



30 207, 212, 254, and 255

31 **59-12-103 (Effective 07/01/14)**, as last amended by Laws of Utah 2012, Chapters 207,  
32 212, 254, 255, and 424

33 **63A-3-205**, as last amended by Laws of Utah 2012, Chapter 212

34 **63B-1b-102**, as last amended by Laws of Utah 2012, Chapter 212

35 **63B-1b-202**, as last amended by Laws of Utah 2012, Chapter 212

36 ENACTS:

37 **4-18-107**, Utah Code Annotated 1953

38 RENUMBERS AND AMENDS:

39 **4-18-101**, (Renumbered from 4-18-1, as last amended by Laws of Utah 2007, Chapter  
40 179)

41 **4-18-102**, (Renumbered from 4-18-2, as last amended by Laws of Utah 2011, Chapter  
42 383)

43 **4-18-103**, (Renumbered from 4-18-3, as last amended by Laws of Utah 2011, Chapter  
44 383)

45 **4-18-104**, (Renumbered from 4-18-4, as last amended by Laws of Utah 2010, Chapter  
46 286)

47 **4-18-105**, (Renumbered from 4-18-5, as last amended by Laws of Utah 2012, Chapter  
48 331)

49 **4-18-106**, (Renumbered from 4-18-6, as last amended by Laws of Utah 2007, Chapter  
50 179)

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

53 Section 1. Section **4-18-101**, which is renumbered from Section 4-18-1 is renumbered  
54 and amended to read:

55 **CHAPTER 18. CONSERVATION COMMISSION ACT**

56 **[4-18-1]. 4-18-101. Title.**

57 This chapter is known as the "Conservation Commission Act."

58 Section 2. Section **4-18-102**, which is renumbered from Section 4-18-2 is renumbered  
59 and amended to read:

60 ~~[4-18-2]~~. **4-18-102. Purpose declaration.**

61 (1) The Legislature finds and declares that the soil and water resources of this state  
62 constitute one of its basic assets and that the preservation of these resources requires planning  
63 and programs to ensure the development and utilization of these resources and to protect them  
64 from the adverse effects of wind and water erosion, sediment, and sediment related pollutants.

65 (2) The Legislature finds that local production of food is essential for:

66 (a) the security of the state's food supply; and

67 (b) the self-sufficiency of the state's citizens.

68 (3) The Legislature finds that sustainable agriculture is critical to:

69 (a) the success of rural communities;

70 (b) the historical culture of the state;

71 (c) maintaining healthy farmland;

72 (d) maintaining high water quality;

73 (e) maintaining abundant wildlife; and

74 (f) high-quality recreation for citizens of the state.

75 (4) The Legislature finds that livestock grazing on public lands is important for the  
76 proper management, maintenance, and health of public lands in the state.

77 (5) The Legislature encourages each agricultural producer in the state to operate in a  
78 reasonable and responsible manner to maintain the integrity of land, soil, water, and air.

79 (6) To encourage each agricultural producer in this state to operate in a reasonable and  
80 responsible manner to maintain the integrity of the state's resources, the state shall ~~[offer a~~  
81 ~~certification of environmental stewardship as defined in Section 4-18-3]~~ administer the Utah  
82 Environmental Stewardship Certification Program, created in Section 4-18-107.

83 Section 3. Section **4-18-103**, which is renumbered from Section 4-18-3 is renumbered  
84 and amended to read:

85 ~~[4-18-3]~~. **4-18-103. Definitions.**

86 As used in this chapter:

87 (1) (a) "Agricultural discharge" means the release of agriculture water from the  
88 property of a farm, ranch, or feedlot that:

89 (i) pollutes a surface body of water, including a stream, lake, pond, marshland,  
90 watercourse, waterway, river, ditch, or other water conveyance system;

91 (ii) pollutes ground water; or

92 (iii) constitutes a significant nuisance to urban land.

93 (b) "Agricultural discharge" does not include:

94 (i) runoff from a farm, ranch, or feedlot, or the return flow of water from an irrigated  
95 field onto land that is not part of a body of water; or

96 (ii) a release of water from a farm, ranch, or feedlot into a normally dry water  
97 conveyance leading to an active body of water, if the release does not reach the water of a lake,  
98 pond, stream, marshland, river, or other active body of water.

99 (2) "Agricultural operation" means a farm, ranch, or animal feeding operation.

100 [~~(2)~~] (3) "Agriculture water" means:

101 (a) water used by a farm, ranch, or feedlot for the production of food, fiber, or fuel;

102 (b) the return flow of water from irrigated agriculture; or

103 (c) agricultural storm water runoff.

104 [~~(3)~~] (4) "Alternate" means a substitute for a district supervisor if the district supervisor  
105 cannot attend a meeting.

106 [~~(4)~~] (5) (a) "Animal feeding operation" means a facility where animals, other than  
107 aquatic animals, are stabled or confined and fed or maintained for a total of 45 days or more in  
108 any 12-month period.

109 (b) "Animal feeding operation" does not include an operation where animals are in  
110 areas such as pastures or rangeland that sustain crops or forage growth during the entire time  
111 the animals are present.

112 [~~(5)~~] (6) "Best management practices" means practices, including management policies  
113 and the use of technology, used by each sector of agriculture in the production of food and fiber

114 that are commonly accepted practices, or that are at least as effective as commonly accepted  
115 practices, and that:

- 116 (a) protect the environment;
- 117 (b) protect human health;
- 118 (c) ensure the humane treatment of animals; and
- 119 (d) promote the financial viability of agricultural production.

120 (7) "Certified agricultural operation" means an agricultural operation that is certified  
121 under the Utah Environmental Stewardship Certification Program in accordance with Section  
122 4-18-107.

123 [~~(6)~~] (8) "Certified conservation planner" means a planner of a state conservation  
124 district, or other qualified planner, that is approved by the commission to [~~issue a certification~~  
125 ~~of environmental stewardship~~] certify an agricultural operation under the Utah Environmental  
126 Stewardship Certification Program, created in Section 4-18-107.

127 [~~(7)~~] "~~Certification of environmental stewardship~~" means an official recognition by the  
128 state that an owner or operator of a farm, ranch, or feedlot meets the requirements established  
129 ~~by the commission.~~]

130 [~~(a)~~] ~~to prevent harm to the environment, including the prevention of an agricultural~~  
131 ~~discharge;~~]

132 [~~(b)~~] ~~for following best management practices; and]~~

133 [~~(c)~~] ~~for following nutrient management plans that meet the state technical standards~~  
134 ~~appropriate for the given type of agricultural operation.]~~

135 [~~(8)~~] (9) "Commission" means the Conservation Commission created in Section  
136 [~~4-18-4~~] 4-18-104.

137 [~~(9)~~] (10) "Comprehensive nutrient management plan" or "nutrient management plan"  
138 means a plan to properly store, handle, and spread manure and other agricultural byproducts to:

- 139 (a) protect the environment; and
- 140 (b) provide nutrients for the production of crops.

141 [~~(10)~~] (11) "District" or "conservation district" has the same meaning as "conservation

142 district" as defined in Section 17D-3-102.

143 [(11)] (12) "Pollution" means a harmful human-made or human-induced alteration to  
144 the water of the state, including an alteration to the chemical, physical, biological, or  
145 radiological integrity of water that harms the water of the state.

146 [(12)] (13) "State technical standards" means a collection of best management practices  
147 that will protect the environment in a reasonable and economical manner for each sector of  
148 agriculture as required by this chapter.

149 [(13)] (14) "Sustainable agriculture" means agriculture production and practices that  
150 promote:

151 (a) the environmental responsibility of owners and operators of farms, ranches, and  
152 feedlots; and

153 (b) the profitability of owners and operators of farms, ranches, and feedlots.

154 Section 4. Section **4-18-104**, which is renumbered from Section 4-18-4 is renumbered  
155 and amended to read:

156 [~~4-18-4~~]. **4-18-104. Conservation Commission created -- Composition --**  
157 **Appointment -- Terms -- Compensation -- Attorney general to provide legal assistance.**

158 (1) There is created within the department the Conservation Commission to perform  
159 the functions specified in this chapter.

160 (2) The Conservation Commission shall be comprised of 16 members, including:

161 (a) the director of the Extension Service at Utah State University or the director's  
162 designee;

163 (b) the president of the Utah Association of Conservation Districts or the president's  
164 designee;

165 (c) the commissioner or the commissioner's designee;

166 (d) the executive director of the Department of Natural Resources or the executive  
167 director's designee;

168 (e) the executive director of the Department of Environmental Quality or the executive  
169 director's designee;

170 (f) the chair and the vice chair of the State Grazing Advisory Board<sub>1</sub> created in Section  
171 4-20-1.5;

172 (g) the president of the County Weed Supervisors Association;

173 (h) seven district supervisors who provide district representation on the commission on  
174 a multicounty basis; and

175 (i) the director of the School and Institutional Trust Lands Administration or the  
176 director's designee.

177 (3) If a district supervisor is unable to attend a meeting, an alternate may serve in the  
178 place of the district supervisor for that meeting.

179 (4) The members of the commission specified in Subsection (2)(h) shall:

180 (a) be recommended by the commission to the governor; and

181 (b) be appointed by the governor with the consent of the Senate.

182 (5) (a) Except as required by Subsection (5)(b), as terms of current commission  
183 members expire, the governor shall appoint each new member or reappointed member to a  
184 four-year term.

185 (b) Notwithstanding the requirements of Subsection (5)(a), the governor shall, at the  
186 time of appointment or reappointment, adjust the length of terms to ensure that the terms of  
187 commission members are staggered so that approximately half of the commission is appointed  
188 every two years.

189 (6) When a vacancy occurs in the membership for any reason, the replacement shall be  
190 appointed for the unexpired term.

191 (7) The commissioner is chair of the commission.

192 (8) Attendance of a majority of the commission members at a meeting constitutes a  
193 quorum.

194 (9) A member may not receive compensation or benefits for the member's service, but  
195 may receive per diem and travel expenses in accordance with:

196 (a) Section 63A-3-106;

197 (b) Section 63A-3-107; and

198 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
199 63A-3-107.

200 (10) The commission shall keep a record of its actions.

201 (11) The attorney general shall provide legal services to the commission upon request.

202 Section 5. Section **4-18-105**, which is renumbered from Section 4-18-5 is renumbered  
203 and amended to read:

204 ~~[4-18-5]~~. **4-18-105. Conservation commission -- Functions and duties.**

205 (1) The commission shall:

206 (a) facilitate the development and implementation of the strategies and programs  
207 necessary to:

208 (i) protect, conserve, utilize, and develop the soil, air, and water resources of the state;  
209 and

210 (ii) promote the protection, integrity, and restoration of land for agricultural and other  
211 beneficial purposes;

212 (b) disseminate information regarding districts' activities and programs;

213 (c) supervise the formation, reorganization, or dissolution of districts according to the  
214 requirements of Title 17D, Chapter 3, Conservation District Act;

215 (d) prescribe uniform accounting and recordkeeping procedures for districts and  
216 require each district to submit annually an audit of its funds to the commission;

217 (e) approve and make loans for agricultural purposes, from the Agriculture Resource  
218 Development Fund, for:

219 (i) rangeland improvement and management projects;

220 (ii) watershed protection and flood prevention projects;

221 (iii) agricultural cropland soil and water conservation projects; and

222 (iv) programs designed to promote energy efficient farming practices;

223 (f) administer federal or state funds, including loan funds under this chapter, in

224 accordance with applicable federal or state guidelines and make loans or grants from those  
225 funds to land occupiers for:



- 226 (i) the conservation of soil or water resources;
- 227 (ii) maintenance of rangeland improvement projects; and
- 228 (iii) the control or eradication of noxious weeds and invasive plant species:
  - 229 (A) in cooperation and coordination with local weed boards; and
  - 230 (B) in accordance with Section 4-2-8.7;
- 231 (g) seek to coordinate soil and water protection, conservation, and development
- 232 activities and programs of state agencies, local governmental units, other states, special interest
- 233 groups, and federal agencies;
- 234 (h) plan watershed and flood control projects in cooperation with appropriate local,
- 235 state, and federal authorities, and coordinate flood control projects in the state;
- 236 [~~(i) develop the requirements for:~~]
- 237 [~~(i) a certification of environmental stewardship, including best management practices,~~
- 238 ~~technical standards, and nutrient management plans, as applicable to each agricultural sector;~~
- 239 ~~and]~~
- 240 [~~(ii) providing the certification to each owner or operator of a farm, ranch, or feedlot~~
- 241 ~~that:]~~
- 242 [~~(A) requests certification; and]~~
- 243 [~~(B) qualifies for certification;]~~
- 244 [~~(j) develop best management practices and state technical standards when requested~~
- 245 ~~by governmental agencies or agricultural producer groups;]~~
- 246 [~~(k) develop the requirements and certification process for an individual to be a~~
- 247 ~~certified conservation planner as defined in Section 4-18-3;]~~
- 248 [~~(h)~~] (i) assist other state agencies with conservation standards for agriculture when
- 249 requested; and
- 250 [~~(m)~~] (j) when assigned by the governor, when required by contract with the
- 251 Department of Environmental Quality, or when required by contract with the United States
- 252 Environmental Protection Agency:
- 253 (i) develop programs for the prevention, control, or abatement of new or existing

254 pollution to the soil, water, or air of the state;

255 (ii) advise, consult, and cooperate with affected parties to further the purpose of this  
256 chapter;

257 (iii) conduct studies, investigations, research, and demonstrations relating to  
258 agricultural pollution issues;

259 (iv) give reasonable consideration in the exercise of its powers and duties to the  
260 economic impact on sustainable agriculture;

261 (v) meet the requirements of federal law related to water and air pollution in the  
262 exercise of its powers and duties; and

263 (vi) establish administrative penalties relating to agricultural discharges as defined in  
264 Section [~~4-18-3~~] 4-18-103 that are proportional to the seriousness of the resulting  
265 environmental harm.

266 (2) The commission may:

267 (a) employ, with the approval of the department, an administrator and necessary  
268 technical experts and employees;

269 (b) execute contracts or other instruments necessary to exercise its powers;

270 (c) take necessary action to promote and enforce the purpose and findings of Section  
271 [~~4-18-2~~] 4-18-102;

272 (d) sue and be sued; and

273 (e) adopt rules, in accordance with Title 63G, Chapter 3, Utah Administrative  
274 Rulemaking Act, necessary to carry out the powers and duties described in Subsection (1) and  
275 Subsections (2)(b) and (c).

276 Section 6. Section **4-18-106**, which is renumbered from Section 4-18-6 is renumbered  
277 and amended to read:

278 **[~~4-18-6~~]. 4-18-106. Agriculture Resource Development Fund -- Contents --**  
279 **Use of fund money.**

280 (1) There is created a revolving loan fund known as the Agriculture Resource  
281 Development Fund.

- 282 (2) The Agriculture Resource Development Fund shall consist of:
- 283 (a) money appropriated to it by the Legislature;
- 284 (b) sales and use tax receipts transferred to the fund ~~[pursuant to]~~ in accordance with
- 285 Section 59-12-103;
- 286 (c) money received for the repayment of loans made from the fund;
- 287 (d) money made available to the state for agriculture resource development from any
- 288 source; and
- 289 (e) interest earned on the fund.

290 (3) The commission shall make loans from the Agriculture Resource Development  
291 Fund as provided by Section ~~[4-18-5]~~ 4-18-105.

292 Section 7. Section **4-18-107** is enacted to read:

293 **4-18-107. Utah Environmental Stewardship Certification Program.**

294 (1) There is created the Utah Environmental Stewardship Certification Program.

295 (2) The commission, with the assistance of the department and with the advice of the  
296 Water Quality Board, created in Section 19-1-106, shall make rules in accordance with Title  
297 63G, Chapter 3, Utah Administrative Rulemaking Act that establish:

298 (a) (i) best management practices;

299 (ii) state technical standards; and

300 (iii) guidelines for nutrient management plans;

301 (b) requirements for qualification under the Utah Environmental Stewardship  
302 Certification Program that:

303 (i) are consistent with sustainable agriculture;

304 (ii) help prevent harm to the environment, including prevention of an agricultural  
305 discharge; and

306 (iii) encourage agricultural operations in the state to follow:

307 (A) best management practices; and

308 (B) nutrient management plans that meet the state technical standards appropriate for  
309 each type of agricultural operation;

310 (c) the procedure for qualification under the Utah Environmental Stewardship  
311 Certification Program;

312 (d) the requirements and certification process for an individual to become a certified  
313 conservation planner; and

314 (e) standards and procedures for administering the Utah Environmental Stewardship  
315 Certification Program, including:

316 (i) renewal of a certification under Subsection (4)(b);

317 (ii) investigation and revocation of a certification under Subsection (6); and

318 (iii) revocation of a certification under Subsection (7)(b).

319 (3) An owner or operator of an agricultural operation may apply to certify the  
320 agricultural operation under the Utah Environmental Stewardship Certification Program in  
321 accordance with this section.

322 (4) (a) Except as provided in Subsection (6) or (7), a certified agricultural operation  
323 remains certified for a period of five years after the day on which the agricultural operation  
324 becomes certified.

325 (b) A certified agricultural operation may, in accordance with commission rule, renew  
326 the certification for an additional five years to keep the certification for a total period of 10  
327 years after the day on which the agricultural operation becomes certified.

328 (5) Subject to review by the commissioner or the commissioner's designee, a certified  
329 conservation planner shall certify each qualifying agricultural operation that applies to the Utah  
330 Environmental Stewardship Certification Program.

331 (6) (a) Upon request of the Department of Environmental Quality or upon receipt by  
332 the department of a citizen environmental complaint, the department shall, with the assistance  
333 of certified conservation planners as necessary, investigate a certified agricultural operation to  
334 determine whether the agricultural operation has committed a significant violation of the  
335 requirements of the Utah Environmental Stewardship Certification Program.

336 (b) If, after completing an investigation described in Subsection (6)(a), the department  
337 determines that a certified agricultural operation has committed a significant violation of the

338 requirements for the Utah Environmental Stewardship Certification Program, the department  
339 shall report the violation to the commission.

340 (c) Upon receipt of a report described in Subsection (6)(b), the commission shall  
341 review the report and:

- 342 (i) revoke the agricultural operation's certification; or
- 343 (ii) set terms and conditions for the agricultural operation to maintain its certification.

344 (7) (a) If, for a certification renewal under Subsection (4)(b), or an investigation under  
345 Subsection (6)(a), the department requests access to a certified agricultural operation, the  
346 certified agricultural operation shall, at a reasonable time, allow access for the department to:

- 347 (i) inspect the agricultural operation; or
- 348 (ii) review the records of the agricultural operation.

349 (b) If a certified agricultural operation denies the department access as described in  
350 Subsection (7)(a), the commission may revoke the agricultural operation's certification.

351 (8) If the commission changes a requirement of the Utah Environmental Stewardship  
352 Certification Program after an agricultural operation is certified in accordance with former  
353 requirements, during the certification and renewal periods described in Subsections (4)(a) and  
354 (b) the agricultural operation may choose whether to abide by a new requirement, but the  
355 agricultural operation is not subject to the new requirement until the agricultural operation  
356 reapplies for certification.

357 (9) Nothing in this section exempts an agricultural discharge made by a certified  
358 agricultural operation from the provisions of Subsection 19-5-105.5(3)(b).

359 Section 8. Section **4-20-1.5** is amended to read:

360 **4-20-1.5. State Grazing Advisory Board -- Duties.**

361 (1) (a) There is created within the department the State Grazing Advisory Board.

362 (b) The commissioner shall appoint the following members:

- 363 (i) one member from each regional board;
  - 364 (ii) one member from the Conservation Commission, created in Section [~~4-18-4~~]
- 365 ~~4-18-104~~;

- 366 (iii) one representative of the Department of Natural Resources;
- 367 (iv) two livestock producers at-large; and
- 368 (v) one representative of the oil, gas, or mining industry.
- 369 (2) The term of office for a state board member is four years.
- 370 (3) Members of the state board shall elect a chair, who shall serve for two years.
- 371 (4) A member may not receive compensation or benefits for the member's service[;]
- 372 but may receive per diem and travel expenses in accordance with:
- 373 (a) Section 63A-3-106;
- 374 (b) Section 63A-3-107; and
- 375 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
- 376 63A-3-107.
- 377 (5) The state board shall:
- 378 (a) receive:
- 379 (i) advice and recommendations from a regional board concerning:
- 380 (A) management plans for public lands, state lands, and school and institutional trust
- 381 lands as defined in Section 53C-1-103, within the regional board's region; and
- 382 (B) any issue that impacts grazing on private lands, public lands, state lands, or school
- 383 and institutional trust lands as defined in Section 53C-1-103, in its region; and
- 384 (ii) requests for restricted account money from the entities described in Subsections
- 385 (5)(c)(i) through (iv);
- 386 (b) recommend state policy positions and cooperative agency participation in federal
- 387 and state land management plans to the department and to the Public Lands Policy
- 388 Coordinating Office, created under Section 63J-4-602; and
- 389 (c) advise the department on the requests and recommendations of:
- 390 (i) regional boards;
- 391 (ii) county weed control boards, created [~~under~~] in Section 4-17-4;
- 392 (iii) cooperative weed management associations; and
- 393 (iv) conservation districts created under the authority of Title 17D, Chapter 3,

394 Conservation District Act.

395 Section 9. Section **17D-3-102** is amended to read:

396 **17D-3-102. Definitions.**

397 As used in this chapter:

398 (1) "Commission" means the Conservation Commission, created ~~[under]~~ in Section  
399 ~~[4-18-4]~~ 4-18-104.

400 (2) "Conservation district" means a limited purpose local government entity, as  
401 described in Section 17D-3-103, that operates under, is subject to, and has the powers set forth  
402 in this chapter.

403 (3) "Department" means the Department of Agriculture and Food, created ~~[under]~~ in  
404 Section 4-2-1.

405 Section 10. Section **19-5-102** is amended to read:

406 **19-5-102. Definitions.**

407 As used in this chapter:

408 (1) "Agriculture discharge":

409 (a) means the release of agriculture water from the property of a farm, ranch, or feed lot  
410 that:

411 (i) pollutes a surface body of water, including a stream, lake, pond, marshland,  
412 watercourse, waterway, river, ditch, and other water conveyance system of the state;

413 (ii) pollutes the ground water of the state; or

414 (iii) constitutes a significant nuisance on urban land; and

415 (b) does not include:

416 (i) runoff from a farm, ranch, or feed lot or return flows from irrigated fields onto land  
417 that is not part of a body of water; or

418 (ii) a release into a normally dry water conveyance to an active body of water, unless  
419 the release reaches the water of a lake, pond, stream, marshland, river, or other active body of  
420 water.

421 (2) "Agriculture water" means:

- 422 (a) water used by a farmer, rancher, or feed lot for the production of food, fiber, or fuel;
- 423 (b) return flows from irrigated agriculture; and
- 424 (c) agricultural storm water runoff.

425 (3) "Board" means the Water Quality Board created in Section 19-1-106.

426 (4) "Commission" means the Conservation Commission, created in Section ~~[4-18-4]~~  
427 4-18-104.

428 (5) "Contaminant" means any physical, chemical, biological, or radiological substance  
429 or matter in water.

430 (6) "Director" means the director of the Division of Water Quality or, for purposes of  
431 groundwater quality at a facility licensed by and under the jurisdiction of the Division of  
432 Radiation Control, the director of the Division of Radiation Control.

433 (7) "Discharge" means the addition of any pollutant to any waters of the state.

434 (8) "Discharge permit" means a permit issued to a person who:

435 (a) discharges or whose activities would probably result in a discharge of pollutants  
436 into the waters of the state; or

437 (b) generates or manages sewage sludge.

438 (9) "Disposal system" means a system for disposing of wastes[,] and includes sewerage  
439 systems and treatment works.

440 (10) "Division" means the Division of Water Quality, created in Subsection  
441 19-1-105(1)(f).

442 (11) "Effluent limitations" means any restrictions, requirements, or prohibitions,  
443 including schedules of compliance established under this chapter, which apply to discharges.

444 (12) "Point source":

445 (a) means any discernible, confined, and discrete conveyance, including any pipe,  
446 ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated  
447 animal feeding operation, or vessel or other floating craft, from which pollutants are or may be  
448 discharged; and

449 (b) does not include return flows from irrigated agriculture.



450 (13) "Pollution" means any man-made or man-induced alteration of the chemical,  
451 physical, biological, or radiological integrity of any waters of the state, unless the alteration is  
452 necessary for the public health and safety.

453 (14) "Publicly owned treatment works" means any facility for the treatment of  
454 pollutants owned by the state, its political subdivisions, or other public entity.

455 (15) "Schedule of compliance" means a schedule of remedial measures, including an  
456 enforceable sequence of actions or operations leading to compliance with this chapter.

457 (16) "Sewage sludge" means any solid, semisolid, or liquid residue removed during the  
458 treatment of municipal wastewater or domestic sewage.

459 (17) "Sewerage system" means pipelines or conduits, pumping stations, and all other  
460 constructions, devices, appurtenances, and facilities used for collecting or conducting wastes to  
461 a point of ultimate disposal.

462 (18) "Total maximum daily load" means a calculation of the maximum amount of a  
463 pollutant that a body of water can receive and still meet water quality standards.

464 (19) "Treatment works" means any plant, disposal field, lagoon, dam, pumping station,  
465 incinerator, or other works used for the purpose of treating, stabilizing, or holding wastes.

466 (20) "Underground injection" means the subsurface emplacement of fluids by well  
467 injection.

468 (21) "Underground wastewater disposal system" means a system for disposing of  
469 domestic wastewater discharges as defined by the board and the executive director.

470 (22) "Waste" or "pollutant" means dredged spoil, solid waste, incinerator residue,  
471 sewage, garbage, sewage sludge, munitions, chemical wastes, biological materials, radioactive  
472 materials, heat, wrecked or discarded equipment, rock, sand, cellar dirt, and industrial,  
473 municipal, and agricultural waste discharged into water.

474 (23) "Waters of the state":

475 (a) means all streams, lakes, ponds, marshes, watercourses, waterways, wells, springs,  
476 irrigation systems, drainage systems, and all other bodies or accumulations of water, surface  
477 and underground, natural or artificial, public or private, which are contained within, flow

478 through, or border upon this state or any portion of the state; and

479 (b) does not include bodies of water confined to and retained within the limits of  
480 private property, and which do not develop into or constitute a nuisance, a public health hazard,  
481 or a menace to fish or wildlife.

482 Section 11. Section **59-12-103 (Superseded 07/01/14)** is amended to read:

483 **59-12-103 (Superseded 07/01/14). Sales and use tax base -- Rates -- Effective dates**  
484 **-- Use of sales and use tax revenues.**

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

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

488 (b) amounts paid for:

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

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

494 (iii) an ancillary service associated with a:

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

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

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

498 (i) gas;

499 (ii) electricity;

500 (iii) heat;

501 (iv) coal;

502 (v) fuel oil; or

503 (vi) other fuels;

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

505 (i) gas;

- 506 (ii) electricity;
- 507 (iii) heat;
- 508 (iv) coal;
- 509 (v) fuel oil; or
- 510 (vi) other fuels;
- 511 (e) sales of prepared food;
- 512 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or
- 513 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
- 514 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,
- 515 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
- 516 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
- 517 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
- 518 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
- 519 horseback rides, sports activities, or any other amusement, entertainment, recreation,
- 520 exhibition, cultural, or athletic activity;
- 521 (g) amounts paid or charged for services for repairs or renovations of tangible personal
- 522 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:
- 523 (i) the tangible personal property; and
- 524 (ii) parts used in the repairs or renovations of the tangible personal property described
- 525 in Subsection (1)(g)(i), whether or not any parts are actually used in the repairs or renovations
- 526 of that tangible personal property;
- 527 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
- 528 assisted cleaning or washing of tangible personal property;
- 529 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
- 530 accommodations and services that are regularly rented for less than 30 consecutive days;
- 531 (j) amounts paid or charged for laundry or dry cleaning services;
- 532 (k) amounts paid or charged for leases or rentals of tangible personal property if within
- 533 this state the tangible personal property is:

534 (i) stored;

535 (ii) used; or

536 (iii) otherwise consumed;

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

538 tangible personal property is:

539 (i) stored;

540 (ii) used; or

541 (iii) consumed; and

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

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

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

545 (ii) regardless of whether the sale provides:

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

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

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

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

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

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

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

553 (A) 4.70%; and

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

555 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

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

557 State Sales and Use Tax Act; and

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

559 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211

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

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

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

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

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

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

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

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

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

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

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

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

580 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
581 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
582 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
583 Additional State Sales and Use Tax Act; and

584 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
585 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
586 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
587 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

590 (ii) If an optional computer software maintenance contract is a bundled transaction that  
591 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
592 similar billing document, the purchase of the optional computer software maintenance contract  
593 is 40% taxable under this chapter and 60% nontaxable under this chapter.

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

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

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

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

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

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

611 (II) state or federal law provides otherwise.

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

615 (e) Subject to Subsections (2)(f) and (g), a tax rate repeal or tax rate change for a tax  
616 rate imposed under the following shall take effect on the first day of a calendar quarter:

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

- 618 (ii) Subsection (2)(b)(i);
- 619 (iii) Subsection (2)(c)(i); or
- 620 (iv) Subsection (2)(d)(i)(A)(I).
- 621 (f) (i) A tax rate increase takes effect on the first day of the first billing period that
- 622 begins on or after the effective date of the tax rate increase if the billing period for the
- 623 transaction begins before the effective date of a tax rate increase imposed under:
  - 624 (A) Subsection (2)(a)(i)(A);
  - 625 (B) Subsection (2)(b)(i);
  - 626 (C) Subsection (2)(c)(i); or
  - 627 (D) Subsection (2)(d)(i)(A)(I).
- 628 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 629 statement for the billing period is rendered on or after the effective date of the repeal of the tax
- 630 or the tax rate decrease imposed under:
  - 631 (A) Subsection (2)(a)(i)(A);
  - 632 (B) Subsection (2)(b)(i);
  - 633 (C) Subsection (2)(c)(i); or
  - 634 (D) Subsection (2)(d)(i)(A)(I).
- 635 (g) (i) For a tax rate described in Subsection (2)(g)(ii), if a tax due on a catalogue sale
- 636 is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal
- 637 or change in a tax rate takes effect:
  - 638 (A) on the first day of a calendar quarter; and
  - 639 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 640 (ii) Subsection (2)(g)(i) applies to the tax rates described in the following:
  - 641 (A) Subsection (2)(a)(i)(A);
  - 642 (B) Subsection (2)(b)(i);
  - 643 (C) Subsection (2)(c)(i); or
  - 644 (D) Subsection (2)(d)(i)(A)(I).
- 645 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,

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

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

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

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

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

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

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

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

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

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

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

658 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
659 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)  
660 through (g):

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

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

663 (B) for the fiscal year; or

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

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

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

670 (B) award grants, up to the amount authorized by the Legislature in an appropriations  
671 act, to political subdivisions of the state to implement the measures described in Subsections  
672 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

673 (ii) Money transferred to the Department of Natural Resources under Subsection



674 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other  
675 person to list or attempt to have listed a species as threatened or endangered under the  
676 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

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

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

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

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

684 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
685 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
686 created in Section ~~[4-18-6]~~ 4-18-106.

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

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

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

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

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

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

701 (ii) In addition to the uses allowed of the Water Resources Conservation and

702 Development Fund under Section 73-10-24, the Water Resources Conservation and  
703 Development Fund may also be used to:

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

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

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

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

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

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

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

721 (iii) develop surface water sources.

722 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
723 2006, the difference between the following amounts shall be expended as provided in this  
724 Subsection (5), if that difference is greater than \$1:

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

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

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

729 (A) transferred each fiscal year to the Department of Natural Resources as dedicated

730 credits; and

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

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

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

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

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

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

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

749 (i) preconstruction costs:

750 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
751 26, Bear River Development Act; and

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

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

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

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

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

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

767 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
768 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
769 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
770 the Transportation Fund created by Section 72-2-102.

771 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
772 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section  
773 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
774 by a 1/64% tax rate on the taxable transactions under Subsection (1).

775 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
776 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,  
777 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
778 created by Section 72-2-124:

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

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

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

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

786 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus  
787 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
788 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through  
789 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
790 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

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

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

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

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

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

811 (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
812 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of  
813 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under

814 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section  
815 72-2-124.

816 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
817 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
818 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

819 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),  
820 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July  
821 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
822 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the  
823 transactions described in Subsection (1).

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

829 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection  
830 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the  
831 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a  
832 .025% tax rate on the transactions described in Subsection (1) to be expended to address  
833 chokepoints in construction management.

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

839 Section 12. Section **59-12-103 (Effective 07/01/14)** is amended to read:

840 **59-12-103 (Effective 07/01/14). Sales and use tax base -- Rates -- Effective dates --**  
841 **Use of sales and use tax revenues.**

- 842 (1) A tax is imposed on the purchaser as provided in this part for amounts paid or  
843 charged for the following transactions:
- 844 (a) retail sales of tangible personal property made within the state;
  - 845 (b) amounts paid for:
    - 846 (i) telecommunications service, other than mobile telecommunications service, that  
847 originates and terminates within the boundaries of this state;
    - 848 (ii) mobile telecommunications service that originates and terminates within the  
849 boundaries of one state only to the extent permitted by the Mobile Telecommunications  
850 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or
    - 851 (iii) an ancillary service associated with a:
      - 852 (A) telecommunications service described in Subsection (1)(b)(i); or
      - 853 (B) mobile telecommunications service described in Subsection (1)(b)(ii);
    - 854 (c) sales of the following for commercial use:
      - 855 (i) gas;
      - 856 (ii) electricity;
      - 857 (iii) heat;
      - 858 (iv) coal;
      - 859 (v) fuel oil; or
      - 860 (vi) other fuels;
    - 861 (d) sales of the following for residential use:
      - 862 (i) gas;
      - 863 (ii) electricity;
      - 864 (iii) heat;
      - 865 (iv) coal;
      - 866 (v) fuel oil; or
      - 867 (vi) other fuels;
    - 868 (e) sales of prepared food;
    - 869 (f) except as provided in Section 59-12-104, amounts paid or charged as admission or

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

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

880 (i) the tangible personal property; and

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

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

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

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

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

891 (i) stored;

892 (ii) used; or

893 (iii) otherwise consumed;

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

896 (i) stored;

897 (ii) used; or



898 (iii) consumed; and  
899 (m) amounts paid or charged for a sale:  
900 (i) (A) of a product transferred electronically; or  
901 (B) of a repair or renovation of a product transferred electronically; and  
902 (ii) regardless of whether the sale provides:  
903 (A) a right of permanent use of the product; or  
904 (B) a right to use the product that is less than a permanent use, including a right:  
905 (I) for a definite or specified length of time; and  
906 (II) that terminates upon the occurrence of a condition.  
907 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax  
908 is imposed on a transaction described in Subsection (1) equal to the sum of:  
909 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:  
910 (A) 4.70%; and  
911 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales  
912 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
913 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional  
914 State Sales and Use Tax Act; and  
915 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales  
916 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211  
917 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state  
918 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and  
919 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
920 transaction under this chapter other than this part.  
921 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed  
922 on a transaction described in Subsection (1)(d) equal to the sum of:  
923 (i) a state tax imposed on the transaction at a tax rate of 2%; and  
924 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the  
925 transaction under this chapter other than this part.

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

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

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

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

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

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

937 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State  
938 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
939 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,  
940 Additional State Sales and Use Tax Act; and

941 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State  
942 Sales and Use Tax Act, if the location of the transaction as determined under Sections  
943 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which  
944 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

947 (ii) If an optional computer software maintenance contract is a bundled transaction that  
948 consists of taxable and nontaxable products that are not separately itemized on an invoice or  
949 similar billing document, the purchase of the optional computer software maintenance contract  
950 is 40% taxable under this chapter and 60% nontaxable under this chapter.

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

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

954 property, a product, or a service that is subject to taxation under this chapter and tangible  
955 personal property, a product, or service that is not subject to taxation under this chapter, the  
956 entire bundled transaction is subject to taxation under this chapter unless:

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

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

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

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

968 (II) state or federal law provides otherwise.

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

972 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)  
973 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a  
974 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental  
975 of tangible personal property, other property, a product, or a service that is not subject to  
976 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless  
977 the seller, at the time of the transaction:

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

980 (B) is able to identify by reasonable and verifiable standards, from the books and  
981 records the seller keeps in the seller's regular course of business, the portion of the transaction

982 that is not subject to taxation under this chapter.

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

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

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

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

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

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

1000 (B) is able to identify by reasonable and verifiable standards the tangible personal  
1001 property, product, or service that is subject to taxation under this chapter at the lower tax rate  
1002 from the books and records the seller keeps in the seller's regular course of business.

1003 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the  
1004 seller's regular course of business includes books and records the seller keeps in the regular  
1005 course of business for nontax purposes.

1006 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax  
1007 rate imposed under the following shall take effect on the first day of a calendar quarter:

1008 (i) Subsection (2)(a)(i)(A);

1009 (ii) Subsection (2)(b)(i);

- 1010 (iii) Subsection (2)(c)(i); or
- 1011 (iv) Subsection (2)(d)(i)(A)(I).
- 1012 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
- 1013 begins on or after the effective date of the tax rate increase if the billing period for the
- 1014 transaction begins before the effective date of a tax rate increase imposed under:
  - 1015 (A) Subsection (2)(a)(i)(A);
  - 1016 (B) Subsection (2)(b)(i);
  - 1017 (C) Subsection (2)(c)(i); or
  - 1018 (D) Subsection (2)(d)(i)(A)(I).
- 1019 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
- 1020 statement for the billing period is rendered on or after the effective date of the repeal of the tax
- 1021 or the tax rate decrease imposed under:
  - 1022 (A) Subsection (2)(a)(i)(A);
  - 1023 (B) Subsection (2)(b)(i);
  - 1024 (C) Subsection (2)(c)(i); or
  - 1025 (D) Subsection (2)(d)(i)(A)(I).
- 1026 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
- 1027 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
- 1028 change in a tax rate takes effect:
  - 1029 (A) on the first day of a calendar quarter; and
  - 1030 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 1031 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
  - 1032 (A) Subsection (2)(a)(i)(A);
  - 1033 (B) Subsection (2)(b)(i);
  - 1034 (C) Subsection (2)(c)(i); or
  - 1035 (D) Subsection (2)(d)(i)(A)(I).
- 1036 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 1037 the commission may by rule define the term "catalogue sale."

- 1038 (3) (a) The following state taxes shall be deposited into the General Fund:
- 1039 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 1040 (ii) the tax imposed by Subsection (2)(b)(i);
- 1041 (iii) the tax imposed by Subsection (2)(c)(i); or
- 1042 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 1043 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 1044 in this chapter:
- 1045 (i) the tax imposed by Subsection (2)(a)(ii);
- 1046 (ii) the tax imposed by Subsection (2)(b)(ii);
- 1047 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 1048 (iv) the tax imposed by Subsection (2)(d)(i)(B).
- 1049 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 1050 2003, the lesser of the following amounts shall be used as provided in Subsections (4)(b)
- 1051 through (g):
- 1052 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 1053 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 1054 (B) for the fiscal year; or
- 1055 (ii) \$17,500,000.
- 1056 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount
- 1057 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the
- 1058 Department of Natural Resources to:
- 1059 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to
- 1060 protect sensitive plant and animal species; or
- 1061 (B) award grants, up to the amount authorized by the Legislature in an appropriations
- 1062 act, to political subdivisions of the state to implement the measures described in Subsections
- 1063 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.
- 1064 (ii) Money transferred to the Department of Natural Resources under Subsection
- 1065 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

1066 person to list or attempt to have listed a species as threatened or endangered under the  
1067 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

1068 (iii) At the end of each fiscal year:

1069 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
1070 Conservation and Development Fund created in Section 73-10-24;

1071 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
1072 Program Subaccount created in Section 73-10c-5; and

1073 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
1074 Program Subaccount created in Section 73-10c-5.

1075 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in  
1076 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund  
1077 created in Section [~~4-18-6~~] 4-18-106.

1078 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described  
1079 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water  
1080 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of  
1081 water rights.

1082 (ii) At the end of each fiscal year:

1083 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources  
1084 Conservation and Development Fund created in Section 73-10-24;

1085 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan  
1086 Program Subaccount created in Section 73-10c-5; and

1087 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan  
1088 Program Subaccount created in Section 73-10c-5.

1089 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described  
1090 in Subsection (4)(a) shall be deposited in the Water Resources Conservation and Development  
1091 Fund created in Section 73-10-24 for use by the Division of Water Resources.

1092 (ii) In addition to the uses allowed of the Water Resources Conservation and  
1093 Development Fund under Section 73-10-24, the Water Resources Conservation and

1094 Development Fund may also be used to:

1095 (A) conduct hydrologic and geotechnical investigations by the Division of Water  
1096 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of  
1097 quantifying surface and ground water resources and describing the hydrologic systems of an  
1098 area in sufficient detail so as to enable local and state resource managers to plan for and  
1099 accommodate growth in water use without jeopardizing the resource;

1100 (B) fund state required dam safety improvements; and

1101 (C) protect the state's interest in interstate water compact allocations, including the  
1102 hiring of technical and legal staff.

1103 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
1104 in Subsection (4)(a) shall be deposited in the Utah Wastewater Loan Program Subaccount  
1105 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

1106 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described  
1107 in Subsection (4)(a) shall be deposited in the Drinking Water Loan Program Subaccount  
1108 created in Section 73-10c-5 for use by the Division of Drinking Water to:

1109 (i) provide for the installation and repair of collection, treatment, storage, and  
1110 distribution facilities for any public water system, as defined in Section 19-4-102;

1111 (ii) develop underground sources of water, including springs and wells; and

1112 (iii) develop surface water sources.

1113 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
1114 2006, the difference between the following amounts shall be expended as provided in this  
1115 Subsection (5), if that difference is greater than \$1:

1116 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the  
1117 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

1118 (ii) \$17,500,000.

1119 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

1120 (A) transferred each fiscal year to the Department of Natural Resources as dedicated  
1121 credits; and



1122 (B) expended by the Department of Natural Resources for watershed rehabilitation or  
1123 restoration.

1124 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
1125 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund  
1126 created in Section 73-10-24.

1127 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the  
1128 remaining difference described in Subsection (5)(a) shall be:

1129 (A) transferred each fiscal year to the Division of Water Resources as dedicated  
1130 credits; and

1131 (B) expended by the Division of Water Resources for cloud-seeding projects  
1132 authorized by Title 73, Chapter 15, Modification of Weather.

1133 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described  
1134 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund  
1135 created in Section 73-10-24.

1136 (d) After making the transfers required by Subsections (5)(b) and (c), 94% of the  
1137 remaining difference described in Subsection (5)(a) shall be deposited into the Water  
1138 Resources Conservation and Development Fund created in Section 73-10-24 for use by the  
1139 Division of Water Resources for:

1140 (i) preconstruction costs:

1141 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter  
1142 26, Bear River Development Act; and

1143 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project  
1144 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

1145 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,  
1146 Chapter 26, Bear River Development Act;

1147 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project  
1148 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

1149 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, 73-10-30, and

1150 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

1151 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to  
1152 Subsection (5)(f), 6% of the remaining difference described in Subsection (5)(a) shall be  
1153 transferred each year as dedicated credits to the Division of Water Rights to cover the costs  
1154 incurred for employing additional technical staff for the administration of water rights.

1155 (f) At the end of each fiscal year, any unexpended dedicated credits described in  
1156 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development  
1157 Fund created in Section 73-10-24.

1158 (6) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,  
1159 2003, and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16%  
1160 tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited in  
1161 the Transportation Fund created by Section 72-2-102.

1162 (7) Notwithstanding Subsection (3)(a), beginning on July 1, 2012, the Division of  
1163 Finance shall deposit into the Transportation Investment Fund of 2005 created in Section  
1164 72-2-124 a portion of the taxes listed under Subsection (3)(a) equal to the revenues generated  
1165 by a 1/64% tax rate on the taxable transactions under Subsection (1).

1166 (8) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in  
1167 Subsection (7), and subject to Subsection (8)(b), for a fiscal year beginning on or after July 1,  
1168 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
1169 created by Section 72-2-124:

1170 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of  
1171 the revenues collected from the following taxes, which represents a portion of the  
1172 approximately 17% of sales and use tax revenues generated annually by the sales and use tax  
1173 on vehicles and vehicle-related products:

- 1174 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 1175 (B) the tax imposed by Subsection (2)(b)(i);
- 1176 (C) the tax imposed by Subsection (2)(c)(i); and
- 1177 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

1178           (ii) an amount equal to 30% of the growth in the amount of revenues collected in the  
1179 current fiscal year from the sales and use taxes described in Subsections (8)(a)(i)(A) through  
1180 (D) that exceeds the amount collected from the sales and use taxes described in Subsections  
1181 (8)(a)(i)(A) through (D) in the 2010-11 fiscal year.

1182           (b) (i) Subject to Subsections (8)(b)(ii) and (iii), in any fiscal year that the portion of  
1183 the sales and use taxes deposited under Subsection (8)(a) represents an amount that is a total  
1184 lower percentage of the sales and use taxes described in Subsections (8)(a)(i)(A) through (D)  
1185 generated in the current fiscal year than the total percentage of sales and use taxes deposited in  
1186 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection  
1187 (8)(a) equal to the product of:

1188           (A) the total percentage of sales and use taxes deposited under Subsection (8)(a) in the  
1189 previous fiscal year; and

1190           (B) the total sales and use tax revenue generated by the taxes described in Subsections  
1191 (8)(a)(i)(A) through (D) in the current fiscal year.

1192           (ii) In any fiscal year in which the portion of the sales and use taxes deposited under  
1193 Subsection (8)(a) would exceed 17% of the revenues collected from the sales and use taxes  
1194 described in Subsections (8)(a)(i)(A) through (D) in the current fiscal year, the Division of  
1195 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in  
1196 Subsections (8)(a)(i)(A) through (D) for the current fiscal year under Subsection (8)(a).

1197           (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected  
1198 from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) was deposited  
1199 under Subsection (8)(a), the Division of Finance shall annually deposit 17% of the revenues  
1200 collected from the sales and use taxes described in Subsections (8)(a)(i)(A) through (D) in the  
1201 current fiscal year under Subsection (8)(a).

1202           (9) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under  
1203 Subsections (7) and (8), for a fiscal year beginning on or after July 1, 2012, the Division of  
1204 Finance shall annually deposit \$90,000,000 of the revenues generated by the taxes listed under  
1205 Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section

1206 72-2-124.

1207 (10) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year  
1208 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund  
1209 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

1210 (11) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (11)(b),  
1211 and in addition to any amounts deposited under Subsections (7), (8), and (9), beginning on July  
1212 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005  
1213 created by Section 72-2-124 the amount of tax revenue generated by a .025% tax rate on the  
1214 transactions described in Subsection (1).

1215 (b) For purposes of Subsection (11)(a), the Division of Finance may not deposit into  
1216 the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or  
1217 charged for food and food ingredients, except for tax revenue generated by a bundled  
1218 transaction attributable to food and food ingredients and tangible personal property other than  
1219 food and food ingredients described in Subsection (2)(d).

1220 (12) (a) Notwithstanding Subsection (3)(a), and except as provided in Subsection  
1221 (12)(b), beginning on January 1, 2009, the Division of Finance shall deposit into the  
1222 Transportation Fund created by Section 72-2-102 the amount of tax revenue generated by a  
1223 .025% tax rate on the transactions described in Subsection (1) to be expended to address  
1224 chokepoints in construction management.

1225 (b) For purposes of Subsection (12)(a), the Division of Finance may not deposit into  
1226 the Transportation Fund any tax revenue generated by amounts paid or charged for food and  
1227 food ingredients, except for tax revenue generated by a bundled transaction attributable to food  
1228 and food ingredients and tangible personal property other than food and food ingredients  
1229 described in Subsection (2)(d).

1230 Section 13. Section **63A-3-205** is amended to read:

1231 **63A-3-205. Revolving loan funds -- Standards and procedures -- Annual report.**

1232 (1) As used in this section, "revolving loan fund" means:

1233 (a) the Water Resources Conservation and Development Fund, created in Section

- 1234 73-10-24;
- 1235 (b) the Water Resources Construction Fund, created in Section 73-10-8;
- 1236 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;
- 1237 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean
- 1238 Fuels and Vehicle Technology Program Act;
- 1239 (e) the Water Development Security Fund and its subaccounts, created in Section
- 1240 73-10c-5;
- 1241 (f) the Agriculture Resource Development Fund, created in Section [~~4-18-6~~] 4-18-106;
- 1242 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;
- 1243 (h) the Permanent Community Impact Fund, created in Section 35A-8-603;
- 1244 (i) the Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3;
- 1245 (j) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;
- 1246 (k) the Navajo Revitalization Fund, created in Section 35A-8-1704; and
- 1247 (l) the Energy Efficiency Fund, created in Section 11-45-201.
- 1248 (2) The division shall for each revolving loan fund:
- 1249 (a) make rules establishing standards and procedures governing:
- 1250 (i) payment schedules and due dates;
- 1251 (ii) interest rate effective dates;
- 1252 (iii) loan documentation requirements; and
- 1253 (iv) interest rate calculation requirements; and
- 1254 (b) make an annual report to the Legislature containing:
- 1255 (i) the total dollars loaned by that fund during the last fiscal year;
- 1256 (ii) a listing of each loan currently more than 90 days delinquent, in default, or that was
- 1257 restructured during the last fiscal year;
- 1258 (iii) a description of each project that received money from that revolving loan fund;
- 1259 (iv) the amount of each loan made to that project;
- 1260 (v) the specific purpose for which the proceeds of the loan were to be used, if any;
- 1261 (vi) any restrictions on the use of the loan proceeds;

1262 (vii) the present value of each loan at the end of the fiscal year calculated using the  
1263 interest rate paid by the state on the bonds providing the revenue on which the loan is based or,  
1264 if that is unknown, on the average interest rate paid by the state on general obligation bonds  
1265 issued during the most recent fiscal year in which bonds were sold; and

1266 (viii) the financial position of each revolving loan fund, including the fund's cash  
1267 investments, cash forecasts, and equity position.

1268 Section 14. Section **63B-1b-102** is amended to read:

1269 **63B-1b-102. Definitions.**

1270 As used in this chapter:

1271 (1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness  
1272 representing loans or grants made by an authorizing agency.

1273 (2) "Authorized official" means the state treasurer or other person authorized by a bond  
1274 document to perform the required action.

1275 (3) "Authorizing agency" means the board, person, or unit with legal responsibility for  
1276 administering and managing revolving loan funds.

1277 (4) "Bond document" means:

1278 (a) a resolution of the commission; or

1279 (b) an indenture or other similar document authorized by the commission that  
1280 authorizes and secures outstanding revenue bonds from time to time.

1281 (5) "Commission" means the State Bonding Commission, created in Section  
1282 63B-1-201.

1283 (6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.

1284 (7) "Revolving Loan Funds" means:

1285 (a) the Water Resources Conservation and Development Fund, created in Section  
1286 73-10-24;

1287 (b) the Water Resources Construction Fund, created in Section 73-10-8;

1288 (c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;

1289 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean

1290 Fuels and Vehicle Technology Program Act;

1291 (e) the Water Development Security Fund and its subaccounts, created in Section  
1292 73-10c-5;

1293 (f) the Agriculture Resource Development Fund, created in Section [~~4-18-6~~] 4-18-106;

1294 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-4;

1295 (h) the Permanent Community Impact Fund, created in Section 35A-8-303;

1296 (i) the Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3; and

1297 (j) the Transportation Infrastructure Loan Fund, created in Section 72-2-202.

1298 Section 15. Section **63B-1b-202** is amended to read:

1299 **63B-1b-202. Custodial officer -- Powers and duties.**

1300 (1) (a) There is created within the Division of Finance an officer responsible for the  
1301 care, custody, safekeeping, collection, and accounting of all bonds, notes, contracts, trust  
1302 documents, and other evidences of indebtedness:

1303 (i) owned or administered by the state or any of its agencies; and

1304 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.

1305 (b) Notwithstanding Subsection (1)(a), the officer described in Subsection (1)(a) is not  
1306 responsible for the care, custody, safekeeping, collection, and accounting of a bond, note,  
1307 contract, trust document, or other evidence of indebtedness relating to the:

1308 (i) Agriculture Resource Development Fund, created in Section [~~4-18-6~~] 4-18-106;

1309 (ii) Utah Rural Rehabilitation Fund, created in Section 4-19-4;

1310 (iii) Petroleum Storage Tank Loan Fund, created in Section 19-6-405.3;

1311 (iv) Olene Walker Housing Loan Fund, created in Section 35A-8-502;

1312 (v) Business Development for Disadvantaged Rural Communities Restricted Account,  
1313 created in Section 63M-1-2003; and

1314 (vi) Brownfields Fund, created in Section 19-8-120.

1315 (2) (a) Each authorizing agency shall deliver to this officer for the officer's care,  
1316 custody, safekeeping, collection, and accounting all bonds, notes, contracts, trust documents,  
1317 and other evidences of indebtedness:

- 1318 (i) owned or administered by the state or any of its agencies; and  
1319 (ii) except as provided in Subsection (1)(b), relating to revolving loan funds.  
1320 (b) This officer shall:  
1321 (i) establish systems, programs, and facilities for the care, custody, safekeeping,  
1322 collection, and accounting for the bonds, notes, contracts, trust documents, and other evidences  
1323 of indebtedness submitted to the officer under this Subsection (2); and  
1324 (ii) shall make available updated reports to each authorizing agency as to the status of  
1325 loans under their authority.  
1326 (3) The officer described in Section 63B-1b-201 shall deliver to the officer described in  
1327 Subsection (1)(a) for the care, custody, safekeeping, collection, and accounting by the officer  
1328 described in Subsection (1)(a) of all bonds, notes, contracts, trust documents, and other  
1329 evidences of indebtedness closed as provided in Subsection 63B-1b-201(2)(b).

1330 **Section 16. Effective dates.**

- 1331 (1) Except as provided in Subsection (2), this bill takes effect on May 14, 2013.  
1332 (2) The actions affecting Section 59-12-103 (Effective 07/01/14) take effect on July 1,  
1333 2014.