

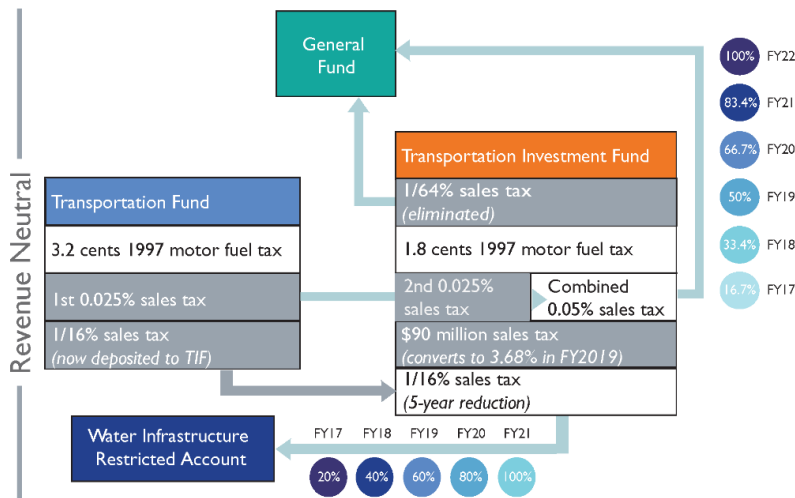
Fiscal Highlights

Transportation and Water Infrastructure Funding - Angela J. Oh

The Infrastructure and General Government Appropriations Subcommittee had their first 2016 interim meeting earlier this month. One item that was discussed was the impact of [Senate Bill 80, Infrastructure Funding Amendments](#). The bill implemented several key changes for transportation and water infrastructure:

1. Shifts a 1/16 percent tax rate from the Transportation Fund to the Transportation Investment Fund (TIF); and once in the TIF, this funding is then shifted to the Water Infrastructure Restricted Account at 20 percent increments for five years.
2. Eliminates a 1/64 percent tax rate that was deposited into the TIF and keeps the revenue in the General Fund; this amount is \$8.9 million in FY 2017 and \$13.6 million in FY 2018 for education.
3. Combines two earmarks (both 0.025 percent) that will remain in the General Fund over six years incrementally.
4. Cleans up outdated accounting that was used in the past to better align revenue sources with funds, Transportation Fund and TIF (revenue neutral).

Below is a graphic provided by the Utah Department of Transportation (UDOT) that summarizes the changes from the bill.



One question asked by the subcommittee was how the bill would impact UDOT overall. Each year, when TIF programming occurs, there is an amount that is not programmed -- \$10 million in FY 2017, \$20 million in FY 2018, and increasing to \$50 million by FY 2021 (cumulative amount of \$150 million from FY 2017 to FY 2021). This contingency is in place because of potential new requests or changes that can occur in the program. This contingency will allow UDOT to handle the changes from Senate Bill 80 with minimal impact.