Making sense of the Quarter Cents

A History of Transportation Sales Tax
Mountainland Association of Governments
MPO Finance Committee

Presented by Andrew Jackson, AICP CTP
Executive Director
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Questions

• Is it the MPO or County’s Role to approve and/or fund Projects through the local option sales tax? Or both?
  • Is it administrative or legislative
  • Is there certainty of execution or should it be discretionary
7 options for 4 Quarters

Utah Code Annotated 59-12-

• **1st Quarter**
  • 2213* (County, City or Town)  OR  2215 (City or Town)

• **2nd Quarter**
  • 2214  (County, City, or Town)  OR  2216* (County)

• **3rd Quarter**
  • 2217 (County)  OR  2218* (County, City or Town)

• **4th Quarter**
  • 2219 (County)

*Adopted within Utah County
Local Option Sales Tax for Transportation $60M

1st

- UTA 100%
- ¼ Cent
- Adopted 1984-2011
- Voter Approved
- $20m Annually
- 100% UTA
- Operates Bus System

2nd

- Rail 87%
- .30 Cent
- Adopted 2006
- Voter Approved
- $21m Annually
- 87% Rail
- 5% BRT/Bus
- 8% Regional Roads
- Built/operates rail
- Built multiple HWYs

3rd

- MPO & Utah Co. 100%
- ¼ Cent
- Adopted 2008
- No Citizen Vote
- Commission Action
- $19m Annually
- 100% MPO/County
- Built multiple HWYs
- Can go to airports
1st Quarter Cent: 59-12-2213

County, city, or town option sales and use tax to fund a system for public transit
100% Directly to UTA – Requires vote of public for repeal
County option sales and use tax for a fixed guideway, to fund a system for public transit, or for highways

- November 2006 Opinion Question Passed by 69% (April 2007 effective date)
  - Opinion question: 87% Commuter Rail, 5% other Transit (BRT), 8% Roads

- After passing it was removed from food, then increased by the county commission to .30 on Aug 28 2007

- 92% directly to UTA-Borrowed 8% from UTA then bonded to pay back

- Must have voter approval to change % or repeal
3rd Quarter Cent: 59-12-2218

County, city, or town option sales and use tax for airports, highways, and systems for public transit

- Originally 40% State Rd, 40% Regional Rd, 20% Corridor Preservation

- Sept 4 2008 MPO unanimously recommends enactment at .25 level
- Sept 23 2008 Utah County enacts tax (in 2008 it was only available as a county option)
- Oct 7 2008 Utah County approves $65M for I-15
- May 28 2009 MPO approves project list – County Bonds

- SB188 2014
  - Removed Silos, Expanded Usage, Provided process for new projects

- Must have voter approval to repeal
How do others spend the money

• 1\textsuperscript{st} Quarter
  • 2215 (City or Town) .30 100% transit

• 2\textsuperscript{nd} Quarter
  • 2214 (County, City, or Town) 100% transit unless SLC 80% transit 20% roads-state legislature authorizes funding in UCA (¼ of ¼)

• 3\textsuperscript{rd} Quarter
  • 2217 (County) Weighted priority process approved by Exec Approps, COG recommends list to County once a year.

• 4\textsuperscript{th} Quarter
  • 2219 (County) 40% transit, 40% cities, towns, county, 20% county-directly from tax commission
How other funding sources are spent

• B & C road funds
  • Enacted by legislature, distributed by formula to Counties and Cities and Towns

• Sales and Use Tax dedications for Transportation
  • 59-12-103 (6), (7), (8) and (10)
  • About $600M allocated through the State Transportation Commission

• Gasoline Sales Tax
  • State Level through Transportation Commission
  • Federal through Transportation Commission and MPOs
How do we move forward?

Available Remedies

Discussion of projects reaching a certain vote percentage having certainty of execution, while others would go for a secondary review.
How do we move forward?

Available Remedies

A. Private Letter Ruling – Utah State Tax Commission
B. Petition for Rulemaking – Utah State Tax Commission
C. Amend the Statute – State Legislature
D. Extraordinary Relief – Court
E. Memorandum of Understanding – MPO & Utah County