(b), a county, city, or town that received distributions described in Subsections (4)(b)(ii), (4)(b)(iii), (5)(b)(ii), (5)(b)(iii), (6)(b)(ii)(B), (6)(b)(ii)(C), (6)(c), and (7) may only expend those funds for a purpose described in Section [59-12-2212.2](#).

(b) A county of the first class receiving the county distribution described in Subsection (4)(b)(iii) may only use the distribution as provided in Subsection (10)(a), except that a county legislative body may use up to .02% of the .05% to provide services to individuals with a mental or behavioral health condition, including:

(i) evaluation and diversion from incarceration to mental and behavioral health treatment;

(ii) assistance in transitioning from incarceration, including housing stability; and

(iii) other related services.

(11) The following public transit providers may expend revenue the commission distributes to that provider only for capital expenses and service delivery expenses of:

(a) a public transit district;

(b) an eligible political subdivision; or

(c) another entity providing a service for public transit or a transit facility within the county as those terms are defined in Section [17B-2a-802](#).

[~~(4)~~] (12) (a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not required to, submit an opinion question to the county's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

(b) Notwithstanding Section 59-12-2208 and subject to Subsection (12)(c), if a county legislative body described in Subsection (4), (5), or (6) seeks to make an allocation or change the distribution of sales and use tax revenue as described in Subsection (4), (5), or (6), the county legislative body may make or change the allocation by adopting a resolution specifying the new allocation or change in allocation.

(c) (i) If a county legislative body seeks to make or change the distribution as described in Subsection (12)(b), the allocation shall take effect on the first ~~Ĥ~~→ **[distribution the commission makes under this section]** **day of a calendar quarter** ←~~Ĥ~~ after a 90-day period that begins on the date the commission receives

written notice from the county that meets the requirements of Subsection (12)(c)(ii).

(ii) The notice described in Subsection (12)(c)(i) shall state:

(A) that the county will make or change the percentage of an allocation under Subsection (12)(b); and

(B) the percentage of revenue that will be allocated to the cities and towns, the county legislative body, and, when applicable, the public transit provider.

(d) A county that imposed the local option sales and use tax described in this section before January 1, 2023, may maintain that county's current distribution allocation.

~~[(5)(a) Notwithstanding any other provision in this section, if a county wishes to impose a sales and use tax under this section, the county legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2023.]~~

~~[(b) The county legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2023.]~~

~~[(c) Notwithstanding the deadline described in Subsection (5)(a), any sales and use tax imposed under this section on or before June 30, 2023, may remain in effect.]~~

[~~(6)~~] (13) (a) Revenue collected from a sales and use tax under this section may not be used to supplant existing General Fund appropriations that a county ~~[has]~~, city, or town budgeted for transportation or public transit as of the date the tax becomes effective for a county, city, or town.

(b) The limitation under Subsection [~~(6)~~](a) (13)(a) does not apply to a designated

584 transportation or public transit capital or reserve account a county [~~may have established prior~~
585 ~~to~~], city, or town established before the date the tax becomes effective.

586 Section 5. **Effective date.**

587 This bill takes effect on July 1, 2023.