

Senator Dennis E. Stowell proposes the following substitute bill:

HIGHWAY FUNDING AMENDMENTS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Dennis E. Stowell

House Sponsor: Rebecca D. Lockhart

LONG TITLE

General Description:

This bill modifies the Transportation Code by amending provisions relating to highway funding.

Highlighted Provisions:

This bill:

- ▶ provides that \$500,000 of the 30% appropriated from the Transportation Fund to the class B and class C roads account shall be transferred to the Department of Transportation to be used as nonlapsing dedicated credits for the State Park Access Highways Improvement Program;

- ▶ amends apportionment provisions for the distribution of class B and class C roads account funds; and

- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2008.

Utah Code Sections Affected:

AMENDS:



26 72-2-107, as last amended by Laws of Utah 2007, Chapter 126

27 72-2-108, as last amended by Laws of Utah 2007, Chapter 126

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

30 Section 1. Section 72-2-107 is amended to read:

31 **72-2-107. Appropriation from Transportation Fund -- Deposit in class B and**
32 **class C roads account.**

33 (1) There is appropriated to the department from the Transportation Fund annually an
34 amount equal to 30% of an amount which the director of finance shall compute in the
35 following manner: The total revenue deposited into the Transportation Fund during the fiscal
36 year from state highway-user taxes and fees, minus:

37 (a) those amounts appropriated or transferred from the Transportation Fund during the
38 same fiscal year to:

39 (i) the Department of Public Safety;

40 (ii) the State Tax Commission;

41 (iii) the Division of Finance;

42 (iv) the Utah Travel Council; and

43 (v) any other amounts appropriated or transferred for any other state agencies not a part
44 of the department; and

45 (b) the amount of sales and use tax revenue deposited in the Transportation Fund in
46 accordance with Subsection 59-12-103(6).

47 (2) ~~[AH]~~ (a) Except as provided in Subsection (2)(b), all of this money shall be placed
48 in an account to be known as the class B and class C roads account to be used as provided in
49 this title.

50 (b) The director of finance shall annually transfer \$500,000 of the amount calculated
51 under Subsection (1) to the department as nonlapsing dedicated credits for the State Park
52 Access Highways Improvement Program created in Section 72-3-207.

53 (3) Each quarter of every year the director of finance shall make the necessary
54 accounting entries to transfer the money appropriated under this section to the class B and class
55 C roads account.

56 (4) The funds in the class B and class C roads account shall be expended under the

57 direction of the department as the Legislature shall provide.

58 Section 2. Section **72-2-108** is amended to read:

59 **72-2-108. Apportionment of funds available for use on class B and class C roads**

60 **-- Bonds.**

61 (1) For purposes of this section:

62 (a) "Graveled road" means a road:

63 (i) that is:

64 (A) graded; and

65 (B) drained by transverse drainage systems to prevent serious impairment of the road
66 by surface water;

67 (ii) that has an improved surface; and

68 (iii) that has a wearing surface made of:

69 (A) gravel;

70 (B) broken stone;

71 (C) slag;

72 (D) iron ore;

73 (E) shale; or

74 (F) other material that is:

75 (I) similar to a material described in Subsection (1)(a)(iii)(A) through (E); and

76 (II) coarser than sand.

77 (b) "Paved road" includes a gravelled road with a chip seal surface.

78 (c) "Road mile" means a one-mile length of road, regardless of:

79 (i) the width of the road; or

80 (ii) the number of lanes into which the road is divided.

81 (d) "Weighted mileage" means the sum of the following:

82 (i) paved road miles multiplied by five;

83 (ii) gravelled road miles multiplied by two; and

84 (iii) all other road type road miles multiplied by one.

85 (2) Subject to the provisions of Subsections (3) through (5), funds in the class B and
86 class C roads account shall be apportioned among counties and municipalities in the following
87 manner:

88 (a) 50% in the ratio that the class B roads weighted mileage within each county and
89 class C roads weighted mileage within each municipality bear to the total class B and class C
90 roads weighted mileage within the state; and

91 (b) 50% in the ratio that the population of a county or municipality bears to the total
92 population of the state as of the last official federal census or the United States Bureau of
93 Census estimate, whichever is most recent, except that if population estimates are not available
94 from the United States Bureau of Census, population figures shall be derived from the estimate
95 from the Utah Population Estimates Committee.

96 (3) For purposes of Subsection (2)(b), "the population of a county" means:

97 (a) the population of a county outside the corporate limits of municipalities in that
98 county, if the population of the county outside the corporate limits of municipalities in that
99 county is not less than 14% of the total population of that county, including municipalities; and

100 (b) if the population of a county outside the corporate limits of municipalities in the
101 county is less than 14% of the total population:

102 (i) the aggregate percentage of the population apportioned to municipalities in that
103 county shall be reduced by an amount equal to the difference between:

104 (A) 14%; and

105 (B) the actual percentage of population outside the corporate limits of municipalities in
106 that county; and

107 (ii) the population apportioned to the county shall be 14% of the total population of
108 that county, including incorporated municipalities.

109 (4) (a) If an apportionment under Subsection (2) to a county or municipality with a
110 population of less than [~~10,000~~] 14,000 is less than 120% of the amount apportioned to the
111 county or municipality from the class B and class C roads account for fiscal year 1996-97, the
112 department shall:

113 (i) reapportion the funds under Subsection (2) to ensure that the county or municipality
114 receives an amount equal to 120% of the amount apportioned to the county or municipality
115 from the class B and class C roads account for fiscal year 1996-97; and

116 (ii) decrease proportionately as provided in Subsection (4)(b) the apportionments to
117 counties and municipalities for which the reapportionment under Subsection (4)(a)(i) does not
118 apply.

119 (b) The aggregate amount of the funds that the department shall decrease
120 proportionately from the apportionments under Subsection (4)(a)(ii) is an amount equal to the
121 aggregate amount reapportioned to counties and municipalities under Subsection (4)(a)(i).

122 (5) (a) [(†)] In addition to the apportionment adjustments made under Subsection (4), a
123 county or municipality that qualifies for reapportioned monies under Subsection (4)(a)(i) shall
124 receive the percentage change in the class B and class C roads account compounded annually
125 beginning in fiscal year 2006-07.

126 [~~(ii) Any percentage increase calculated under Subsection (5)(a)(i) may not include any~~
127 ~~increases from increases in fees or tax rates.]~~

128 (b) The adjustment under Subsection (5)(a) shall be made in the same way as provided
129 in Subsection (4)(a)(ii) and (b).

130 (6) The governing body of any municipality or county may issue bonds redeemable up
131 to a period of ten years under Title 11, Chapter 14, Local Government Bonding Act, to pay the
132 costs of constructing, repairing, and maintaining class B or class C roads and may pledge class
133 B or class C road funds received pursuant to this section to pay principal, interest, premiums,
134 and reserves for the bonds.

135 Section 3. **Effective date.**

136 This bill takes effect on July 1, 2008.

S.B. 168 1st Sub. (Green) - Highway Funding Amendments

Fiscal Note

2008 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill will redistribute funds divided for use on Class B & C Roads by adjusting the population of counties or municipalities with populations less than 10,000 to counties or municipalities to less than 14,000. No new funds will be available but distribution of existing funds will change. The bill directs the director of finance to transfer \$500,000 annually to the department to be used for State Park Access Highways. This transfer will result in a proportionate reduction to entities that receive B & C Road Fund distributions.
