

Transportation, Infrastructure, and Housing Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill modifies transportation, infrastructure, and housing provisions.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the State Housing Infrastructure Partnership Fund (fund) and provides for the use of fund money;
- ▶ creates the State Housing Infrastructure Partnership Board (infrastructure loan board) and describes the infrastructure loan board's membership and duties;
- ▶ requires the Governor's Office of Economic Opportunity to provide staff support to the infrastructure loan board;
- ▶ authorizes the infrastructure loan board to make loans from the fund to qualifying political subdivisions to finance system improvements that will facilitate the construction of housing;
- ▶ establishes terms and requirements for infrastructure loans awarded by the infrastructure loan board;
- ▶ directs the state treasurer to complete a study that analyzes the economic effect of the infrastructure loan program;
- ▶ exempts conduct arising from the provision of affordable housing, if the housing benefits are provided to all qualified residents, from certain ethics requirements for public officers;
- ▶ modifies the membership of the Affordable Housing Infrastructure Grant Board (grant board) for the provision of affordable housing infrastructure grants;
- ▶ limits to owner-occupied the affordable housing for which public entities in certain

- 28 counties may qualify for an affordable housing infrastructure grant;
- 29 ▶ allows the grant board, in relation to awarding affordable housing infrastructure grants, to:
- 30 • determine whether an owner-occupied dwelling qualifies as an affordable housing
- 31 unit; and
- 32 • waive certain preliminary cost estimate requirements;
- 33 ▶ increases the maximum amount of bonds the Utah Department of Transportation
- 34 (department) may authorize for affordable housing infrastructure grants;
- 35 ▶ allows the department to use certain local option sales tax revenue to pay for affordable
- 36 housing infrastructure grants, subject to repayment from bond proceeds;
- 37 ▶ diverts a certain portion of revenue from the County of the First Class Highway Projects
- 38 Fund for revitalization of a convention center;
- 39 ▶ establishes expenditure requirements for revenue in the County of the First Class
- 40 Highway Projects Fund;
- 41 ▶ establishes requirements in relation to a public transit hub project for the Cottonwood
- 42 Canyons;
- 43 ▶ reduces the amount of revenue the department may allocate from the Transportation
- 44 Investment Fund to pay for a certain roadway project;
- 45 ▶ establishes the Convention Center Reserves Restricted Account (account);
- 46 ▶ requires the Division of Finance to transfer a certain amount of revenue from the
- 47 Transportation Investment Fund to the account;
- 48 ▶ limits the use of money deposited into the account for revitalization of a convention
- 49 center;
- 50 ▶ establishes requirements for the department to coordinate and assist on certain projects,
- 51 subject to availability of funding;
- 52 ▶ allows state agencies to sell surplus real property at pre-entitlement appraised value to
- 53 certain qualifying entities and defer payment for the purchase of such property;
- 54 ▶ addresses the sale or disposal of real property by the department and other state agencies;
- 55 and
- 56 ▶ makes technical and conforming changes.

57 **Money Appropriated in this Bill:**

58 This bill appropriates \$100,000,000 in restricted fund and account transfers for fiscal year

59 2027, all of which is from the various sources as detailed in this bill.

60 **Other Special Clauses:**

61 None

62 **Utah Code Sections Affected:**

63 AMENDS:

- 64 **59-12-2214 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 29
- 65 **63B-34-101 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
- 66 **63L-12-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
- 67 Session, Chapter 17
- 68 **67-16-4 (Effective 05/06/26)**, as last amended by Laws of Utah 2018, Chapter 415
- 69 **72-2-121 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
- 70 Session, Chapter 17
- 71 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah
- 72 2025, First Special Session, Chapter 15
- 73 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
- 74 Session, Chapter 15
- 75 **72-2-501 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
- 76 **72-2-502 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
- 77 **72-2-503 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
- 78 **72-5-111 (Effective 05/06/26)**, as last amended by Laws of Utah 2022, Chapter 101
- 79 **72-5-117 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
- 80 Session, Chapter 15
- 81 **78B-6-521 (Effective 05/06/26)**, as last amended by Laws of Utah 2022, Chapter 101

82 ENACTS:

- 83 **63A-2-412 (Effective 05/06/26)**, Utah Code Annotated 1953
- 84 **63N-3-1801 (Effective 05/06/26)**, Utah Code Annotated 1953
- 85 **63N-3-1802 (Effective 05/06/26)**, Utah Code Annotated 1953
- 86 **63N-3-1803 (Effective 05/06/26)**, Utah Code Annotated 1953
- 87 **63N-3-1804 (Effective 05/06/26)**, Utah Code Annotated 1953
- 88 **63N-3-1805 (Effective 05/06/26)**, Utah Code Annotated 1953
- 89 **72-2-136 (Effective 05/06/26)**, Utah Code Annotated 1953

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

92 Section 1. Section **59-12-2214** is amended to read:

93 **59-12-2214 (Effective 05/06/26). County, city, or town option sales and use tax to**
 94 **fund a system for public transit, an airport facility, a water conservation project, or to be**
 95 **deposited into the County of the First Class Highway Projects Fund -- Base -- Rate.**

- 96 (1) Subject to the other provisions of this part, a county, city, or town may impose a sales
97 and use tax of .25% on the transactions described in Subsection 59-12-103(1) located
98 within the county, city, or town.
- 99 (2) Notwithstanding Section 59-12-2212.2, and subject to Subsections (3) and (4), a county,
100 city, or town that imposes a sales and use tax under this section shall expend the
101 revenues collected from the sales and use tax:
- 102 (a) to fund a system for public transit;
- 103 (b) to fund a project or service related to an airport facility for the portion of the project
104 or service that is performed within the county, city, or town within which the sales
105 and use tax is imposed:
- 106 (i) for a county that imposes the sales and use tax, if the airport facility is part of the
107 regional transportation plan of the area metropolitan planning organization if a
108 metropolitan planning organization exists for the area; or
- 109 (ii) for a city or town that imposes the sales and use tax, if:
- 110 (A) that city or town is located within a county of the second class;
- 111 (B) that city or town owns or operates the airport facility; and
- 112 (C) an airline is headquartered in that city or town; or
- 113 (c) for a combination of Subsections (2)(a) and (b).
- 114 (3) After application of Subsection 59-12-2206(5), a county of the first class that imposes a
115 sales and use tax under this section shall expend the revenues collected from the sales
116 and use tax as follows:
- 117 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund a
118 system for public transit; and
- 119 (b) except as provided in Subsection (5), 20% of the revenues collected from the sales
120 and use tax shall be deposited into the County of the First Class Highway Projects
121 Fund created by Section 72-2-121.
- 122 (4)(a) A county of the third class that has a portion of the county annexed into a large
123 public transit district and that has imposed a sales and use tax under this section as of
124 January 1, 2020, may change the list of purposes for which the sales and use tax
125 revenue may be expended if:
- 126 (i) the proposed uses of the sales and use tax revenue are allowed uses described in
127 this section; and
- 128 (ii) in coordination with a relevant large public transit district, the county legislative
129 body passes an ordinance describing the allowed uses of the sales and use tax

130 revenue.

131 (b) Notwithstanding Section 59-12-2208, and regardless of whether the imposition of the
 132 sales and use tax imposed under this section was submitted to the voters as described
 133 in Section 59-12-2208, the county legislative body is not required to submit an
 134 opinion question to the county's registered voters to change the allowed uses as
 135 described in Subsection (4)(a).

136 (5)(a) For a fiscal year beginning on or after July 1, 2030, but beginning on or before
 137 July 1, 2060, \$5,000,000 of the revenue described in Subsection (3)(b) shall be
 138 distributed to a county of the first class.

139 (b) A county of the first class may expend the revenue described in Subsection (5)(a) for
 140 revitalization of a convention center owned by the county within a city of the first
 141 class and surrounding revitalization projects related to the convention center.

142 Section 2. Section **63A-2-412** is enacted to read:

143 **63A-2-412 (Effective 05/06/26). Sale of surplus real property by state agency to**
 144 **qualifying entity for pre-entitlement appraised value -- Deferred payment.**

145 (1) As used in this section, "qualifying entity" means a state agency or an independent
 146 entity, as defined in Section 63E-1-102, that administers public interests in housing.

147 (2) A state agency may provide for the sale of the state's surplus real property to a
 148 qualifying entity for a pre-entitlement appraised value, payment of which may be
 149 deferred, as determined by the state agency and subject to state and federal law.

150 Section 3. Section **63B-34-101** is amended to read:

151 **63B-34-101 (Effective 05/06/26). Transportation bonds -- Maximum amount --**
 152 **Use for transportation projects related to affordable housing initiatives.**

153 (1)(a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
 154 under this section may not exceed [~~\$70,000,000~~] \$150,000,000.

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

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

163 (2)(a) Proceeds from the bonds issued under this section shall be provided to the

- 164 Department of Transportation through the Transportation Investment Fund of 2005
165 created in Section 72-2-124 to pay for or to provide funds to public entities for costs
166 related to affordable housing initiatives as described in Subsection (2)(b).
- 167 (b) Bond proceeds described under Subsection (2)(a) shall be used to pay for
168 infrastructure to assist in affordable housing related grants and allocated as described
169 in Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants.
- 170 (c) The costs under this Subsection (2) may include the costs of acquiring land, interests
171 in land, easements and rights-of-way, the costs of improving sites, making all
172 improvements necessary, incidental, or convenient to the facilities, and the costs of
173 interest estimated to accrue on these bonds during the period to be covered by
174 construction of the projects plus a period of six months after the end of the
175 construction period, interest estimated to accrue on any bond anticipation notes
176 issued under the authority of this title, and all related engineering, architectural, and
177 legal fees.
- 178 (3) The executive director of the Department of Transportation may allocate bond proceeds
179 under this section as provided in Title 72, Chapter 2, Part 5, Affordable Housing
180 Infrastructure Grants.
- 181 Section 4. Section **63L-12-102** is amended to read:
- 182 **63L-12-102 (Effective 05/06/26). Grant or lease of real property for moderate**
183 **income housing.**
- 184 (1) Subject to the requirements of this section, a governmental entity may grant or lease real
185 property owned by the governmental entity to an entity for the development of moderate
186 income housing on the real property.
- 187 (2) A governmental entity shall ensure that real property granted or leased under Subsection
188 (1) is deed restricted for moderate income housing for at least 30 years after the day on
189 which each moderate income housing unit is completed and occupied.
- 190 (3) If applicable, a governmental entity granting real property under this section shall
191 comply with:
- 192 (a) the provisions of Title 78B, Chapter 6, Part 5, Eminent Domain;
193 (b) Subsection 10-8-2(4), if a municipality is granting real property under this section;
194 (c) Subsection 17-78-103(4), if a county is granting real property under this section; and
195 (d) except as provided in Subsection (4), any other applicable provisions of law that
196 govern the granting of real property by the governmental entity.
- 197 (4) A municipality granting real property under this section is not subject to the provisions

198 of Subsection 10-8-2(3).

199 Section 5. Section **63N-3-1801** is enacted to read:

200 **Part 18. State Housing Infrastructure Partnership**

201 **63N-3-1801 (Effective 05/06/26). Definitions.**

202 As used in this part:

- 203 (1) "Board" means the State Housing Infrastructure Partnership Board created in Section
204 63N-3-1803.
- 205 (2) "Development agreement" means the same as that term is defined in Section 10-20-102.
- 206 (3) "Fund" means the State Housing Infrastructure Partnership Fund created in Section
207 63N-3-1802.
- 208 (4) "Housing development" means a land development proposal to construct new housing
209 that a municipality or a county approves with a land use application, development
210 agreement, or zone change.
- 211 (5) "Infrastructure facility" means a facility used in connection with system-level
212 infrastructure, including:
- 213 (a) a drinking water facility;
- 214 (b) a wastewater facility;
- 215 (c) a sewer lift station;
- 216 (d) a stormwater system;
- 217 (e) a water drainage system;
- 218 (f) a secondary water system;
- 219 (g) power transmission and distribution lines, including burying of the lines; or
- 220 (h) a regional transportation facility.
- 221 (6) "Infrastructure loan" means a loan of fund money to finance a system improvement.
- 222 (7) "Land use application" means the same as that term is defined in Section 10-20-102.
- 223 (8) "Qualifying political subdivision" means:
- 224 (a) a municipality;
- 225 (b) a county;
- 226 (c) a special district;
- 227 (d) a special service district;
- 228 (e) an agency as defined in Section 17C-1-102; or
- 229 (f) the Point of the Mountain State Land Authority created in Section 11-59-201.
- 230 (9) "Special district" means the same as that term is defined in Section 17B-1-102.
- 231 (10) "Special service district" means the same as that term is defined in Section 17D-1-102.

- 232 (11)(a) "System improvement" means a project to construct or improve a publicly
 233 owned:
 234 (i) highway, public transit facility, or paved pedestrian or non-motorized trail that is a
 235 part of:
 236 (A) the statewide long-range transportation plan;
 237 (B) a regional transportation plan of a metropolitan planning organization; or
 238 (C) a municipal or county general plan, transportation master plan, or economic
 239 development initiative; or
 240 (ii) infrastructure facility that is part of:
 241 (A) a municipal or county general plan, infrastructure plan, or economic
 242 development initiative; or
 243 (B) a special district infrastructure plan or strategic plan.
 244 (b) "System improvement" may include the costs of:
 245 (i) designing a project described in Subsection (11)(a);
 246 (ii) acquiring property for a project described in Subsection (11)(a); or
 247 (iii) environmental remediation for a project described in Subsection (11)(a).

248 Section 6. Section **63N-3-1802** is enacted to read:

249 **63N-3-1802 (Effective 05/06/26). State Housing Infrastructure Partnership Fund.**

- 250 (1) There is created a revolving loan fund known as the "State Housing Infrastructure
 251 Partnership Fund."
 252 (2) The fund consists of money generated from the following revenue sources:
 253 (a) appropriations made to the fund by the Legislature;
 254 (b) amounts received for the repayment of infrastructure loans made by the board under
 255 this part;
 256 (c) grants, gifts, loans, or other funding from:
 257 (i) the federal government; or
 258 (ii) other public or private sources; and
 259 (d) interest or other earnings deposited under Subsection (3).
 260 (3) The state treasurer shall:
 261 (a) invest the money in the fund by following the procedures and requirements of Title
 262 51, Chapter 7, State Money Management Act; and
 263 (b) deposit all interest or other earnings derived from those investments into the fund.
 264 (4) Money in the fund may only be used for:
 265 (a) infrastructure loans made by the board under this part; and

- 266 (b) the administrative costs incurred by the office, in an amount that does not exceed 1%
267 of the revenues of the fund, including any appropriation to the fund, from:
268 (i) implementing this part; and
269 (ii) facilitating the implementation of Section 63A-2-412 and Subsection
270 72-5-117(2)(f).

271 Section 7. Section **63N-3-1803** is enacted to read:

272 **63N-3-1803 (Effective 05/06/26). State Housing Infrastructure Partnership**

273 **Board.**

- 274 (1) There is created within the office the State Housing Infrastructure Partnership Board
275 composed of:
276 (a) five voting members as follows:
277 (i) the executive director of the office or the executive director's designee;
278 (ii) the executive director of the Department of Transportation or the executive
279 director's designee;
280 (iii) one member appointed by the governor;
281 (iv) one member appointed by the president of the Senate; and
282 (v) one member appointed by the speaker of the House of Representatives; and
283 (b) any number of nonvoting members appointed by the chair and vice chair of the board.
284 (2)(a) The members described in Subsections (1)(a)(iv) and (v) shall serve a four-year
285 term.
286 (b) When a vacancy occurs in a position described in Subsections (1)(a)(iv) and (v), the
287 person that appointed the member shall appoint a new member for the unexpired term.
288 (c) If a member described in Subsections (1)(a)(iv) and (v) leaves elected office, the
289 appointing entity shall appoint a new member for the unexpired term.
290 (3)(a) The voting members of the board shall elect a chair and vice chair from the
291 board's voting members.
292 (b) The chair and vice chair of the board shall serve a term of one year.
293 (c) The chair of the board is responsible for the call and conduct of board meetings.
294 (4)(a) A majority of the voting members of the board constitutes a quorum.
295 (b) Action by a majority vote of a quorum of the board constitutes action by the board.
296 (5)(a) A voting member of the board who is a legislator shall be paid salary and
297 expenses in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5,
298 Chapter 3, Legislator Compensation.
299 (b) A voting member of the board who is not a legislator may not receive compensation

300 or benefits for the member's service, but may receive per diem and travel expenses in
 301 accordance with:

302 (i) Section 63A-3-106;

303 (ii) Section 63A-3-107; and

304 (iii) rules made by the Division of Finance in accordance with Sections 63A-3-106
 305 and 63A-3-107.

306 (6) A voting member of the board shall comply with the conflict of interest provisions
 307 described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.

308 (7) The office shall provide staff support to the board.

309 Section 8. Section **63N-3-1804** is enacted to read:

310 **63N-3-1804 (Effective 05/06/26). Board duties -- Annual report -- Rulemaking --**
 311 **Study of economic effect by state treasurer.**

312 (1) The board shall:

313 (a) make infrastructure loans to qualifying political subdivisions for system
 314 improvements that will facilitate the construction of housing in accordance with
 315 Section 63N-3-1805;

316 (b) for the infrastructure loans described in Subsection (1)(a):

317 (i) establish criteria for determining infrastructure loan eligibility;

318 (ii) establish criteria by which an infrastructure loan will be made and repaid; and

319 (iii) determine the order in which system improvements will be funded; and

320 (c) administer the fund in a manner that will keep a portion of the fund revolving.

321 (2) On or before September 1 of each year, the board shall submit a written report to the
 322 Economic Development and Workforce Services Interim Committee and the Political
 323 Subdivisions Interim Committee that includes:

324 (a) information regarding the activities of the board, including any rules made under
 325 Subsection (3);

326 (b) the number and types of infrastructure loans made;

327 (c) a list of qualifying political subdivisions that received an infrastructure loan;

328 (d) the number of constructed housing units that each infrastructure loan facilitated; and

329 (e) any recommendations for legislation.

330 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
 331 subject to any recommendations provided by the Economic Development and
 332 Workforce Services Interim Committee and the Political Subdivisions Interim
 333 Committee, the board may make rules governing:

- 334 (a) management of the fund; and
335 (b) infrastructure loan application requirements and eligibility review criteria.
336 (4)(a) Beginning after June 30, 2028, the state treasurer shall conduct a study that
337 analyzes whether the lending activity under this part resulted in measurable local
338 economic benefits.
339 (b) On or before October 1, 2028, the state treasurer shall submit a report summarizing
340 the results of the study to the Legislative Management Committee and the governor.
341 (c) The state treasurer may contract with a third party to complete the study and report
342 described in this Subsection (4).

343 Section 9. Section **63N-3-1805** is enacted to read:

344 **63N-3-1805 (Effective 05/06/26). Infrastructure loans to qualifying political**
345 **subdivisions -- Application -- Loan requirements.**

- 346 (1) A qualifying political subdivision may receive an infrastructure loan under this part to
347 finance a system improvement that will facilitate the construction of a housing
348 development.
349 (2) To receive an infrastructure loan, a qualifying political subdivision shall submit an
350 application to the board that:
351 (a) demonstrates:
352 (i) the qualifying political subdivision has approved or will approve a housing
353 development;
354 (ii) the infrastructure loan will accelerate the completion of the housing development;
355 (iii) the builder or developer of the housing development has agreed to, or will agree
356 to, a specific timeline to complete the housing development if the board approves
357 the infrastructure loan;
358 (iv) the qualifying political subdivision will provide matching funds for the system
359 improvement in an amount determined by the board;
360 (v) the qualifying political subdivision has a primary revenue source for repaying the
361 infrastructure loan; and
362 (vi) if the qualifying political subdivision is a municipality or county, the qualifying
363 political subdivision has adopted a moderate income housing plan that complies
364 with Section 10-21-202 or 17-80-202;
365 (b) identifies the qualifying political subdivision's current bonding capacity; and
366 (c) includes any other information the board requires.
367 (3) In considering an application for an infrastructure loan, the board shall:

- 368 (a) give preference to a housing development that includes, as a substantial component,
 369 the construction of detached single-family owner-occupied starter homes; and
- 370 (b) consider criteria including:
- 371 (i) the number of housing units that may be built compared to the requested
 372 infrastructure loan amount;
- 373 (ii) geographic diversity, including whether the applicant is urban or rural;
- 374 (iii) the inclusion of affordable housing in the housing development;
- 375 (iv) the inclusion of for-sale owner-occupied housing units in the housing
 376 development;
- 377 (v) the likelihood that the housing development will be completed in accordance with
 378 the timeline described in Subsection (2)(a)(iii);
- 379 (vi) the amount of matching funds the qualifying political subdivision will provide
 380 for the system improvement;
- 381 (vii) other available sources of funding that may be used to construct the system
 382 improvement; and
- 383 (viii) existing public facilities and services nearby the housing development.
- 384 (4) The board shall ensure that each infrastructure loan:
- 385 (a) is secured by any combination of revenue sources for the loan recipient, whether the
 386 revenue is actualized or anticipated, and which may include revenue the loan
 387 recipient receives from:
- 388 (i) the imposition of property taxes;
- 389 (ii) the collection of impact fees;
- 390 (iii) the issuance of bonds; or
- 391 (iv) any other revenue source the board determines to be sufficient for securing the
 392 infrastructure loan;
- 393 (b) has a term that does not exceed 20 years, except as provided in Subsection (5)(b)(ii);
- 394 (c) charges interest:
- 395 (i) to a presumed repayment date established by the board, regardless of the actual
 396 repayment date; and
- 397 (ii) at a rate that is within 1.5% of the federal funds rate target:
- 398 (A) established by the Federal Open Market Committee; and
- 399 (B) in effect on January 1 of the year in which the loan is made; and
- 400 (d) specifies the terms and revenue sources for the loan recipient's repayment of the loan.
- 401 (5)(a) The board may make one infrastructure loan to the Point of the Mountain State

402 Land Authority created in Section 11-59-201.

403 (b) The infrastructure loan described in Subsection (5)(a) may not exceed:

404 (i) an amount of \$18,000,000; and

405 (ii) a term of three years.

406 (6) In making infrastructure loans, the board may:

407 (a) restructure all or part of a loan recipient's liability to repay an infrastructure loan for
 408 extenuating circumstances, subject to the requirements of Subsections (4) and (5); and

409 (b) condition approval of an infrastructure loan on whatever assurances the board
 410 considers necessary to ensure that loan proceeds are used in accordance with this part.

411 Section 10. Section **67-16-4** is amended to read:

412 **67-16-4 (Effective 05/06/26). Improperly disclosing or using private, controlled,**
 413 **or protected information -- Using position to secure privileges or exemptions -- Accepting**
 414 **employment that would impair independence of judgment or ethical performance --**
 415 **Exception.**

416 (1) Except as provided in [~~Subsection (3)~~] Subsections (3) and (4), it is an offense for a
 417 public officer, public employee, or legislator to:

418 (a) accept employment or engage in any business or professional activity that he might
 419 reasonably expect would require or induce him to improperly disclose controlled
 420 information that he has gained by reason of his official position;

421 (b) disclose or improperly use controlled, private, or protected information acquired by
 422 reason of his official position or in the course of official duties in order to further
 423 substantially the officer's or employee's personal economic interest or to secure
 424 special privileges or exemptions for himself or others;

425 (c) use or attempt to use his official position to:

426 (i) further substantially the officer's or employee's personal economic interest; [~~or~~]

427 (ii) secure special privileges or exemptions for himself or others; or

428 (iii) coerce another person to secure special privileges or exemptions for himself or
 429 others;

430 (d) accept other employment that he might expect would impair his independence of
 431 judgment in the performance of his public duties; or

432 (e) accept other employment that he might expect would interfere with the ethical
 433 performance of his public duties.

434 (2)(a) Subsection (1) does not apply to the provision of education-related services to
 435 public school students by public education employees acting outside their regular

436 employment.

437 (b) The conduct referred to in Subsection (2)(a) is subject to Section 53E-3-512.

438 (3) This section does not apply to a public officer, public employee, or legislator who
 439 engages in conduct that constitutes a violation of this section to the extent that the public
 440 officer, public employee, or legislator is chargeable, for the same conduct, under Section
 441 63G-6a-2404 or Section 76-8-105.

442 (4) Subsections (1)(c)(i) and (ii) do not apply to conduct relating to the construction or
 443 operation of affordable housing, as authorized by Title 10, Chapter 9a, Municipal Land
 444 Use, Development, and Management Act, or Title 17, Chapter 27a, County Land Use,
 445 Development, and Management Act, if the benefits are provided to all qualified
 446 residents.

447 Section 11. Section **72-2-121** is amended to read:

448 **72-2-121 (Effective 05/06/26). County of the First Class Highway Projects Fund.**

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

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

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

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

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

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

461 (e) the portion of the sales and use tax transferred into the fund as described in
 462 Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b)[:] ; and

463 (f) revenue from bond proceeds described in Section 63B-34-101 for repayment of
 464 grants paid from fund money in accordance with Subsection (4)(m).

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

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

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

468 (a) to pay debt service and bond issuance costs for bonds issued under Sections
 469 63B-16-102, 63B-18-402, and 63B-27-102;

- 470 (b) for right-of-way acquisition, new construction, major renovations, and improvements
471 to highways within a county of the first class and to pay any debt service and bond
472 issuance costs related to those projects, including improvements to a highway located
473 within a municipality in a county of the first class where the municipality is located
474 within the boundaries of more than a single county;
- 475 (c) for the construction, acquisition, use, maintenance, or operation of:
- 476 (i) an active transportation facility for nonmotorized vehicles;
- 477 (ii) multimodal transportation that connects an origin with a destination; or
- 478 (iii) a facility that may include a:
- 479 (A) pedestrian or nonmotorized vehicle trail;
- 480 (B) nonmotorized vehicle storage facility;
- 481 (C) pedestrian or vehicle bridge; or
- 482 (D) vehicle parking lot or parking structure;
- 483 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
484 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the
485 amounts transferred in accordance with Subsection 72-2-124(4)(a)(v);
- 486 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
487 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the
488 projects described in Subsection 63B-18-401(4)(a);
- 489 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
490 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in
491 the fund, to transfer an amount equal to 50% of the revenue generated by the local
492 option highway construction and transportation corridor preservation fee imposed
493 under Section 41-1a-1222 in a county of the first class:
- 494 (i) to the legislative body of a county of the first class; and
- 495 (ii) to be used by a county of the first class for:
- 496 (A) highway construction, reconstruction, or maintenance projects; or
- 497 (B) the enforcement of state motor vehicle and traffic laws;
- 498 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified
499 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
500 and the transfer under Subsection (4)(e) has been made, to annually transfer an
501 amount of the sales and use tax revenue imposed in a county of the first class and
502 deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an
503 amount needed to cover the debt to:

- 504 (i) the appropriate debt service or sinking fund for the repayment of bonds issued
505 under Section 63B-27-102; and
- 506 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
507 under Sections 63B-31-102 and 63B-31-103;
- 508 (h) after the department has verified that the amount required under Subsection
509 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d),
510 the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has
511 been made, to annually transfer \$2,000,000 to a public transit district in a county of
512 the first class to fund a system for public transit;
- 513 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified
514 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
515 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e),
516 and the transfer under Subsection (4)(g)(i) has been made, through fiscal year 2027,
517 to annually transfer 20%, and beginning with fiscal year 2028, and each year
518 thereafter for 20 years, to annually transfer 33% of the amount deposited into the
519 fund under Subsection (2)(b) to the legislative body of a county of the first class for
520 the following purposes:
- 521 (i) to fund parking facilities in a county of the first class that facilitate significant
522 economic development and recreation and tourism within the state; and
- 523 (ii) to be used for purposes allowed in Section 17-78-702;
- 524 (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for
525 15 years thereafter, to annually transfer the following amounts to the following cities
526 and the county of the first class for priority projects to mitigate congestion and
527 improve transportation safety:
- 528 (i) \$2,000,000 to Sandy;
- 529 (ii) \$2,300,000 to Taylorsville;
- 530 (iii) \$1,100,000 to Salt Lake City;
- 531 (iv) \$1,100,000 to West Jordan;
- 532 (v) \$1,100,000 to West Valley City;
- 533 (vi) \$800,000 to Herriman;
- 534 (vii) \$700,000 to Draper;
- 535 (viii) \$700,000 to Riverton;
- 536 (ix) \$700,000 to South Jordan;
- 537 (x) \$500,000 to Bluffdale;

- 538 (xi) \$500,000 to Midvale;
- 539 (xii) \$500,000 to Millcreek;
- 540 (xiii) \$500,000 to Murray;
- 541 (xiv) \$400,000 to Cottonwood Heights; and
- 542 (xv) \$300,000 to Holladay;
- 543 (k) for the 2024-25, 2025-26, and 2026-27 fiscal years, and subject to revenue balances
- 544 after the distributions under Subsection (4)(j), to reimburse the following
- 545 municipalities for the amounts and projects indicated, as each project progresses and
- 546 as revenue balances allow:
- 547 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from
- 548 Grandville Avenue to Mountain View Corridor;
- 549 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street
- 550 and 700 West;
- 551 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
- 552 throughout Salt Lake City;
- 553 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard
- 554 and 2300 East;
- 555 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800
- 556 South and I-15;
- 557 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 558 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 559 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal Trail
- 560 between 11800 South and 13800 South;
- 561 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
- 562 South;
- 563 (x) \$470,000 to the department for construction of a sound wall on Bangerter
- 564 Highway at approximately 11200 South;
- 565 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800
- 566 South and 5300 South;
- 567 (xii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100
- 568 South;
- 569 (xiii) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111
- 570 and Old Bingham Highway;
- 571 (xiv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East

- 572 between 3300 South and Atkin Avenue;
- 573 (xv) \$1,230,000 to Holladay for improvements to Highland Drive between Van
574 Winkle Expressway and Arbor Lane;
- 575 (xvi) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215
576 interchange;
- 577 (xvii) \$3,750,000 to West Valley City for improvements to 4000 West between 4100
578 South and 4700 South and improvements to 4700 South from 4000 West to
579 Bangerter Highway;
- 580 (xviii) \$1,700,000 to South Jordan for improvements to Prosperity Road between
581 Crimson View Drive and Copper Hawk Drive;
- 582 (xix) \$2,300,000 to West Valley City for a road connecting U-111 at approximately
583 6200 South, then east and turning north and connecting to 5400 South;
- 584 (xx) \$1,400,000 to Magna for improvements to 8000 West between 3500 South to
585 4100 South;
- 586 (xxi) \$1,300,000 to Taylorsville for improvements on 4700 South between Redwood
587 Road and 2700 West; and
- 588 (xxii) \$3,000,000 to West Jordan for improvements to 1300 West between 6600
589 South and 7800 South; ~~[and]~~
- 590 (l) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay
591 debt service and bond issuance costs for ~~[\$70,000,000]~~ \$150,000,000 of the bonds
592 issued under Section ~~[63B-34-201]~~ 63B-34-101 for the grants awarded under Part 5,
593 Affordable Housing Infrastructure Grants[-] ; and
- 594 (m) for a fiscal year beginning on or after July 1, 2026, and only until June 30, 2028, to
595 pay for grants awarded under Part 5, Affordable Housing Infrastructure Grants,
596 subject to repayment to the fund from bond proceeds described in Section 63B-34-101,
597 if the executive director finds that providing the grant money will not delay a project
598 prioritized by the commission.
- 599 (5)(a) If revenue in the fund is insufficient to satisfy all of the transfers described in
600 Subsection (4)(j), the executive director shall proportionately reduce the amounts
601 transferred as described in Subsection (4)(j).
- 602 (b) A local government may not use revenue described in Subsection (4)(j) to supplant
603 existing class B or class C road funds that a local government has budgeted for
604 transportation projects.
- 605 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the

606 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402,
607 and 63B-27-102 are considered a local matching contribution for the purposes described
608 under Section 72-2-123.

609 (7) The department may expend up to \$3,000,000 of revenue deposited into the account as
610 described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as
611 provided in Part 4, Public Transit Innovation Grants.

612 (8) The additional administrative costs of the department to administer this fund shall be
613 paid from money in the fund.

614 (9) Subject to Subsection (11), and notwithstanding any statutory or other restrictions on
615 the use or expenditure of the revenue sources deposited into this fund, the Department of
616 Transportation may use the money in this fund for any of the purposes detailed in
617 Subsection (4).

618 (10) Subject to Subsection (11), any revenue deposited into the fund as described in
619 Subsection (2)(e) shall be used to provide funding or loans for public transit projects,
620 operations, and supporting infrastructure in the county of the first class.

621 (11) For the first three years after a county of the first class imposes a sales and use tax
622 authorized in Section 59-12-2220, revenue deposited into the fund as described in
623 Subsection (2)(e) shall be allocated as follows:

624 (a) 10% to the department to construct an express bus facility on 5600 West; and

625 (b) 90% into the County of the First Class Infrastructure Bank Fund created in Section
626 72-2-302.

627 Section 12. Section **72-2-124** is amended to read:

628 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26). Transportation Investment**
629 **Fund of 2005.**

630 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
631 2005.

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

633 (a) any voluntary contributions received for the maintenance, construction,
634 reconstruction, or renovation of state and federal highways;

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

636 (c) registration fees designated under Section 41-1a-1201;

637 (d) the sales and use tax revenues deposited into the fund in accordance with Section
638 59-12-103;

639 (e) revenues transferred to the fund in accordance with Section 72-2-106;

- 640 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
641 (g) revenue from bond proceeds described in Section 63B-34-101.
- 642 (3)(a) The fund shall earn interest.
- 643 (b) All interest earned on fund money shall be deposited into the fund.
- 644 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
645 money to pay:
- 646 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
647 federal highways prioritized by the Transportation Commission through the
648 prioritization process for new transportation capacity projects adopted under
649 Section 72-1-304;
 - 650 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
651 highway projects described in Subsections 63B-18-401(2), (3), and (4);
 - 652 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
653 Section 72-5-401;
 - 654 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
655 minus the costs paid from the County of the First Class Highway Projects Fund in
656 accordance with Subsection 72-2-121(4)(e);
 - 657 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
658 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
659 amount certified by Salt Lake County in accordance with Subsection
660 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
661 revenue bonds issued by Salt Lake County;
 - 662 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
663 for projects prioritized in accordance with Section 72-2-125;
 - 664 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
665 Class Highway Projects Fund created in Section 72-2-121 to be used for the
666 purposes described in Section 72-2-121;
 - 667 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
668 the costs needed for construction, reconstruction, or renovation of paved
669 pedestrian or paved nonmotorized transportation for projects that:
 - 670 (A) mitigate traffic congestion on the state highway system;
 - 671 (B) are part of an active transportation plan approved by the department; and
 - 672 (C) are prioritized by the commission through the prioritization process for new
673 transportation capacity projects adopted under Section 72-1-304;

- 674 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
675 reconstruction, or renovation of or improvement to the following projects:
676 (A) the connector road between Main Street and 1600 North in the city of
677 Vineyard;
678 (B) Geneva Road from University Parkway to 1800 South;
679 (C) the SR-97 interchange at 5600 South on I-15;
680 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
681 South Jordan Parkway;
682 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
683 (F) improvements to 1600 North in Orem from 1200 West to State Street;
684 (G) widening I-15 between mileposts 6 and 8;
685 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
686 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
687 in Spanish Fork Canyon;
688 (J) I-15 northbound between mileposts 43 and 56;
689 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
690 43 and 45.1;
691 (L) east Zion SR-9 improvements;
692 (M) Toquerville Parkway;
693 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
694 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
695 for construction of an interchange on Bangerter Highway at 13400 South; and
696 (P) an environmental impact study for Kimball Junction in Summit County;
697 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
698 costs based upon a statement of cash flow that the local jurisdiction where the
699 project is located provides to the department demonstrating the need for money
700 for the project, for the following projects in the following amounts:
701 (A) \$5,000,000 for Payson Main Street repair and replacement;
702 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
703 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
704 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
705 40 between mile markers 7 and 10;
706 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
707 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road

- 708 over the railroad and to U.S. Highway 6;
- 709 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
 710 revenue deposited into the fund in accordance with Section 59-12-103, for the
 711 following projects:
- 712 (A) \$3,000,000 for the department to perform an environmental study for the I-15
 713 Salem and Benjamin project; and
- 714 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
 715 Dunes Road project; ~~and~~
- 716 (xiii) for a fiscal year beginning on July 1, 2025, up to [~~\$300,000,000~~] \$250,000,000
 717 for the costs of right-of-way acquisition and construction for improvements on
 718 and connections to SR-89 and surrounding transportation facilities in a county of
 719 the first class[-] ; and
- 720 (xiv) for grants awarded under Part 5, Affordable Housing Infrastructure Grants,
 721 subject to repayment to the fund from bond proceeds described in Section
 722 63B-34-101, if the executive director finds that providing the grant money will not
 723 delay a project prioritized by the commission.
- 724 (b) The executive director may use fund money to exchange for an equal or greater
 725 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 726 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
 727 not commence until a right-of-way not owned by a federal agency that is required
 728 for the realignment and extension of U-111, as described in the department's 2023
 729 environmental study related to the project, is dedicated to the department.
- 730 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
 731 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
 732 department may proceed with the project, except that the project will be limited to
 733 two lanes on U-111 from Herriman Parkway to 11800 South.
- 734 (d) For a fiscal year beginning on July 1, 2026, the Division of Finance shall transfer
 735 \$50,000,000 of the revenue deposited into the fund to the Convention Center
 736 Reserves Restricted Account created in Section 72-2-136.
- 737 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
 738 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
 739 director may not program fund money to a project prioritized by the commission
 740 under Section 72-1-304, including fund money from the Transit Transportation
 741 Investment Fund, within the boundaries of the municipality until the department

742 receives notification from the Housing and Community Development Division within
743 the Department of Workforce Services that ineligibility under this Subsection (5) no
744 longer applies to the municipality.

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

747 (i) may program fund money in accordance with Subsection (4)(a) for a

748 limited-access facility or interchange connecting limited-access facilities;

749 (ii) may not program fund money for the construction, reconstruction, or renovation
750 of an interchange on a limited-access facility;

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

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

756 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
757 director before July 1, 2022, for projects prioritized by the commission under Section
758 72-1-304.

759 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
760 ineligibility for a county as described in Subsection 17-80-202(8), the executive
761 director may not program fund money to a project prioritized by the commission
762 under Section 72-1-304, including fund money from the Transit Transportation
763 Investment Fund, within the boundaries of the unincorporated area of the county until
764 the department receives notification from the Housing and Community Development
765 Division within the Department of Workforce Services that ineligibility under this
766 Subsection (6) no longer applies to the county.

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

769 (i) may program fund money in accordance with Subsection (4)(a) for a

770 limited-access facility to a project prioritized by the commission under Section
771 72-1-304;

772 (ii) may not program fund money for the construction, reconstruction, or renovation
773 of an interchange on a limited-access facility;

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

- 776 (iv) may not program Transit Transportation Investment Fund money for the
777 construction, reconstruction, or renovation of a station that is part of a fixed
778 guideway public transportation project.
- 779 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
780 director before July 1, 2022, for projects prioritized by the commission under Section
781 72-1-304.
- 782 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
783 any fiscal year, the department and the commission shall appear before the Executive
784 Appropriations Committee of the Legislature and present the amount of bond
785 proceeds that the department needs to provide funding for the projects identified in
786 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
787 or next fiscal year.
- 788 (b) The Executive Appropriations Committee of the Legislature shall review and
789 comment on the amount of bond proceeds needed to fund the projects.
- 790 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
791 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
792 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
793 service or sinking fund.
- 794 (9) The executive director may only use money in the fund for corridor preservation as
795 described in Subsection (4)(a)(iii):
- 796 (a) if the project has been prioritized by the commission, including the use of fund
797 money for corridor preservation; or
- 798 (b) for a project that has not been prioritized by the commission, if the commission:
- 799 (i) approves the use of fund money for the corridor preservation; and
800 (ii) finds that the use of fund money for corridor preservation will not result in any
801 delay to a project that has been prioritized by the commission.
- 802 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
803 Transportation Investment Fund.
- 804 (b) The fund shall be funded by:
- 805 (i) contributions deposited into the fund in accordance with Section 59-12-103;
806 (ii) appropriations into the account by the Legislature;
807 (iii) deposits of sales and use tax increment related to a housing and transit
808 reinvestment zone as described in Section 63N-3-610;
809 (iv) transfers of local option sales and use tax revenue as described in Subsection

- 810 59-12-2220(11)(b) or (c);
811 (v) private contributions; and
812 (vi) donations or grants from public or private entities.
- 813 (c)(i) The fund shall earn interest.
814 (ii) All interest earned on fund money shall be deposited into the fund.
- 815 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
816 (i) for public transit capital development of new capacity projects and fixed guideway
817 capital development projects to be used as prioritized by the commission through
818 the prioritization process adopted under Section 72-1-304;
819 (ii) to the department for oversight of a fixed guideway capital development project
820 for which the department has responsibility; or
821 (iii) up to \$500,000 per year, to be used for a public transit study.
- 822 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
823 money from the fund for a public transit capital development project or pedestrian
824 or nonmotorized transportation project that provides connection to the public
825 transit system if the public transit district or political subdivision provides funds of
826 equal to or greater than 30% of the costs needed for the project.
827 (ii) A public transit district or political subdivision may use money derived from a
828 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
829 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
830 (A) the loan is approved by the commission as required in Part 2, State
831 Infrastructure Bank Fund; and
832 (B) the proposed capital project has been prioritized by the commission pursuant
833 to Section 72-1-303.
- 834 (f) Before July 1, 2022, the department and a large public transit district shall enter into
835 an agreement for a large public transit district to pay the department \$5,000,000 per
836 year for 15 years to be used to facilitate the purchase of zero emissions or low
837 emissions rail engines and trainsets for regional public transit rail systems.
- 838 (g) For any revenue transferred into the fund in accordance with Subsection
839 59-12-2220(11)(b):
840 (i) the commission may prioritize money from the fund for public transit projects,
841 operations, or maintenance within the county of the first class; and
842 (ii) Subsection (10)(e) does not apply.
- 843 (h) For any revenue transferred into the fund in accordance with Subsection

- 844 59-12-2220(11)(c):
- 845 (i) the commission may prioritize public transit projects, operations, or maintenance
- 846 in the county from which the revenue was generated; and
- 847 (ii) Subsection (10)(e) does not apply.
- 848 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
- 849 the project described in Subsection (10)(e) does not apply to a public transit capital
- 850 development project or pedestrian or nonmotorized transportation project that the
- 851 department proposes.
- 852 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
- 853 prioritize money from the fund for public transit innovation grants, as defined in
- 854 Section 72-2-401, for public transit capital development projects requested by a
- 855 political subdivision within a public transit district.
- 856 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
- 857 Canyons Transportation Investment Fund.
- 858 (b) The fund shall be funded by:
- 859 (i) money deposited into the fund in accordance with Section 59-12-103;
- 860 (ii) appropriations into the account by the Legislature;
- 861 (iii) private contributions; and
- 862 (iv) donations or grants from public or private entities.
- 863 (c)(i) The fund shall earn interest.
- 864 (ii) All interest earned on fund money shall be deposited into the fund.
- 865 (d) The Legislature may appropriate money from the fund for public transit or
- 866 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 867 (e) The department may use up to 2% of the revenue deposited into the account under
- 868 Subsection 59-12-103(7)(b) to contract with local governments as necessary for
- 869 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 870 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
- 871 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
- 872 to fund projects to provide ingress and egress for a public transit hub, including
- 873 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 874 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
- 875 Transportation Investment Fund.
- 876 (b) The fund shall be funded by:
- 877 (i) money deposited into the fund in accordance with Section 59-12-103;

- 878 (ii) appropriations into the account by the Legislature; and
879 (iii) donations or grants from public or private entities.
- 880 (c)(i) The fund shall earn interest.
- 881 (ii) All interest earned on fund money shall be deposited into the fund.
- 882 (d) The executive director may only use fund money to pay the costs needed for:
- 883 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
884 paved pedestrian or paved nonmotorized trail projects that:
- 885 (A) are prioritized by the commission through the prioritization process for new
886 transportation capacity projects adopted under Section 72-1-304;
- 887 (B) serve a regional purpose; and
- 888 (C) are part of an active transportation plan approved by the department or the
889 plan described in Subsection (12)(d)(ii);
- 890 (ii) the development of a plan for a statewide network of paved pedestrian or paved
891 nonmotorized trails that serve a regional purpose; and
- 892 (iii) the administration of the fund, including staff and overhead costs.
- 893 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
894 defined in Section 63N-3-602.
- 895 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
896 Subaccount.
- 897 (c) The subaccount shall be funded by:
- 898 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 899 (ii) appropriations into the subaccount by the Legislature;
- 900 (iii) private contributions; and
- 901 (iv) donations or grants from public or private entities.
- 902 (d)(i) The subaccount shall earn interest.
- 903 (ii) All interest earned on money in the subaccount shall be deposited into the
904 subaccount.
- 905 (e) As prioritized by the commission through the prioritization process adopted under
906 Section 72-1-304 or as directed by the Legislature, the department may only use
907 money from the subaccount for projects that improve the state's commuter rail
908 infrastructure, including the building or improvement of grade-separated crossings
909 between commuter rail lines and public highways.
- 910 (f) Appropriations made in accordance with this section are nonlapsing in accordance
911 with Section 63J-1-602.1.

912 Section 13. Section **72-2-124** is amended to read:

913 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**

914 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
915 2005.

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

917 (a) any voluntary contributions received for the maintenance, construction,
918 reconstruction, or renovation of state and federal highways;

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

920 (c) registration fees designated under Section 41-1a-1201;

921 (d) the sales and use tax revenues deposited into the fund in accordance with Section
922 59-12-103;

923 (e) revenues transferred to the fund in accordance with Section 72-2-106;

924 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and

925 (g) revenue from bond proceeds described in Section [~~63B-34-201~~] 63B-34-101.

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

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

928 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
929 money to pay:

930 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
931 federal highways prioritized by the Transportation Commission through the
932 prioritization process for new transportation capacity projects adopted under
933 Section 72-1-304;

934 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
935 highway projects described in Subsections 63B-18-401(2), (3), and (4);

936 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
937 Section 72-5-401;

938 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
939 minus the costs paid from the County of the First Class Highway Projects Fund in
940 accordance with Subsection 72-2-121(4)(e);

941 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
942 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
943 amount certified by Salt Lake County in accordance with Subsection
944 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
945 revenue bonds issued by Salt Lake County;

- 946 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
947 for projects prioritized in accordance with Section 72-2-125;
- 948 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
949 Class Highway Projects Fund created in Section 72-2-121 to be used for the
950 purposes described in Section 72-2-121;
- 951 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
952 the costs needed for construction, reconstruction, or renovation of paved
953 pedestrian or paved nonmotorized transportation for projects that:
- 954 (A) mitigate traffic congestion on the state highway system;
- 955 (B) are part of an active transportation plan approved by the department; and
- 956 (C) are prioritized by the commission through the prioritization process for new
957 transportation capacity projects adopted under Section 72-1-304;
- 958 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
959 reconstruction, or renovation of or improvement to the following projects:
- 960 (A) the connector road between Main Street and 1600 North in the city of
961 Vineyard;
- 962 (B) Geneva Road from University Parkway to 1800 South;
- 963 (C) the SR-97 interchange at 5600 South on I-15;
- 964 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
965 South Jordan Parkway;
- 966 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 967 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 968 (G) widening I-15 between mileposts 6 and 8;
- 969 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 970 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
971 in Spanish Fork Canyon;
- 972 (J) I-15 northbound between mileposts 43 and 56;
- 973 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
974 43 and 45.1;
- 975 (L) east Zion SR-9 improvements;
- 976 (M) Toquerville Parkway;
- 977 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 978 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
979 for construction of an interchange on Bangarter Highway at 13400 South; and

- 980 (P) an environmental impact study for Kimball Junction in Summit County;
- 981 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 982 costs based upon a statement of cash flow that the local jurisdiction where the
- 983 project is located provides to the department demonstrating the need for money
- 984 for the project, for the following projects in the following amounts:
- 985 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 986 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 987 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 988 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 989 40 between mile markers 7 and 10;
- 990 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
- 991 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
- 992 over the railroad and to U.S. Highway 6;
- 993 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
- 994 revenue deposited into the fund in accordance with Section 59-12-103, for the
- 995 following projects:
- 996 (A) \$3,000,000 for the department to perform an environmental study for the I-15
- 997 Salem and Benjamin project; and
- 998 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
- 999 Dunes Road project; [and]
- 1000 (xiii) for a fiscal year beginning on July 1, 2025, up to [~~\$300,000,000~~] \$250,000,000
- 1001 for the costs of right-of-way acquisition and construction for improvements on
- 1002 and connections to SR-89 and surrounding transportation facilities in a county of
- 1003 the first class[-] ; and
- 1004 (xiv) for grants awarded under Part 5, Affordable Housing Infrastructure Grants,
- 1005 subject to repayment to the fund from bond proceeds described in Section
- 1006 63B-34-101, if the executive director finds that providing the grant money will not
- 1007 delay a project prioritized by the commission.
- 1008 (b) The executive director may use fund money to exchange for an equal or greater
- 1009 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1010 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
- 1011 not commence until a right-of-way not owned by a federal agency that is required
- 1012 for the realignment and extension of U-111, as described in the department's 2023
- 1013 environmental study related to the project, is dedicated to the department.

1014 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
1015 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
1016 department may proceed with the project, except that the project will be limited to
1017 two lanes on U-111 from Herriman Parkway to 11800 South.

1018 (d) For a fiscal year beginning on July 1, 2026, the Division of Finance shall transfer
1019 \$50,000,000 of the revenue deposited into the fund to the Convention Center
1020 Reserves Restricted Account created in Section 72-2-136.

1021 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
1022 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
1023 director may not program fund money to a project prioritized by the commission
1024 under Section 72-1-304, including fund money from the Transit Transportation
1025 Investment Fund, within the boundaries of the municipality until the department
1026 receives notification from the Housing and Community Development Division within
1027 the Department of Workforce Services that ineligibility under this Subsection (5) no
1028 longer applies to the municipality.

1029 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
1030 director:

1031 (i) may program fund money in accordance with Subsection (4)(a) for a
1032 limited-access facility or interchange connecting limited-access facilities;

1033 (ii) may not program fund money for the construction, reconstruction, or renovation
1034 of an interchange on a limited-access facility;

1035 (iii) may program Transit Transportation Investment Fund money for a
1036 multi-community fixed guideway public transportation project; and

1037 (iv) may not program Transit Transportation Investment Fund money for the
1038 construction, reconstruction, or renovation of a station that is part of a fixed
1039 guideway public transportation project.

1040 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1041 director before July 1, 2022, for projects prioritized by the commission under Section
1042 72-1-304.

1043 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
1044 ineligibility for a county as described in Subsection 17-80-202(8), the executive
1045 director may not program fund money to a project prioritized by the commission
1046 under Section 72-1-304, including fund money from the Transit Transportation
1047 Investment Fund, within the boundaries of the unincorporated area of the county until

- 1048 the department receives notification from the Housing and Community Development
1049 Division within the Department of Workforce Services that ineligibility under this
1050 Subsection (6) no longer applies to the county.
- 1051 (b) Within the boundaries of the unincorporated area of a county described in Subsection
1052 (6)(a), the executive director:
- 1053 (i) may program fund money in accordance with Subsection (4)(a) for a
1054 limited-access facility to a project prioritized by the commission under Section
1055 72-1-304;
- 1056 (ii) may not program fund money for the construction, reconstruction, or renovation
1057 of an interchange on a limited-access facility;
- 1058 (iii) may program Transit Transportation Investment Fund money for a
1059 multi-community fixed guideway public transportation project; and
- 1060 (iv) may not program Transit Transportation Investment Fund money for the
1061 construction, reconstruction, or renovation of a station that is part of a fixed
1062 guideway public transportation project.
- 1063 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1064 director before July 1, 2022, for projects prioritized by the commission under Section
1065 72-1-304.
- 1066 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1067 any fiscal year, the department and the commission shall appear before the Executive
1068 Appropriations Committee of the Legislature and present the amount of bond
1069 proceeds that the department needs to provide funding for the projects identified in
1070 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
1071 or next fiscal year.
- 1072 (b) The Executive Appropriations Committee of the Legislature shall review and
1073 comment on the amount of bond proceeds needed to fund the projects.
- 1074 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1075 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1076 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1077 service or sinking fund.
- 1078 (9) The executive director may only use money in the fund for corridor preservation as
1079 described in Subsection (4)(a)(iii):
- 1080 (a) if the project has been prioritized by the commission, including the use of fund
1081 money for corridor preservation; or

- 1082 (b) for a project that has not been prioritized by the commission, if the commission:
1083 (i) approves the use of fund money for the corridor preservation; and
1084 (ii) finds that the use of fund money for corridor preservation will not result in any
1085 delay to a project that has been prioritized by the commission.
- 1086 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
1087 Transportation Investment Fund.
- 1088 (b) The fund shall be funded by:
1089 (i) contributions deposited into the fund in accordance with Section 59-12-103;
1090 (ii) appropriations into the account by the Legislature;
1091 (iii) deposits of sales and use tax increment related to a housing and transit
1092 reinvestment zone as described in Section 63N-3-610;
1093 (iv) transfers of local option sales and use tax revenue as described in Subsection
1094 59-12-2220(11)(b) or (c);
1095 (v) private contributions; and
1096 (vi) donations or grants from public or private entities.
- 1097 (c)(i) The fund shall earn interest.
1098 (ii) All interest earned on fund money shall be deposited into the fund.
- 1099 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
1100 (i) for public transit capital development of new capacity projects and fixed guideway
1101 capital development projects to be used as prioritized by the commission through
1102 the prioritization process adopted under Section 72-1-304;
1103 (ii) to the department for oversight of a fixed guideway capital development project
1104 for which the department has responsibility; or
1105 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1106 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
1107 money from the fund for a public transit capital development project or pedestrian
1108 or nonmotorized transportation project that provides connection to the public
1109 transit system if the public transit district or political subdivision provides funds of
1110 equal to or greater than 30% of the costs needed for the project.
1111 (ii) A public transit district or political subdivision may use money derived from a
1112 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
1113 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
1114 (A) the loan is approved by the commission as required in Part 2, State
1115 Infrastructure Bank Fund; and

- 1116 (B) the proposed capital project has been prioritized by the commission pursuant
1117 to Section 72-1-303.
- 1118 (f) Before July 1, 2022, the department and a large public transit district shall enter into
1119 an agreement for a large public transit district to pay the department \$5,000,000 per
1120 year for 15 years to be used to facilitate the purchase of zero emissions or low
1121 emissions rail engines and trainsets for regional public transit rail systems.
- 1122 (g) For any revenue transferred into the fund in accordance with Subsection
1123 59-12-2220(11)(b):
- 1124 (i) the commission may prioritize money from the fund for public transit projects,
1125 operations, or maintenance within the county of the first class; and
1126 (ii) Subsection (10)(e) does not apply.
- 1127 (h) For any revenue transferred into the fund in accordance with Subsection
1128 59-12-2220(11)(c):
- 1129 (i) the commission may prioritize public transit projects, operations, or maintenance
1130 in the county from which the revenue was generated; and
1131 (ii) Subsection (10)(e) does not apply.
- 1132 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
1133 the project described in Subsection (10)(e) does not apply to a public transit capital
1134 development project or pedestrian or nonmotorized transportation project that the
1135 department proposes.
- 1136 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
1137 prioritize money from the fund for public transit innovation grants, as defined in
1138 Section 72-2-401, for public transit capital development projects requested by a
1139 political subdivision within a public transit district.
- 1140 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
1141 Canyons Transportation Investment Fund.
- 1142 (b) The fund shall be funded by:
- 1143 (i) money deposited into the fund in accordance with Section 59-12-103;
1144 (ii) appropriations into the account by the Legislature;
1145 (iii) private contributions; and
1146 (iv) donations or grants from public or private entities.
- 1147 (c)(i) The fund shall earn interest.
1148 (ii) All interest earned on fund money shall be deposited into the fund.
- 1149 (d) The Legislature may appropriate money from the fund for public transit or

- 1150 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 1151 (e) The department may use up to 2% of the revenue deposited into the account under
1152 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
1153 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 1154 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
1155 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
1156 to fund projects to provide ingress and egress for a public transit hub, including
1157 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 1158 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
1159 Transportation Investment Fund.
- 1160 (b) The fund shall be funded by:
- 1161 (i) money deposited into the fund in accordance with Section 59-12-103;
1162 (ii) appropriations into the account by the Legislature; and
1163 (iii) donations or grants from public or private entities.
- 1164 (c)(i) The fund shall earn interest.
1165 (ii) All interest earned on fund money shall be deposited into the fund.
- 1166 (d) The executive director may only use fund money to pay the costs needed for:
- 1167 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
1168 paved pedestrian or paved nonmotorized trail projects that:
- 1169 (A) are prioritized by the commission through the prioritization process for new
1170 transportation capacity projects adopted under Section 72-1-304;
1171 (B) serve a regional purpose; and
1172 (C) are part of an active transportation plan approved by the department or the
1173 plan described in Subsection (12)(d)(ii);
- 1174 (ii) the development of a plan for a statewide network of paved pedestrian or paved
1175 nonmotorized trails that serve a regional purpose; and
1176 (iii) the administration of the fund, including staff and overhead costs.
- 1177 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
1178 defined in Section 63N-3-602.
- 1179 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
1180 Subaccount.
- 1181 (c) The subaccount shall be funded by:
- 1182 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
1183 (ii) appropriations into the subaccount by the Legislature;

- 1184 (iii) private contributions; and
 1185 (iv) donations or grants from public or private entities.
 1186 (d)(i) The subaccount shall earn interest.
 1187 (ii) All interest earned on money in the subaccount shall be deposited into the
 1188 subaccount.
 1189 (e) As prioritized by the commission through the prioritization process adopted under
 1190 Section 72-1-304 or as directed by the Legislature, the department may only use
 1191 money from the subaccount for projects that improve the state's commuter rail
 1192 infrastructure, including the building or improvement of grade-separated crossings
 1193 between commuter rail lines and public highways.
 1194 (f) Appropriations made in accordance with this section are nonlapsing in accordance
 1195 with Section 63J-1-602.1.

1196 Section 14. Section **72-2-136** is enacted to read:

1197 **72-2-136 (Effective 05/06/26). Convention Center Reserves Restricted Account.**

- 1198 (1) As used in this section, "convention center" means a convention center owned by a
 1199 county of the first class within a city of the first class.
 1200 (2) There is created within the Transportation Fund a restricted account known as the
 1201 "Convention Center Reserves Restricted Account."
 1202 (3) The account consists of:
 1203 (a) revenue transferred to the account in accordance with Subsection 72-2-124(4)(d); and
 1204 (b) amounts appropriated by the Legislature.
 1205 (4) Subject to appropriation, money in the account may be used:
 1206 (a) for revitalization of a convention center and surrounding revitalization projects
 1207 related to the convention center; or
 1208 (b) for securing the issuance of the debt of a county of the first class for a convention
 1209 center in an amount that does not exceed \$1,600,000,000.

1210 Section 15. Section **72-2-501** is amended to read:

1211 **72-2-501 (Effective 05/06/26). Definitions.**

1212 As used in this part:

- 1213 (1) "Affordable housing unit" means a dwelling that[~~:]~~
 1214 [~~(a) is offered for rent at a rental price affordable to a household with a gross income of~~
 1215 ~~no more than 80% of the area median income for the county in which the residential~~
 1216 ~~unit is offered for rent; or]~~
 1217 [(b)] is offered for sale to an owner-occupier at a purchase price that the board

1218 determines is affordable [~~to a household with a gross income of no more than 120%~~
 1219 ~~of the area median income]~~for the county in which the residential unit is offered for
 1220 sale and is deed restricted for [~~no fewer than~~] up to five years.

1221 (2) "Board" means the [~~affordable housing infrastructure grant board~~] Affordable Housing
 1222 Infrastructure Grant Board created in Section 72-2-503.

1223 (3) "Grant" means a grant issued to a public entity in a county of the first class, as classified
 1224 in Section 17-60-104, as provided in this part.

1225 Section 16. Section **72-2-502** is amended to read:

1226 **72-2-502 (Effective 05/06/26). Affordable housing infrastructure grant funding**
 1227 **sources.**

1228 (1) In accordance with Section 72-2-503, the board may rank, prioritize, and award
 1229 affordable housing infrastructure grants to public entities within a county of the first
 1230 class with money derived from the following sources:

1231 (a) bond proceeds deposited into the Transportation Investment Fund of 2005 created in
 1232 Section 72-2-124 in accordance with a bond issued under Section [~~63B-34-201~~]
 1233 63B-34-101;

1234 (b) for a fiscal year beginning on or after July 1, 2026, and only until June 30, 2028,
 1235 revenue deposited into the County of the First Class Highway Projects Fund created
 1236 in Section 72-2-121;

1237 [~~(b)~~] (c) appropriations by the Legislature; and

1238 [~~(e)~~] (d) any other transfers or contributions.

1239 (2) Administrative costs of the department to administer affordable housing infrastructure
 1240 grants under this part shall be paid from the funds described in Subsection (1).

1241 Section 17. Section **72-2-503** is amended to read:

1242 **72-2-503 (Effective 05/06/26). Board creation -- Duties -- Grant administration.**

1243 (1)(a) There is created the [~~affordable housing infrastructure grant board~~] Affordable
 1244 Housing Infrastructure Grant Board consisting of:

1245 (i) the following five voting members:

1246 [~~(a) the executive director of the department, or the executive director's designee;~~]

1247 [~~(b)~~] (A) the executive director of the Governor's Office of Economic Opportunity
 1248 appointed under Section 63N-1a-302, or the executive director's designee; [~~and~~]

1249 (B) two individuals from a county of the first class, as classified in Section
 1250 17-60-104, appointed by the speaker of the House of Representatives; and

1251 (C) two individuals from a county of the first class, as classified in Section

- 1252 17-60-104, appointed by the president of the Senate; and
 1253 [~~(e) an employee of the governor's office that is an expert or advisor on housing strategy,~~
 1254 ~~appointed by the governor.]~~
- 1255 (ii) the following two nonvoting members:
 1256 (A) the executive director of the department, or the executive director's designee;
 1257 and
 1258 (B) the legislative fiscal analyst, or the legislative fiscal analyst's designee.
- 1259 (b) In accordance with this section, the board shall award grants to public entities in a
 1260 county of the first class, as classified in Section 17-60-104, for infrastructure that will
 1261 facilitate the development of affordable housing units.
- 1262 (2)(a) The Governor's Office of Economic Opportunity shall provide staff support for
 1263 the board and the grant program.
- 1264 (b) The Governor's Office of Economic Opportunity may use and the department shall
 1265 transfer grant funds for the costs of the Governor's Office of Economic Opportunity
 1266 to administer the grant program under this part.
- 1267 (c) The Governor's Office of Economic Opportunity and the department shall enter into
 1268 a memorandum of understanding to facilitate the calculation and transfer of funds for
 1269 the administrative costs described in Subsection (2)(b).
- 1270 (3) The [~~Governor's Office of Economic Opportunity~~] department, in consultation with the
 1271 board, shall develop a process for the prioritization of grant proposals that includes:
 1272 (a) instructions on making and submitting a grant proposal;
 1273 (b) methodology for selecting grants; and
 1274 (c) methodology for awarding grants.
- 1275 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the [
 1276 ~~Governor's Office of Economic Opportunity~~] department shall make rules to establish the
 1277 process described in Subsection (3) and as otherwise necessary to implement this part.
- 1278 (5) The board shall:
 1279 (a) accept grant applications;
 1280 (b) rank grant proposals; and
 1281 (c) award grants in accordance with this part.
- 1282 (6) A grant applicant shall ensure that each grant proposal includes:
 1283 (a) information about the proposed project, including the projected number of affordable
 1284 housing units, which may not be less than 50 units of affordable housing;
 1285 (b) the projected time line of the proposed project;

- 1286 (c) data and information regarding the proposed types of affordable housing; and
1287 (d) information about the public infrastructure and other improvements needed.
- 1288 (7)(a) In considering a grant proposal, the board shall:
- 1289 (i) give priority to a project that includes, as a substantial component, the
1290 construction of detached single-family owner-occupied starter homes; and
- 1291 (ii) consider criteria including:
- 1292 [(+)] (A) the value and number of housing units the project will produce;
1293 [(+)] (B) the value of any matching contribution from the grant applicant,
1294 including information about how the public entity determined the value of the
1295 matching assets; and
1296 [(+)] (C) any other criteria the board determines relevant.
- 1297 (b) For a grant proposal including highway infrastructure, the board may not award a
1298 grant unless the grant applicant provides a minimum matching contribution of the
1299 right-of-way needed for the highway improvements.
- 1300 (c) If a grant proposal includes highway infrastructure, the board shall give priority to
1301 the construction of public highways that are highways of regional significance that
1302 connect to other highways or points of regional significance.
- 1303 (8)(a) Subject to available funding, and subject to Subsection (8)(b), the board may
1304 award a grant to a recipient that the board determines advisable.
- 1305 (b) For every \$20,000 of grant funding awarded to a recipient, the infrastructure shall
1306 support at least one unit of affordable housing.
- 1307 (c) The board may not award a grant to a recipient if the board determines that the
1308 recipient will not be able to satisfy the requirement under Subsection (8)(b).
- 1309 (9) If the board approves the award of a grant as provided in this part, the department shall
1310 transfer the money to the grant recipient in accordance with Subsection (10).
- 1311 (10)(a)[(a)] (i) [~~Before~~] Except as provided in Subsection (10)(b), before the
1312 department may provide grant money to a public entity for a project related to a
1313 grant awarded by the board, the public entity shall provide a detailed cost estimate
1314 of costs to complete the planning and design of the project.
- 1315 [(b)] (ii) If the executive director approves the cost estimate described in Subsection [
1316 ~~(10)(a)~~] (10)(a)(i), the department may provide to the public entity grant money
1317 reasonably necessary to complete the planning and design of the project.
- 1318 [(e)] (iii) After completion of the planning and design of a project related to a grant
1319 awarded by the board, the public entity shall provide to the department a detailed

1320 estimate of the costs to construct and complete the project described in Subsection [
1321 ~~(10)(b)~~] (10)(a)(ii).

1322 [~~(d)~~] (iv) If the executive director approves the cost estimates described in Subsection [
1323 ~~(10)(e)~~] (10)(a)(iii), the department may provide grant money to a public entity to
1324 construct and complete the project described in Subsection [~~(10)(b)~~] (10)(a)(ii).

1325 (b) The board may, in relation to a grant awarded by the board:

1326 (i) waive the requirements of Subsection (10)(a); and

1327 (ii) direct the department to transfer grant money to the grant recipient.

1328 Section 18. Section **72-5-111** is amended to read:

1329 **72-5-111 (Effective 05/06/26). Disposal of real property.**

1330 (1)(a) If the department determines that any real property or interest in real property,
1331 acquired for a state transportation purpose, is no longer necessary for the purpose, the
1332 department may lease, sell, exchange, or otherwise dispose of the real property or
1333 interest in the real property.

1334 (b)(i) Real property or an interest in real property may be sold at private or public
1335 sale.

1336 (ii) Except as provided in Subsection (1)(c) related to exchanges and Subsection
1337 (1)(d) related to the proceeds of any sale of real property from a maintenance
1338 facility, proceeds of any sale shall be deposited with the state treasurer and
1339 credited to the Transportation Fund.

1340 (c)(i) Except as provided in Subsection (1)(c)(ii), if approved by the commission, real
1341 property or an interest in real property may be exchanged by the department for
1342 other real property or interest in real property, including improvements, for a state
1343 transportation purpose.

1344 (ii) The department may exchange an interest in real property for another interest in
1345 real property for a project that is part of a statewide transportation improvement
1346 program approved by the commission.

1347 (d) Proceeds from the sale of real property or an interest in real property from a
1348 maintenance facility may be used by the department for the purchase or improvement
1349 of another maintenance facility, including real property.

1350 (2)(a) In disposing of real property or an interest in real property described in Subsection
1351 (1), the department shall give the right of first refusal for the highest offer, as defined
1352 in Section 78B-6-521, to:

1353 (i) for real property, the original grantor if, since the date of the original transfer to

- 1354 the department, the original grantor has owned real property adjacent to the
1355 transferred real property; or
- 1356 (ii) for an interest in real property that is an easement:
- 1357 (A) if the original grantor owns the servient estate subject to the easement, the
1358 original grantor; or
- 1359 (B) if a subsequent bona fide purchaser owns the servient estate subject to the
1360 easement, the subsequent bona fide purchaser.
- 1361 (b) Notwithstanding Subsection (2)(a) and Section 78B-6-521, if the department
1362 acquires real property or an easement and does not use any portion of the real
1363 property or easement for a state transportation purpose, the department shall give the
1364 original grantor the opportunity to purchase the real property or easement at the
1365 original purchase price if, since the date of the original transfer to the department, the
1366 original grantor has owned real property adjacent to the transferred real property or
1367 the servient estate subject to the easement.
- 1368 (c) In accordance with Section 72-5-404, this Subsection (2) does not apply to property
1369 rights acquired in proposed transportation corridors using funds from the Marda
1370 Dillree Corridor Preservation Fund created in Section 72-2-117.
- 1371 (d)[(i) The right of first refusal described in this Subsection (2) is subject to the same
1372 terms and may be assigned by the original grantor or subsequent bona fide
1373 purchaser in the manner described in Subsection 78B-6-521(3).]
1374 [(ii) The original grantor or subsequent bona fide purchaser, or the original grantor's
1375 or subsequent bona fide purchaser's assignee, shall notify the department of an
1376 assignment by certified mail to the current office address of the executive director
1377 of the department.]
- 1378 (i) If an original grantor or subsequent bona fide purchaser fails to purchase real
1379 property or an easement described in this Subsection (2), the department may
1380 reject all bids and dispose of the real property or easement in accordance with
1381 Subsection 78B-6-521(3).
- 1382 [(iii)] (ii) An exchange of real property [as provided in] under Subsection (1)(c) or
1383 Section 72-5-113 does not entitle the original grantor or subsequent bona fide
1384 purchaser to exercise the right of first refusal described in this Subsection (2).
- 1385 [(iv)] (iii) The right of first refusal described in this Subsection (2) terminates upon an
1386 exchange of the acquired real property [as provided in] under Subsection (1)(c) or
1387 Section 72-5-113.

- 1388 (3)(a) Any sale, exchange, or disposal of real property or interest in real property made
 1389 by the department under this section, is exempt from the mineral reservation
 1390 provisions of Title 65A, Chapter 6, Mineral Leases.
- 1391 (b) Any deed made and delivered by the department under this section without specific
 1392 reservations in the deed is a conveyance of all the state's right, title, and interest in the
 1393 real property or interest in the real property.
- 1394 Section 19. Section **72-5-117** is amended to read:
- 1395 **72-5-117 (Effective 05/06/26). Rulemaking for sale of real property -- Licensed**
 1396 **or certified appraisers -- Exceptions.**
- 1397 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the
 1398 department buys, sells, or exchanges real property, the department shall make rules to
 1399 ensure that the value of the real property is congruent with the proposed price and other
 1400 terms of the purchase, sale, or exchange.
- 1401 (2) The rules:
- 1402 (a) shall establish procedures for determining the value of the real property;
- 1403 (b) may provide that an appraisal, as defined under Section 61-2g-102, demonstrates the
 1404 real property's value;
- 1405 (c) may require that the appraisal be completed by a state-certified general appraiser, as
 1406 defined under Section 61-2g-102;
- 1407 (d) may provide for the sale or exchange of real property, with or without charge, to a
 1408 large public transit district if the executive director enters into an agreement with the
 1409 large public transit district and determines that the real property:
- 1410 (i) is within the boundaries of a station area that has a station area plan certified by a
 1411 metropolitan planning organization in accordance with Section 10-21-203;
- 1412 (ii) is part of a transit-oriented development or transit-supportive development as
 1413 defined in Section 17B-2a-802;
- 1414 (iii) is adjacent to a completed fixed guideway capital development that was overseen
 1415 by the department; or
- 1416 (iv) will only be used by the large public transit district in a manner that the executive
 1417 director determines will provide a benefit to the state transportation system; [~~and~~]
- 1418 (e) may provide for the disposal of surplus real property for a purpose described in
 1419 Section 63L-12-102; and
- 1420 [~~(e)~~] (f) may provide for a sale of surplus real property to a state agency or an
 1421 independent entity, as defined in Section 63E-1-102, that administers public interests

1422 in housing for a pre-entitlement appraised value, the payment of which may be
1423 deferred[~~until after the development of owner-occupied housing~~], as determined by
1424 the department and subject to state and federal law.

1425 (3) Subsection (1) does not apply to the purchase, sale, or exchange of real property, or to
1426 an interest in real property:

1427 (a) that is under a contract or other written agreement before May 5, 2008; or

1428 (b) with a value of less than \$100,000, as estimated by the state agency.

1429 Section 20. Section **78B-6-521** is amended to read:

1430 **78B-6-521 (Effective 05/06/26). Sale of property acquired by eminent domain.**

1431 (1) As used in this section:

1432 (a) "Condemnation" or "threat of condemnation" means:

1433 (i) acquisition through an eminent domain proceeding; or

1434 (ii) an official body of the state or a subdivision of the state, having the power of
1435 eminent domain, has specifically authorized the use of eminent domain to acquire
1436 the real property.

1437 (b)(i) "Highest offer" means all material terms of the best bona fide offer received by
1438 the state or one of the state's subdivisions, including:

1439 (A) purchase price;

1440 (B) conditions; and

1441 (C) terms of performance.

1442 (ii) "Highest offer" does not mean the terms and conditions of an agreement to
1443 exchange real property or an interest in real property for other real property or an
1444 interest in real property.

1445 (2) If the state or one of the state's subdivisions, at the state's or the state subdivision's sole
1446 discretion, declares real property or an easement the state or state subdivision acquires
1447 through condemnation or threat of condemnation to be surplus real property, the state or
1448 state subdivision may not sell the real property or easement at a private or public sale
1449 unless:

1450 (a)(i) for real property, the state or state subdivision gives the right of first refusal to
1451 the original grantor for the highest offer if, since the date of the original transfer to
1452 the state or state subdivision, the original grantor has owned real property adjacent
1453 to the transferred real property; or

1454 (ii) for an easement, the state or state subdivision gives the right of first refusal to:

1455 (A) if the original grantor owns the servient estate subject to the easement, the

- 1456 original grantor for the highest offer; or
- 1457 (B) if a subsequent bona fide purchaser owns the servient estate subject to the
- 1458 easement, the subsequent bona fide purchaser for the highest offer;
- 1459 (b) the original grantor or subsequent bona fide purchaser described in Subsection (2)(a):
- 1460 (i) expressly waives in writing the right of first refusal on the offer; or
- 1461 (ii) fails to accept the offer within 90 days after the day on which the original grantor
- 1462 or subsequent bona fide purchaser receives notification by registered mail to the
- 1463 original grantor's or subsequent bona fide purchaser's last-known address; and
- 1464 (c) neither the state nor the state subdivision selling the property is involved in the
- 1465 rezoning of the property or the acquisition of additional property to enhance the value
- 1466 of the real property to be sold.
- 1467 (3) If an original grantor or subsequent bona fide purchaser fails to purchase surplus real
- 1468 property or an easement described in Subsection (2), the state or the state subdivision
- 1469 that owns the real property or easement may reject all bids and sell the real property or
- 1470 easement in accordance with applicable provisions of law that govern the granting of
- 1471 real property or an interest in real property by the state or the state subdivision.
- 1472 [~~(3)(a) If the original grantor or subsequent bona fide purchaser has not waived the right~~
- 1473 ~~of first refusal as described in Subsection (2)(b), an original grantor or subsequent~~
- 1474 ~~bona fide purchaser may assign the right of first refusal.]~~
- 1475 [~~(b) The assignment of a right of first refusal in accordance with Subsection (3)(a) does~~
- 1476 ~~not extend the time for acceptance of an offer as described in Subsection (2)(b).]~~
- 1477 (4)(a) Real property acquired through condemnation or the threat of condemnation is not
- 1478 considered surplus if the real property is approved for use in an exchange for other
- 1479 real property.
- 1480 (b) An exchange of real property for other real property is not a private or public sale.
- 1481 (c) The right of first refusal described in Subsection (2)(a) shall terminate upon an
- 1482 exchange of the acquired real property.
- 1483 (5) This section shall only apply to property acquired after July 1, 1983.

1484 **Section 21. FY 2027 Appropriations.**

1485 The following sums of money are appropriated for the fiscal year beginning July 1,

1486 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for

1487 fiscal year 2027.

1488 **Subsection 21(a). Restricted Fund and Account Transfers**

1489 The Legislature authorizes the State Division of Finance to transfer the following

1490 amounts between the following funds or accounts as indicated. Expenditures and outlays from
1491 the funds to which the money is transferred must be authorized by an appropriation.

1492 ITEM 1 To State Housing Infrastructure Partnership Fund
1493 From Transportation Infrastructure General Fund
1494 Support Subfund, One-time 100,000,000
1495 Schedule of Programs:
1496 State Housing Infrastructure Partnership Fund 100,000,000
1497 Section 22. **Effective Date.**
1498 This bill takes effect on May 6, 2026.