Kay J. Christofferson proposes the following substitute bill:

Transportation Modifications

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kay J. Christofferson

Senate Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill repeals the clean vehicle program, amends distribution frequency for class B and class C road funding, and amends provisions related to local corridor preservation fund administration.

Highlighted Provisions:

This bill:

- amends provisions related to local jurisdiction over real property as pertaining to commuter rail property;
- repeals the clean vehicle program;
- amends certain duties of the Department of Transportation;
- amends rates related to the road usage charge program;
- enacts provisions related to privileged information pertaining to rail road safety responsibilities and coordination;
- provides flexibility in distribution frequency of class B and class C road funding;
- directs local corridor preservation funds to go directly to the relevant local government instead of passing through the Transportation Fund;
- modifies certain uses for local corridor preservation funds; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

10-20-305, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15

17-79-306, as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

41-6a-702, as last amended by Laws of Utah 2020, Chapter 74

72-1-201, as last amended by Laws of Utah 2025, Chapters 393, 452

72-1-213.1, as last amended by Laws of Utah 2025, Chapter 452

72-2-107, as last amended by Laws of Utah 2023, Chapter 22

72-2-117.5, as last amended by Laws of Utah 2025, Chapter 373

ENACTS:

72-1-219, Utah Code Annotated 1953

REPEALS:

72-6-121, as last amended by Laws of Utah 2024, Chapter 517

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

Section 1. Section **10-20-305** is amended to read:

10-20-305 . State and federal property.

(1) As used in this section:

(a) "Commuter rail" means the same as that term is defined in Section 63N-3-602.

(b)(i) "Commuter rail facility" means a parking facility or maintenance facility related to commuter rail.

(ii) "Commuter rail facility" does not include the rail or a station platform.

(2) Unless otherwise provided by law, nothing contained in this chapter or Chapter 21, Municipalities and Housing Supply, may be construed as giving a municipality jurisdiction over:

(a) real property or an interest in real property owned by the state or the United States[~~.~~] ; or

(b) except as provided by Subsection (3), over other real property necessary for the construction of a commuter rail project for which the Department of Transportation has oversight and supervision.

(3) Upon completion of a commuter rail project described in Subsection (2), including any performance of work related to warranties and latent defects, a municipality retains the jurisdiction and land use authority provided by law over the completed commuter rail facilities.

Section 2. Section **17-79-306** is amended to read:

17-79-306 . State and federal property.

(1) As used in this section:

(a) "Commuter rail" means the same as that term is defined in Section 63N-3-602.

(b)(i) "Commuter rail facility" means a parking facility or maintenance facility related to commuter rail.

(ii) "Commuter rail facility" does not include the rail or a station platform.

(2) Unless otherwise provided by law, nothing contained in this chapter or Chapter 80, Counties and Housing Supply, may be construed as giving a county jurisdiction over:

(a) real property or an interest in real property owned by the state or the United States[~~.~~] ; or

(b) except as provided by Subsection (3), over other real property necessary for the construction of a commuter rail project for which the Department of Transportation has oversight and supervision.

(3) Upon completion of a commuter rail project described in Subsection (2), including any performance of work related to warranties and latent defects, a county retains the jurisdiction and land use authority provided by law over the completed commuter rail facilities.

Section 3. Section **41-6a-702** is amended to read:

41-6a-702 . Left lane restrictions -- Exceptions -- Other lane restrictions -- Penalties.

(1) As used in this section and Section 41-6a-704, "general purpose lane" means a highway lane open to vehicular traffic but does not include a designated:

(a) high occupancy vehicle (HOV) lane; or

(b) auxiliary lane that begins as a freeway on-ramp and ends as part of the next freeway off-ramp.

(2) On a freeway or section of a freeway which has three or more general purpose lanes in the same direction, a person may not operate a vehicle in the left most general purpose lane if the person's vehicle or combination of vehicles has a gross vehicle weight rating of 18,001 or more pounds.

(3) Subsection (2) does not apply to a person operating a vehicle who is:

(a) preparing to turn left or taking a different highway split or an exit on the left;

(b) responding to emergency conditions;

(c) avoiding actual or potential traffic moving onto the highway from an acceleration or merging lane; or

(d) following direction signs that direct use of a designated lane.

(4)(a) A highway authority may designate a specific lane or lanes of travel for any type of vehicle on a highway or portion of a highway under its jurisdiction for the:

(i) safety of the public;

(ii) efficient maintenance of a highway; or

(iii) use of high occupancy vehicles.

(b) The lane designation under Subsection (4)(a) is effective when appropriate signs or roadway markings giving notice are erected on the highway or portion of the highway.

[~~(5)(a) Subject to Subsection (5)(b), the lane designation under Subsection (4)(a)(iii) shall allow a vehicle with a clean fuel vehicle decal issued in accordance with Section 72-6-121 to travel in lanes designated for the use of high occupancy vehicles regardless of the number of occupants as permitted by federal law or federal regulation.~~]

[~~(b)(i) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Department of Transportation may make rules to allow a vehicle with a clean fuel vehicle decal to travel in lanes designated for the use of high occupancy vehicles regardless of the number of occupants as permitted by federal law or federal regulation.~~]

[~~(ii) Except as provided in Subsection (5)(b)(iii), the Department of Transportation may not issue more than 6,000 clean fuel vehicle decals under Section 72-6-121.~~]

[~~(iii) The Department of Transportation may, through rules made under Subsection (5)(b)(i), increase the number of clean fuel vehicle decals issued in accordance with Section 72-6-121 beyond the minimum described in Subsection (5)(b)(ii) if the increased issuance will allow the Department of Transportation to continue to meet its goals for operational management of the lane designated under Subsection (4)(a)(iii).~~]

[~~(6)~~] (5) A public transportation vehicle may operate in a lane designated under Subsection (4)(a)(iii) regardless of the number of occupants as permitted by federal law and regulation.

[~~(7)~~] (6) A person who operates a vehicle in violation of Subsection (2) or in violation of the restrictions made under Subsection (4) is guilty of an infraction.

Section 4. Section **72-1-201** is amended to read:

72-1-201 . Creation of Department of Transportation -- Functions, powers,

duties, rights, and responsibilities.

(1) There is created the Department of Transportation which shall:

(a) have the general responsibility for planning, research, design, construction, maintenance, security, and safety of state transportation systems;

(b) provide administration for state transportation systems and programs;

(c) implement the transportation policies of the state;

(d) plan, develop, construct, and maintain state transportation systems that are safe, reliable, environmentally sensitive, and serve the needs of the traveling public, commerce, and industry;

(e) establish standards and procedures regarding the technical details of administration of the state transportation systems as established by statute and administrative rule;

(f) advise the governor and the Legislature about state transportation systems needs;

(g) coordinate with utility companies for the reasonable, efficient, and cost-effective installation, maintenance, operation, relocation, and upgrade of utilities within state highway rights-of-way;

(h) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules for the administration of the department, state transportation systems, and programs;

(i) jointly with the commission annually report to the Transportation Interim Committee, by November 30 of each year, as to the operation, maintenance, condition, mobility, safety needs, and wildlife and livestock mitigation for state transportation systems;

(j) ensure that any training or certification required of a public official or public employee, as those terms are defined in Section 63G-22-102, complies with Title 63G, Chapter 22, State Training and Certification Requirements, if the training or certification is required:

(i) under this title;

(ii) by the department; or

(iii) by an agency or division within the department;

(k) study and make recommendations to the Legislature on potential managed lane use and implementation on selected transportation systems within the state;

(l) before July 1 of each year, coordinate with the Utah Highway Patrol Division created in Section 53-8-103 regarding:

(i) future highway projects that will add additional capacity to the state transportation system;

(ii) potential changes in law enforcement responsibilities due to future highway projects; and

(iii) incident management services on state highways;

(m) provide public transit services, in consultation with any relevant public transit provider; [~~and~~]

(n) implement a public service campaign as described in Section 72-2-135, in coordination with relevant stakeholders including permitted landfills and transfer stations, to generate public awareness regarding the importance of proper transportation and disposal of waste and maintaining clean roads and highways[~~.~~] ; and

(o) in coordination with a large public transit district, provide for leasing and other services that generate revenue in connection with public transit facilities and services that serve the Cottonwood Canyons area of Salt Lake County.

(2) For a proposed transportation project that includes a gondola in the Cottonwood Canyons area of Salt Lake County for which the department has completed an environmental impact statement, the department may only construct the project in the phasing sequence as provided in the record of decision associated with the environmental impact statement.

(3)(a) The department shall exercise reasonable care in designing, constructing, and maintaining a state highway in a reasonably safe condition for travel.

(b) Nothing in this section shall be construed as:

(i) creating a private right of action; or

(ii) expanding or changing the department's common law duty as described in Subsection (3)(a) for liability purposes.

Section 5. Section **72-1-213.1** is amended to read:

72-1-213.1 . Road usage charge program.

(1) As used in this section:

(a) "Account manager" means an entity under contract with the department to administer and manage the road usage charge program.

(b) "Alternative fuel vehicle" means:

(i) an electric motor vehicle as defined in Section 41-1a-102; or

(ii) a motor vehicle powered exclusively by a fuel other than:

(A) motor fuel;

(B) diesel fuel;

(C) natural gas; or

(D) propane.

(c) "Payment period" means the interval during which an owner is required to report mileage and pay the appropriate road usage charge according to the terms of the program.

(d) "Program" means the road usage charge program established and described in this section.

(e) "Road usage charge cap" means the maximum fee charged to a participant in the program for a registration period.

(f) "Road usage charge rate" means the per-mile usage fee charged to a participant in the program.

(2) There is established a road usage charge program as described in this section.

(3)(a) The department shall implement and oversee the administration of the program, which shall begin on January 1, 2020.

(b) To implement and administer the program, the department may contract with an account manager.

(4)(a) The owner or lessee of an alternative fuel vehicle may apply for enrollment of the alternative fuel vehicle in the program.

(b) If an application for enrollment into the program is approved by the department, the owner or lessee of an alternative fuel vehicle may participate in the program in lieu of paying the fee described in Subsection 41-1a-1206(1)(h) or (2)(b).

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section, the department:

(a) shall make rules to establish:

(i) processes and terms for enrollment into and withdrawal or removal from the program;

(ii) payment periods and other payment methods and procedures for the program;

(iii) standards for mileage reporting mechanisms for an owner or lessee of an alternative fuel vehicle to report mileage as part of participation in the program;

(iv) standards for program functions for mileage recording, payment processing, account management, and other similar aspects of the program;

(v) contractual terms between an owner or lessee of an alternative fuel vehicle owner and an account manager for participation in the program;

(vi) contractual terms between the department and an account manager, including authority for an account manager to enforce the terms of the program;

(vii) procedures to provide security and protection of personal information and data connected to the program, and penalties for account managers for violating privacy protection rules;

(viii) penalty procedures for a program participant's failure to pay a road usage charge or tampering with a device necessary for the program; and

(ix) department oversight of an account manager, including privacy protection of personal information and access and auditing capability of financial and other records related to administration of the program; and

(b) may make rules to establish:

(i) an enrollment cap for certain alternative fuel vehicle types to participate in the program;

(ii) a process for collection of an unpaid road usage charge or penalty; or

(iii) integration of the program with other similar programs, such as tolling.

(6) Revenue generated by the road usage charge program and relevant penalties shall be deposited into the Road Usage Charge Program Special Revenue Fund.

(7)(a) The department may:

(i)(A) impose a penalty for failure to timely pay a road usage charge according to the terms of the program or tampering with a device necessary for the program; and

(B) request that the Division of Motor Vehicles place a hold on the registration of the owner's or lessee's alternative fuel vehicle for failure to pay a road usage charge or penalty according to the terms of the program;

(ii) send correspondence to the owner of an alternative fuel vehicle to inform the owner or lessee of:

(A) the road usage charge program, implementation, and procedures;

(B) an unpaid road usage charge and the amount of the road usage charge to be paid to the department;

(C) the penalty for failure to pay a road usage charge within the time period described in Subsection (7)(a)(iii); and

(D) a hold being placed on the owner's or lessee's registration for the alternative fuel vehicle, if the road usage charge and penalty are not paid within the time period described in Subsection (7)(a)(iii), which would prevent the renewal of the alternative fuel vehicle's registration; and

(iii) require that the owner or lessee of the alternative fuel vehicle pay the road usage charge to the department within 30 days of the date when the department sends written notice of the road usage charge to the owner or lessee.

(b) The department shall send the correspondence and notice described in Subsection (7)(a) to the owner of the alternative fuel vehicle according to the terms of the program.

(8)(a) The Division of Motor Vehicles and the department shall share and provide access to information pertaining to an alternative fuel vehicle and participation in the program including:

(i) registration and ownership information pertaining to an alternative fuel vehicle;

(ii) information regarding the failure of an alternative fuel vehicle owner or lessee to pay a road usage charge or penalty imposed under this section within the time period described in Subsection (7)(a)(iii); and

(iii) the status of a request for a hold on the registration of an alternative fuel vehicle.

(b) If the department requests a hold on the registration in accordance with this section, the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title 41, Chapter 1a, Part 2, Registration, until the department withdraws the hold request.

(9) The owner of an alternative fuel vehicle may [~~apply for enrollment~~] enroll in the program or withdraw from the program according to the terms established by the department [~~pursuant to~~] in accordance with rules made under Subsection (5).

(10) If enrolled in the program, the owner or lessee of an alternative fuel vehicle shall:

(a) report mileage driven as required by the department [~~pursuant to~~] in accordance with Subsection (5);

(b) pay the road usage fee for each payment period in accordance with Subsection (5); and

(c) comply with all other provisions of this section and other requirements of the program.

(11) The department shall submit annually, on or before October 1, to the Transportation Interim Committee, an electronic report that:

(a) states for the preceding fiscal year:

(i) the amount of revenue collected from the program;

(ii) the participation rate in the program; and

(iii) the department's costs to administer the program; and

(b) provides for the current fiscal year, an estimate of:

(i) the revenue that will be collected from the program;

(ii) the participation rate in the program; and

(iii) the department's costs to administer the program.

(12)[~~(a) Beginning on January 1, 2023:~~]

[~~(i) the road usage charge rate is 1.0 cent per mile; and~~]

[~~(ii) the road usage charge cap is:~~]

[~~(A) $130.25 for an annual registration period; and~~]

[~~(B) $100.75 for a six-month registration period.~~]

[~~(b)~~] (a) Beginning on January 1, 2026:

(i) the road usage charge rate is 1.25 cents per mile; and

(ii) the road usage charge cap is:

(A) $180 for an annual registration period; and

(B) $139 for a six-month registration period.

[~~(c)~~] (b) Beginning on January 1, [~~2032~~ **Ŝ→** ~~**2027**~~] **2028** **←Ŝ** :

(i) the road usage charge rate is 1.5 cents per mile, unless the commission establishes a different road usage charge rate in accordance with Subsection (13); and

(ii) the road usage charge cap is:

(A) [~~$240~~] $280 for an annual registration period; and

(B) [~~$185~~] $216 for a six-month registration period.

[~~(d)~~] (c) Beginning in [~~2024~~] 2028, the department shall, on January 1, annually adjust the road usage charge rates described in this Subsection (12) by taking the road usage charge rate for the previous year and adding an amount equal to the greater of:

(i) an amount calculated by multiplying the road usage charge rate of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index as determined by the State Tax Commission; and

(ii) 0.

[~~(e)~~] (d) Beginning in [~~2024~~] 2028, the State Tax Commission shall, on January 1, annually adjust the road usage charge caps described in this Subsection (12) by taking the road usage charge cap for the previous year and adding an amount equal to the greater of:

(i) an amount calculated by multiplying the road usage charge cap of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(ii) 0.

[~~(f)~~] (e) The amounts calculated as described in Subsection [~~(12)(d)~~] (12)(c) shall be rounded up to the nearest .01 cent.

[~~(g)~~] (f) The amounts calculated as described in Subsection [~~(12)(e)~~] (12)(d) shall be rounded up to the nearest 25 cents.

[~~(h)~~] (g) On or before January 1 of each year, the department shall publish:

(i) the adjusted road usage charge rate described in Subsection [~~(12)(d)~~] (12)(c); and

(ii) adjusted road usage charge cap described in Subsection [~~(12)(e)~~] (12)(d).

(13)(a) Beginning January 1, [~~2032~~] 2027, the commission may establish by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the road usage charge rate for each type of alternative fuel vehicle.

(b)(i) Before making rules in accordance with Subsection (13)(a), the commission shall consult with the department regarding the road usage charge rate for each type of alternative fuel vehicle.

(ii) The department shall cooperate with and make recommendations to the commission regarding the road usage charge rate for each type of alternative fuel vehicle.

Section 6. Section **72-1-219** is enacted to read:

72-1-219 . Discovery and admission as evidence of certain reports and surveys.

(1) Subject to Subsection (2), and notwithstanding any other provision of law, the following materials are privileged, are not subject to discovery or admissible in evidence in a proceeding before a federal or state court, and may not be considered for any other purpose in an action for damages arising from an occurrence at a location described in the materials:

(a) a report;

(b) a survey;

(c) a schedule;

(d) a list; or

(e) data compiled or collected.

(2) The privilege described in Subsection (1) applies only if the materials were created or collected:

(a) pursuant to 23 U.S.C. Sec. 409;

(b) under federal or state law for the purpose of identifying, evaluating, or planning the safety enhancement of:

(i) a potential crash site;

<u>(ii) a hazardous highway condition; or</u>

<u>(iii) a railway-highway crossing; or</u>

<u>(c) for the purpose of developing a highway or railway safety construction improvement project, regardless of the funding source.</u>

Section 7. Section **72-2-107** is amended to read:

72-2-107 . Appropriation from Transportation Fund -- Apportionment for class B and class C roads.

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

(a) the Department of Public Safety;

(b) the State Tax Commission;

(c) the Division of Finance;

(d) the Utah Travel Council;

(e) except as provided in Section 72-1-213.2, the road usage charge program created in Section 72-1-213.1; and

(f) any other amounts appropriated or transferred for any other state agencies not a part of the department.

(2)(a) Except as provided in Subsections (2)(b) and (c), all of the money appropriated in Subsection (1) shall be apportioned among counties and municipalities for class B and class C roads as provided in this title.

(b) The department shall annually transfer $500,000 of the amount calculated under Subsection (1) to the State Park Access Highways Improvement Program created in Section 72-3-207.

(c) Administrative costs of the department to administer class B and class C roads shall be paid from funds calculated under Subsection (1).

(3) [~~Each quarter of every year~~] <u>At least quarterly</u> the department shall make the necessary accounting entries to transfer the money appropriated under this section for class B and class C roads.

(4) The funds appropriated for class B and class C roads shall be expended under the direction of the department as the Legislature shall provide.

Section 8. Section **72-2-117.5** is amended to read:

72-2-117.5 . Definitions -- Local Highway and Transportation Corridor Preservation Fund -- Disposition of fund money.

(1) As used in this section:

(a) "Council of governments" means a decision-making body in each county composed of membership including the county governing body and the mayors of each municipality in the county.

(b) "Metropolitan planning organization" has the same meaning as defined in Section 72-1-208.5.

(2) There is created the Local Highway and Transportation Corridor Preservation Fund[~~within the Transportation Fund~~].

(3) The fund shall be funded from the following sources:

(a) a local option highway construction and transportation corridor preservation fee imposed under Section 41-1a-1222;

(b) appropriations made to the fund by the Legislature;

(c) contributions from other public and private sources for deposit into the fund;

(d) all money collected from rents and sales of real property acquired with fund money;

(e) proceeds from general obligation bonds, revenue bonds, or other obligations issued as authorized by Title 63B, Bonds; and

(f) sales and use tax revenues deposited into the fund in accordance with Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act.

(4)[~~(a) The fund shall earn interest.~~]

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

[~~(c)~~] (a) The State Tax Commission shall allocate and distribute the revenues:

(i) provided under Subsection (3)(a) to each county imposing a local option highway construction and transportation corridor preservation fee under Section 41-1a-1222;

(ii) provided under Subsection 59-12-2217(2) to each county imposing a county option sales and use tax for transportation; and

(iii) provided under Subsection (3)(f) to each county of the second class or city or town within a county of the second class that imposes the sales and use tax authorized by Section 59-12-2218.

[~~(d) The department shall distribute the funds allocated to each county, city, or town under Subsection (4)(c) to each county, city, or town.~~]

[~~(e)~~] (b) The money allocated and distributed under this Subsection (4):

(i) shall be used for the purposes provided in this section for each county, city, or town;

(ii) is allocated to each county, city, or town as provided in this section with the condition that the state will not be charged for any asset purchased with the money allocated and distributed under this Subsection (4), unless there is a written agreement in place with the department prior to the purchase of the asset stipulating a reimbursement by the state to the county, city, or town of no more than the original purchase price paid by the county, city, or town; and

(iii) is considered a local matching contribution for the purposes described under Section 72-2-123 if used on a state highway.

[~~(f) Administrative costs of the department to implement this section shall be paid from the fund.~~]

(5)(a) A highway authority may acquire real property or any interests in real property for state, county, and municipal transportation corridors subject to:

(i) money available in the fund to each county under Subsection (4); and

(ii) the provisions of this section.

(b) Fund money may be used to pay interest on debts incurred in accordance with this section.

(c)(i)(A) Fund money may be used to pay maintenance costs of properties acquired under this section but limited to a total of 5% of the purchase price of the property.

(B) Any additional maintenance cost shall be paid from funds other than under this section.

(C) Revenue generated by any property acquired under this section is excluded from the limitations under this Subsection (5)(c)(i).

(ii) Fund money may be used to pay direct costs of acquisition of properties acquired under this section.

(d) Fund money allocated and distributed under Subsection (4) may be used by a county highway authority for countywide transportation or public transit planning if:

(i) the county's planning focus area is outside the boundaries of a metropolitan planning organization;

(ii) the transportation planning is part of the county's continuing, cooperative, and comprehensive process for transportation or public transit planning, transportation corridor preservation, right-of-way acquisition, and project programming;

(iii) no more than four years allocation every 20 years to each county is used for transportation planning under this Subsection (5)(d); and

(iv) the county otherwise qualifies to use the fund money as provided under this section.

(e)(i) Subject to Subsection (11), fund money allocated and distributed under Subsection (4) may be used by a county highway authority for transportation corridor planning that is part of the transportation corridor elements of an ongoing work program of transportation or public transit projects.

(ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the direction of:

(A) the metropolitan planning organization if the county is within the boundaries of a metropolitan planning organization; or

(B) the department if the county is not within the boundaries of a metropolitan planning organization.

(f)(i) A county, city, or town that imposes a local option highway construction and transportation corridor preservation fee under Section 41-1a-1222 may elect to administer the funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving loan fund.

(ii) If a county, city, or town elects to administer the funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving loan fund, a local highway authority shall repay the fund money authorized for the project to the fund.

(iii) A county, city, or town that elects to administer the funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving loan fund shall establish repayment conditions of the money to the fund from the specified project funds.

(g)(i) Subject to the restrictions in Subsections (5)(g)(ii) and (iii), fund money may be used by a county of the third, fourth, fifth, or sixth class or by a city or town within a county of the third, fourth, fifth, or sixth class for:

(A) the construction, operation, or maintenance of a class B road or class C road; or

(B) the restoration or repair of survey monuments associated with transportation infrastructure.

(ii) A county, city, or town may not use more than 50% of the current balance of fund money allocated to the county, city, or town for the purposes described in

Subsection (5)(g)(i).

(iii) A county, city, or town may not use more than 50% of the fund revenue collections allocated to a county, city, or town in the current fiscal year for the purposes described in Subsection (5)(g)(i).

(6)(a)(i) The Local Highway and Transportation Corridor Preservation Fund shall be used to preserve transportation corridors, promote long-term statewide transportation planning, save on acquisition costs, and promote the best interests of the state in a manner which minimizes impact on prime agricultural land.

[~~(ii) The Local Highway and Transportation Corridor Preservation Fund shall only be used to preserve a transportation corridor that is right-of-way:~~]

[~~(A) in a county of the first or second class for:~~]

[~~(I) a state highway;~~]

[~~(II) a principal arterial highway as defined in Section 72-4-102.5;~~]

[~~(III) a minor arterial highway as defined in Section 72-4-102.5;~~]

[~~(IV) a collector highway in an urban area as defined in Section 72-4-102.5; or~~]

[~~(V) a transit facility as defined in Section 17B-2a-802; or~~]

[~~(B) in a county of the third, fourth, fifth, or sixth class for:~~]

[~~(I) a state highway;~~]

[~~(II) a principal arterial highway as defined in Section 72-4-102.5;~~]

[~~(III) a minor arterial highway as defined in Section 72-4-102.5;~~]

[~~(IV) a major collector highway as defined in Section 72-4-102.5;~~]

[~~(V) a minor collector road as defined in Section 72-4-102.5; or~~]

[~~(VI) a transit facility as defined in Section 17B-2a-802.~~]

(ii) Subject to Subsection (6)(c), in a county of the first or second class, the Local Highway and Transportation Corridor Preservation Fund shall only be used to preserve a transportation corridor that is right-of-way for:

(A) a state highway;

(B) a principal arterial highway as defined in Section 72-4-102.5;

(C) a minor arterial highway as defined in Section 72-4-102.5;

(D) a collector highway in an urban area as defined in Section 72-4-102.5;

(E) a transit facility as defined in Section 17B-2a-802; or

(F) regionally significant active transportation facilities identified in the regional transportation plan.

(iii) In a county of the third, fourth, fifth, or sixth class, the Local Highway and

Transportation Corridor Preservation Fund shall only be used to preserve a transportation corridor that is right-of-way for:

(A) a state highway;

(B) a principal arterial highway as defined in Section 72-4-102.5;

(C) a minor arterial highway as defined in Section 72-4-102.5;

(D) a major collector highway as defined in Section 72-4-102.5;

(E) a minor collector road as defined in Section 72-4-102.5; or

(F) a transit facility as defined in Section 17B-2a-802.

[~~(iii)~~] (iv) The Local Highway and Transportation Corridor Preservation Fund may not be used for a transportation corridor that is primarily a recreational trail as defined under Section 79-5-102.

(b) A highway authority shall authorize the expenditure of fund money after determining that the expenditure is being made in accordance with this section from applications that are:

(i) endorsed by the council of governments; and

(ii) for a right-of-way purchase for a transportation corridor authorized under Subsection (6)(a)(ii) or (iii).

(c)(i) In addition to the uses described in Subsections (6)(a) and (6)(b), subject to Subsection (6)(c)(ii), if a county legislative body makes a determination that there are no regionally significant corridor preservation acquisitions identified in the regional transportation plan for locally owned transportation facilities that are needed over the next 20 years, the following additional allowed uses of the locally imposed corridor preservation fund are permitted:

(A) development and construction of class A, class B, class C, and class D roads;

(B) traffic and pedestrian safety infrastructure;

(C) streets, alleys, roads, highways, and thoroughfares of any kind, including connected structures;

(D) active transportation facilities that are for nonmotorized vehicles and multimodal transportation;

(E) other modes and forms of conveyance used by the public, including parking structures; and

(F) transportation and other related capital facility construction, debt service or bond issuance costs, operations, and maintenance.

(ii)(A) A county legislative body and the associated metropolitan planning organization shall review the regional transportation plan not less than every four years to confirm that no new regionally significant corridor preservation acquisitions have been identified as needed.

(B) A county legislative body may not expend locally imposed corridor preservation funds for a use described in Subsection (6)(c)(i) unless the county legislative body determines and the relevant metropolitan planning organization concurs that no regionally significant corridor preservation needs exist in the next 20 years.

(7)(a)(i) A council of governments shall establish a council of governments endorsement process which includes prioritization and application procedures for use of the money allocated to each county under this section.

(ii) The endorsement process under Subsection (7)(a)(i) may include review or endorsement of the preservation project by:

(A) the metropolitan planning organization if the county is within the boundaries of a metropolitan planning organization; or

(B) the department if the county is not within the boundaries of a metropolitan planning organization.

(b) All fund money shall be prioritized by each highway authority and council of governments based on considerations, including:

(i) areas with rapidly expanding population;

(ii) the willingness of local governments to complete studies and impact statements that meet department standards;

(iii) the preservation of transportation corridors by the use of local planning and zoning processes;

(iv) the availability of other public and private matching funds for a project;

(v) the cost-effectiveness of the preservation projects;

(vi) long and short-term maintenance costs for property acquired; and

(vii) whether the transportation corridor is included as part of:

(A) the county and municipal master plan; and

(B)(I) the statewide long range plan; or

(II) the regional transportation plan of the area metropolitan planning organization if one exists for the area.

(c) The council of governments shall:

(i) establish a priority list of transportation corridor preservation projects within the county;

(ii) submit the list described in Subsection (7)(c)(i) to the county's legislative body for approval; and

(iii) obtain approval of the list described in Subsection (7)(c)(i) from a majority of the members of the county legislative body.

(d) A county's council of governments may only submit one priority list described in Subsection (7)(c)(i) per calendar year.

(e) A county legislative body may only consider and approve one priority list described in Subsection (7)(c)(i) per calendar year.

(8)(a) Unless otherwise provided by written agreement with another highway authority or public transit district, the highway authority that holds the deed to the property is responsible for maintenance of the property.

(b) The transfer of ownership for property acquired under this section from one highway authority to another shall include a recorded deed for the property and a written agreement between the highway authorities or public transit district.

(9)(a) The proceeds from any bonds or other obligations secured by revenues of the Local Highway and Transportation Corridor Preservation Fund shall be used for the purposes authorized for funds under this section.

(b) The highway authority shall pledge the necessary part of the revenues of the Local Highway and Transportation Corridor Preservation Fund to the payment of principal and interest on the bonds or other obligations.

(10)(a) A highway authority may not expend money under this section to purchase a right-of-way for a state highway unless the highway authority has:

(i) a transportation corridor property acquisition policy or ordinance in effect that meets department requirements for the acquisition of real property or any interests in real property under this section; and

(ii) an access management policy or ordinance in effect that meets the requirements under Subsection 72-2-117(8).

(b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a written agreement with the department for the department to acquire real property or any interests in real property on behalf of the local highway authority under this section.

(11) The county shall ensure, to the extent possible, that the fund money allocated and distributed to a city or town in accordance with Subsection (4) is expended:

(a) to fund a project or service as allowed by this section within the city or town to which the fund money is allocated;

(b) to pay debt service, principal, or interest on a bond or other obligation as allowed by this section if that bond or other obligation is:

(i) secured by money allocated to the city or town; and

(ii) issued to finance a project or service as allowed by this section within the city or town to which the fund money is allocated;

(c) to fund transportation planning as allowed by this section within the city or town to which the fund money is allocated; or

(d) for another purpose allowed by this section within the city or town to which the fund money is allocated.

(12) Notwithstanding any other provision in this section, any amounts within the fund allocated to a public transit district or for a public transit corridor may only be derived from the portion of the fund that does not include constitutionally restricted sources related to the operation of a motor vehicle on a public highway or proceeds from an excise tax on liquid motor fuel to propel a motor vehicle.

Section 9. **Repealer.**

This bill repeals:

Section **72-6-121, Clean fuel vehicle decal.**

Section 10. **Effective Date.**

<u>This bill takes effect on May 6, 2026.</u>