

GENERAL OBLIGATION BONDS AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Gage Froerer

LONG TITLE

General Description:

This bill reduces certain general obligation bond authorizations to fund certain highway construction projects.

Highlighted Provisions:

This bill:

- reduces the bonding authority for certain bonds used to provide funding for highway construction projects prioritized through the Critical Highway Needs Fund; and

- reduces the bonding authority for certain bonds used to provide funding for highway construction projects prioritized through the Transportation Investment Fund of 2005.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63B-16-101, as last amended by Laws of Utah 2013, Chapter 389

63B-18-401, as last amended by Laws of Utah 2013, Chapter 389

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



28 Section 1. Section **63B-16-101** is amended to read:

29 **63B-16-101. Highway bonds -- Maximum amount -- Use of proceeds for highway**
30 **projects.**

31 (1) (a) The total amount of bonds issued under this section may not exceed
32 [~~\$1,145,000,000~~] \$1,143,834,800.

33 (b) When the Department of Transportation certifies to the commission that the
34 requirements of Subsection [72-2-125\(4\)\(e\)](#) have been met and certifies the amount of bond
35 proceeds that it needs to provide funding for projects on the project list for the next fiscal year,
36 the commission may issue and sell general obligation bonds in an amount equal to the certified
37 amount plus costs of issuance.

38 (2) (a) Proceeds from the issuance of bonds shall be provided to the Department of
39 Transportation to pay all or part of the costs of state highway construction or reconstruction
40 projects that are included in the project list established and prioritized in accordance with
41 Subsection [72-2-125\(4\)](#).

42 (b) The costs under Subsection (2)(a) may include the cost of acquiring land, interests
43 in land, easements and rights-of-way, improving sites, and making all improvements necessary,
44 incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the
45 period to be covered by construction of the projects plus a period of six months after the end of
46 the construction period, interest estimated to accrue on any bond anticipation notes issued
47 under the authority of this title, and all related engineering, architectural, and legal fees.

48 (3) The commission or the state treasurer may make any statement of intent relating to
49 a reimbursement that is necessary or desirable to comply with federal tax law.

50 (4) The Department of Transportation may enter into agreements related to projects
51 before the receipt of proceeds of bonds issued under this chapter.

52 Section 2. Section **63B-18-401** is amended to read:

53 **63B-18-401. Highway bonds -- Maximum amount -- Use of proceeds for highway**
54 **projects.**

55 (1) (a) The total amount of bonds issued under this section may not exceed
56 [~~\$2,077,000,000~~] \$2,014,513,300.

57 (b) When the Department of Transportation certifies to the commission that the
58 requirements of Subsection [72-2-124\(5\)](#) have been met and certifies the amount of bond

59 proceeds that it needs to provide funding for the projects described in Subsection (2) for the
60 next fiscal year, the commission may issue and sell general obligation bonds in an amount
61 equal to the certified amount plus costs of issuance.

62 (2) Except as provided in Subsections (3) and (4), proceeds from the issuance of bonds
63 shall be provided to the Department of Transportation to pay all or part of the costs of the
64 following state highway construction or reconstruction projects:

- 65 (a) Interstate 15 reconstruction in Utah County;
- 66 (b) the Mountain View Corridor;
- 67 (c) the Southern Parkway; and
- 68 (d) state and federal highways prioritized by the Transportation Commission through:
 - 69 (i) the prioritization process for new transportation capacity projects adopted under
70 Section 72-1-304; or
 - 71 (ii) the state highway construction program.

72 (3) (a) Except as provided in Subsection (5), the bond proceeds issued under this
73 section shall be provided to the Department of Transportation.

74 (b) The Department of Transportation shall use bond proceeds and the funds provided
75 to it under Section 72-2-124 to pay for the costs of right-of-way acquisition, construction,
76 reconstruction, renovations, or improvements to the following highways:

- 77 (i) \$35 million to add highway capacity on I-15 south of the Spanish Fork Main Street
78 interchange to Payson;
- 79 (ii) \$28 million for improvements to Riverdale Road in Ogden;
- 80 (iii) \$1 million for intersection improvements on S.R. 36 at South Mountain Road;
- 81 (iv) \$2 million for capacity enhancements on S.R. 248 between Sidewinder Drive and
82 Richardson Flat Road;
- 83 (v) \$12 million for Vineyard Connector from 800 North Geneva Road to Lake Shore
84 Road;
- 85 (vi) \$7 million for 2600 South interchange modifications in Woods Cross;
- 86 (vii) \$9 million for reconfiguring the 1100 South interchange on I-15 in Box Elder
87 County;
- 88 (viii) \$18 million for the Provo west-side connector;
- 89 (ix) \$8 million for interchange modifications on I-15 in the Layton area;

90 (x) \$3,000,000 for an energy corridor study and environmental review for
91 improvements in the Uintah Basin;

92 (xi) \$2,000,000 for highway improvements to Harrison Boulevard in Ogden City;

93 (xii) \$2,500,000 to be provided to Tooele City for roads around the Utah State
94 University campus to create improved access to an institution of higher education;

95 (xiii) \$3,000,000 to be provided to the Utah Office of Tourism within the Governor's
96 Office of Economic Development for transportation infrastructure improvements associated
97 with annual tourism events that have:

98 (A) a significant economic development impact within the state; and
99 (B) significant needs for congestion mitigation;

100 (xiv) \$4,500,000 to be provided to the Governor's Office of Economic Development
101 for transportation infrastructure acquisitions and improvements that have a significant
102 economic development impact within the state;

103 (xv) \$125,000,000 to pay all or part of the costs of state and federal highway
104 construction or reconstruction projects prioritized by the Transportation Commission through
105 the prioritization process for new transportation capacity projects adopted under Section
106 [72-1-304](#); and

107 (xvi) \$10,000,000 for the Transportation Fund to pay all or part of the costs of state
108 and federal highway construction or reconstruction projects as prioritized by the Transportation
109 Commission.

110 (4) (a) The Department of Transportation shall use bond proceeds and the funds under
111 Section [72-2-121](#) to pay for, or to provide funds to, a municipality, county, or political
112 subdivision to pay for the costs of right-of-way acquisition, construction, reconstruction,
113 renovations, or improvements to the following highway or transit projects in Salt Lake County:

114 (i) \$4,000,000 to Taylorsville City for bus rapid transit planning on 4700 South;

115 (ii) \$4,200,000 to Taylorsville City for highway improvements on or surrounding 6200
116 South and pedestrian crossings and system connections;

117 (iii) \$2,250,000 to Herriman City for highway improvements to the Salt Lake
118 Community College Road;

119 (iv) \$5,300,000 to West Jordan City for highway improvements on 5600 West from
120 6200 South to 8600 South;

- 121 (v) \$4,000,000 to West Jordan City for highway improvements to 7800 South from
122 1300 West to S.R. 111;
- 123 (vi) \$7,300,000 to Sandy City for highway improvements on Monroe Street;
- 124 (vii) \$3,000,000 to Draper City for highway improvements to 13490 South from 200
125 West to 700 West;
- 126 (viii) \$5,000,000 to Draper City for highway improvements to Suncrest Road;
- 127 (ix) \$1,200,000 to Murray City for highway improvements to 5900 South from State
128 Street to 900 East;
- 129 (x) \$1,800,000 to Murray City for highway improvements to 1300 East;
- 130 (xi) \$3,000,000 to South Salt Lake City for intersection improvements on West
131 Temple, Main Street, and State Street;
- 132 (xii) \$2,000,000 to Salt Lake County for highway improvements to 5400 South from
133 5600 West to Mountain View Corridor;
- 134 (xiii) \$3,000,000 to West Valley City for highway improvements to 6400 West from
135 Parkway Boulevard to SR-201 Frontage Road;
- 136 (xiv) \$4,300,000 to West Valley City for highway improvements to 2400 South from
137 4800 West to 7200 West and pedestrian crossings;
- 138 (xv) \$4,000,000 to Salt Lake City for highway improvements to 700 South from 2800
139 West to 5600 West;
- 140 (xvi) \$2,750,000 to Riverton City for highway improvements to 4570 West from
141 12600 South to Riverton Boulevard;
- 142 (xvii) \$1,950,000 to Cottonwood Heights for improvements to Union Park Avenue
143 from I-215 exit south to Creek Road and Wasatch Boulevard and Big Cottonwood Canyon;
- 144 (xviii) \$1,300,000 to Cottonwood Heights for highway improvements to Bengal
145 Boulevard;
- 146 (xix) \$1,500,000 to Midvale City for highway improvements to 7200 South from I-15
147 to 1000 West;
- 148 (xx) \$1,000,000 to Bluffdale City for an environmental impact study on Porter
149 Rockwell Boulevard;
- 150 (xxi) \$2,900,000 to the Utah Transit Authority for the following public transit studies:
151 (A) a circulator study; and

152 (B) a mountain transport study; and
153 (xxii) \$1,000,000 to South Jordan City for highway improvements to 2700 West.
154 (b) (i) Before providing funds to a municipality or county under this Subsection (4), the
155 Department of Transportation shall obtain from the municipality or county:
156 (A) a written certification signed by the county or city mayor or the mayor's designee
157 certifying that the municipality or county will use the funds provided under this Subsection (4)
158 solely for the projects described in Subsection (4)(a); and
159 (B) other documents necessary to protect the state and the bondholders and to ensure
160 that all legal requirements are met.
161 (ii) Except as provided in Subsection (4)(c), by January 1 of each year, the municipality
162 or county receiving funds described in this Subsection (4) shall submit to the Department of
163 Transportation a statement of cash flow for the next fiscal year detailing the funds necessary to
164 pay project costs for the projects described in Subsection (4)(a).
165 (iii) After receiving the statement required under Subsection (4)(b)(ii) and after July 1,
166 the Department of Transportation shall provide funds to the municipality or county necessary to
167 pay project costs for the next fiscal year based upon the statement of cash flow submitted by
168 the municipality or county.
169 (iv) Upon the financial close of each project described in Subsection (4)(a), the
170 municipality or county receiving funds under this Subsection (4) shall submit a statement to the
171 Department of Transportation detailing the expenditure of funds received for each project.
172 (c) For calendar year 2012 only:
173 (i) the municipality or county shall submit to the Department of Transportation a
174 statement of cash flow as provided in Subsection (4)(b)(ii) as soon as possible; and
175 (ii) the Department of Transportation shall provide funds to the municipality or county
176 necessary to pay project costs based upon the statement of cash flow.
177 (5) Twenty million dollars of the bond proceeds issued under this section and funds
178 available under Section 72-2-124 shall be provided to the Transportation Infrastructure Loan
179 Fund created by Section 72-2-202 to make funds available for transportation infrastructure
180 loans and transportation infrastructure assistance under Title 72, Chapter 2, Part 2,
181 Transportation Infrastructure Loan Fund.
182 (6) The costs under Subsections (2), (3), and (4) may include the costs of studies

183 necessary to make transportation infrastructure improvements, the cost of acquiring land,
184 interests in land, easements and rights-of-way, improving sites, and making all improvements
185 necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds
186 during the period to be covered by construction of the projects plus a period of six months after
187 the end of the construction period, interest estimated to accrue on any bond anticipation notes
188 issued under the authority of this title, and all related engineering, architectural, and legal fees.

189 (7) The commission or the state treasurer may make any statement of intent relating to
190 a reimbursement that is necessary or desirable to comply with federal tax law.

191 (8) The Department of Transportation may enter into agreements related to the projects
192 described in Subsections (2), (3), and (4) before the receipt of proceeds of bonds issued under
193 this section.

194 (9) The Department of Transportation may enter into a new or amend an existing
195 interlocal agreement related to the projects described in Subsections (3) and (4) to establish any
196 necessary covenants or requirements not otherwise provided for by law.

Legislative Review Note
Office of Legislative Research and General Counsel