

**Representative James A. Dunnigan** proposes the following substitute bill:

**FIRST CLASS COUNTY HIGHWAY ROAD FUNDS**

**AMENDMENTS**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James A. Dunnigan**

Senate Sponsor: Wayne A. Harper

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**LONG TITLE**

**General Description:**

This bill allocates funds in the County of the First Class Highway Projects Fund.

**Highlighted Provisions:**

This bill:

- ▶ amends provisions related to distribution of revenue generated by certain local option fees;
- ▶ allocates funds in the County of the First Class Highway Projects Fund to two cities as one-time distributions;
- ▶ allocates funds in the County of the First Class Highway Projects Fund for annual distributions to certain cities within Salt Lake County for the next 15 years, subject to availability of funds; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**



26 AMENDS:

27 [41-1a-1222](#), as last amended by Laws of Utah 2018, Chapter 403

28 [63I-1-272](#), as last amended by Laws of Utah 2020, Chapter 154

29 [72-2-121](#), as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20

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

32 Section 1. Section [41-1a-1222](#) is amended to read:

33 **[41-1a-1222](#). Local option highway construction and transportation corridor**  
34 **preservation fee -- Exemptions -- Deposit -- Transfer -- County ordinance -- Notice.**

35 (1) As used in this section:

36 (a) "Metro township" means the same as that term is defined in Section [10-2a-403](#).

37 (b) "Unincorporated" means the same as that term is defined in Section [10-1-104](#).

38 ~~[(+)]~~ (2) (a) (i) Except as provided in Subsection ~~[(+)]~~ (2)(a)(ii), a county legislative  
39 body may impose a local option highway construction and transportation corridor preservation  
40 fee of up to \$10 on each motor vehicle registration within the county.

41 (ii) A county legislative body may impose a local option highway construction and  
42 transportation corridor preservation fee of up to \$7.75 on each motor vehicle registration for a  
43 six-month registration period under Section [41-1a-215.5](#) within the county.

44 (iii) A fee imposed under Subsection ~~[(+)]~~ (2)(a)(i) or (ii) shall be set in whole dollar  
45 increments.

46 (b) If imposed under Subsection ~~[(+)]~~ (2)(a), at the time application is made for  
47 registration or renewal of registration of a motor vehicle under this chapter, the applicant shall  
48 pay the local option highway construction and transportation corridor preservation fee  
49 established by the county legislative body.

50 (c) The following are exempt from the fee required under Subsection ~~[(+)]~~ (2)(a):

51 (i) a motor vehicle that is exempt from the registration fee under Section [41-1a-1209](#) or  
52 Subsection [41-1a-419](#)(3);

53 (ii) a commercial vehicle with an apportioned registration under Section [41-1a-301](#);  
54 and

55 (iii) a motor vehicle with a Purple Heart special group license plate issued in  
56 accordance with Section [41-1a-421](#).

57 ~~[(2)]~~ (3) (a) Except as provided in Subsection ~~[(2)]~~ (3)(b), the revenue generated under  
58 this section shall be:

59 (i) deposited in the Local Highway and Transportation Corridor Preservation Fund  
60 created in Section 72-2-117.5;

61 (ii) credited to the county from which it is generated; and

62 (iii) used and distributed in accordance with Section 72-2-117.5.

63 (b) The revenue generated by a fee imposed under this section in a county of the first  
64 class shall be deposited or transferred as follows:

65 (i) ~~[70%]~~ 50% of the revenue shall be:

66 (A) deposited in the County of the First Class Highway Projects Fund created in  
67 Section 72-2-121; and

68 (B) used in accordance with Section 72-2-121; ~~[and]~~

69 (ii) 30% of the revenue shall be deposited, credited, and used as provided in Subsection  
70 ~~[(2)(a)]~~ (3)(a); and

71 (iii) 20% of the revenue shall be transferred to the legislative body of a county of the  
72 first class.

73 (4) (a) Beginning in a fiscal year beginning on or after July 1, 2021, and until a fiscal  
74 year beginning on or after July 1, 2036, for revenue transferred to the legislative body of a  
75 county of the first class as described in Subsection (3)(b)(iii), the legislative body of a county  
76 of the first class shall use:

77 (i) subject to Subsection (4)(b), 25% of the revenue for projects and improvements in  
78 metro townships within the county of the first class; and

79 (ii) 75% of the revenue for projects and improvements within the county of the first  
80 class.

81 (b) For the revenue transferred according to Subsection (4)(a)(i), the legislative body of  
82 the county shall annually transfer:

83 (i) at least 43% of the revenue to Kearns township for projects and improvements in  
84 Kearns township; and

85 (ii) at least 40% of the revenue to Magna township for projects and improvements in  
86 Magna township.

87 ~~[(3)]~~ (5) To impose or change the amount of a fee under this section, the county

88 legislative body shall pass an ordinance:

89 (a) approving the fee;

90 (b) setting the amount of the fee; and

91 (c) providing an effective date for the fee as provided in Subsection ~~[(4)]~~ (6).

92 ~~[(4)]~~ (6) (a) If a county legislative body enacts, changes, or repeals a fee under this  
93 section, the enactment, change, or repeal shall take effect on July 1 if the commission receives  
94 notice meeting the requirements of Subsection ~~[(4)]~~ (6)(b) from the county prior to April 1.

95 (b) The notice described in Subsection ~~[(4)]~~ (6)(a) shall:

96 (i) state that the county will enact, change, or repeal a fee under this part;

97 (ii) include a copy of the ordinance imposing the fee; and

98 (iii) if the county enacts or changes the fee under this section, state the amount of the  
99 fee.

100 Section 2. Section **63I-1-272** is amended to read:

101 **63I-1-272. Repeal dates, Title 72.**

102 (1) Subsection **72-2-121**~~[(9)]~~(10), which creates transportation advisory committees, is  
103 repealed July 1, 2022.

104 (2) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January  
105 2, 2025.

106 Section 3. Section **72-2-121** is amended to read:

107 **72-2-121. County of the First Class Highway Projects Fund.**

108 (1) There is created a special revenue fund within the Transportation Fund known as  
109 the "County of the First Class Highway Projects Fund."

110 (2) The fund consists of money generated from the following revenue sources:

111 (a) any voluntary contributions received for new construction, major renovations, and  
112 improvements to highways within a county of the first class;

113 (b) the portion of the sales and use tax described in Subsection **59-12-2214**(3)(b)  
114 deposited ~~[in]~~ into or transferred to the fund;

115 (c) the portion of the sales and use tax described in Section **59-12-2217** deposited ~~[in]~~  
116 into or transferred to the fund; and

117 (d) a portion of the local option highway construction and transportation corridor  
118 preservation fee imposed in a county of the first class under Section **41-1a-1222** deposited ~~[in]~~

119 into or transferred to the fund.

120 (3) (a) The fund shall earn interest.

121 (b) All interest earned on fund money shall be deposited into the fund.

122 (4) The executive director shall use the fund money only:

123 (a) to pay debt service and bond issuance costs for bonds issued under Sections  
124 63B-16-102, 63B-18-402, and 63B-27-102;

125 (b) for right-of-way acquisition, new construction, major renovations, and  
126 improvements to highways within a county of the first class and to pay any debt service and  
127 bond issuance costs related to those projects, including improvements to a highway located  
128 within a municipality in a county of the first class where the municipality is located within the  
129 boundaries of more than a single county;

130 (c) for the construction, acquisition, use, maintenance, or operation of:

131 (i) an active transportation facility for nonmotorized vehicles;

132 (ii) multimodal transportation that connects an origin with a destination; or

133 (iii) a facility that may include a:

134 (A) pedestrian or nonmotorized vehicle trail;

135 (B) nonmotorized vehicle storage facility;

136 (C) pedestrian or vehicle bridge; or

137 (D) vehicle parking lot or parking structure;

138 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by  
139 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts  
140 transferred in accordance with Subsection 72-2-124(4)(a)(iv);

141 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond  
142 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects  
143 described in Subsection 63B-18-401(4)(a);

144 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has  
145 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to  
146 transfer an amount equal to 50% of the revenue generated by the local option highway  
147 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in  
148 a county of the first class:

149 (i) to the legislative body of a county of the first class; and

- 150 (ii) to be used by a county of the first class for:
- 151 (A) highway construction, reconstruction, or maintenance projects; or
- 152 (B) the enforcement of state motor vehicle and traffic laws;
- 153 (g) for fiscal year 2015-16 only, and after the department has verified that the amount
- 154 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
- 155 Subsection (4)(e) has been made, to transfer an amount equal to \$25,000,000:
- 156 (i) to the legislative body of a county of the first class; and
- 157 (ii) to be used by the county for the purposes described in this section;
- 158 (h) for a fiscal year beginning on or after July 1, 2015, after the department has verified
- 159 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the
- 160 transfer under Subsection (4)(e) has been made, to annually transfer an amount equal to up to
- 161 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into
- 162 the fund in accordance with Subsection 59-12-2214(3)(b) to:
- 163 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under
- 164 Section 63B-27-102; and
- 165 (ii) the Transportation Fund created in Section 72-2-102 until \$28,079,000 has been
- 166 deposited into the Transportation Fund;
- 167 (i) [~~for a fiscal year beginning on or after July 1, 2018,~~] after the department has
- 168 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
- 169 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the
- 170 transfers under Subsections (4)(h)(i) and (ii) have been made~~[-]~~:
- 171 (i) for a fiscal year beginning on July 1, 2021, and for 15 years thereafter, to annually
- 172 transfer [20%] 23% of the amount deposited into the fund under Subsection (2)(b) to a public
- 173 transit district in a county of the first class to fund a system for public transit; and
- 174 (ii) for a fiscal year beginning on or after July 1, 2036, to annually transfer 17% of the
- 175 amount deposited in Subsection (2)(b) to a public transit district in a county of the first class to
- 176 fund a system for public transit;
- 177 (j) for a fiscal year beginning on or after July 1, 2018, after the department has verified
- 178 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after
- 179 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfers
- 180 under Subsections (4)(h)(i) and (ii) have been made, to annually transfer 20% of the amount

181 deposited into the fund under Subsection (2)(b):

182 (i) to the legislative body of a county of the first class; and

183 (ii) to fund parking facilities in a county of the first class that facilitate significant  
184 economic development and recreation and tourism within the state;

185 (k) for the 2018-19 fiscal year only, after the department has verified that the amount  
186 required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under  
187 Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections  
188 (4)(h), (i), and (j) have been made, to transfer \$12,000,000 to the department to distribute for  
189 the following projects:

190 (i) \$2,000,000 to West Valley City for highway improvement to 4100 South;

191 (ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from  
192 6800 West to 7300 West;

193 (iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;

194 (iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from 13400  
195 South to 13200 South;

196 (v) \$1,000,000 to Murray City for highway improvements to 5600 South from State  
197 Street to Van Winkle;

198 (vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from  
199 11400 South to 12300 South;

200 (vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;

201 (viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to  
202 10200 South from 2700 West to 3200 West;

203 (ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near  
204 Mountain View Corridor;

205 (x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and

206 (xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from  
207 7200 West to 8000 West; [and]

208 ~~[(l) for a fiscal year beginning after the amount described in Subsection (4)(h) has been~~  
209 ~~repaid to the Transportation Fund until fiscal year 2030, or sooner if the amount described in~~  
210 ~~Subsection (4)(h)(ii) has been repaid, after the department has verified that the amount required~~  
211 ~~under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection~~

212 (4)(e) has been made, and after the bonds under Section ~~63B-27-102~~ have been repaid, to  
213 annually transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a  
214 county of the first class and deposited into the fund in accordance with Subsection  
215 ~~59-12-2214(3)(b):]~~

216 ~~[(i) to the legislative body of a county of the first class; and]~~

217 ~~[(ii) to be used by the county for the purposes described in this section.]~~

218 (l) subject to Subsection (5), for the 2020-2021 fiscal year only, after the department  
219 has verified that the amount required under Subsection ~~72-2-121.3(4)(c)~~ is available in the fund  
220 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the  
221 transfers under Subsections (4)(h), (i), and (j) have been made, to transfer the following  
222 amounts to the following cities:

223 (i) \$2,600,000 to South Salt Lake;

224 (ii) \$2,000,000 to Bluffdale;

225 (iii) \$1,500,000 to Salt Lake City;

226 (iv) \$1,100,000 to Millcreek;

227 (v) \$1,000,000 to West Valley City;

228 (vi) \$500,000 to Murray;

229 (vii) \$500,000 to South Jordan; and

230 (viii) \$300,000 to Sandy; and

231 (m) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and  
232 for 15 years thereafter, to annually transfer the following amounts to the following cities for  
233 priority projects to mitigate congestion and improve transportation safety:

234 (i) \$1,000,000 to Salt Lake City;

235 (ii) \$1,000,000 to Sandy;

236 (iii) \$1,000,000 to West Valley City;

237 (iv) \$1,000,000 to West Jordan;

238 (v) \$960,000 to Taylorsville;

239 (vi) \$600,000 to South Jordan;

240 (vii) \$400,000 to Draper;

241 (viii) \$400,000 to Herriman;

242 (ix) \$400,000 to Midvale;



243 (x) \$400,000 to Millcreek;

244 (xi) \$400,000 to Murray;

245 (xii) \$400,000 to Riverton;

246 (xiii) \$300,000 to Cottonwood Heights; and

247 (xiv) \$250,000 to Holladay.

248 (5) (a) If revenue into the fund is insufficient to satisfy all of the transfers described in  
249 Subsection (4)(m), the executive director shall proportionately reduce the amounts transferred  
250 as described in Subsection (4)(m).

251 (b) A local government entity, as that term is defined in Section 63J-1-220, is exempt  
252 from entering into an agreement as described in Section 63J-1-220 pertaining to the receipt or  
253 expenditure of any funding described in Subsection (4)(l) or (m).

254 (c) A local government may not use revenue described in Subsections (4)(l) and (m) to  
255 supplant existing class B or class C road funds that a local government has budgeted for  
256 transportation projects.

257 ~~[(5)]~~ (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited  
258 ~~[in]~~ into the fund and bond proceeds from bonds issued under Sections 63B-16-102,  
259 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes  
260 described under Section 72-2-123.

261 ~~[(6)]~~ (7) The additional administrative costs of the department to administer this fund  
262 shall be paid from money in the fund.

263 ~~[(7)]~~ (8) Notwithstanding any statutory or other restrictions on the use or expenditure  
264 of the revenue sources deposited into this fund, the Department of Transportation may use the  
265 money in this fund for any of the purposes detailed in Subsection (4).

266 ~~[(8)]~~ (9) (a) For a fiscal year beginning on or after July 1, 2018, at the end of each  
267 fiscal year, after all programmed payments and transfers authorized or required under this  
268 section have been made, on November 30 the department shall transfer the remainder of the  
269 money in the fund to the Transportation Fund to reduce the amount owed to the Transportation  
270 Fund under Subsection ~~[(4)(j)(ii)]~~ (4)(h)(ii).

271 (b) The department shall provide notice to a county of the first class of the amount  
272 transferred in accordance with this Subsection ~~[(8)]~~ (9).

273 ~~[(9)]~~ (10) (a) Any revenue in the fund that is not specifically allocated and obligated

274 under Subsections (4) through (8) is subject to the review process described in this Subsection  
275 [~~(9)~~] (10).

276 (b) A county of the first class shall create a county transportation advisory committee  
277 as described in Subsection [~~(9)~~] (10)(c) to review proposed transportation and, as applicable,  
278 public transit projects and rank projects for allocation of funds.

279 (c) The county transportation advisory committee described in Subsection [~~(9)~~] (10)(b)  
280 shall be composed of the following 13 members:

281 (i) six members who are residents of the county, nominated by the county executive  
282 and confirmed by the county legislative body who are:

283 (A) members of a local advisory council of a large public transit district as defined in  
284 Section 17B-2a-802;

285 (B) county council members; or

286 (C) other residents with expertise in transportation planning and funding; and

287 (ii) seven members nominated by the county executive, and confirmed by the county  
288 legislative body, chosen from mayors or managers of cities or towns within the county.

289 (d) (i) A majority of the members of the county transportation advisory committee  
290 constitutes a quorum.

291 (ii) The action by a quorum of the county transportation advisory committee constitutes  
292 an action by the county transportation advisory committee.

293 (e) The county body shall determine:

294 (i) the length of a term of a member of the county transportation advisory committee;

295 (ii) procedures and requirements for removing a member of the county transportation  
296 advisory committee;

297 (iii) voting requirements of the county transportation advisory committee;

298 (iv) chairs or other officers of the county transportation advisory committee;

299 (v) how meetings are to be called and the frequency of meetings, but not less than once  
300 annually; and

301 (vi) the compensation, if any, of members of the county transportation advisory  
302 committee.

303 (f) The county shall establish by ordinance criteria for prioritization and ranking of  
304 projects, which may include consideration of regional and countywide economic development

305 impacts, including improved local access to:

306 (i) employment;

307 (ii) recreation;

308 (iii) commerce; and

309 (iv) residential areas.

310 (g) The county transportation advisory committee shall evaluate and rank each  
311 proposed public transit project and regionally significant transportation facility according to  
312 criteria developed pursuant to Subsection [~~(9)~~] (10)(f).

313 (h) (i) After the review and ranking of each project as described in this section, the  
314 county transportation advisory committee shall provide a report and recommend the ranked list  
315 of projects to the county legislative body and county executive.

316 (ii) After review of the recommended list of projects, as part of the county budgetary  
317 process, the county executive shall review the list of projects and may include in the proposed  
318 budget the proposed projects for allocation, as funds are available.

319 (i) The county executive of the county of the first class, with information provided by  
320 the county and relevant state entities, shall provide a report annually to the county  
321 transportation advisory committee, and to the mayor or manager of each city, town, or metro  
322 township in the county, including the following:

323 (i) the amount of revenue received into the fund during the past year;

324 (ii) any funds available for allocation;

325 (iii) funds obligated for debt service; and

326 (iv) the outstanding balance of transportation-related debt.

327 [~~(10)~~] (11) As resources allow, the department shall study in 2020 transportation  
328 connectivity in the southwest valley of Salt Lake County, including the feasibility of  
329 connecting major east-west corridors to U-111.

330 **Section 4. Effective date.**

331 This bill takes effect on May 5, 2021, except that the amendments to Section  
332 41-1a-1222 in this bill take effect on January 1, 2022.