

**Jordan D. Teuscher** proposes the following substitute bill:

**Transportation and Infrastructure Funding Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jordan D. Teuscher**

Senate Sponsor: Kirk A. Cullimore

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**LONG TITLE**

**General Description:**

This bill authorizes a bond to provide transportation funding related to affordable housing projects and allocates funds in the County of the First Class Highway Projects Fund for bond payments.

**Highlighted Provisions:**

This bill:

- authorizes the Department of Transportation to issue a general obligation bond, with the bond proceeds being distributed to a grant program, and provides revenue to service the bond;
- allocates funds in the County of the First Class Highway Projects Fund to service the bond;
- creates an affordable housing infrastructure grant program to provide grants to local governments to construct infrastructure to facilitate affordable housing projects in a county of the first class; and
- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**72-2-121**, as last amended by Laws of Utah 2024, Chapters 300, 498 and 501

**72-2-124**, as last amended by Laws of Utah 2024, Chapters 498, 501

ENACTS:

**63B-34-101**, Utah Code Annotated 1953

72-2-501, Utah Code Annotated 1953  
72-2-502, Utah Code Annotated 1953  
72-2-503, Utah Code Annotated 1953  
72-2-504, Utah Code Annotated 1953

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

Section 1. Section **63B-34-101** is enacted to read:

**CHAPTER 34. 2025 BONDING AND FINANCING AUTHORIZATIONS**

**Part 1. 2025 General Obligation Bonding Authorizations**

**63B-34-101 . Transportation bonds -- Maximum amount -- Use for  
transportation projects related to affordable housing initiatives.**

(1)(a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued  
under this section may not exceed \$70,000,000.

(b) When the Department of Transportation certifies to the commission the amount of  
bond proceeds that the commission needs to provide funding for the projects  
described in Subsection (2), the commission may issue and sell general obligation  
bonds in an amount equal to the certified amount plus costs of issuance.

(c) The commission may not issue general obligation bonds authorized under this  
section if the issuance for general obligation bonds would result in the total current  
outstanding general obligation debt of the state exceeding 50% of the limitation  
described in Utah Constitution, Article XIV, Section 1.

(2)(a) Proceeds from the bonds issued under this section shall be provided to the  
Department of Transportation through the Transportation Investment Fund of 2005  
created in Section 72-2-124 to pay for or to provide funds to municipalities or  
counties for costs related to affordable housing initiatives as described in Subsection  
(2)(b).

(b) Bond proceeds described under Subsection (2)(a) shall be used to pay for  
infrastructure to assist in affordable housing related grants and allocated as described  
in Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants.

(c) The costs under this Subsection (2) may include the costs of acquiring land, interests  
in land, easements and rights-of-way, the costs of improving sites, making all  
improvements necessary, incidental, or convenient to the facilities, and the costs of  
interest estimated to accrue on these bonds during the period to be covered by

construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

(3) The executive director of the Department of Transportation may allocate bond proceeds under this section as provided in Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants.

(4)(a) Before the Department of Transportation may provide proceeds to a municipality for a project described in Subsection (2)(b), the municipality shall provide a detailed cost estimate of costs to complete the planning and design of the project.

(b) After receiving a cost estimate described in Subsection (4)(a), the Department of Transportation may provide to a municipality proceeds reasonably necessary to complete the planning and design of the project.

(c) After completion of the planning and design of a project, the municipality shall provide to the Department of Transportation a detailed estimate of the costs to construct and complete a project described in Subsection (2)(b).

(d) If approved by the executive director of the Department of Transportation, the Department of Transportation may provide funds to a municipality to construct and complete a project described in Subsection (2)(b).

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

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

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

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

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

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

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

(d) a portion of the local option highway construction and transportation corridor preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited into or transferred to the fund; and

(e) the portion of the sales and use tax transferred into the fund as described in

Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).

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

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

(4) Subject to Subsection (11), the executive director shall use the fund money only:

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

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

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

(i) an active transportation facility for nonmotorized vehicles;

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

(iii) a facility that may include a:

(A) pedestrian or nonmotorized vehicle trail;

(B) nonmotorized vehicle storage facility;

(C) pedestrian or vehicle bridge; or

(D) vehicle parking lot or parking structure;

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

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

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

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

(ii) to be used by a county of the first class for:

(A) highway construction, reconstruction, or maintenance projects; or

(B) the enforcement of state motor vehicle and traffic laws;

- (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(e) has been made, to annually transfer an amount of the sales and use tax revenue imposed in a county of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:
- (i) the appropriate debt service or sinking fund for the repayment of bonds issued under Section 63B-27-102; and
  - (ii) the appropriate debt service or sinking fund for the repayment of bonds issued under Sections 63B-31-102 and 63B-31-103;
- (h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;
- (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b):
- (i) to the legislative body of a county of the first class; and
  - (ii) to fund parking facilities in a county of the first class that facilitate significant economic development and recreation and tourism within the state;
- (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for 15 years thereafter, to annually transfer the following amounts to the following cities and the county of the first class for priority projects to mitigate congestion and improve transportation safety:
- (i) \$2,000,000 to Sandy;
  - (ii) \$2,300,000 to Taylorsville;
  - (iii) \$1,100,000 to Salt Lake City;
  - (iv) \$1,100,000 to West Jordan;
  - (v) \$1,100,000 to West Valley City;
  - (vi) \$800,000 to Herriman;
  - (vii) \$700,000 to Draper;

- 164 (viii) \$700,000 to Riverton;
- 165 (ix) \$700,000 to South Jordan;
- 166 (x) \$500,000 to Bluffdale;
- 167 (xi) \$500,000 to Midvale;
- 168 (xii) \$500,000 to Millcreek;
- 169 (xiii) \$500,000 to Murray;
- 170 (xiv) \$400,000 to Cottonwood Heights; and
- 171 (xv) \$300,000 to Holladay;[-and]
- 172 (k) for the 2024-25 and 2025-26 fiscal years, and subject to revenue balances after the
- 173 distributions under Subsection (4)(j), to reimburse the following municipalities for
- 174 the amounts and projects indicated, as each project progresses and as revenue
- 175 balances allow:
- 176 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from
- 177 Grandville Avenue to Mountain View Corridor;
- 178 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street
- 179 and 700 West;
- 180 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
- 181 throughout Salt Lake City;
- 182 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard
- 183 and 2300 East;
- 184 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800
- 185 South and I-15;
- 186 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 187 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 188 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal trail
- 189 between 11800 South and 13800 South;
- 190 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
- 191 South;
- 192 (x) \$470,000 to the department for construction of a sound wall on Bangerter
- 193 Highway at approximately 11200 South;
- 194 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800
- 195 South and 5300 South;
- 196 (xii) \$1,450,000 to West Valley for construction of a road connecting 5400 South to
- 197 U-111;

- (xiii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100 South;
- (xiv) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111 and Old Bingham Highway;
- (xv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East between 3300 South and Atkin Avenue;
- (xvi) \$1,230,000 to Holladay for improvements to Highland Drive between Van Winkle Expressway and Arbor Lane;
- (xvii) \$1,800,000 to West Valley City for improvements to 4000 West between 4100 South and 4700 South and improvements to 4700 South from 4000 West to Bangerter Highway; and
- (xviii) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215 interchange[-] ; and

(l) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay debt service and bond issuance costs for \$70,000,000 of the bonds issued under Section 63B-34-101 for the grants awarded under Part 5, Affordable Housing Infrastructure Grants.

- (5)(a) If revenue in the fund is insufficient to satisfy all of the transfers described in Subsection (4)(j), the executive director shall proportionately reduce the amounts transferred as described in Subsection (4)(j).
- (b) A local government may not use revenue described in Subsection (4)(j) to supplant existing class B or class C road funds that a local government has budgeted for transportation projects.
- (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes described under Section 72-2-123.
- (7) The department may expend up to \$3,000,000 of revenue deposited into the account as described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as provided in Part [3] 4, Public Transit Innovation Grants.
- (8) The additional administrative costs of the department to administer this fund shall be paid from money in the fund.
- (9) Subject to Subsection (11), and notwithstanding any statutory or other restrictions on the use or expenditure of the revenue sources deposited into this fund, the Department of

232 Transportation may use the money in this fund for any of the purposes detailed in  
233 Subsection (4).

- 234 (10) Subject to Subsection (11), any revenue deposited into the fund as described in  
235 Subsection (2)(e) shall be used to provide funding or loans for public transit projects,  
236 operations, and supporting infrastructure in the county of the first class.
- 237 (11) For the first three years after a county of the first class imposes a sales and use tax  
238 authorized in Section 59-12-2220, revenue deposited into the fund as described in  
239 Subsection (2)(e) shall be allocated as follows:
- 240 (a) 10% to the department to construct an express bus facility on 5600 West; and  
241 (b) 90% into the County of the First Class Infrastructure Bank Fund created in Section  
242 72-2-302.

243 Section 3. Section **72-2-124** is amended to read:

244 **72-2-124 . Transportation Investment Fund of 2005.**

- 245 (1) There is created a capital projects fund entitled the Transportation Investment Fund of  
246 2005.
- 247 (2) The fund consists of money generated from the following sources:
- 248 (a) any voluntary contributions received for the maintenance, construction,  
249 reconstruction, or renovation of state and federal highways;
- 250 (b) appropriations made to the fund by the Legislature;
- 251 (c) registration fees designated under Section 41-1a-1201;
- 252 (d) the sales and use tax revenues deposited into the fund in accordance with Section  
253 59-12-103;[-and]
- 254 (e) revenues transferred to the fund in accordance with Section 72-2-106[-] ;
- 255 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
- 256 (g) revenue from bond proceeds described in Section 63B-34-101.
- 257 (3)(a) The fund shall earn interest.
- 258 (b) All interest earned on fund money shall be deposited into the fund.
- 259 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund  
260 money to pay:
- 261 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
262 federal highways prioritized by the Transportation Commission through the  
263 prioritization process for new transportation capacity projects adopted under  
264 Section 72-1-304;
- 265 (ii) the costs of maintenance, construction, reconstruction, or renovation to the



- highway projects described in Subsections 63B-18-401(2), (3), and (4);
- (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 minus the costs paid from the County of the First Class Highway Projects Fund in accordance with Subsection 72-2-121(4)(e);
- (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified by Salt Lake County in accordance with Subsection 72-2-121.3 (4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
- (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects prioritized in accordance with Section 72-2-125;
- (vi) all highway general obligation bonds that are intended to be paid from revenues in the Centennial Highway Fund created by Section 72-2-118;
- (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described in Section 72-2-121;
- (viii) if a political subdivision provides a contribution equal to or greater than 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved nonmotorized transportation for projects that:
- (A) mitigate traffic congestion on the state highway system;
  - (B) are part of an active transportation plan approved by the department; and
  - (C) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
- (ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or renovation of or improvement to the following projects:
- (A) the connector road between Main Street and 1600 North in the city of Vineyard;
  - (B) Geneva Road from University Parkway to 1800 South;
  - (C) the SR-97 interchange at 5600 South on I-15;
  - (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to South Jordan Parkway;
  - (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
  - (F) improvements to 1600 North in Orem from 1200 West to State Street;
  - (G) widening I-15 between mileposts 6 and 8;

- (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in Spanish Fork Canyon;
- (J) I-15 northbound between mileposts 43 and 56;
- (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1;
- (L) east Zion SR-9 improvements;
- (M) Toquerville Parkway;
- (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for construction of an interchange on Bangerter Highway at 13400 South; and
- (P) an environmental impact study for Kimball Junction in Summit County; and
- (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project costs based upon a statement of cash flow that the local jurisdiction where the project is located provides to the department demonstrating the need for money for the project, for the following projects in the following amounts:
- (A) \$5,000,000 for Payson Main Street repair and replacement;
- (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40 between mile markers 7 and 10.
- (b) The executive director may use fund money to exchange for an equal or greater amount of federal transportation funds to be used as provided in Subsection (4)(a).
- (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may not commence until a right-of-way not owned by a federal agency that is required for the realignment and extension of U-111, as described in the department's 2023 environmental study related to the project, is dedicated to the department.
- (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the project as described in Subsection (4)(c)(i) on or before October 1, 2024, the department may proceed with the project, except that the project will be limited to two lanes on U-111 from Herriman Parkway to 11800 South.
- (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director may not program fund money to a project prioritized by the commission

under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the municipality until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (5) no longer applies to the municipality.

(b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:

- (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility or interchange connecting limited-access facilities;
- (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and
- (iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-27a-408(7), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area of the county until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (6) no longer applies to the county.

(b) Within the boundaries of the unincorporated area of a county described in Subsection (6)(a), the executive director:

- (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility to a project prioritized by the commission under Section 72-1-304;
- (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;

(iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and

(iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.

(c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in any fiscal year, the department and the commission shall appear before the Executive Appropriations Committee of the Legislature and present the amount of bond proceeds that the department needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

(b) The Executive Appropriations Committee of the Legislature shall review and comment on the amount of bond proceeds needed to fund the projects.

(8) The Division of Finance shall, from money deposited into the fund, transfer the amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or sinking fund.

(9)(a) There is created in the Transportation Investment Fund of 2005 the Transit Transportation Investment Fund.

(b) The fund shall be funded by:

(i) contributions deposited into the fund in accordance with Section 59-12-103;

(ii) appropriations into the account by the Legislature;

(iii) deposits of sales and use tax increment related to a housing and transit reinvestment zone as described in Section 63N-3-610;

(iv) transfers of local option sales and use tax revenue as described in Subsection 59-12-2220(11)(b) or (c);

(v) private contributions; and

(vi) donations or grants from public or private entities.

(c)(i) The fund shall earn interest.

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

(d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:

- 402 (i) for public transit capital development of new capacity projects and fixed guideway  
403 capital development projects to be used as prioritized by the commission through  
404 the prioritization process adopted under Section 72-1-304;
- 405 (ii) to the department for oversight of a fixed guideway capital development project  
406 for which the department has responsibility; or
- 407 (iii) up to \$500,000 per year, to be used for a public transit study.
- 408 (e)(i) Subject to Subsections (9)(g), (h), and (i), the commission may only prioritize  
409 money from the fund for a public transit capital development project or pedestrian  
410 or nonmotorized transportation project that provides connection to the public  
411 transit system if the public transit district or political subdivision provides funds of  
412 equal to or greater than 30% of the costs needed for the project.
- 413 (ii) A public transit district or political subdivision may use money derived from a  
414 loan granted pursuant to ~~[Title 72, Chapter 2,]~~Part 2, State Infrastructure Bank  
415 Fund, to provide all or part of the 30% requirement described in Subsection  
416 (9)(e)(i) if:
- 417 (A) the loan is approved by the commission as required in ~~[Title 72, Chapter 2,]~~  
418 Part 2, State Infrastructure Bank Fund; and
- 419 (B) the proposed capital project has been prioritized by the commission pursuant  
420 to Section 72-1-303.
- 421 (f) Before July 1, 2022, the department and a large public transit district shall enter into  
422 an agreement for a large public transit district to pay the department \$5,000,000 per  
423 year for 15 years to be used to facilitate the purchase of zero emissions or low  
424 emissions rail engines and trainsets for regional public transit rail systems.
- 425 (g) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(b):
- 426 (i) the commission may prioritize money from the fund for public transit projects,  
427 operations, or maintenance within the county of the first class; and
- 428 (ii) Subsection (9)(e) does not apply.
- 429 (h) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(c):
- 430 (i) the commission may prioritize public transit projects, operations, or maintenance  
431 in the county from which the revenue was generated; and
- 432 (ii) Subsection (9)(e) does not apply.
- 433 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for  
434 the project described in Subsection (9)(e) does not apply to a public transit capital  
435 development project or pedestrian or nonmotorized transportation project that the

department proposes.

- (j) In accordance with Part [3] 4, Public Transit Innovation Grants, the commission may prioritize money from the fund for public transit innovation grants, as defined in Section 72-2-401, for public transit capital development projects requested by a political subdivision within a public transit district.

(10)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood Canyons Transportation Investment Fund.

(b) The fund shall be funded by:

- (i) money deposited into the fund in accordance with Section 59-12-103;
- (ii) appropriations into the account by the Legislature;
- (iii) private contributions; and
- (iv) donations or grants from public or private entities.

(c)(i) The fund shall earn interest.

- (ii) All interest earned on fund money shall be deposited into the fund.

(d) The Legislature may appropriate money from the fund for public transit or transportation projects in the Cottonwood Canyons of Salt Lake County.

(e) The department may use up to 2% of the revenue deposited into the account under Subsection 59-12-103(7)(b) to contract with local governments as necessary for public safety enforcement related to the Cottonwood Canyons of Salt Lake County.

(11)(a) There is created in the Transportation Investment Fund of 2005 the Active Transportation Investment Fund.

(b) The fund shall be funded by:

- (i) money deposited into the fund in accordance with Section 59-12-103;
- (ii) appropriations into the account by the Legislature; and
- (iii) donations or grants from public or private entities.

(c)(i) The fund shall earn interest.

- (ii) All interest earned on fund money shall be deposited into the fund.

(d) The executive director may only use fund money to pay the costs needed for:

- (i) the planning, design, construction, maintenance, reconstruction, or renovation of paved pedestrian or paved nonmotorized trail projects that:
  - (A) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
  - (B) serve a regional purpose; and
  - (C) are part of an active transportation plan approved by the department or the

- 470 plan described in Subsection (11)(d)(ii);
- 471 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 472 nonmotorized trails that serve a regional purpose; and
- 473 (iii) the administration of the fund, including staff and overhead costs.
- 474 (12)(a) As used in this Subsection (12), "commuter rail" means the same as that term is
- 475 defined in Section 63N-3-602.
- 476 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 477 Subaccount.
- 478 (c) The subaccount shall be funded by:
- 479 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 480 (ii) appropriations into the subaccount by the Legislature;
- 481 (iii) private contributions; and
- 482 (iv) donations or grants from public or private entities.
- 483 (d)(i) The subaccount shall earn interest.
- 484 (ii) All interest earned on money in the subaccount shall be deposited into the
- 485 subaccount.
- 486 (e) As prioritized by the commission through the prioritization process adopted under
- 487 Section 72-1-304 or as directed by the Legislature, the department may only use
- 488 money from the subaccount for projects that improve the state's commuter rail
- 489 infrastructure, including the building or improvement of grade-separated crossings
- 490 between commuter rail lines and public highways.
- 491 (f) Appropriations made in accordance with this section are nonlapsing in accordance
- 492 with Section 63J-1-602.1.

493 Section 4. Section **72-2-501** is enacted to read:

494 **Part 5. Affordable Housing Infrastructure Grants**

495 **72-2-501 . Definitions.**

496 As used in this part:

497 (1) "Affordable housing unit" means:

498 (a) for a project within a city with a population over 200,000, housing units included in a

499 project that:

500 (i) is not within an opportunity zone created pursuant to Section 1400Z-1, Internal

501 Revenue Code;

502 (ii) proposes housing that is within a severe distress tract, as classified by United

503 States Bureau of the Census;

- (iii) creates infrastructure that supports an existing permanent supportive housing facility to maximize overall activation and integration of the facility; and
- (iv) provides infrastructure to housing units within a one-quarter mile radius of the infrastructure improvement that:
- (A) for rental units within the project area, both new and existing, are reserved for occupancy by households with a gross household income that, across the whole project area, average no more than 60% of the median gross income of the county statistical area for households of the same size; and
- (B) for owner-occupied units within the project area, both new and existing, have an average dwelling unit priced at or below 80% of the median home price of the county statistical area for homes of the same size; and
- (b) for a project within a city with a population of 200,000 or less:
- (i) for a rental property, a dwelling unit occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income of the county statistical area for households of the same size;
- or
- (ii) for an owner-occupied property, a dwelling unit priced at or below 80% of the median home price of the county statistical area for homes of the same size.
- (2) "Board" means the affordable housing infrastructure grant board created in Section 72-2-503.
- (3) "Grant" means a grant issued to a public entity in a county of the first class as provided in this part.
- Section 5. Section **72-2-502** is enacted to read:
- 72-2-502 . Affordable housing infrastructure grant funding sources.**
- (1) In accordance with Section 72-2-503, the board may rank, prioritize, and provide affordable housing infrastructure grants to public entities within a county of the first class with money derived from the following sources:
- (a) bond proceeds deposited into the Transportation Investment Fund of 2005 created in Section 72-2-124 in accordance with a bond issued under Section 63B-34-101;
- (b) appropriations by the Legislature; and
- (c) any other transfers or contributions.
- (2) Administrative costs of the department to administer affordable housing infrastructure grants under this part shall be paid from the funds described in Subsection (1).
- Section 6. Section **72-2-503** is enacted to read:



**72-2-503 . Board creation -- Duties -- Grant administration.**

- (1) There is created the affordable housing infrastructure grant board consisting of the following members:
- (a) the executive director of the department, or the director's designee;
  - (b) the executive director of the Department of Natural Resources appointed under Section 79-2-202, or the executive director's designee; and
  - (c) an employee of the governor's office that is an expert or advisor on housing strategy, appointed by the governor.
- (2)(a) The Department of Natural Resources shall provide staff support for the board and the grant program.
- (b) The Department of Natural Resources may use grant funds for the costs of the Department of Natural Resources to administer the grant program under this part.
- (3) The Department of Natural Resources, in consultation with the board, shall develop a process for the prioritization of grant proposals that includes:
- (a) instructions on making and submitting a grant proposal;
  - (b) methodology for selecting grants; and
  - (c) methodology for awarding grants.
- (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Department of Natural Resources shall make rules to establish the process described in Subsection (3) and as otherwise necessary to implement this part.
- (5) The board shall:
- (a) accept grant applications;
  - (b) rank grant proposals; and
  - (c) provide money to grant recipients in accordance with this part.
- (6) A grant applicant shall ensure that each grant proposal includes:
- (a) information about the proposed project, including the projected number of affordable housing units, which may not be less than 50 units of affordable housing;
  - (b) the projected time line of the proposed project;
  - (c) data and information regarding the proposed types of affordable housing; and
  - (d) information about the public infrastructure and other improvements needed.
- (7)(a) In considering a grant proposal, the board shall consider criteria including:
- (i) the value and number of housing units the project will produce;
  - (ii) the value of any matching contribution from the grant applicant, including information about how the public entity determined the value of the matching

- 572                    assets; and
- 573                    (iii) any other criteria the board determines relevant.
- 574            (b) For a grant proposal including highway infrastructure, the board may not provide a
- 575                    grant unless the grant applicant provides a minimum matching contribution of the
- 576                    right-of-way needed for the highway improvements.
- 577            (c) The board shall give priority for infrastructure grant proposals for the construction of
- 578                    public highways that are highways of regional significance that connect to other
- 579                    highways or points of regional significance.
- 580    (8)(a) Subject to available funding, and subject to Subsection (8)(b), the board may
- 581                    award a grant to a recipient that the board determines advisable.
- 582            (b) For every \$20,000 of grant funding awarded to a recipient, the infrastructure shall
- 583                    support at least one unit of affordable housing.
- 584            (c) The board may not award a grant to a recipient if the board determines that the
- 585                    recipient will not be able to satisfy the requirement under Subsection (8)(b).
- 586    (9) If the board approves a grant to provide money as provided in this part, the department
- 587                    shall transfer the money to the grant recipient.
- 588            Section 7. Section **72-2-504** is enacted to read:
- 589                    **72-2-504 . Report.**
- 590    (1) At least annually during the life of the project, a recipient of a grant under this part shall
- 591                    provide a report to the board.
- 592    (2) The report described in Subsection (1) shall include:
- 593                    (a) the amount of money provided through the grant;
- 594                    (b) an accounting of how the grant money has been utilized;
- 595                    (c) the progress of the project; and
- 596                    (d) the number of affordable housing units completed or under construction.
- 597            Section 8. **Effective Date.**
- 598            This bill takes effect on May 7, 2025.