

Moderate Income Housing Infrastructure Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephanie Gricius

Senate Sponsor: Calvin R. Musselman

LONG TITLE

General Description:

This bill modifies requirements and incentives for moderate income housing plans and reports.

Highlighted Provisions:

This bill:

- modifies moderate income housing reporting requirements for reporting year 2026;
- modifies the information a municipality is required to submit in a moderate income housing report;
- provides priority consideration by the Transportation Commission for certain transportation projects if the change of new residential dwelling units in a municipality is 2.5% or greater; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

10-21-202 (Effective 05/06/26), as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 15

17-80-202 (Effective 05/06/26), as renumbered and amended by Laws of Utah 2025, First Special Session, Chapter 14

59-12-2220 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session, Chapter 15

28 **63I-2-210 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 29 Session, Chapter 15
 30 **63I-2-217 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 31 Session, Chapter 7
 32 **72-1-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 33 Session, Chapter 15
 34 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah
 35 2025, First Special Session, Chapter 15
 36 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
 37 Session, Chapter 15

38
 39 *Be it enacted by the Legislature of the state of Utah:*

40 Section 1. Section **10-21-202** is amended to read:

41 **10-21-202 (Effective 05/06/26). Moderate income housing report -- Contents --**
 42 **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil**
 43 **actions.**

44 (1)(a) The legislative body of a specified municipality shall submit an initial moderate
 45 income housing report to the division.

46 (b)(i) This Subsection (1)(b) applies to a municipality that is not a specified
 47 municipality as of January 1, 2023.

48 (ii) As of January 1, if a municipality changes from one class to another or grows in
 49 population to qualify as a specified municipality, the municipality shall submit an
 50 initial plan to the division on or before August 1 of the first calendar year
 51 beginning on January 1 in which the municipality qualifies as a specified
 52 municipality.

53 (c) The initial report shall:

54 (i) identify each moderate income housing strategy selected by the specified
 55 municipality for continued, ongoing, or one-time implementation, restating the
 56 exact language used to describe the moderate income housing strategy; and

57 (ii) include an implementation plan.

58 (d) For reporting year 2026:

59 (i) a specified municipality complies with the reporting requirements described in this
 60 section if the specified municipality satisfied the reporting requirements in 2025;

61 (ii) a specified municipality qualifies for priority consideration under Subsection

- 62 (5)(a) if the specified municipality qualified for priority consideration in 2025;
63 (iii) the Department of Transportation shall consider all municipalities that the
64 Department of Transportation received a notice of prioritization for in 2025
65 eligible for priority consideration under Subsection (5)(a); and
66 (iv) on or before July 1, 2026, a specified municipality shall report to the division on
67 the number of residential certificates of occupancy the municipality issued during
68 the previous 12-month period.
- 69 (2)(a) After the division approves a specified municipality's initial report under this
70 section, the specified municipality shall, as an administrative act, annually submit to
71 the division a subsequent progress report on or before August 1 of each year after the
72 year in which the specified municipality is required to submit the initial report.
- 73 (b) The subsequent progress report shall include:
- 74 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
75 ongoing, taken by the specified municipality during the previous 12-month period
76 to implement the moderate income housing strategies identified in the initial
77 report for implementation;
- 78 (ii) a description of each land use regulation or land use decision made by the
79 specified municipality during the previous 12-month period to implement the
80 moderate income housing strategies, including an explanation of how the land use
81 regulation or land use decision supports the specified municipality's efforts to
82 implement the moderate income housing strategies;
- 83 (iii) a description of any barriers encountered by the specified municipality in the
84 previous 12-month period in implementing the moderate income housing
85 strategies;
- 86 (iv) information regarding the number of internal and external or detached accessory
87 dwelling units located within the specified municipality for which the specified
88 municipality:
- 89 (A) issued a building permit to construct; or
90 (B) issued a business license or comparable license or permit to rent;
- 91 (v) the number of residential dwelling units that have been entitled that have not
92 received a building permit as of the submission date of the progress report;
- 93 (vi) the number of new residential dwelling units, as measured by the number of
94 residential certificates of occupancy the specified municipality issued during the
95 previous 12-month period;

96 (vii) the estimated percent change of total residential dwelling units, as measured by
 97 comparing the number of residential certificates of occupancy the specified
 98 municipality issued during the previous 12-month period to the number of housing
 99 units that existed in the specified municipality before the day on which the
 100 previous 12-month period began;

101 [~~(vi)~~] (viii) shapefiles, or website links if shapefiles are not available, to current maps
 102 and tables related to zoning;

103 [~~(vii)~~] (ix) a description of how the market has responded to the selected moderate
 104 income housing strategies, including the number of entitled moderate income
 105 housing units or other relevant data; and

106 [~~(viii)~~] (x) any recommendations on how the state can support the specified
 107 municipality in implementing the moderate income housing strategies.

108 (c) For purposes of describing actions taken by a specified municipality under
 109 Subsection (2)(b)(i), the specified municipality may include an ongoing action taken
 110 by the specified municipality before the 12-month reporting period applicable to the
 111 subsequent progress report if the specified municipality:

112 (i) has already adopted an ordinance, approved a land use application, made an
 113 investment, or approved an agreement or financing that substantially promotes the
 114 implementation of a moderate income housing strategy identified in the initial
 115 report; and

116 (ii) demonstrates in the subsequent progress report that the action taken under
 117 Subsection (2)(c)(i) is relevant to making meaningful progress towards the
 118 specified municipality's implementation plan.

119 (d) A specified municipality's report shall be in a form:

120 (i) approved by the division; and

121 (ii) made available by the division on or before May 1 of the year in which the report
 122 is required.

123 (3) Within 90 days after the day on which the division receives a specified municipality's
 124 report, the division shall:

125 (a) post the report on the division's website;

126 (b) send a copy of the report to the Department of Transportation, the Governor's Office
 127 of Planning and Budget, the association of governments in which the specified
 128 municipality is located, and, if the specified municipality is located within the
 129 boundaries of a metropolitan planning organization, the appropriate metropolitan

- 130 planning organization; and
- 131 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 132 (4)(a) An initial report complies with this section if the report:
- 133 (i) includes the information required under Subsection (1)(c);
- 134 (ii) demonstrates to the division that the specified municipality made plans to
- 135 implement:
- 136 (A) three or more moderate income housing strategies if the specified
- 137 municipality does not have a fixed guideway public transit station; or
- 138 (B) if the specified municipality has a fixed guideway public transit station:
- 139 (I) five or more of the moderate income housing strategies described in
- 140 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
- 141 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
- 142 shall be a moderate income housing strategy described in Subsection
- 143 10-21-201(3)(a)(iii)(G) or (H); or
- 144 (II) the moderate income housing strategy described in Subsection
- 145 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
- 146 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
- 147 moderate income strategy described in Subsection 10-21-201(3)(a)(iii); and
- 148 (iii) is in a form approved by the division.
- 149 (b) A subsequent progress report complies with this section if the report:
- 150 (i) demonstrates to the division that the specified municipality made plans to
- 151 implement:
- 152 (A) three or more moderate income housing strategies if the specified
- 153 municipality does not have a fixed guideway public transit station; or
- 154 (B) if the specified municipality has a fixed guideway public transit station:
- 155 (I) five or more of the moderate income housing strategies described in
- 156 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
- 157 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
- 158 shall be a moderate income housing strategy described in Subsection
- 159 10-21-201(3)(a)(iii)(G) or (H); or
- 160 (II) the moderate income housing strategy described in Subsection
- 161 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
- 162 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
- 163 moderate income housing strategy described in Subsection

- 164 10-21-201(3)(a)(iii);
- 165 (ii) is in a form approved by the division; and
- 166 (iii) provides sufficient information for the division to:
- 167 (A) assess the specified municipality's progress in implementing the moderate
- 168 income housing strategies;
- 169 (B) monitor compliance with the specified municipality's implementation plan;
- 170 (C) identify a clear correlation between the specified municipality's land use
- 171 regulations and land use decisions and the specified municipality's efforts to
- 172 implement the moderate income housing strategies;
- 173 (D) identify how the market has responded to the specified municipality's selected
- 174 moderate income housing strategies;[~~and~~]
- 175 (E) determine if the percent change of new residential dwelling units in the
- 176 municipality during the previous 12-month period is 2.5% or greater; and
- 177 [~~E~~] (F) identify any barriers encountered by the specified municipality in
- 178 implementing the selected moderate income housing strategies.
- 179 (c)(i) Notwithstanding the requirements of Subsection (4)(a)(ii)(A) or (b)(i)(A), if a
- 180 specified municipality without a fixed guideway public transit station implements
- 181 or is implementing, by ordinance or development agreement, one of the following
- 182 moderate income housing strategies, the division shall consider that one moderate
- 183 income housing strategy to be the equivalent of three moderate income housing
- 184 strategies:
- 185 (A) a housing and transit reinvestment zone, as described in Subsection
- 186 10-21-201(3)(a)(iii)(X);
- 187 (B) a home ownership promotion zone, as described in Subsection
- 188 10-21-201(3)(a)(iii)(Y);
- 189 (C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);
- 190 (D) the approval or completion of a project described in Subsection
- 191 10-21-201(3)(a)(iii)(AA);
- 192 (E) a qualifying affordable home ownership density bonus for single-family
- 193 residential units, as described in Subsection 10-21-201(3)(a)(iii)(BB); or
- 194 (F) a qualifying affordable home ownership density bonus for multi-family
- 195 residential units, as described in Subsection 10-21-201(3)(a)(iii)(CC).
- 196 (ii) If the division considers one moderate income housing strategy described in
- 197 Subsection (4)(c)(i) as the equivalent of three moderate income housing strategies,

- 198 the division shall also consider the specified municipality compliant with the
199 reporting requirement described in this section for:
- 200 (A) the year in which the specified municipality submits the initial report or
201 subsequent report; and
202 (B) two subsequent reporting years.
- 203 (5)(a) A specified municipality qualifies for priority consideration under this Subsection
204 (5) if the specified municipality's report:
- 205 (i) complies with this section; and
206 (ii) demonstrates to the division that the specified municipality made plans to
207 implement:
- 208 (A) five or more moderate income housing strategies if the specified municipality
209 does not have a fixed guideway public transit station; or
210 (B) six or more moderate income housing strategies if the specified municipality
211 has a fixed guideway public transit station.
- 212 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
213 give priority consideration to transportation projects located within the boundaries of
214 a specified municipality described in Subsection (5)(a) until the Department of
215 Transportation receives notice from the division under Subsection [~~(5)(e)~~] (7)(c).
- 216 (6)(a) In addition to the priority consideration a specified municipality may receive
217 under Subsection (5), a specified municipality qualifies for priority consideration
218 under this Subsection (6) if the specified municipality's report:
- 219 (i) complies with this section; and
220 (ii) demonstrates to the division that the specified municipality's percent change of
221 new residential dwelling units in the municipality during the previous 12-month
222 period, as described in Subsection (2)(b)(vii), is 2.5% or greater.
- 223 (b) The Transportation Commission shall, in accordance with Subsection 72-1-304(3)(c),
224 give priority consideration to a significant regional transportation project, as
225 determined by the Transportation Commission, that benefits a specified municipality
226 described in Subsection (6)(a) and is located within or outside the boundaries of the
227 specified municipality until the Department of Transportation receives notice from
228 the division under Subsection (7)(c).
- 229 [~~(e)~~] (7)(a) Upon determining that a specified municipality qualifies for priority
230 consideration under[~~this~~] Subsection (5) or (6), the division shall send a notice of
231 prioritization to the legislative body of the specified municipality and the Department

232 of Transportation.

233 [~~(d)~~] (b) The notice described in Subsection [~~(5)(e)~~] (7)(a) shall:

- 234 (i) name the specified municipality that qualifies for priority consideration;
- 235 (ii) describe the funds or projects for which the specified municipality qualifies to
- 236 receive priority consideration under Subsection (5) or (6); and
- 237 (iii) state the basis for the division's determination that the specified municipality
- 238 qualifies for priority consideration.

239 [~~(e)~~] (c) The division shall notify the legislative body of a specified municipality and the

240 Department of Transportation in writing if the division determines that the specified

241 municipality no longer qualifies for priority consideration under [~~this~~] Subsection (5)

242 or (6).

243 [~~(6)~~] (8)(a) If the division, after reviewing a specified municipality's report, determines

244 that the report does not comply with this section, the division shall send a notice of

245 noncompliance to the legislative body of the specified municipality.

246 (b) A specified municipality that receives a notice of noncompliance may:

- 247 (i) cure each deficiency in the report within 90 days after the day on which the notice
- 248 of noncompliance is sent; or
- 249 (ii) request an appeal of the division's determination of noncompliance within 10
- 250 days after the day on which the notice of noncompliance is sent.

251 (c) The notice described in Subsection [~~(6)(a)~~] (8)(a) shall:

- 252 (i) describe each deficiency in the report and the actions needed to cure each
- 253 deficiency;
- 254 (ii) state that the specified municipality has an opportunity to:
- 255 (A) submit to the division a corrected report that cures each deficiency in the
- 256 report within 90 days after the day on which the notice of compliance is sent; or
- 257 (B) submit to the division a request for an appeal of the division's determination of
- 258 noncompliance within 10 days after the day on which the notice of
- 259 noncompliance is sent; and
- 260 (iii) state that failure to take action under Subsection [~~(6)(e)(ii)~~] (8)(c)(ii) will result in
- 261 the specified municipality's ineligibility for funds under Subsection [~~(8)~~] (10).

262 (d) For purposes of curing the deficiencies in a report under this Subsection [~~(6)~~] (8), if

263 the action needed to cure the deficiency as described by the division requires the

264 specified municipality to make a legislative change, the specified municipality may

265 cure the deficiency by making that legislative change within the 90-day cure period.

- 266 (e)(i) If a specified municipality submits to the division a corrected report in
267 accordance with Subsection [~~(6)(b)(i)~~] (8)(b)(i) and the division determines that
268 the corrected report does not comply with this section, the division shall send a
269 second notice of noncompliance to the legislative body of the specified
270 municipality within 30 days after the day on which the corrected report is
271 submitted.
- 272 (ii) A specified municipality that receives a second notice of noncompliance may
273 submit to the division a request for an appeal of the division's determination of
274 noncompliance within 10 days after the day on which the second notice of
275 noncompliance is sent.
- 276 (iii) The notice described in Subsection [~~(6)(e)(i)~~] (8)(e)(i) shall:
- 277 (A) state that the specified municipality has an opportunity to submit to the
278 division a request for an appeal of the division's determination of
279 noncompliance within 10 days after the day on which the second notice of
280 noncompliance is sent; and
- 281 (B) state that failure to take action under Subsection [~~(6)(e)(iii)(A)~~] (8)(e)(iii)(A)
282 will result in the specified municipality's ineligibility for funds under
283 Subsection [~~(8)~~] (10).
- 284 [~~(7)~~] (9)(a) A specified municipality that receives a notice of noncompliance under
285 Subsection [~~(6)(a)~~] (8)(a) or [~~(6)(e)(i)~~] (8)(e)(i) may request an appeal of the division's
286 determination of noncompliance within 10 days after the day on which the notice of
287 noncompliance is sent.
- 288 (b) Within 90 days after the day on which the division receives a request for an appeal,
289 an appeal board consisting of the following three members shall review and issue a
290 written decision on the appeal:
- 291 (i) one individual appointed by the Utah League of Cities and Towns;
292 (ii) one individual appointed by the Utah Homebuilders Association; and
293 (iii) one individual appointed by the presiding member of the association of
294 governments, established in accordance with an interlocal agreement under Title
295 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is
296 a member.
- 297 (c) The written decision of the appeal board shall either uphold or reverse the division's
298 determination of noncompliance.
- 299 (d) The appeal board's written decision on the appeal is final.

- 300 ~~(8)~~ (10)(a) A specified municipality is ineligible for funds under this Subsection ~~(8)~~
- 301 (10) if:
- 302 (i) the specified municipality fails to submit a report to the division;
- 303 (ii) after submitting a report to the division, the division determines that the report
- 304 does not comply with this section and the specified municipality fails to:
- 305 (A) cure each deficiency in the report within 90 days after the day on which the
- 306 notice of noncompliance is sent; or
- 307 (B) request an appeal of the division's determination of noncompliance within 10
- 308 days after the day on which the notice of noncompliance is sent;
- 309 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 310 previously submitted report, the division determines that the corrected report does
- 311 not comply with this section and the specified municipality fails to request an
- 312 appeal of the division's determination of noncompliance within 10 days after the
- 313 day on which the second notice of noncompliance is sent; or
- 314 (iv) after submitting a request for an appeal under Subsection ~~(7)~~ (9), the appeal
- 315 board issues a written decision upholding the division's determination of
- 316 noncompliance.
- 317 (b) The following apply to a specified municipality described in Subsection ~~(8)(a)~~
- 318 (10)(a) until the division provides notice under Subsection ~~(8)(e)~~ (10)(e):
- 319 (i) the executive director of the Department of Transportation may not program funds
- 320 from the Transportation Investment Fund of 2005, including the Transit
- 321 Transportation Investment Fund, to projects located within the boundaries of the
- 322 specified municipality in accordance with Subsection 72-2-124(5);
- 323 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a
- 324 fee to the Olene Walker Housing Loan Fund in the amount of \$250 per day that
- 325 the specified municipality:
- 326 (A) fails to submit the report to the division in accordance with this section,
- 327 beginning the day after the day on which the report was due; or
- 328 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 329 which the cure was required to occur as described in the notice of
- 330 noncompliance under Subsection ~~(6)~~ (8); and
- 331 (iii) beginning with the report submitted in 2025, the specified municipality shall pay
- 332 a fee to the Olene Walker Housing Loan Fund in the amount of \$500 per day that
- 333 the specified municipality, in a consecutive year:

- 334 (A) fails to submit the report to the division in accordance with this section,
 335 beginning the day after the day on which the report was due; or
 336 (B) fails to cure the deficiencies in the report, beginning the day after the day by
 337 which the cure was required to occur as described in the notice of
 338 noncompliance under Subsection [~~(6)~~] (8).
- 339 (c) Upon determining that a specified municipality is ineligible for funds under this
 340 Subsection [~~(8)~~] (10), and is required to pay a fee under Subsection [~~(8)(b)~~] (10)(b), if
 341 applicable, the division shall send a notice of ineligibility to the legislative body of
 342 the specified municipality, the Department of Transportation, the State Tax
 343 Commission, and the Governor's Office of Planning and Budget.
- 344 (d) The notice described in Subsection [~~(8)(e)~~] (10)(c) shall:
 345 (i) name the specified municipality that is ineligible for funds;
 346 (ii) describe the funds for which the specified municipality is ineligible to receive;
 347 (iii) describe the fee the specified municipality is required to pay under Subsection [~~(8)(b)~~] (10)(b), if applicable; and
 348 (iv) state the basis for the division's determination that the specified municipality is
 349 ineligible for funds.
- 350 (e) The division shall notify the legislative body of a specified municipality and the
 351 Department of Transportation in writing if the division determines that the provisions
 352 of this Subsection [~~(8)~~] (10) no longer apply to the specified municipality.
- 353 (f) The division may not determine that a specified municipality that is required to pay a
 354 fee under Subsection [~~(8)(b)~~] (10)(b) is in compliance with the reporting requirements
 355 of this section until the specified municipality pays all outstanding fees required
 356 under Subsection [~~(8)(b)~~] (10)(b) to the Olene Walker Housing Loan Fund, created
 357 under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.
- 358 [~~(9)~~] (11) In a civil action seeking enforcement or claiming a violation of this section or of
 359 Subsection 10-20-405(4)(c), a plaintiff may not recover damages but may be awarded
 360 only injunctive or other equitable relief.

361 Section 2. Section **17-80-202** is amended to read:

362 **17-80-202 (Effective 05/06/26). Moderate income housing report -- Contents --**
 363 **Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil**
 364 **actions.**

- 365 (1)(a) The legislative body of a specified county shall annually submit an initial report to
 366 the division.
 367

- 368 (b)(i) This Subsection (1)(b) applies to a county that is not a specified county as of
369 January 1, 2023.
- 370 (ii) As of January 1, if a county changes from one class to another or grows in
371 population to qualify as a specified county, the county shall submit an initial plan
372 to the division on or before August 1 of the first calendar year beginning on
373 January 1 in which the county qualifies as a specified county.
- 374 (c) The initial report shall:
- 375 (i) identify each moderate income housing strategy selected by the specified county
376 for continued, ongoing, or one-time implementation, using the exact language
377 used to describe the moderate income housing strategy; and
- 378 (ii) include an implementation plan.
- 379 (d) For reporting year 2026:
- 380 (i) a specified county complies with the reporting requirements described in this
381 section if the specified county satisfied the reporting requirements in 2025; and
- 382 (ii) a specified county qualifies for priority consideration under Subsection (5)(a) if
383 the specified county qualified for priority consideration in 2025.
- 384 (2)(a) After the division approves a specified county's initial report under this section,
385 the specified county shall, as an administrative act, annually submit to the division a
386 subsequent progress report on or before August 1 of each year after the year in which
387 the specified county is required to submit the initial report.
- 388 (b) The subsequent progress report shall include:
- 389 (i) subject to Subsection (2)(c), a description of each action, whether one-time or
390 ongoing, taken by the specified county during the previous 12-month period to
391 implement the moderate income housing strategies identified in the initial report
392 for implementation;
- 393 (ii) a description of each land use regulation or land use decision made by the
394 specified county during the previous 12-month period to implement the moderate
395 income housing strategies, including an explanation of how the land use
396 regulation or land use decision supports the specified county's efforts to
397 implement the moderate income housing strategies;
- 398 (iii) a description of any barriers encountered by the specified county in the previous
399 12-month period in implementing the moderate income housing strategies;
- 400 (iv) the number of residential dwelling units that have been entitled that have not
401 received a building permit as of the submission date of the progress report;

- 402 (v) shapefiles, or website links if shapefiles are not available, to current maps and
403 tables related to zoning;
- 404 (vi) information regarding the number of internal and external or detached accessory
405 dwelling units located within the specified county for which the specified county:
406 (A) issued a building permit to construct; or
407 (B) issued a business license or comparable license or permit to rent;
- 408 (vii) a description of how the market has responded to the selected moderate income
409 housing strategies, including the number of entitled moderate income housing
410 units or other relevant data; and
- 411 (viii) any recommendations on how the state can support the specified county in
412 implementing the moderate income housing strategies.
- 413 (c) For purposes of describing actions taken by a specified county under Subsection
414 (2)(b)(i), the specified county may include an ongoing action taken by the specified
415 county before the 12-month reporting period applicable to the subsequent progress
416 report if the specified county:
- 417 (i) has already adopted an ordinance, approved a land use application, made an
418 investment, or approved an agreement or financing that substantially promotes the
419 implementation of a moderate income housing strategy identified in the initial
420 report; and
- 421 (ii) demonstrates in the subsequent progress report that the action taken under
422 Subsection (2)(b)(i) is relevant to making meaningful progress towards the
423 specified county's implementation plan.
- 424 (d) A specified county's report shall be in a form:
- 425 (i) approved by the division; and
426 (ii) made available by the division on or before May 1 of the year in which the report
427 is required.
- 428 (3) Within 90 days after the day on which the division receives a specified county's report,
429 the division shall:
- 430 (a) post the report on the division's website;
- 431 (b) send a copy of the report to the Department of Transportation, the Governor's Office
432 of Planning and Budget, the association of governments in which the specified
433 county is located, and, if the unincorporated area of the specified county is located
434 within the boundaries of a metropolitan planning organization, the appropriate
435 metropolitan planning organization; and

- 436 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 437 (4)(a) An initial report complies with this section if the report:
- 438 (i) includes the information required under Subsection (1)(c);
- 439 (ii) demonstrates to the division that the specified county made plans to implement
- 440 three or more moderate income housing strategies described in Subsections
- 441 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing
- 442 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB); and
- 443 (iii) is in a form approved by the division.
- 444 (b) A subsequent progress report complies with this section if the report:
- 445 (i) demonstrates to the division that the specified county made plans to implement or
- 446 is implementing three or more moderate income housing strategies described in
- 447 Subsections 17-80-201(3)(a)(ii)(A) though (V) or at least one moderate income
- 448 housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB);
- 449 (ii) is in a form approved by the division; and
- 450 (iii) provides sufficient information for the division to:
- 451 (A) assess the specified county's progress in implementing the moderate income
- 452 housing strategies;
- 453 (B) monitor compliance with the specified county's implementation plan;
- 454 (C) identify a clear correlation between the specified county's land use decisions
- 455 and efforts to implement the moderate income housing strategies;
- 456 (D) identify how the market has responded to the specified county's selected
- 457 moderate income housing strategies; and
- 458 (E) identify any barriers encountered by the specified county in implementing the
- 459 selected moderate income housing strategies.
- 460 (c) If a specified county initial report or subsequent progress report demonstrates the
- 461 county plans to implement or is implementing at least one moderate income housing
- 462 strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB), the division
- 463 shall also consider the specified county compliant with the reporting requirement
- 464 described in this section for:
- 465 (i) the year in which the specified county submits the report; and
- 466 (ii) two subsequent reporting years.
- 467 (5)(a) A specified county qualifies for priority consideration under this Subsection (5) if
- 468 the specified county's report:
- 469 (i) complies with this section; and

- 470 (ii) demonstrates to the division that the specified county made plans to implement
471 five or more moderate income housing strategies.
- 472 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c),
473 give priority consideration to transportation projects located within the
474 unincorporated areas of a specified county described in Subsection (5)(a) until the
475 Department of Transportation receives notice from the division under Subsection
476 (5)(e).
- 477 (c) Upon determining that a specified county qualifies for priority consideration under
478 this Subsection (5), the division shall send a notice of prioritization to the legislative
479 body of the specified county and the Department of Transportation.
- 480 (d) The notice described in Subsection (5)(c) shall:
- 481 (i) name the specified county that qualifies for priority consideration;
- 482 (ii) describe the funds or projects for which the specified county qualifies to receive
483 priority consideration; and
- 484 (iii) state the basis for the division's determination that the specified county qualifies
485 for priority consideration.
- 486 (e) The division shall notify the legislative body of a specified county and the
487 Department of Transportation in writing if the division determines that the specified
488 county no longer qualifies for priority consideration under this Subsection (5).
- 489 (6)(a) If the division, after reviewing a specified county's report, determines that the
490 report does not comply with this section, the division shall send a notice of
491 noncompliance to the legislative body of the specified county.
- 492 (b) A specified county that receives a notice of noncompliance may:
- 493 (i) cure each deficiency in the report within 90 days after the day on which the notice
494 of noncompliance is sent; or
- 495 (ii) request an appeal of the division's determination of noncompliance within 10
496 days after the day on which the notice of noncompliance is sent.
- 497 (c) The notice described in Subsection (6)(a) shall:
- 498 (i) describe each deficiency in the report and the actions needed to cure each
499 deficiency;
- 500 (ii) state that the specified county has an opportunity to:
- 501 (A) submit to the division a corrected report that cures each deficiency in the
502 report within 90 days after the day on which the notice of noncompliance is
503 sent; or

- 504 (B) submit to the division a request for an appeal of the division's determination of
505 noncompliance within 10 days after the day on which the notice of
506 noncompliance is sent; and
- 507 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the
508 specified county's ineligibility for funds and fees owed under Subsection (8).
- 509 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the
510 action needed to cure the deficiency as described by the division requires the
511 specified county to make a legislative change, the specified county may cure the
512 deficiency by making that legislative change within the 90-day cure period.
- 513 (e)(i) If a specified county submits to the division a corrected report in accordance
514 with Subsection (6)(b)(i), and the division determines that the corrected report
515 does not comply with this section, the division shall send a second notice of
516 noncompliance to the legislative body of the specified county.
- 517 (ii) A specified county that receives a second notice of noncompliance may request
518 an appeal of the division's determination of noncompliance within 10 days after
519 the day on which the second notice of noncompliance is sent.
- 520 (iii) The notice described in Subsection (6)(e)(i) shall:
- 521 (A) state that the specified county has an opportunity to submit to the division a
522 request for an appeal of the division's determination of noncompliance within
523 10 days after the day on which the second notice of noncompliance is sent; and
- 524 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the
525 specified county's ineligibility for funds under Subsection (8).
- 526 (7)(a) A specified county that receives a notice of noncompliance under Subsection (6)(a)
527 or (6)(e)(i) may request an appeal of the division's determination of noncompliance
528 within 10 days after the day on which the notice of noncompliance is sent.
- 529 (b) Within 90 days after the day on which the division receives a request for an appeal,
530 an appeal board consisting of the following three members shall review and issue a
531 written decision on the appeal:
- 532 (i) one individual appointed by the Utah Association of Counties;
- 533 (ii) one individual appointed by the Utah Homebuilders Association; and
- 534 (iii) one individual appointed by the presiding member of the association of
535 governments, established in accordance with an interlocal agreement under Title
536 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a
537 member.

- 538 (c) The written decision of the appeal board shall either uphold or reverse the division's
539 determination of noncompliance.
- 540 (d) The appeal board's written decision on the appeal is final.
- 541 (8)(a) A specified county is ineligible for funds and owes a fee under this Subsection (8)
542 if:
- 543 (i) the specified county fails to submit a report to the division;
- 544 (ii) after submitting a report to the division, the division determines that the report
545 does not comply with this section and the specified county fails to:
- 546 (A) cure each deficiency in the report within 90 days after the day on which the
547 notice of noncompliance is sent; or
- 548 (B) request an appeal of the division's determination of noncompliance within 10
549 days after the day on which the notice of noncompliance is sent;
- 550 (iii) after submitting to the division a corrected report to cure the deficiencies in a
551 previously submitted report, the division determines that the corrected report does
552 not comply with this section and the specified county fails to request an appeal of
553 the division's determination of noncompliance within 10 days after the day on
554 which the second notice of noncompliance is sent; or
- 555 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
556 issues a written decision upholding the division's determination of noncompliance.
- 557 (b) The following apply to a specified county described in Subsection (8)(a) until the
558 division provides notice under Subsection (8)(e):
- 559 (i) the executive director of the Department of Transportation may not program funds
560 from the Transportation Investment Fund of 2005, including the Transit
561 Transportation Investment Fund, to projects located within the unincorporated
562 areas of the specified county in accordance with Subsection 72-2-124(6);
- 563 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
564 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
565 specified county:
- 566 (A) fails to submit the report to the division in accordance with this section,
567 beginning the day after the day on which the report was due; or
- 568 (B) fails to cure the deficiencies in the report, beginning the day after the day by
569 which the cure was required to occur as described in the notice of
570 noncompliance under Subsection (6); and
- 571 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee

- 572 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the
 573 specified county, for a consecutive year:
- 574 (A) fails to submit the report to the division in accordance with this section,
 575 beginning the day after the day on which the report was due; or
- 576 (B) fails to cure the deficiencies in the report, beginning the day after the day by
 577 which the cure was required to occur as described in the notice of
 578 noncompliance under Subsection (6).
- 579 (c) Upon determining that a specified county is ineligible for funds under this
 580 Subsection (8), and is required to pay a fee under Subsection (8)(b), if applicable, the
 581 division shall send a notice of ineligibility to the legislative body of the specified
 582 county, the Department of Transportation, the State Tax Commission, and the
 583 Governor's Office of Planning and Budget.
- 584 (d) The notice described in Subsection (8)(c) shall:
- 585 (i) name the specified county that is ineligible for funds;
 586 (ii) describe the funds for which the specified county is ineligible to receive;
 587 (iii) describe the fee the specified county is required to pay under Subsection (8)(b),
 588 if applicable; and
 589 (iv) state the basis for the division's determination that the specified county is
 590 ineligible for funds.
- 591 (e) The division shall notify the legislative body of a specified county and the
 592 Department of Transportation in writing if the division determines that the provisions
 593 of this Subsection (8) no longer apply to the specified county.
- 594 (f) The division may not determine that a specified county that is required to pay a fee
 595 under Subsection (8)(b) is in compliance with the reporting requirements of this
 596 section until the specified county pays all outstanding fees required under Subsection
 597 (8)(b) to the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8,
 598 Part 5, Olene Walker Housing Loan Fund.
- 599 (9) In a civil action seeking enforcement or claiming a violation of this section or of
 600 Subsection 17-79-404(5)(c), a plaintiff may not recover damages but may be awarded
 601 only injunctive or other equitable relief.
- 602 Section 3. Section **59-12-2220** is amended to read:
- 603 **59-12-2220 (Effective 05/06/26). County option sales and use tax to fund**
 604 **highways or a system for public transit -- Base -- Rate.**
- 605 (1) Subject to the other provisions of this part and subject to the requirements of this

- 606 section, the following counties may impose a sales and use tax under this section:
- 607 (a) a county legislative body may impose the sales and use tax on the transactions
- 608 described in Subsection 59-12-103(1) located within the county, including the cities
- 609 and towns within the county if:
- 610 (i) the entire boundary of a county is annexed into a large public transit district; and
- 611 (ii) the maximum amount of sales and use tax authorizations allowed in accordance
- 612 with Section 59-12-2203 and authorized under the following sections has been
- 613 imposed:
- 614 (A) Section 59-12-2213;
- 615 (B) Section 59-12-2214;
- 616 (C) Section 59-12-2215;
- 617 (D) Section 59-12-2216;
- 618 (E) Section 59-12-2217;
- 619 (F) Section 59-12-2218; and
- 620 (G) Section 59-12-2219;
- 621 (b) if the county is not annexed into a large public transit district, the county legislative
- 622 body may impose the sales and use tax on the transactions described in Subsection
- 623 59-12-103(1) located within the county, including the cities and towns within the
- 624 county if:
- 625 (i) the county is an eligible political subdivision; or
- 626 (ii) a city or town within the boundary of the county is an eligible political
- 627 subdivision; or
- 628 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
- 629 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)
- 630 located within the county, including the cities and towns within the county.
- 631 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
- 632 county legislative body that imposes a sales and use tax under this section may impose
- 633 the tax at a rate of .2%.
- 634 (3)(a) The commission shall distribute sales and use tax revenue collected under this
- 635 section as determined by a county legislative body as described in Subsection (3)(b).
- 636 (b) If a county legislative body imposes a sales and use tax as described in this section,
- 637 the county legislative body may elect to impose a sales and use tax revenue
- 638 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
- 639 county, and presence and type of a public transit provider in the county.

- 640 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a
641 county legislative body imposes a sales and use tax as described in this section, and the
642 entire boundary of the county is annexed into a large public transit district, and the
643 county is a county of the first class, the commission shall distribute the sales and use tax
644 revenue as follows:
- 645 (a) .10% to a public transit district as described in Subsection (11);
 - 646 (b) .05% to the cities and towns as provided in Subsection (8); and
 - 647 (c) .05% to the county legislative body.
- 648 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as
649 described in this section and the entire boundary of the county is annexed into a large
650 public transit district, and the county is a county not described in Subsection (4), the
651 commission shall distribute the sales and use tax revenue as follows:
- 652 (a) .10% to a public transit district as described in Subsection (11);
 - 653 (b) .05% to the cities and towns as provided in Subsection (8); and
 - 654 (c) .05% to the county legislative body.
- 655 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that
656 imposes a sales and use tax as described in this section is not annexed into a single
657 public transit district, but a city or town within the county is annexed into a single
658 public transit district, or if the city or town is an eligible political subdivision, the
659 commission shall distribute the sales and use tax revenue collected within the county
660 as provided in Subsection (6)(b) or (c).
- 661 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
662 annexed into the single public transit district, or an eligible political subdivision, the
663 commission shall distribute the sales and use tax revenue collected within the portion
664 of the county that is within a public transit district or eligible political subdivision as
665 follows:
 - 666 (i) .05% to a public transit provider as described in Subsection (11);
 - 667 (ii) .075% to the cities and towns as provided in Subsection (8); and
 - 668 (iii) .075% to the county legislative body.
 - 669 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county
670 described in Subsection (6)(a) that is not annexed into a single public transit district
671 or eligible political subdivision in the county, the commission shall distribute the
672 sales and use tax revenue collected within that portion of the county as follows:
 - 673 (i) .08% to the cities and towns as provided in Subsection (8); and

- 674 (ii) .12% to the county legislative body.
- 675 (7) For a county without a public transit service that imposes a sales and use tax as
676 described in this section, the commission shall distribute the sales and use tax revenue
677 collected within the county as follows:
- 678 (a) .08% to the cities and towns as provided in Subsection (8); and
679 (b) .12% to the county legislative body.
- 680 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
681 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
- 682 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
683 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
684 through (7) shall be distributed to the unincorporated areas, cities, and towns
685 within those counties on the basis of the percentage that the population of each
686 unincorporated area, city, or town bears to the total population of all of the
687 counties that impose a tax under this section; and
- 688 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
689 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
690 through (7) shall be distributed to the unincorporated areas, cities, and towns
691 within those counties on the basis of the location of the transaction as determined
692 under Sections 59-12-211 through 59-12-215.
- 693 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent
694 not otherwise required by federal law:
- 695 (A) the most recent estimate from the Utah Population Committee created in
696 Section 63C-20-103; or
- 697 (B) if the Utah Population Committee estimate is not available for each
698 municipality and unincorporated area, the adjusted sub-county population
699 estimate provided by the Utah Population Committee in accordance with
700 Section 63C-20-104.
- 701 (ii) If a needed population estimate is not available from the United States Census
702 Bureau, population figures shall be derived from an estimate from the Utah
703 Population Estimates Committee created by executive order of the governor.
- 704 (c)(i) Beginning on January 1, 2024, if the Housing and Community Development
705 Division within the Department of Workforce Services determines that a city or
706 town is ineligible for funds in accordance with Subsection [~~10-21-202(6)~~]
707 10-21-202(8), beginning the first day of the calendar quarter after receiving 90

- 708 days' notice, the commission shall distribute the distribution that city or town
 709 would have received under Subsection (8)(a) to cities or towns to which
 710 Subsection [~~10-21-202(6)~~] 10-21-202(8) does not apply.
- 711 (ii) Beginning on January 1, 2024, if the Housing and Community Development
 712 Division within the Department of Workforce Services determines that a county is
 713 ineligible for funds in accordance with Subsection 17-80-202(6), beginning the
 714 first day of the calendar quarter after receiving 90 days' notice, the commission
 715 shall distribute the distribution that county would have received under Subsection
 716 (8)(a) to counties to which Subsection 17-80-202(6) does not apply.
- 717 (9) If a public transit service is organized after the date a county legislative body first
 718 imposes a tax under this section, a change in a distribution required by this section may
 719 not take effect until the first distribution the commission makes under this section after a
 720 90-day period that begins on the date the commission receives written notice from the
 721 public transit provider that the public transit service has been organized.
- 722 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that
 723 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
 724 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in
 725 Section 59-12-2212.2.
- 726 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
 727 the sales and use tax authorized in this section, the county may also use funds
 728 distributed in accordance with Subsection (4)(c) for public safety purposes.
- 729 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city
 730 relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable
 731 use of revenue from a sales and use tax under this section includes the revitalization
 732 of a convention center owned by the county within a city of the first class and
 733 surrounding revitalization projects related to the convention center.
- 734 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
 735 as described in this section may be used for capital expenses and service delivery
 736 expenses of:
- 737 (i) a public transit district;
- 738 (ii) an eligible political subdivision; or
- 739 (iii) another entity providing a service for public transit or a transit facility within the
 740 relevant county, as those terms are defined in Section 17B-2a-802.
- 741 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this

742 section, beginning on the date on which the county imposes the sales and use
743 tax under this section, and for a three-year period after at least three counties
744 described in Subsections (4) and (5) have imposed a tax under this section, or
745 until June 30, 2030, whichever comes first, revenue designated for public
746 transit within a county of the first class as described in Subsection (4)(a) shall
747 be transferred to the County of the First Class Highway Projects Fund created
748 in Section 72-2-121.

749 (B) Revenue deposited into the County of the First Class Highway Projects Fund
750 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be
751 used for public transit innovation grants as provided in Title 72, Chapter 2, Part
752 4, Public Transit Innovation Grants.

753 (ii) If a county of the first class imposes a sales and use tax described in this section,
754 beginning on the day three years after the date on which at least three counties
755 described in Subsections (4) and (5) have imposed a tax under this section, or
756 beginning on July 1, 2030, whichever comes first, for revenue designated for
757 public transit as described in Subsection (4)(a):

758 (A) 50% of the revenue from a sales and use tax imposed under this section in a
759 county of the first class shall be transferred to the County of the First Class
760 Highway Projects Fund created in Section 72-2-121; and

761 (B) 50% of the revenue from a sales and use tax imposed under this section in a
762 county of the first class shall be transferred to the Transit Transportation
763 Investment Fund created in Subsection 72-2-124(9).

764 (c)(i) If a county that is not a county of the first class for which the entire boundary of
765 the county is annexed into a large public transit district imposes a sales and use
766 tax described in this section, beginning on the date on which the county imposes
767 the sales and use tax under this section, and for a three-year period following the
768 date on which at least three counties described in Subsections (4) and (5) have
769 imposed a tax under this section, or until June 30, 2030, whichever comes first,
770 revenue designated for public transit as described in Subsection (5)(a) shall be
771 transferred to the relevant county legislative body to be used for a purpose
772 described in Subsection (11)(a).

773 (ii) If a county that is not a county of the first class for which the entire boundary of
774 the county is annexed into a large public transit district imposes a sales and use
775 tax described in this section, beginning on the day three years after the date on

776 which at least three counties described in Subsections (4) and (5) have imposed a
777 tax under this section, or beginning on July 1, 2030, whichever comes first, for the
778 revenue that is designated for public transit in Subsection (5)(a):

779 (A) 50% shall be transferred to the Transit Transportation Investment Fund
780 created in Subsection 72-2-124(9); and

781 (B) 50% shall be transferred to the relevant county legislative body to be used for
782 a purpose described in Subsection (11)(a).

783 (d) Except as provided in Subsection [~~(13)(e)~~] (14)(c), for a county that imposes a sales
784 and use tax under this section, for revenue designated for public transit as described
785 in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county
786 legislative body to be used for a purpose described in Subsection (11)(a).

787 (12) A large public transit district shall send notice to the commission at least 90 days
788 before the earlier of:

789 (a) the date that is three years after the date on which at least three counties described in
790 Subsections (4) and (5) have imposed a tax under this section; or

791 (b) June 30, 2030.

792 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization
793 project described in Subsection (10)(c), the city shall transfer at least 50%, and may
794 transfer up to 100%, of any revenue the city receives from a distribution under
795 Subsection (4)(b) to a convention center public infrastructure district created in
796 accordance with Section 17D-4-202.1 for revitalization of a convention center owned by
797 the county within a city of the first class and surrounding revitalization projects related
798 to the convention center as permitted in Subsection (10)(c).

799 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
800 required to, submit an opinion question to the county's registered voters in
801 accordance with Section 59-12-2208 to impose a sales and use tax under this section.

802 (b) If a county passes an ordinance to impose a sales and use tax as described in this
803 section, the sales and use tax shall take effect on the first day of the calendar quarter
804 after a 90-day period that begins on the date the commission receives written notice
805 from the county of the passage of the ordinance.

806 (c) A county that imposed the local option sales and use tax described in this section
807 before January 1, 2023, may maintain that county's distribution allocation in place as
808 of January 1, 2023.

809 (15)(a) Revenue collected from a sales and use tax under this section may not be used to

810 supplant existing General Fund appropriations that a county, city, or town budgeted
 811 for transportation or public transit as of the date the tax becomes effective for a
 812 county, city, or town.

813 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation
 814 or public transit capital or reserve account a county, city, or town established before
 815 the date the tax becomes effective.

816 Section 4. Section **63I-2-210** is amended to read:

817 **63I-2-210 (Effective 05/06/26). Repeal dates: Title 10.**

818 (1) Subsection 10-2a-205(2)(b)(iii), regarding a feasibility study for the proposed
 819 incorporation of a community council area, is repealed July 1, 2028.

820 (2) Section 10-2a-205.5, Additional feasibility consultant considerations for proposed
 821 incorporation of community council area -- Additional feasibility study requirements, is
 822 repealed July 1, 2028.

823 (3) Subsection 10-20-904(4)(c), regarding an inspection fee on a qualified water
 824 conservancy district, is repealed July 1, 2026.

825 (4) Subsection 10-21-202(1)(d), regarding the moderate income housing plan reporting
 826 requirements for reporting year 2026, is repealed July 1, 2027.

827 Section 5. Section **63I-2-217** is amended to read:

828 **63I-2-217 (Effective 05/06/26). Repeal dates: Titles 17 through 17D.**

829 (1) Subsection 17-79-804(4)(c), regarding an inspection fee on a qualified water
 830 conservancy district, is repealed July 1, 2026.

831 (2) Subsection 17-62-102(3), regarding the process for changing a form of county
 832 government, is repealed January 1, 2028.

833 (3) Subsections 17-62-203(10) through (12), regarding the process to create a districting
 834 commission and implementing a district map, are repealed July 1, 2029.

835 (4) Subsection 17-80-202(1)(d), regarding the moderate income housing plan reporting
 836 requirements for reporting year 2026, is repealed July 1, 2027.

837 Section 6. Section **72-1-304** is amended to read:

838 **72-1-304 (Effective 05/06/26). Written project prioritization process for new**
 839 **transportation capacity projects -- Rulemaking.**

840 (1)(a) The Transportation Commission, in consultation with the department and the
 841 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a
 842 written prioritization process for the prioritization of:

843 (i) new transportation capacity projects that are or will be part of the state highway

- 844 system under Chapter 4, Part 1, State Highways;
- 845 (ii) paved pedestrian or paved nonmotorized transportation projects described in
- 846 Section 72-2-124;
- 847 (iii) public transit projects that directly add capacity to the public transit systems
- 848 within the state, not including facilities ancillary to the public transit system; and
- 849 (iv) pedestrian or nonmotorized transportation projects that provide connection to a
- 850 public transit system.
- 851 (b)(i) A local government or public transit district may nominate a project for
- 852 prioritization in accordance with the process established by the commission in rule.
- 853 (ii) If a local government or public transit district nominates a project for
- 854 prioritization by the commission, the local government or public transit district
- 855 shall provide data and evidence to show that:
- 856 (A) the project will advance the purposes and goals described in Section 72-1-211;
- 857 (B) for a public transit project, the local government or public transit district has
- 858 an ongoing funding source for operations and maintenance of the proposed
- 859 development; and
- 860 (C) the local government or public transit district will provide the percentage of
- 861 the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or
- 862 72-2-124(10)(e).
- 863 (2) The following shall be included in the written prioritization process under Subsection (1):
- 864 (a) a description of how the strategic initiatives of the department adopted under Section
- 865 72-1-211 are advanced by the written prioritization process;
- 866 (b) a definition of the type of projects to which the written prioritization process applies;
- 867 (c) specification of a weighted criteria system that is used to rank proposed projects and
- 868 how it will be used to determine which projects will be prioritized;
- 869 (d) specification of the data that is necessary to apply the weighted ranking criteria; and
- 870 (e) any other provisions the commission considers appropriate, which may include
- 871 consideration of:
- 872 (i) regional and statewide economic development impacts, including improved local
- 873 access to:
- 874 (A) employment;
- 875 (B) educational facilities;
- 876 (C) recreation;
- 877 (D) commerce; and

- 878 (E) residential areas, including moderate income housing as demonstrated in the
879 local government's or public transit district's general plan in accordance with
880 Section 10-20-404 or 17-79-403;
- 881 (ii) the extent to which local land use plans relevant to a project support and
882 accomplish the strategic initiatives adopted under Section 72-1-211; and
- 883 (iii) any matching funds provided by a political subdivision or public transit district
884 in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)
885 and 72-2-124(10)(e).
- 886 (3)(a) When prioritizing a public transit project that increases capacity, the commission:
- 887 (i) may give priority consideration to projects that are part of a transit-oriented
888 development or transit-supportive development as defined in Section 17B-2a-802;
889 and
- 890 (ii) shall give priority consideration to projects that are within the boundaries of a
891 housing and transit reinvestment zone created in accordance with Title 63N,
892 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 893 (b) When prioritizing a transportation project that increases capacity, the commission
894 may give priority consideration to projects that are:
- 895 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:
896 (A) the state is a participant in the transportation reinvestment zone; or
897 (B) the commission finds that the transportation reinvestment zone provides a
898 benefit to the state transportation system; or
- 899 (ii) within the boundaries of a housing and transit reinvestment zone created [
900 ~~pursuant to~~] in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit
901 Reinvestment Zone Act.
- 902 (c) If the department receives a notice of prioritization for a municipality as described in
903 Subsection [~~10-21-202(5)~~] 10-21-202(7), or a notice of prioritization for a county as
904 described in Subsection 17-80-202(5), the commission may give priority
905 consideration to transportation projects that are within the boundaries of the
906 municipality or the unincorporated areas of the county until the department receives
907 notification from the Housing and Community Development Division within the
908 Department of Workforce Services that the municipality or county no longer qualifies
909 for prioritization under this Subsection (3)(c).
- 910 (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv),
911 the commission may give priority consideration to projects that improve connectivity

- 912 in accordance with Section 10-8-87.
- 913 (e) The total priority consideration the commission gives under this Subsection (3) may
 914 not increase the score the commission uses to rank a project for purposes of
 915 prioritization by more than 7%.
- 916 (4) In developing the written prioritization process, the commission:
- 917 (a) shall seek and consider public comment by holding public meetings at locations
 918 throughout the state; and
- 919 (b) may not consider local matching dollars as provided under Section 72-2-123 unless
 920 the state provides an equal opportunity to raise local matching dollars for state
 921 highway improvements within each county.
- 922 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 923 Transportation Commission, in consultation with the department, shall make rules
 924 establishing the written prioritization process under Subsection (1).
- 925 (6) The commission shall submit the proposed rules under this section to the Transportation
 926 Interim Committee for review before taking final action on the proposed rules or any
 927 proposed amendment to the rules described in Subsection (5).

928 Section 7. Section **72-2-124** is amended to read:

929 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26). Transportation Investment**
 930 **Fund of 2005.**

- 931 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
 932 2005.
- 933 (2) The fund consists of money generated from the following sources:
- 934 (a) any voluntary contributions received for the maintenance, construction,
 935 reconstruction, or renovation of state and federal highways;
- 936 (b) appropriations made to the fund by the Legislature;
- 937 (c) registration fees designated under Section 41-1a-1201;
- 938 (d) the sales and use tax revenues deposited into the fund in accordance with Section
 939 59-12-103;
- 940 (e) revenues transferred to the fund in accordance with Section 72-2-106;
- 941 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
- 942 (g) revenue from bond proceeds described in Section 63B-34-101.
- 943 (3)(a) The fund shall earn interest.
- 944 (b) All interest earned on fund money shall be deposited into the fund.
- 945 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund

- 946 money to pay:
- 947 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
948 federal highways prioritized by the Transportation Commission through the
949 prioritization process for new transportation capacity projects adopted under
950 Section 72-1-304;
- 951 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
952 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 953 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
954 Section 72-5-401;
- 955 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
956 minus the costs paid from the County of the First Class Highway Projects Fund in
957 accordance with Subsection 72-2-121(4)(e);
- 958 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
959 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
960 amount certified by Salt Lake County in accordance with Subsection
961 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
962 revenue bonds issued by Salt Lake County;
- 963 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
964 for projects prioritized in accordance with Section 72-2-125;
- 965 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
966 Class Highway Projects Fund created in Section 72-2-121 to be used for the
967 purposes described in Section 72-2-121;
- 968 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
969 the costs needed for construction, reconstruction, or renovation of paved
970 pedestrian or paved nonmotorized transportation for projects that:
- 971 (A) mitigate traffic congestion on the state highway system;
- 972 (B) are part of an active transportation plan approved by the department; and
- 973 (C) are prioritized by the commission through the prioritization process for new
974 transportation capacity projects adopted under Section 72-1-304;
- 975 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
976 reconstruction, or renovation of or improvement to the following projects:
- 977 (A) the connector road between Main Street and 1600 North in the city of
978 Vineyard;
- 979 (B) Geneva Road from University Parkway to 1800 South;

- 980 (C) the SR-97 interchange at 5600 South on I-15;
- 981 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
982 South Jordan Parkway;
- 983 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 984 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 985 (G) widening I-15 between mileposts 6 and 8;
- 986 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 987 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
988 in Spanish Fork Canyon;
- 989 (J) I-15 northbound between mileposts 43 and 56;
- 990 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
991 43 and 45.1;
- 992 (L) east Zion SR-9 improvements;
- 993 (M) Toquerville Parkway;
- 994 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 995 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
996 for construction of an interchange on Bangert Highway at 13400 South; and
- 997 (P) an environmental impact study for Kimball Junction in Summit County;
- 998 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
999 costs based upon a statement of cash flow that the local jurisdiction where the
1000 project is located provides to the department demonstrating the need for money
1001 for the project, for the following projects in the following amounts:
- 1002 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 1003 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 1004 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 1005 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
1006 40 between mile markers 7 and 10;
- 1007 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
1008 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
1009 over the railroad and to U.S. Highway 6;
- 1010 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
1011 revenue deposited into the fund in accordance with Section 59-12-103, for the
1012 following projects:
- 1013 (A) \$3,000,000 for the department to perform an environmental study for the I-15

- 1014 Salem and Benjamin project; and
- 1015 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
- 1016 Dunes Road project; and
- 1017 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
- 1018 right-of-way acquisition and construction for improvements on SR-89 in a county
- 1019 of the first class.
- 1020 (b) The executive director may use fund money to exchange for an equal or greater
- 1021 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1022 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
- 1023 not commence until a right-of-way not owned by a federal agency that is required
- 1024 for the realignment and extension of U-111, as described in the department's 2023
- 1025 environmental study related to the project, is dedicated to the department.
- 1026 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
- 1027 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
- 1028 department may proceed with the project, except that the project will be limited to
- 1029 two lanes on U-111 from Herriman Parkway to 11800 South.
- 1030 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
- 1031 ineligibility for a municipality as described in Subsection [~~10-21-202(8)~~
- 1032 10-21-202(10)], the executive director may not program fund money to a project
- 1033 prioritized by the commission under Section 72-1-304, including fund money from
- 1034 the Transit Transportation Investment Fund, within the boundaries of the
- 1035 municipality until the department receives notification from the Housing and
- 1036 Community Development Division within the Department of Workforce Services
- 1037 that ineligibility under this Subsection (5) no longer applies to the municipality.
- 1038 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
- 1039 director:
- 1040 (i) may program fund money in accordance with Subsection (4)(a) for a
- 1041 limited-access facility or interchange connecting limited-access facilities;
- 1042 (ii) may not program fund money for the construction, reconstruction, or renovation
- 1043 of an interchange on a limited-access facility;
- 1044 (iii) may program Transit Transportation Investment Fund money for a
- 1045 multi-community fixed guideway public transportation project; and
- 1046 (iv) may not program Transit Transportation Investment Fund money for the
- 1047 construction, reconstruction, or renovation of a station that is part of a fixed

- 1048 guideway public transportation project.
- 1049 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1050 director before July 1, 2022, for projects prioritized by the commission under Section
1051 72-1-304.
- 1052 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
1053 ineligibility for a county as described in Subsection 17-80-202(8), the executive
1054 director may not program fund money to a project prioritized by the commission
1055 under Section 72-1-304, including fund money from the Transit Transportation
1056 Investment Fund, within the boundaries of the unincorporated area of the county until
1057 the department receives notification from the Housing and Community Development
1058 Division within the Department of Workforce Services that ineligibility under this
1059 Subsection (6) no longer applies to the county.
- 1060 (b) Within the boundaries of the unincorporated area of a county described in Subsection
1061 (6)(a), the executive director:
- 1062 (i) may program fund money in accordance with Subsection (4)(a) for a
1063 limited-access facility to a project prioritized by the commission under Section
1064 72-1-304;
- 1065 (ii) may not program fund money for the construction, reconstruction, or renovation
1066 of an interchange on a limited-access facility;
- 1067 (iii) may program Transit Transportation Investment Fund money for a
1068 multi-community fixed guideway public transportation project; and
- 1069 (iv) may not program Transit Transportation Investment Fund money for the
1070 construction, reconstruction, or renovation of a station that is part of a fixed
1071 guideway public transportation project.
- 1072 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1073 director before July 1, 2022, for projects prioritized by the commission under Section
1074 72-1-304.
- 1075 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1076 any fiscal year, the department and the commission shall appear before the Executive
1077 Appropriations Committee of the Legislature and present the amount of bond
1078 proceeds that the department needs to provide funding for the projects identified in
1079 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
1080 or next fiscal year.
- 1081 (b) The Executive Appropriations Committee of the Legislature shall review and

- 1082 comment on the amount of bond proceeds needed to fund the projects.
- 1083 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1084 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1085 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1086 service or sinking fund.
- 1087 (9) The executive director may only use money in the fund for corridor preservation as
1088 described in Subsection (4)(a)(iii):
- 1089 (a) if the project has been prioritized by the commission, including the use of fund
1090 money for corridor preservation; or
- 1091 (b) for a project that has not been prioritized by the commission, if the commission:
- 1092 (i) approves the use of fund money for the corridor preservation; and
- 1093 (ii) finds that the use of fund money for corridor preservation will not result in any
1094 delay to a project that has been prioritized by the commission.
- 1095 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
1096 Transportation Investment Fund.
- 1097 (b) The fund shall be funded by:
- 1098 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 1099 (ii) appropriations into the account by the Legislature;
- 1100 (iii) deposits of sales and use tax increment related to a housing and transit
1101 reinvestment zone as described in Section 63N-3-610;
- 1102 (iv) transfers of local option sales and use tax revenue as described in Subsection
1103 59-12-2220(11)(b) or (c);
- 1104 (v) private contributions; and
- 1105 (vi) donations or grants from public or private entities.
- 1106 (c)(i) The fund shall earn interest.
- 1107 (ii) All interest earned on fund money shall be deposited into the fund.
- 1108 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 1109 (i) for public transit capital development of new capacity projects and fixed guideway
1110 capital development projects to be used as prioritized by the commission through
1111 the prioritization process adopted under Section 72-1-304;
- 1112 (ii) to the department for oversight of a fixed guideway capital development project
1113 for which the department has responsibility; or
- 1114 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1115 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize

- 1116 money from the fund for a public transit capital development project or pedestrian
1117 or nonmotorized transportation project that provides connection to the public
1118 transit system if the public transit district or political subdivision provides funds of
1119 equal to or greater than 30% of the costs needed for the project.
- 1120 (ii) A public transit district or political subdivision may use money derived from a
1121 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
1122 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 1123 (A) the loan is approved by the commission as required in Part 2, State
1124 Infrastructure Bank Fund; and
- 1125 (B) the proposed capital project has been prioritized by the commission pursuant
1126 to Section 72-1-303.
- 1127 (f) Before July 1, 2022, the department and a large public transit district shall enter into
1128 an agreement for a large public transit district to pay the department \$5,000,000 per
1129 year for 15 years to be used to facilitate the purchase of zero emissions or low
1130 emissions rail engines and trainsets for regional public transit rail systems.
- 1131 (g) For any revenue transferred into the fund in accordance with Subsection
1132 59-12-2220(11)(b):
- 1133 (i) the commission may prioritize money from the fund for public transit projects,
1134 operations, or maintenance within the county of the first class; and
- 1135 (ii) Subsection (10)(e) does not apply.
- 1136 (h) For any revenue transferred into the fund in accordance with Subsection
1137 59-12-2220(11)(c):
- 1138 (i) the commission may prioritize public transit projects, operations, or maintenance
1139 in the county from which the revenue was generated; and
- 1140 (ii) Subsection (10)(e) does not apply.
- 1141 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
1142 the project described in Subsection (10)(e) does not apply to a public transit capital
1143 development project or pedestrian or nonmotorized transportation project that the
1144 department proposes.
- 1145 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
1146 prioritize money from the fund for public transit innovation grants, as defined in
1147 Section 72-2-401, for public transit capital development projects requested by a
1148 political subdivision within a public transit district.
- 1149 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood

- 1150 Canyons Transportation Investment Fund.
- 1151 (b) The fund shall be funded by:
- 1152 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1153 (ii) appropriations into the account by the Legislature;
- 1154 (iii) private contributions; and
- 1155 (iv) donations or grants from public or private entities.
- 1156 (c)(i) The fund shall earn interest.
- 1157 (ii) All interest earned on fund money shall be deposited into the fund.
- 1158 (d) The Legislature may appropriate money from the fund for public transit or
- 1159 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 1160 (e) The department may use up to 2% of the revenue deposited into the account under
- 1161 Subsection 59-12-103(7)(b) to contract with local governments as necessary for
- 1162 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 1163 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
- 1164 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
- 1165 to fund projects to provide ingress and egress for a public transit hub, including
- 1166 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 1167 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
- 1168 Transportation Investment Fund.
- 1169 (b) The fund shall be funded by:
- 1170 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1171 (ii) appropriations into the account by the Legislature; and
- 1172 (iii) donations or grants from public or private entities.
- 1173 (c)(i) The fund shall earn interest.
- 1174 (ii) All interest earned on fund money shall be deposited into the fund.
- 1175 (d) The executive director may only use fund money to pay the costs needed for:
- 1176 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 1177 paved pedestrian or paved nonmotorized trail projects that:
- 1178 (A) are prioritized by the commission through the prioritization process for new
- 1179 transportation capacity projects adopted under Section 72-1-304;
- 1180 (B) serve a regional purpose; and
- 1181 (C) are part of an active transportation plan approved by the department or the
- 1182 plan described in Subsection (12)(d)(ii);
- 1183 (ii) the development of a plan for a statewide network of paved pedestrian or paved

- 1184 nonmotorized trails that serve a regional purpose; and
- 1185 (iii) the administration of the fund, including staff and overhead costs.
- 1186 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
- 1187 defined in Section 63N-3-602.
- 1188 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 1189 Subaccount.
- 1190 (c) The subaccount shall be funded by:
- 1191 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 1192 (ii) appropriations into the subaccount by the Legislature;
- 1193 (iii) private contributions; and
- 1194 (iv) donations or grants from public or private entities.
- 1195 (d)(i) The subaccount shall earn interest.
- 1196 (ii) All interest earned on money in the subaccount shall be deposited into the
- 1197 subaccount.
- 1198 (e) As prioritized by the commission through the prioritization process adopted under
- 1199 Section 72-1-304 or as directed by the Legislature, the department may only use
- 1200 money from the subaccount for projects that improve the state's commuter rail
- 1201 infrastructure, including the building or improvement of grade-separated crossings
- 1202 between commuter rail lines and public highways.
- 1203 (f) Appropriations made in accordance with this section are nonlapsing in accordance
- 1204 with Section 63J-1-602.1.
- 1205 Section 8. Section **72-2-124** is amended to read:
- 1206 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**
- 1207 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
- 1208 2005.
- 1209 (2) The fund consists of money generated from the following sources:
- 1210 (a) any voluntary contributions received for the maintenance, construction,
- 1211 reconstruction, or renovation of state and federal highways;
- 1212 (b) appropriations made to the fund by the Legislature;
- 1213 (c) registration fees designated under Section 41-1a-1201;
- 1214 (d) the sales and use tax revenues deposited into the fund in accordance with Section
- 1215 59-12-103;
- 1216 (e) revenues transferred to the fund in accordance with Section 72-2-106;
- 1217 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(1); and

- 1218 (g) revenue from bond proceeds described in Section 63B-34-201.
- 1219 (3)(a) The fund shall earn interest.
- 1220 (b) All interest earned on fund money shall be deposited into the fund.
- 1221 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
1222 money to pay:
- 1223 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
1224 federal highways prioritized by the Transportation Commission through the
1225 prioritization process for new transportation capacity projects adopted under
1226 Section 72-1-304;
- 1227 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
1228 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 1229 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
1230 Section 72-5-401;
- 1231 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
1232 minus the costs paid from the County of the First Class Highway Projects Fund in
1233 accordance with Subsection 72-2-121(4)(e);
- 1234 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1235 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
1236 amount certified by Salt Lake County in accordance with Subsection
1237 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
1238 revenue bonds issued by Salt Lake County;
- 1239 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
1240 for projects prioritized in accordance with Section 72-2-125;
- 1241 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
1242 Class Highway Projects Fund created in Section 72-2-121 to be used for the
1243 purposes described in Section 72-2-121;
- 1244 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
1245 the costs needed for construction, reconstruction, or renovation of paved
1246 pedestrian or paved nonmotorized transportation for projects that:
- 1247 (A) mitigate traffic congestion on the state highway system;
- 1248 (B) are part of an active transportation plan approved by the department; and
- 1249 (C) are prioritized by the commission through the prioritization process for new
1250 transportation capacity projects adopted under Section 72-1-304;
- 1251 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,

- 1252 reconstruction, or renovation of or improvement to the following projects:
- 1253 (A) the connector road between Main Street and 1600 North in the city of
- 1254 Vineyard;
- 1255 (B) Geneva Road from University Parkway to 1800 South;
- 1256 (C) the SR-97 interchange at 5600 South on I-15;
- 1257 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
- 1258 South Jordan Parkway;
- 1259 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 1260 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 1261 (G) widening I-15 between mileposts 6 and 8;
- 1262 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 1263 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
- 1264 in Spanish Fork Canyon;
- 1265 (J) I-15 northbound between mileposts 43 and 56;
- 1266 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 1267 43 and 45.1;
- 1268 (L) east Zion SR-9 improvements;
- 1269 (M) Toquerville Parkway;
- 1270 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 1271 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
- 1272 for construction of an interchange on Bangerter Highway at 13400 South; and
- 1273 (P) an environmental impact study for Kimball Junction in Summit County;
- 1274 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 1275 costs based upon a statement of cash flow that the local jurisdiction where the
- 1276 project is located provides to the department demonstrating the need for money
- 1277 for the project, for the following projects in the following amounts:
- 1278 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 1279 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 1280 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 1281 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 1282 40 between mile markers 7 and 10;
- 1283 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
- 1284 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
- 1285 over the railroad and to U.S. Highway 6;

- 1286 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
1287 revenue deposited into the fund in accordance with Section 59-12-103, for the
1288 following projects:
- 1289 (A) \$3,000,000 for the department to perform an environmental study for the I-15
1290 Salem and Benjamin project; and
- 1291 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
1292 Dunes Road project; and
- 1293 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
1294 right-of-way acquisition and construction for improvements on SR-89 in a county
1295 of the first class.
- 1296 (b) The executive director may use fund money to exchange for an equal or greater
1297 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1298 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
1299 not commence until a right-of-way not owned by a federal agency that is required
1300 for the realignment and extension of U-111, as described in the department's 2023
1301 environmental study related to the project, is dedicated to the department.
- 1302 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
1303 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
1304 department may proceed with the project, except that the project will be limited to
1305 two lanes on U-111 from Herriman Parkway to 11800 South.
- 1306 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
1307 ineligibility for a municipality as described in Subsection [~~10-21-202(8)~~
1308 10-21-202(10)], the executive director may not program fund money to a project
1309 prioritized by the commission under Section 72-1-304, including fund money from
1310 the Transit Transportation Investment Fund, within the boundaries of the
1311 municipality until the department receives notification from the Housing and
1312 Community Development Division within the Department of Workforce Services
1313 that ineligibility under this Subsection (5) no longer applies to the municipality.
- 1314 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
1315 director:
- 1316 (i) may program fund money in accordance with Subsection (4)(a) for a
1317 limited-access facility or interchange connecting limited-access facilities;
- 1318 (ii) may not program fund money for the construction, reconstruction, or renovation
1319 of an interchange on a limited-access facility;

- 1320 (iii) may program Transit Transportation Investment Fund money for a
1321 multi-community fixed guideway public transportation project; and
- 1322 (iv) may not program Transit Transportation Investment Fund money for the
1323 construction, reconstruction, or renovation of a station that is part of a fixed
1324 guideway public transportation project.
- 1325 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1326 director before July 1, 2022, for projects prioritized by the commission under Section
1327 72-1-304.
- 1328 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
1329 ineligibility for a county as described in Subsection 17-80-202(8), the executive
1330 director may not program fund money to a project prioritized by the commission
1331 under Section 72-1-304, including fund money from the Transit Transportation
1332 Investment Fund, within the boundaries of the unincorporated area of the county until
1333 the department receives notification from the Housing and Community Development
1334 Division within the Department of Workforce Services that ineligibility under this
1335 Subsection (6) no longer applies to the county.
- 1336 (b) Within the boundaries of the unincorporated area of a county described in Subsection
1337 (6)(a), the executive director:
- 1338 (i) may program fund money in accordance with Subsection (4)(a) for a
1339 limited-access facility to a project prioritized by the commission under Section
1340 72-1-304;
- 1341 (ii) may not program fund money for the construction, reconstruction, or renovation
1342 of an interchange on a limited-access facility;
- 1343 (iii) may program Transit Transportation Investment Fund money for a
1344 multi-community fixed guideway public transportation project; and
- 1345 (iv) may not program Transit Transportation Investment Fund money for the
1346 construction, reconstruction, or renovation of a station that is part of a fixed
1347 guideway public transportation project.
- 1348 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1349 director before July 1, 2022, for projects prioritized by the commission under Section
1350 72-1-304.
- 1351 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1352 any fiscal year, the department and the commission shall appear before the Executive
1353 Appropriations Committee of the Legislature and present the amount of bond

- 1354 proceeds that the department needs to provide funding for the projects identified in
1355 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
1356 or next fiscal year.
- 1357 (b) The Executive Appropriations Committee of the Legislature shall review and
1358 comment on the amount of bond proceeds needed to fund the projects.
- 1359 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1360 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1361 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1362 service or sinking fund.
- 1363 (9) The executive director may only use money in the fund for corridor preservation as
1364 described in Subsection (4)(a)(iii):
- 1365 (a) if the project has been prioritized by the commission, including the use of fund
1366 money for corridor preservation; or
- 1367 (b) for a project that has not been prioritized by the commission, if the commission:
- 1368 (i) approves the use of fund money for the corridor preservation; and
1369 (ii) finds that the use of fund money for corridor preservation will not result in any
1370 delay to a project that has been prioritized by the commission.
- 1371 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
1372 Transportation Investment Fund.
- 1373 (b) The fund shall be funded by:
- 1374 (i) contributions deposited into the fund in accordance with Section 59-12-103;
1375 (ii) appropriations into the account by the Legislature;
1376 (iii) deposits of sales and use tax increment related to a housing and transit
1377 reinvestment zone as described in Section 63N-3-610;
1378 (iv) transfers of local option sales and use tax revenue as described in Subsection
1379 59-12-2220(11)(b) or (c);
1380 (v) private contributions; and
1381 (vi) donations or grants from public or private entities.
- 1382 (c)(i) The fund shall earn interest.
1383 (ii) All interest earned on fund money shall be deposited into the fund.
- 1384 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 1385 (i) for public transit capital development of new capacity projects and fixed guideway
1386 capital development projects to be used as prioritized by the commission through
1387 the prioritization process adopted under Section 72-1-304;

- 1388 (ii) to the department for oversight of a fixed guideway capital development project
1389 for which the department has responsibility; or
1390 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1391 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
1392 money from the fund for a public transit capital development project or pedestrian
1393 or nonmotorized transportation project that provides connection to the public
1394 transit system if the public transit district or political subdivision provides funds of
1395 equal to or greater than 30% of the costs needed for the project.
- 1396 (ii) A public transit district or political subdivision may use money derived from a
1397 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
1398 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
1399 (A) the loan is approved by the commission as required in Part 2, State
1400 Infrastructure Bank Fund; and
1401 (B) the proposed capital project has been prioritized by the commission pursuant
1402 to Section 72-1-303.
- 1403 (f) Before July 1, 2022, the department and a large public transit district shall enter into
1404 an agreement for a large public transit district to pay the department \$5,000,000 per
1405 year for 15 years to be used to facilitate the purchase of zero emissions or low
1406 emissions rail engines and trainsets for regional public transit rail systems.
- 1407 (g) For any revenue transferred into the fund in accordance with Subsection
1408 59-12-2220(11)(b):
1409 (i) the commission may prioritize money from the fund for public transit projects,
1410 operations, or maintenance within the county of the first class; and
1411 (ii) Subsection (10)(e) does not apply.
- 1412 (h) For any revenue transferred into the fund in accordance with Subsection
1413 59-12-2220(11)(c):
1414 (i) the commission may prioritize public transit projects, operations, or maintenance
1415 in the county from which the revenue was generated; and
1416 (ii) Subsection (10)(e) does not apply.
- 1417 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
1418 the project described in Subsection (10)(e) does not apply to a public transit capital
1419 development project or pedestrian or nonmotorized transportation project that the
1420 department proposes.
- 1421 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may

1422 prioritize money from the fund for public transit innovation grants, as defined in
1423 Section 72-2-401, for public transit capital development projects requested by a
1424 political subdivision within a public transit district.

1425 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
1426 Canyons Transportation Investment Fund.

1427 (b) The fund shall be funded by:

1428 (i) money deposited into the fund in accordance with Section 59-12-103;

1429 (ii) appropriations into the account by the Legislature;

1430 (iii) private contributions; and

1431 (iv) donations or grants from public or private entities.

1432 (c)(i) The fund shall earn interest.

1433 (ii) All interest earned on fund money shall be deposited into the fund.

1434 (d) The Legislature may appropriate money from the fund for public transit or
1435 transportation projects in the Cottonwood Canyons of Salt Lake County.

1436 (e) The department may use up to 2% of the revenue deposited into the account under
1437 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
1438 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.

1439 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
1440 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
1441 to fund projects to provide ingress and egress for a public transit hub, including
1442 construction of the public transit hub, in the Big Cottonwood Canyon area.

1443 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
1444 Transportation Investment Fund.

1445 (b) The fund shall be funded by:

1446 (i) money deposited into the fund in accordance with Section 59-12-103;

1447 (ii) appropriations into the account by the Legislature; and

1448 (iii) donations or grants from public or private entities.

1449 (c)(i) The fund shall earn interest.

1450 (ii) All interest earned on fund money shall be deposited into the fund.

1451 (d) The executive director may only use fund money to pay the costs needed for:

1452 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
1453 paved pedestrian or paved nonmotorized trail projects that:

1454 (A) are prioritized by the commission through the prioritization process for new
1455 transportation capacity projects adopted under Section 72-1-304;

- 1456 (B) serve a regional purpose; and
1457 (C) are part of an active transportation plan approved by the department or the
1458 plan described in Subsection (12)(d)(ii);
1459 (ii) the development of a plan for a statewide network of paved pedestrian or paved
1460 nonmotorized trails that serve a regional purpose; and
1461 (iii) the administration of the fund, including staff and overhead costs.
- 1462 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
1463 defined in Section 63N-3-602.
- 1464 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
1465 Subaccount.
- 1466 (c) The subaccount shall be funded by:
1467 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
1468 (ii) appropriations into the subaccount by the Legislature;
1469 (iii) private contributions; and
1470 (iv) donations or grants from public or private entities.
- 1471 (d)(i) The subaccount shall earn interest.
1472 (ii) All interest earned on money in the subaccount shall be deposited into the
1473 subaccount.
- 1474 (e) As prioritized by the commission through the prioritization process adopted under
1475 Section 72-1-304 or as directed by the Legislature, the department may only use
1476 money from the subaccount for projects that improve the state's commuter rail
1477 infrastructure, including the building or improvement of grade-separated crossings
1478 between commuter rail lines and public highways.
- 1479 (f) Appropriations made in accordance with this section are nonlapsing in accordance
1480 with Section 63J-1-602.1.

1481 Section 9. **Effective Date.**

- 1482 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.
1483 (2) The actions affecting Section 72-2-124 (Effective 07/01/26) take effect on July 1, 2026.