

STATE OF UTAH

Fund Information

FINET Name: (DOT) CRITICAL HIGHWAY NEEDS FUND

FINET Fund: T2806

Legal Name: Critical Highway Needs Fund

Legal Authorization: UCA 72-2-125

Earns Interest: Yes No **Earns Interest Authority:** UCA 72-2-125(3)(a)

Revenue Source(s):

(1) any voluntary contributions received for the maintenance, construction, reconstruction, or renovation of state and federal highways; (2) appropriations made to the fund by the Legislature; and (3) the \$90,000,000 (only \$55,000,000 in FY 09) of sales and use tax revenues deposited into the fund in accordance with UCA 59-12-103; (4) .025 state sales and use tax (not effective until Jan 1, 2009) per UCA 59-12-103(11).

Description:

HB 314 (2007 GS) Authorized the issuance of highway bonds. Per UCA 63B-16-101, the total amount of bonds issued may not exceed \$1,000,000,000. The bill also created the Critical Highway Needs Fund to pay: (1) the costs of right-of-way acquisition, maintenance, construction, reconstruction, or renovation to state and federal highways identified by the department and prioritized by the commission; and (2) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101. Provides that the Div. of Finance shall annually deposit \$90,000,000 of revenue generated by certain taxes in the Critical Highway Needs fund, until bonds authorized by 63B-16-101 have been paid off.

SB 283 (2008 GS) Effective July 1, 2008, increases the amount of bonds authorized to \$1.2 billion for highway construction and reconstruction projects prioritized through the Critical Highway Needs Fund. Increases expenditures of bond proceeds issued by the department for the construction of highway projects to \$1.2 billion. Clarifies that expenditure cap for projects prioritized through the fund applies only to bond proceeds.

HB 359 (2008 GS) Effective January 1, 2009, increases the state sales and use tax rate from 4.65% to 4.70%, and provides that: 1) .025% of the increase will be deposited into the Critical Highway Needs Fund and the TIF 2005 Fund (when GO bonds have been paid off), and 2) .025% of the increase will be deposited into the Transportation Fund to address chokepoints in construction management.

HB 2005 (2008 2ND SPECIAL SESSION) Reduces the amount of sales and use tax revenue deposited in the Critical Highway Needs Fund per UCA 59-12-103 (10)(a) from \$90 million to \$55 million for FY 2009 only.

HB 371 (2009 GS) Provides that the Department of Transportation may not delay a Critical Highway Needs Fund project that was funded by the Legislature by appropriation or GO bonds unless the project delays are prioritized and approved by the Transportation Commission; provides that the Transportation Commission shall prioritize and approve any Critical Highway Needs Fund project delays due to an unavoidable shortfall in revenues for a project.

SB 191 (2010 GS) Modifies the name of certain funds in the code for governmental accounting purposes. Changes the name of certain funds to reflect that the fund are restricted accounts within the General Fund. Clarifies that money in a restricted account or fund does not lapse to another account or fund unless otherwise specified. Provides that certain highway special revenue funds are within the Transportation Fund. Provides that the Critical Highway Needs Fund is within the Transportation Investment fund of 2005. Establishes the Transportation Investment Fund of 2005 as a major fund type in the Utah Code. Provides that the Uniform School Fund is a special revenue fund within the Education Fund. Changes the disposition of money deposited into the Rural Health Care Facilities Account (#1503). Deletes obsolete accounts (#1327).

SB 225 (2012 GS) Modifies provisions relating to transportation funding. Effective July 1, 2012, provides that certain registration fees and sales and use tax dedications be deposited in the TIF of 2005 rather than the Centennial Highway Restricted Account and the Critical Highway Needs Fund. Also provides that certain principal, interest, and issuance costs of bonds shall be paid from the TIF of 2005 rather than Centennial Highway fund Restricted Account and the Critical Highway Needs Fund.

Note: Effective FY 2012, the funds/accounts that are included in the ADAA category (Fund 2900, 2910, 2806) are classified as capital projects funds for reporting purposes. GAAP requires that the capital projects fund type be used to account for outlays financed from the proceeds of general obligation debt.

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HB 377 (2013 GS) Reduces the bonding authority for certain bonds used to provide funding for projects prioritized through the Critical Highway Needs Fund (#2806). Provides that a portion of certain bond proceeds shall be provided to the DOT to pay the costs of certain highway construction or reconstruction projects and to pay the costs of certain transportation infrastructure improvements. Provides that a portion of certain bond proceeds shall be provided to the DOT to provide funds to pay the certain costs in a county of the first class. Provides that a portion of certain bond proceeds and funds available in the Transportation Investment Fund of 2005 (#2900) shall be provided to the Transportation Infrastructure Loan Fund (#5500) to make funds available for loans and assistance. Repeals provisions requiring the DOT to manage the cash flow and construction timing for certain highway projects. Provides that a portion of the revenue in the County of the First Class State Highway Projects Fund (#2845) shall be transferred to the legislative body of a county of the first class to be used for certain purposes. Provides that for fiscal year 2013-14 only, a portion of the revenues in the Transportation Investment Fund of 2005 shall be transferred to the County of the First Class State Highway Projects Fund.

HB 399 (2013 GS) Changes the terminology of each "restricted special revenue fund" to a new designation of "expendable special revenue fund." The bill also provides intent language that any reference to "restricted special revenue fund" in the code be replaced with "expendable special revenue fund." Thus, the three new restricted special revenue funds created during the 2013 session will be so designated. (# 2330, 2185, 2201) Classifies the following funds as "capital projects funds": Transportation Investment Fund of 2005; Centennial Highway Fund; and Critical Highway Needs Fund. Modifies the description of fund types to better comply with new Government Accounting Standards Board requirements. Provides that the Attorney General Litigation Fund is an expendable revenue fund

HB 3, Item 38 (2013 GS) The Legislature intends that the remaining balances in the Centennial Highway Fund be transferred to the Transportation Investment Fund of 2005. The Legislature intends that the remaining balances in the Critical Highway Needs Fund be transferred to the Transportation Investment Fund of 2005. Per this intent language, the Division of Finance will coordinate this action with UDOT at the end of FY 2013.

Fund Balance History:

<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
T2806	2008	\$0	\$90,845,339	\$31,348,724	\$0	\$59,496,615
T2806	2009	\$59,496,615	\$63,438,936	\$179,187,301	\$392,229,486	\$335,977,737
T2806	2010	\$335,977,737	\$102,157,077	\$355,352,376	\$220,704,850	\$303,487,288
T2806	2011	\$303,487,288	\$103,518,915	\$292,781,199	\$370,118,189	\$484,343,194
T2806	2012	\$484,343,194	\$99,905,242	\$187,643,228	(\$1,541,583)	\$395,063,624
T2806	2013	\$395,063,624	\$1,487,479	\$0	(\$396,551,103)	\$0
