

HB0436 compared with HB0436S01

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **10-21-202 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025, First Special
Session, Chapter 15

24 **17-80-202 (Effective 05/06/26), as renumbered and amended by Laws of Utah 2025, First
Special Session, Chapter 14**

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

28 **63I-2-210 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session,
Chapter 15**

30 **63I-2-217 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session,
Chapter 7**

32 **72-1-304 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special Session,
Chapter 15

34 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah 2025,
First Special Session, Chapter 15

36 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special Session,
Chapter 15

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

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

41 **10-21-202. Moderate income housing report -- Contents -- Prioritization for funds or
projects -- Ineligibility for funds after noncompliance -- Civil actions.**

37 (1)

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

39 (b)

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

41 (ii) As of January 1, if a municipality changes from one class to another or grows in population to
qualify as a specified municipality, the municipality shall submit an initial plan to the division on or

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before August 1 of the first calendar year beginning on January 1 in which the municipality qualifies as a specified municipality.

46 (c) The initial report shall:

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

50 (ii) include an implementation plan.

58 (d) For reporting year 2026:

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

61 (ii) a specified municipality qualifies for priority consideration under Subsection (5)(a) if the specified municipality qualified for priority consideration in 2025;

63 (iii) the Department of Transportation shall consider all municipalities that the Department of Transportation received a notice of prioritization for in 2025 eligible for priority consideration under Subsection (5)(a); and

66 (iv) on or before July 1, 2026, a specified municipality shall report to the division on the number of residential certificates of occupancy the municipality issued during the previous 12-month period.

51 (2)

(a) After the division approves a specified municipality's initial report under this section, the specified municipality shall, as an administrative act, annually submit to the division a subsequent progress report on or before August 1 of each year after the year in which the specified municipality is required to submit the initial report.

55 (b) The subsequent progress report shall include:

56 (i) subject to Subsection (2)(c), a description of each action, whether one-time or ongoing, taken by the specified municipality during the previous 12-month period to implement the moderate income housing strategies identified in the initial report for implementation;

60 (ii) a description of each land use regulation or land use decision made by the specified municipality during the previous 12-month period to implement the moderate income housing strategies, including an explanation of how the land use regulation or land use decision supports the specified municipality's efforts to implement the moderate income housing strategies;

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- (iii) a description of any barriers encountered by the specified municipality in the previous 12-month period in implementing the moderate income housing strategies;
- 68 (iv) information regarding the number of internal and external or detached accessory dwelling units located within the specified municipality for which the specified municipality:
- 71 (A) issued a building permit to construct; or
- 72 (B) issued a business license or comparable license or permit to rent;
- 73 (v) the number of residential dwelling units that have been entitled that have not received a building permit as of the submission date of the progress report;
- 75 (vi) the number of new residential dwelling units {built in-}, as measured by the number of residential certificates of occupancy the specified municipality issued during the previous 12-month period;
- 77 (vii) the estimated percent change of total residential dwelling units , as measured by comparing the number of residential certificates of occupancy the specified municipality issued during the previous 12-month period to the number of housing units that existed in the specified municipality {during-} before the day on which the previous 12-month period began;
- 79 [(vi)] (viii) shapefiles, or website links if shapefiles are not available, to current maps and tables related to zoning;
- 81 [(vii)] (ix) a description of how the market has responded to the selected moderate income housing strategies, including the number of entitled moderate income housing units or other relevant data; and
- 84 [(viii)] (x) any recommendations on how the state can support the specified municipality in implementing the moderate income housing strategies.
- 86 (c) For purposes of describing actions taken by a specified municipality under Subsection (2)(b)(i), the specified municipality may include an ongoing action taken by the specified municipality before the 12-month reporting period applicable to the subsequent progress report if the specified municipality:
- 90 (i) has already adopted an ordinance, approved a land use application, made an investment, or approved an agreement or financing that substantially promotes the implementation of a moderate income housing strategy identified in the initial report; and
- 94 (ii) demonstrates in the subsequent progress report that the action taken under Subsection (2)(c)(i) is relevant to making meaningful progress towards the specified municipality's implementation plan.
- 97 (d) A specified municipality's report shall be in a form:
- 98 (i) approved by the division; and

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- 99 (ii) made available by the division on or before May 1 of the year in which the report is required.
- 101 (3) Within 90 days after the day on which the division receives a specified municipality's report, the
division shall:
- 103 (a) post the report on the division's website;
- 104 (b) send a copy of the report to the Department of Transportation, the Governor's Office of Planning
and Budget, the association of governments in which the specified municipality is located, and, if
the specified municipality is located within the boundaries of a metropolitan planning organization,
the appropriate metropolitan planning organization; and
- 109 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 110 (4)
- (a) An initial report complies with this section if the report:
- 111 (i) includes the information required under Subsection (1)(c);
- 112 (ii) demonstrates to the division that the specified municipality made plans to implement:
- 114 (A) three or more moderate income housing strategies if the specified municipality does not have a
fixed guideway public transit station; or
- 116 (B) if the specified municipality has a fixed guideway public transit station:
- 117 (I) five or more of the moderate income housing strategies described in Subsection 10-21-201(3)
(a)(iii), of which one shall be the moderate income housing strategy described in Subsection
10-21-201(3)(a)(iii)(U) and one shall be a moderate income housing strategy described in
Subsection 10-21-201(3)(a)(iii)(G) or (H); or
- 122 (II) the moderate income housing strategy described in Subsection 10-21-201(3)(a)(iii)(U), one of the
moderate income housing strategies described in Subsections 10-21-201(3)(a)(iii)(X) through (CC),
and one moderate income strategy described in Subsection 10-21-201(3)(a)(iii); and
- 126 (iii) is in a form approved by the division.
- 127 (b) A subsequent progress report complies with this section if the report:
- 128 (i) demonstrates to the division that the specified municipality made plans to implement:
- 130 (A) three or more moderate income housing strategies if the specified municipality does not have a
fixed guideway public transit station; or
- 132 (B) if the specified municipality has a fixed guideway public transit station:
- 133 (I) five or more of the moderate income housing strategies described in Subsection 10-21-201(3)
(a)(iii), of which one shall be the moderate income housing strategy described in Subsection

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10-21-201(3)(a)(iii)(U) and one shall be a moderate income housing strategy described in Subsection 10-21-201(3)(a)(iii)(G) or (H); or

- 138 (II) the moderate income housing strategy described in Subsection 10-21-201(3)(a)(iii)(U), one of the
moderate income housing strategies described in Subsections 10-21-201(3)(a)(iii)(X) through (CC),
and one moderate income housing strategy described in Subsection 10-21-201(3)(a)(iii);
- 143 (ii) is in a form approved by the division; and
- 144 (iii) provides sufficient information for the division to:
- 145 (A) assess the specified municipality's progress in implementing the moderate income housing
strategies;
- 147 (B) monitor compliance with the specified municipality's implementation plan;
- 148 (C) identify a clear correlation between the specified municipality's land use regulations and land
use decisions and the specified municipality's efforts to implement the moderate income housing
strategies;
- 151 (D) identify how the market has responded to the specified municipality's selected moderate income
housing strategies; ~~and~~
- 153 (E) determine if the percent change of new residential dwelling units in the municipality during the
previous 12-month period is 2.5% or greater; and
- 155 [~~E~~] (F) identify any barriers encountered by the specified municipality in implementing the selected
moderate income housing strategies.
- 157 (c)
- (i) Notwithstanding the requirements of Subsection (4)(a)(ii)(A) or (b)(i)(A), if a specified municipality
without a fixed guideway public transit station implements or is implementing, by ordinance or
development agreement, one of the following moderate income housing strategies, the division shall
consider that one moderate income housing strategy to be the equivalent of three moderate income
housing strategies:
- 163 (A) a housing and transit reinvestment zone, as described in Subsection 10-21-201(3)(a)(iii)(X);
- 165 (B) a home ownership promotion zone, as described in Subsection 10-21-201(3)(a)(iii)(Y);
- 167 (C) a first home investment zone, described in Subsection 10-21-201(3)(a)(iii)(Z);
- 168 (D) the approval or completion of a project described in Subsection 10-21-201(3)(a)(iii)(AA);
- 169 (E) a qualifying affordable home ownership density bonus for single-family residential units, as
described in Subsection 10-21-201(3)(a)(iii)(BB); or

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- 171 (F) a qualifying affordable home ownership density bonus for multi-family residential units, as
described in Subsection 10-21-201(3)(a)(iii)(CC).
- 173 (ii) If the division considers one moderate income housing strategy described in Subsection (4)(c)(i)
as the equivalent of three moderate income housing strategies, the division shall also consider the
specified municipality compliant with the reporting requirement described in this section for:
- 177 (A) the year in which the specified municipality submits the initial report or subsequent report; and
179 (B) two subsequent reporting years.
- 180 (5)
- (a) A specified municipality qualifies for priority consideration under this Subsection (5) if the specified
municipality's report:
- 182 (i) complies with this section; and
183 (ii) demonstrates to the division that the specified municipality made plans to implement:
- 185 (A) five or more moderate income housing strategies if the specified municipality does not have a fixed
guideway public transit station; or
187 (B) six or more moderate income housing strategies if the specified municipality has a fixed guideway
public transit station.
- 189 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), give priority
consideration to transportation projects located within the boundaries of a specified municipality
described in Subsection (5)(a) until the Department of Transportation receives notice from the
division under Subsection [~~(5)(e)~~] (7)(c).
- 193 (6)
- (a) In addition to the priority consideration a specified municipality may receive under Subsection (5),
a specified municipality qualifies for priority consideration under this Subsection (6) if the specified
municipality's report:
- 196 (i) complies with this section; and
197 (ii) demonstrates to the division that the specified municipality's percent change of new residential
dwelling units in the municipality during the previous 12-month period , as described in
Subsection (2)(b)(vii), is 2.5% or greater.
- 200 (b) The Transportation Commission shall, in accordance with Subsection 72-1-304(3)(c), give
priority consideration to a significant regional transportation project, as determined by the
Transportation Commission, that benefits a specified municipality described in Subsection (6)(a)

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and is located within or outside the boundaries of the specified municipality until the Department of Transportation receives notice from the division under Subsection (7)(c).

206 [~~e~~] (7)

(a) Upon determining that a specified municipality qualifies for priority consideration under~~[this]~~ Subsection (5) or (6), the division shall send a notice of prioritization to the legislative body of the specified municipality and the Department of Transportation.

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

211 (i) name the specified municipality that qualifies for priority consideration;

212 (ii) describe the funds or projects for which the specified municipality qualifies to receive priority consideration under Subsection (5) or (6); and

214 (iii) state the basis for the division's determination that the specified municipality qualifies for priority consideration.

216 [~~e~~] (c) The division shall notify the legislative body of a specified municipality and the Department of Transportation in writing if the division determines that the specified municipality no longer qualifies for priority consideration under ~~[this]~~ Subsection (5) or (6).

220 [~~6~~] (8)

(a) If the division, after reviewing a specified municipality's report, determines that the report does not comply with this section, the division shall send a notice of noncompliance to the legislative body of the specified municipality.

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

224 (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or

226 (ii) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.

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

229 (i) describe each deficiency in the report and the actions needed to cure each deficiency;

231 (ii) state that the specified municipality has an opportunity to:

232 (A) submit to the division a corrected report that cures each deficiency in the report within 90 days after the day on which the notice of compliance is sent; or

234 (B) submit to the division a request for an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent; and

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- 237 (iii) state that failure to take action under Subsection [~~(6)(e)(ii)~~] (8)(c)(ii) will result in the specified
municipality's ineligibility for funds under Subsection [~~(8)~~] (10).
- 239 (d) For purposes of curing the deficiencies in a report under this Subsection [~~(6)~~] (8), if the action
needed to cure the deficiency as described by the division requires the specified municipality to
make a legislative change, the specified municipality may cure the deficiency by making that
legislative change within the 90-day cure period.
- 243 (e)
- (i) If a specified municipality submits to the division a corrected report in accordance with Subsection
[~~(6)(b)(i)~~] (8)(b)(i) and the division determines that the corrected report does not comply with this
section, the division shall send a second notice of noncompliance to the legislative body of the
specified municipality within 30 days after the day on which the corrected report is submitted.
- 249 (ii) A specified municipality that receives a second notice of noncompliance may submit to the division
a request for an appeal of the division's determination of noncompliance within 10 days after the day
on which the second notice of noncompliance is sent.
- 253 (iii) The notice described in Subsection [~~(6)(e)(i)~~] (8)(e)(i) shall:
- 254 (A) state that the specified municipality has an opportunity to submit to the division a request for an
appeal of the division's determination of noncompliance within 10 days after the day on which the
second notice of noncompliance is sent; and
- 258 (B) state that failure to take action under Subsection [~~(6)(e)(iii)(A)~~] (8)(e)(iii)(A) will result in the
specified municipality's ineligibility for funds under Subsection [~~(8)~~] (10).
- 261 [~~(7)~~] (9)
- (a) A specified municipality that receives a notice of noncompliance under Subsection [~~(6)(a)~~] (8)(a) or
[~~(6)(e)(i)~~] (8)(e)(i) may request an appeal of the division's determination of noncompliance within
10 days after the day on which the notice of noncompliance is sent.
- 265 (b) Within 90 days after the day on which the division receives a request for an appeal, an appeal board
consisting of the following three members shall review and issue a written decision on the appeal:
- 268 (i) one individual appointed by the Utah League of Cities and Towns;
- 269 (ii) one individual appointed by the Utah Homebuilders Association; and
- 270 (iii) one individual appointed by the presiding member of the association of governments, established in
accordance with an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of
which the specified municipality is a member.

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- 274 (c) The written decision of the appeal board shall either uphold or reverse the division's determination
of noncompliance.
- 276 (d) The appeal board's written decision on the appeal is final.
- 277 ~~[(8)]~~ (10)
- (a) A specified municipality is ineligible for funds under this Subsection ~~[(8)]~~ (10) if:
- 279 (i) the specified municipality fails to submit a report to the division;
- 280 (ii) after submitting a report to the division, the division determines that the report does not comply
with this section and the specified municipality fails to:
- 282 (A) cure each deficiency in the report within 90 days after the day on which the notice of
noncompliance is sent; or
- 284 (B) request an appeal of the division's determination of noncompliance within 10 days after the day on
which the notice of noncompliance is sent;
- 286 (iii) after submitting to the division a corrected report to cure the deficiencies in a previously
submitted report, the division determines that the corrected report does not comply with this
section and the specified municipality fails to request an appeal of the division's determination
of noncompliance within 10 days after the day on which the second notice of noncompliance is
sent; or
- 291 (iv) after submitting a request for an appeal under Subsection ~~[(7)]~~ (9), the appeal board issues a
written decision upholding the division's determination of noncompliance.
- 294 (b) The following apply to a specified municipality described in Subsection ~~[(8)(a)]~~ (10)(a) until the
division provides notice under Subsection ~~[(8)(e)]~~ (10)(e):
- 296 (i) the executive director of the Department of Transportation may not program funds from the
Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund, to
projects located within the boundaries of the specified municipality in accordance with Subsection
72-2-124(5);
- 300 (ii) beginning with a report submitted in 2024, the specified municipality shall pay a fee to the Olene
Walker Housing Loan Fund in the amount of \$250 per day that the specified municipality:
- 303 (A) fails to submit the report to the division in accordance with this section, beginning the day after the
day on which the report was due; or
- 305 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was
required to occur as described in the notice of noncompliance under Subsection ~~[(6)]~~ (8); and

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- 308 (iii) beginning with the report submitted in 2025, the specified municipality shall pay a fee to the Olene
Walker Housing Loan Fund in the amount of \$500 per day that the specified municipality, in a
consecutive year:
- 311 (A) fails to submit the report to the division in accordance with this section, beginning the day after the
day on which the report was due; or
- 313 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was
required to occur as described in the notice of noncompliance under Subsection [~~(6)~~] (8).
- 316 (c) Upon determining that a specified municipality is ineligible for funds under this Subsection
[(8)] (10), and is required to pay a fee under Subsection [(8)(b)] (10)(b), if applicable, the division
shall send a notice of ineligibility to the legislative body of the specified municipality, the
Department of Transportation, the State Tax Commission, and the Governor's Office of Planning
and Budget.
- 321 (d) The notice described in Subsection [(8)(e)] (10)(c) shall:
- 322 (i) name the specified municipality that is ineligible for funds;
- 323 (ii) describe the funds for which the specified municipality is ineligible to receive;
- 324 (iii) describe the fee the specified municipality is required to pay under Subsection [(8)(b)] (10)(b), if
applicable; and
- 326 (iv) state the basis for the division's determination that the specified municipality is ineligible for funds.
- 328 (e) The division shall notify the legislative body of a specified municipality and the Department of
Transportation in writing if the division determines that the provisions of this Subsection [(8)] (10)
no longer apply to the specified municipality.
- 331 (f) The division may not determine that a specified municipality that is required to pay a fee under
Subsection [(8)(b)] (10)(b) is in compliance with the reporting requirements of this section until
the specified municipality pays all outstanding fees required under Subsection [(8)(b)] (10)(b) to
the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8, Part 5, Olene Walker
Housing Loan Fund.
- 336 [(9)] (11) In a civil action seeking enforcement or claiming a violation of this section or of Subsection
10-20-405(4)(c), a plaintiff may not recover damages but may be awarded only injunctive or other
equitable relief.

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

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17-80-202. Moderate income housing report -- Contents -- Prioritization for funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.

- 366 (1)
- (a) The legislative body of a specified county shall annually submit an initial report to the division.
- 368 (b)
- (i) This Subsection (1)(b) applies to a county that is not a specified county as of January 1, 2023.
- 370 (ii) As of January 1, if a county changes from one class to another or grows in population to qualify as a specified county, the county shall submit an initial plan to the division on or before August 1 of the first calendar year beginning on January 1 in which the county qualifies as a specified county.
- 374 (c) The initial report shall:
- 375 (i) identify each moderate income housing strategy selected by the specified county for continued, ongoing, or one-time implementation, using the exact language used to describe the moderate income housing strategy; and
- 378 (ii) include an implementation plan.
- 379 (d) For reporting year 2026:
- 380 (i) a specified county complies with the reporting requirements described in this section if the specified county satisfied the reporting requirements in 2025; and
- 382 (ii) a specified county qualifies for priority consideration under Subsection (5)(a) if the specified county qualified for priority consideration in 2025.
- 384 (2)
- (a) After the division approves a specified county's initial report under this section, the specified county shall, as an administrative act, annually submit to the division a subsequent progress report on or before August 1 of each year after the year in which the specified county is required to submit the initial report.
- 388 (b) The subsequent progress report shall include:
- 389 (i) subject to Subsection (2)(c), a description of each action, whether one-time or ongoing, taken by the specified county during the previous 12-month period to implement the moderate income housing strategies identified in the initial report for implementation;
- 393 (ii) a description of each land use regulation or land use decision made by the specified county during the previous 12-month period to implement the moderate income housing strategies, including an

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- explanation of how the land use regulation or land use decision supports the specified county's efforts to implement the moderate income housing strategies;
- 398 (iii) a description of any barriers encountered by the specified county in the previous 12-month period
in implementing the moderate income housing strategies;
- 400 (iv) the number of residential dwelling units that have been entitled that have not received a building
permit as of the submission date of the progress report;
- 402 (v) shapefiles, or website links if shapefiles are not available, to current maps and tables related to
zoning;
- 404 (vi) information regarding the number of internal and external or detached accessory dwelling units
located within the specified county for which the specified county:
- 406 (A) issued a building permit to construct; or
- 407 (B) issued a business license or comparable license or permit to rent;
- 408 (vii) a description of how the market has responded to the selected moderate income housing strategies,
including the number of entitled moderate income housing units or other relevant data; and
- 411 (viii) any recommendations on how the state can support the specified county in implementing the
moderate income housing strategies.
- 413 (c) For purposes of describing actions taken by a specified county under Subsection (2)(b)(i), the
specified county may include an ongoing action taken by the specified county before the 12-month
reporting period applicable to the subsequent progress report if the specified county:
- 417 (i) has already adopted an ordinance, approved a land use application, made an investment, or approved
an agreement or financing that substantially promotes the implementation of a moderate income
housing strategy identified in the initial report; and
- 421 (ii) demonstrates in the subsequent progress report that the action taken under Subsection (2)(b)(i) is
relevant to making meaningful progress towards the specified county's implementation plan.
- 424 (d) A specified county's report shall be in a form:
- 425 (i) approved by the division; and
- 426 (ii) made available by the division on or before May 1 of the year in which the report is required.
- 428 (3) Within 90 days after the day on which the division receives a specified county's report, the division
shall:
- 430 (a) post the report on the division's website;
- 431

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- (b) send a copy of the report to the Department of Transportation, the Governor's Office of Planning and Budget, the association of governments in which the specified county is located, and, if the unincorporated area of the specified county is located within the boundaries of a metropolitan planning organization, the appropriate metropolitan planning organization; and
- 436 (c) subject to Subsection (4), review the report to determine compliance with this section.
437 (4)
- (a) An initial report complies with this section if the report:
- 438 (i) includes the information required under Subsection (1)(c);
439 (ii) demonstrates to the division that the specified county made plans to implement three or more moderate income housing strategies described in Subsections 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB); and
443 (iii) is in a form approved by the division.
- 444 (b) A subsequent progress report complies with this section if the report:
- 445 (i) demonstrates to the division that the specified county made plans to implement or is implementing three or more moderate income housing strategies described in Subsections 17-80-201(3)(a)(ii)(A) through (V) or at least one moderate income housing strategy described in Subsections 17-80-201(3)(a)(ii)(W) through (BB);
449 (ii) is in a form approved by the division; and
450 (iii) provides sufficient information for the division to:
451 (A) assess the specified county's progress in implementing the moderate income housing strategies;
453 (B) monitor compliance with the specified county's implementation plan;
454 (C) identify a clear correlation between the specified county's land use decisions and efforts to implement the moderate income housing strategies;
456 (D) identify how the market has responded to the specified county's selected moderate income housing strategies; and
458 (E) identify any barriers encountered by the specified county in implementing the selected moderate income housing strategies.
- 460 (c) If a specified county initial report or subsequent progress report demonstrates the county plans to implement or is implementing at least one moderate income housing strategy described in

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Subsections 17-80-201(3)(a)(ii)(W) through (BB), the division shall also consider the specified county compliant with the reporting requirement described in this section for:

- 465 (i) the year in which the specified county submits the report; and
466 (ii) two subsequent reporting years.
467 (5)
- (a) A specified county qualifies for priority consideration under this Subsection (5) if the specified county's report:
- 469 (i) complies with this section; and
470 (ii) demonstrates to the division that the specified county made plans to implement five or more moderate income housing strategies.
- 472 (b) The Transportation Commission may, in accordance with Subsection 72-1-304(3)(c), give priority consideration to transportation projects located within the unincorporated areas of a specified county described in Subsection (5)(a) until the Department of Transportation receives notice from the division under Subsection (5)(e).
- 477 (c) Upon determining that a specified county qualifies for priority consideration under this Subsection (5), the division shall send a notice of prioritization to the legislative body of the specified county and the Department of Transportation.
- 480 (d) The notice described in Subsection (5)(c) shall:
- 481 (i) name the specified county that qualifies for priority consideration;
482 (ii) describe the funds or projects for which the specified county qualifies to receive priority consideration; and
484 (iii) state the basis for the division's determination that the specified county qualifies for priority consideration.
- 486 (e) The division shall notify the legislative body of a specified county and the Department of Transportation in writing if the division determines that the specified county no longer qualifies for priority consideration under this Subsection (5).
- 489 (6)
- (a) If the division, after reviewing a specified county's report, determines that the report does not comply with this section, the division shall send a notice of noncompliance to the legislative body of the specified county.
- 492 (b) A specified county that receives a notice of noncompliance may:

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- 493 (i) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance
is sent; or
- 495 (ii) request an appeal of the division's determination of noncompliance within 10 days after the day on
which the notice of noncompliance is sent.
- 497 (c) The notice described in Subsection (6)(a) shall:
- 498 (i) describe each deficiency in the report and the actions needed to cure each deficiency;
- 500 (ii) state that the specified county has an opportunity to:
- 501 (A) submit to the division a corrected report that cures each deficiency in the report within 90 days after
the day on which the notice of noncompliance is sent; or
- 504 (B) submit to the division a request for an appeal of the division's determination of noncompliance
within 10 days after the day on which the notice of noncompliance is sent; and
- 507 (iii) state that failure to take action under Subsection (6)(c)(ii) will result in the specified county's
ineligibility for funds and fees owed under Subsection (8).
- 509 (d) For purposes of curing the deficiencies in a report under this Subsection (6), if the action needed to
cure the deficiency as described by the division requires the specified county to make a legislative
change, the specified county may cure the deficiency by making that legislative change within the
90-day cure period.
- 513 (e)
- (i) If a specified county submits to the division a corrected report in accordance with Subsection (6)
(b)(i), and the division determines that the corrected report does not comply with this section, the
division shall send a second notice of noncompliance to the legislative body of the specified county.
- 517 (ii) A specified county that receives a second notice of noncompliance may request an appeal of the
division's determination of noncompliance within 10 days after the day on which the second notice
of noncompliance is sent.
- 520 (iii) The notice described in Subsection (6)(e)(i) shall:
- 521 (A) state that the specified county has an opportunity to submit to the division a request for an appeal
of the division's determination of noncompliance within 10 days after the day on which the second
notice of noncompliance is sent; and
- 524 (B) state that failure to take action under Subsection (6)(e)(iii)(A) will result in the specified county's
ineligibility for funds under Subsection (8).
- 526 (7)

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- (a) A specified county that receives a notice of noncompliance under Subsection (6)(a) or (6)(e)(i) may request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent.
- 529 (b) Within 90 days after the day on which the division receives a request for an appeal, an appeal board consisting of the following three members shall review and issue a written decision on the appeal:
- 532 (i) one individual appointed by the Utah Association of Counties;
- 533 (ii) one individual appointed by the Utah Homebuilders Association; and
- 534 (iii) one individual appointed by the presiding member of the association of governments, established in accordance with an interlocal agreement under Title 11, Chapter 13, Interlocal Cooperation Act, of which the specified county is a member.
- 538 (c) The written decision of the appeal board shall either uphold or reverse the division's determination of noncompliance.
- 540 (d) The appeal board's written decision on the appeal is final.
- 541 (8)
- (a) A specified county is ineligible for funds and owes a fee under this Subsection (8) if:
- 543 (i) the specified county fails to submit a report to the division;
- 544 (ii) after submitting a report to the division, the division determines that the report does not comply with this section and the specified county fails to:
- 546 (A) cure each deficiency in the report within 90 days after the day on which the notice of noncompliance is sent; or
- 548 (B) request an appeal of the division's determination of noncompliance within 10 days after the day on which the notice of noncompliance is sent;
- 550 (iii) after submitting to the division a corrected report to cure the deficiencies in a previously submitted report, the division determines that the corrected report does not comply with this section and the specified county fails to request an appeal of the division's determination of noncompliance within 10 days after the day on which the second notice of noncompliance is sent; or
- 555 (iv) after submitting a request for an appeal under Subsection (7), the appeal board issues a written decision upholding the division's determination of noncompliance.
- 557 (b) The following apply to a specified county described in Subsection (8)(a) until the division provides notice under Subsection (8)(e):

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- 559 (i) the executive director of the Department of Transportation may not program funds from the
Transportation Investment Fund of 2005, including the Transit Transportation Investment Fund,
to projects located within the unincorporated areas of the specified county in accordance with
Subsection 72-2-124(6);
- 563 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee to the Olene
Walker Housing Loan Fund in the amount of \$250 per day that the specified county:
- 566 (A) fails to submit the report to the division in accordance with this section, beginning the day after the
day on which the report was due; or
- 568 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was
required to occur as described in the notice of noncompliance under Subsection (6); and
- 571 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee to the Olene
Walker Housing Loan Fund in the amount of \$500 per day that the specified county, for a
consecutive year:
- 574 (A) fails to submit the report to the division in accordance with this section, beginning the day after the
day on which the report was due; or
- 576 (B) fails to cure the deficiencies in the report, beginning the day after the day by which the cure was
required to occur as described in the notice of noncompliance under Subsection (6).
- 579 (c) Upon determining that a specified county is ineligible for funds under this Subsection (8), and
is required to pay a fee under Subsection (8)(b), if applicable, the division shall send a notice of
ineligibility to the legislative body of the specified county, the Department of Transportation, the
State Tax Commission, and the Governor's Office of Planning and Budget.
- 584 (d) The notice described in Subsection (8)(c) shall:
- 585 (i) name the specified county that is ineligible for funds;
- 586 (ii) describe the funds for which the specified county is ineligible to receive;
- 587 (iii) describe the fee the specified county is required to pay under Subsection (8)(b), if applicable; and
- 589 (iv) state the basis for the division's determination that the specified county is ineligible for funds.
- 591 (e) The division shall notify the legislative body of a specified county and the Department of
Transportation in writing if the division determines that the provisions of this Subsection (8) no
longer apply to the specified county.
- 594 (f) The division may not determine that a specified county that is required to pay a fee under Subsection
(8)(b) is in compliance with the reporting requirements of this section until the specified county

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pays all outstanding fees required under Subsection (8)(b) to the Olene Walker Housing Loan Fund, created under Title 35A, Chapter 8, Part 5, Olene Walker Housing Loan Fund.

599 (9) In a civil action seeking enforcement or claiming a violation of this section or of Subsection
17-79-404(5)(c), a plaintiff may not recover damages but may be awarded only injunctive or other
equitable relief.

602 Section 3. Section **59-12-2220** is amended to read:

603 **59-12-2220. County option sales and use tax to fund highways or a system for public transit**
-- Base -- Rate.

342 (1) Subject to the other provisions of this part and subject to the requirements of this section, the
following counties may impose a sales and use tax under this section:

344 (a) a county legislative body may impose the sales and use tax on the transactions described in
Subsection 59-12-103(1) located within the county, including the cities and towns within the county
if:

347 (i) the entire boundary of a county is annexed into a large public transit district; and

348 (ii) the maximum amount of sales and use tax authorizations allowed in accordance with Section
59-12-2203 and authorized under the following sections has been imposed:

351 (A) Section 59-12-2213;

352 (B) Section 59-12-2214;

353 (C) Section 59-12-2215;

354 (D) Section 59-12-2216;

355 (E) Section 59-12-2217;

356 (F) Section 59-12-2218; and

357 (G) Section 59-12-2219;

358 (b) if the county is not annexed into a large public transit district, the county legislative body may
impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within
the county, including the cities and towns within the county if:

362 (i) the county is an eligible political subdivision; or

363 (ii) a city or town within the boundary of the county is an eligible political subdivision; or

365 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may impose
the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the
county, including the cities and towns within the county.

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- 368 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a county
legislative body that imposes a sales and use tax under this section may impose the tax at a rate
of .2%.
- 371 (3)
- (a) The commission shall distribute sales and use tax revenue collected under this section as determined
by a county legislative body as described in Subsection (3)(b).
- 373 (b) If a county legislative body imposes a sales and use tax as described in this section, the county
legislative body may elect to impose a sales and use tax revenue distribution as described in
Subsection (4), (5), (6), or (7), depending on the class of county, and presence and type of a public
transit provider in the county.
- 377 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a county legislative
body imposes a sales and use tax as described in this section, and the entire boundary of the county
is annexed into a large public transit district, and the county is a county of the first class, the
commission shall distribute the sales and use tax revenue as follows:
- 382 (a) .10% to a public transit district as described in Subsection (11);
- 383 (b) .05% to the cities and towns as provided in Subsection (8); and
- 384 (c) .05% to the county legislative body.
- 385 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as described in
this section and the entire boundary of the county is annexed into a large public transit district, and
the county is a county not described in Subsection (4), the commission shall distribute the sales and
use tax revenue as follows:
- 389 (a) .10% to a public transit district as described in Subsection (11);
- 390 (b) .05% to the cities and towns as provided in Subsection (8); and
- 391 (c) .05% to the county legislative body.
- 392 (6)
- (a) Except as provided in Subsection (14)(c), if the entire boundary of a county that imposes a sales
and use tax as described in this section is not annexed into a single public transit district, but a city
or town within the county is annexed into a single public transit district, or if the city or town is an
eligible political subdivision, the commission shall distribute the sales and use tax revenue collected
within the county as provided in Subsection (6)(b) or (c).

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(b) For a city, town, or portion of the county described in Subsection (6)(a) that is annexed into the single public transit district, or an eligible political subdivision, the commission shall distribute the sales and use tax revenue collected within the portion of the county that is within a public transit district or eligible political subdivision as follows:

403 (i) .05% to a public transit provider as described in Subsection (11);

404 (ii) .075% to the cities and towns as provided in Subsection (8); and

405 (iii) .075% to the county legislative body.

406 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county described in Subsection (6)(a) that is not annexed into a single public transit district or eligible political subdivision in the county, the commission shall distribute the sales and use tax revenue collected within that portion of the county as follows:

410 (i) .08% to the cities and towns as provided in Subsection (8); and

411 (ii) .12% to the county legislative body.

412 (7) For a county without a public transit service that imposes a sales and use tax as described in this section, the commission shall distribute the sales and use tax revenue collected within the county as follows:

415 (a) .08% to the cities and towns as provided in Subsection (8); and

416 (b) .12% to the county legislative body.

417 (8)

(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:

419 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)
(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties that impose a tax under this section; and

425 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)
(a) within the counties that impose a tax under Subsections (4) through (7) shall be distributed to the unincorporated areas, cities, and towns within those counties on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215.

430 (b)

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- (i) Population for purposes of this Subsection (8) shall be based on, to the extent not otherwise required by federal law:
- 432 (A) the most recent estimate from the Utah Population Committee created in Section 63C-20-103;
or
- 434 (B) if the Utah Population Committee estimate is not available for each municipality and
unincorporated area, the adjusted sub-county population estimate provided by the Utah
Population Committee in accordance with Section 63C-20-104.
- 438 (ii) If a needed population estimate is not available from the United States Census Bureau, population
figures shall be derived from an estimate from the Utah Population Estimates Committee created by
executive order of the governor.
- 441 (c)
- (i) Beginning on January 1, 2024, if the Housing and Community Development Division within
the Department of Workforce Services determines that a city or town is ineligible for funds in
accordance with Subsection [~~10-21-202(6)~~] 10-21-202(8), beginning the first day of the calendar
quarter after receiving 90 days' notice, the commission shall distribute the distribution that city
or town would have received under Subsection (8)(a) to cities or towns to which Subsection
[~~10-21-202(6)~~] 10-21-202(8) does not apply.
- 448 (ii) Beginning on January 1, 2024, if the Housing and Community Development Division within the
Department of Workforce Services determines that a county is ineligible for funds in accordance
with Subsection 17-80-202(6), beginning the first day of the calendar quarter after receiving 90
days' notice, the commission shall distribute the distribution that county would have received under
Subsection (8)(a) to counties to which Subsection 17-80-202(6) does not apply.
- 454 (9) If a public transit service is organized after the date a county legislative body first imposes a tax
under this section, a change in a distribution required by this section may not take effect until the
first distribution the commission makes under this section after a 90-day period that begins on the
date the commission receives written notice from the public transit provider that the public transit
service has been organized.
- 459 (10)
- (a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that received distributions
described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii), (6)(b)(iii), (6)(c), and (7) may only
expend those funds for a purpose described in Section 59-12-2212.2.

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- 463 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes the sales and
use tax authorized in this section, the county may also use funds distributed in accordance with
Subsection (4)(c) for public safety purposes.
- 466 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city relevant to a project
area, as that term is defined in Section 63N-3-1401, an allowable use of revenue from a sales and
use tax under this section includes the revitalization of a convention center owned by the county
within a city of the first class and surrounding revitalization projects related to the convention
center.
- 471 (11)
- (a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit as described in this
section may be used for capital expenses and service delivery expenses of:
- 474 (i) a public transit district;
- 475 (ii) an eligible political subdivision; or
- 476 (iii) another entity providing a service for public transit or a transit facility within the relevant
county, as those terms are defined in Section 17B-2a-802.
- 478 (b)
- (i)
- (A) If a county of the first class imposes a sales and use tax described in this section, beginning on
the date on which the county imposes the sales and use tax under this section, and for a three-
year period after at least three counties described in Subsections (4) and (5) have imposed a tax
under this section, or until June 30, 2030, whichever comes first, revenue designated for public
transit within a county of the first class as described in Subsection (4)(a) shall be transferred to
the County of the First Class Highway Projects Fund created in Section 72-2-121.
- 486 (B) Revenue deposited into the County of the First Class Highway Projects Fund created in Section
72-2-121 as described in Subsection (11)(b)(i)(A) may be used for public transit innovation
grants as provided in Title 72, Chapter 2, Part 4, Public Transit Innovation Grants.
- 490 (ii) If a county of the first class imposes a sales and use tax described in this section, beginning on the
day three years after the date on which at least three counties described in Subsections (4) and (5)
have imposed a tax under this section, or beginning on July 1, 2030, whichever comes first, for
revenue designated for public transit as described in Subsection (4)(a):

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- (A) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the County of the First Class Highway Projects Fund created in Section 72-2-121; and
- 498 (B) 50% of the revenue from a sales and use tax imposed under this section in a county of the first class shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9).
- 501 (c)
- (i) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the date on which the county imposes the sales and use tax under this section, and for a three-year period following the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or until June 30, 2030, whichever comes first, revenue designated for public transit as described in Subsection (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).
- 510 (ii) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the day three years after the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or beginning on July 1, 2030, whichever comes first, for the revenue that is designated for public transit in Subsection (5)(a):
- 516 (A) 50% shall be transferred to the Transit Transportation Investment Fund created in Subsection 72-2-124(9); and
- 518 (B) 50% shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).
- 520 (d) Except as provided in Subsection [~~(13)(e)~~] (14)(c), for a county that imposes a sales and use tax under this section, for revenue designated for public transit as described in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).
- 524 (12) A large public transit district shall send notice to the commission at least 90 days before the earlier of:
- 526 (a) the date that is three years after the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section; or

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- 528 (b) June 30, 2030.
- 529 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization project described in Subsection (10)(c), the city shall transfer at least 50%, and may transfer up to 100%, of any revenue the city receives from a distribution under Subsection (4)(b) to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 for revitalization of a convention center owned by the county within a city of the first class and surrounding revitalization projects related to the convention center as permitted in Subsection (10)(c).
- 536 (14)
- (a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not required to, submit an opinion question to the county's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.
- 539 (b) If a county passes an ordinance to impose a sales and use tax as described in this section, the sales and use tax shall take effect on the first day of the calendar quarter after a 90-day period that begins on the date the commission receives written notice from the county of the passage of the ordinance.
- 543 (c) A county that imposed the local option sales and use tax described in this section before January 1, 2023, may maintain that county's distribution allocation in place as of January 1, 2023.
- 546 (15)
- (a) Revenue collected from a sales and use tax under this section may not be used to supplant existing General Fund appropriations that a county, city, or town budgeted for transportation or public transit as of the date the tax becomes effective for a county, city, or town.
- 550 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation or public transit capital or reserve account a county, city, or town established before the date the tax becomes effective.
- 816 Section 4. Section 63I-2-210 is amended to read:
- 817 **63I-2-210. Repeal dates: Title 10.**
- 818 (1) Subsection 10-2a-205(2)(b)(iii), regarding a feasibility study for the proposed incorporation of a community council area, is repealed July 1, 2028.
- 820 (2) Section 10-2a-205.5, Additional feasibility consultant considerations for proposed incorporation of community council area -- Additional feasibility study requirements, is repealed July 1, 2028.
- 823 (3) Subsection 10-20-904(4)(c), regarding an inspection fee on a qualified water conservancy district, is repealed July 1, 2026.

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

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

828 **63I-2-217. Repeal dates: Titles 17 through 17D.**

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

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

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

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

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

838 **72-1-304. Written project prioritization process for new transportation capacity projects --**

Rulemaking.

556 (1)

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

559 (i) new transportation capacity projects that are or will be part of the state highway system under
Chapter 4, Part 1, State Highways;

561 (ii) paved pedestrian or paved nonmotorized transportation projects described in Section 72-2-124;

563 (iii) public transit projects that directly add capacity to the public transit systems within the state,
not including facilities ancillary to the public transit system; and

565 (iv) pedestrian or nonmotorized transportation projects that provide connection to a public transit
system.

567 (b)

(i) A local government or public transit district may nominate a project for prioritization in accordance
with the process established by the commission in rule.

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- (ii) If a local government or public transit district nominates a project for prioritization by the commission, the local government or public transit district shall provide data and evidence to show that:
- 572 (A) the project will advance the purposes and goals described in Section 72-1-211;
- 573 (B) for a public transit project, the local government or public transit district has an ongoing funding source for operations and maintenance of the proposed development; and
- 576 (C) the local government or public transit district will provide the percentage of the costs for the project as required by Subsection 72-2-124(4)(a)(viii) or 72-2-124(10)(e).
- 579 (2) The following shall be included in the written prioritization process under Subsection (1):
- 580 (a) a description of how the strategic initiatives of the department adopted under Section 72-1-211 are advanced by the written prioritization process;
- 582 (b) a definition of the type of projects to which the written prioritization process applies;
- 583 (c) specification of a weighted criteria system that is used to rank proposed projects and how it will be used to determine which projects will be prioritized;
- 585 (d) specification of the data that is necessary to apply the weighted ranking criteria; and
- 586 (e) any other provisions the commission considers appropriate, which may include consideration of:
- 588 (i) regional and statewide economic development impacts, including improved local access to:
- 590 (A) employment;
- 591 (B) educational facilities;
- 592 (C) recreation;
- 593 (D) commerce; and
- 594 (E) residential areas, including moderate income housing as demonstrated in the local government's or public transit district's general plan in accordance with Section 10-20-404 or 17-79-403;
- 597 (ii) the extent to which local land use plans relevant to a project support and accomplish the strategic initiatives adopted under Section 72-1-211; and
- 599 (iii) any matching funds provided by a political subdivision or public transit district in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii) and 72-2-124(10)(e).
- 602 (3)
- 603 (a) When prioritizing a public transit project that increases capacity, the commission:
- (i) may give priority consideration to projects that are part of a transit-oriented development or transit-supportive development as defined in Section 17B-2a-802; and

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- 606 (ii) shall give priority consideration to projects that are within the boundaries of a housing and
transit reinvestment zone created in accordance with Title 63N, Chapter 3, Part 6, Housing and
Transit Reinvestment Zone Act.
- 609 (b) When prioritizing a transportation project that increases capacity, the commission may give priority
consideration to projects that are:
- 611 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:
- 612 (A) the state is a participant in the transportation reinvestment zone; or
- 613 (B) the commission finds that the transportation reinvestment zone provides a benefit to the state
transportation system; or
- 615 (ii) within the boundaries of a housing and transit reinvestment zone created [~~pursuant to~~] in accordance
with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 618 (c) If the department receives a notice of prioritization for a municipality as described in Subsection
[~~10-21-202(5)~~] 10-21-202(7), or a notice of prioritization for a county as described in Subsection
17-80-202(5), the commission may give priority consideration to transportation projects that
are within the boundaries of the municipality or the unincorporated areas of the county until the
department receives notification from the Housing and Community Development Division within
the Department of Workforce Services that the municipality or county no longer qualifies for
prioritization under this Subsection (3)(c).
- 626 (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv), the commission
may give priority consideration to projects that improve connectivity in accordance with Section
10-8-87.
- 913 (e) The total priority consideration the commission gives under this Subsection (3) may not increase the
score the commission uses to rank a project for purposes of prioritization by more than 7%.
- 629 (4) In developing the written prioritization process, the commission:
- 630 (a) shall seek and consider public comment by holding public meetings at locations throughout the
state; and
- 632 (b) may not consider local matching dollars as provided under Section 72-2-123 unless the state
provides an equal opportunity to raise local matching dollars for state highway improvements within
each county.

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(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Transportation Commission, in consultation with the department, shall make rules establishing the written prioritization process under Subsection (1).

638 (6) The commission shall submit the proposed rules under this section to the Transportation Interim
Committee for review before taking final action on the proposed rules or any proposed amendment
to the rules described in Subsection (5).

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

929 **72-2-124. Transportation Investment Fund of 2005.**

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

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

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

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

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

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

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

654 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(1); and

655 (g) revenue from bond proceeds described in Section 63B-34-101.

656 (3)

(a) The fund shall earn interest.

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

658 (4)

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

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

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

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

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- (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 minus the costs paid from the County of the First Class Highway Projects Fund in accordance with Subsection 72-2-121(4)(e);
- 671 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
- 676 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects prioritized in accordance with Section 72-2-125;
- 678 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described in Section 72-2-121;
- 681 (viii) if a political subdivision provides a contribution equal to or greater than 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved nonmotorized transportation for projects that:
 - 684 (A) mitigate traffic congestion on the state highway system;
 - 685 (B) are part of an active transportation plan approved by the department; and
 - 686 (C) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
- 688 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or renovation of or improvement to the following projects:
 - 690 (A) the connector road between Main Street and 1600 North in the city of Vineyard;
 - 692 (B) Geneva Road from University Parkway to 1800 South;
 - 693 (C) the SR-97 interchange at 5600 South on I-15;
 - 694 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to South Jordan Parkway;
 - 696 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
 - 697 (F) improvements to 1600 North in Orem from 1200 West to State Street;
 - 698 (G) widening I-15 between mileposts 6 and 8;
 - 699 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
 - 700 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in Spanish Fork Canyon;

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- 702 (J) I-15 northbound between mileposts 43 and 56;
- 703 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1;
- 705 (L) east Zion SR-9 improvements;
- 706 (M) Toquerville Parkway;
- 707 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 708 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for construction of an interchange on Bangerter Highway at 13400 South; and
- 710 (P) an environmental impact study for Kimball Junction in Summit County;
- 711 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project costs based upon a statement of cash flow that the local jurisdiction where the project is located provides to the department demonstrating the need for money for the project, for the following projects in the following amounts:
- 715 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 716 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 717 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 718 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40 between mile markers 7 and 10;
- 720 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way acquisition, construction, reconstruction, or renovation to connect Fingerhut Road over the railroad and to U.S. Highway 6;
- 723 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from revenue deposited into the fund in accordance with Section 59-12-103, for the following projects:
- 726 (A) \$3,000,000 for the department to perform an environmental study for the I-15 Salem and Benjamin project; and
- 728 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand Dunes Road project; and
- 730 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of right-of-way acquisition and construction for improvements on SR-89 in a county of the first class.
- 733 (b) The executive director may use fund money to exchange for an equal or greater amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 735 (c)

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- (i) Construction related to the project described in Subsection (4)(a)(ix)(D) may not commence until a right-of-way not owned by a federal agency that is required for the realignment and extension of U-111, as described in the department's 2023 environmental study related to the project, is dedicated to the department.
- 739 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the project as described in Subsection (4)(c)(i) on or before October 1, 2024, the department may proceed with the project, except that the project will be limited to two lanes on U-111 from Herriman Parkway to 11800 South.
- 743 (5)
- (a) Except as provided in Subsection (5)(b), if the department receives a notice of ineligibility for a municipality as described in Subsection [~~10-21-202(8)~~] 10-21-202(10), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the municipality until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (5) no longer applies to the municipality.
- 751 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:
- 753 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility or interchange connecting limited-access facilities;
- 755 (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- 757 (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and
- 759 (iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.
- 762 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.
- 765 (6)
- (a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-80-202(8), the executive director may not program fund

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money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area of the county until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (6) no longer applies to the county.

- 773 (b) Within the boundaries of the unincorporated area of a county described in Subsection (6)(a), the
executive director:
- 775 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility to a
project prioritized by the commission under Section 72-1-304;
- 778 (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange
on a limited-access facility;
- 780 (iii) may program Transit Transportation Investment Fund money for a multi-community fixed
guideway public transportation project; and
- 782 (iv) may not program Transit Transportation Investment Fund money for the construction,
reconstruction, or renovation of a station that is part of a fixed guideway public transportation
project.
- 785 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive director before
July 1, 2022, for projects prioritized by the commission under Section 72-1-304.
- 788 (7)
- (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in any fiscal year, the
department and the commission shall appear before the Executive Appropriations Committee of the
Legislature and present the amount of bond proceeds that the department needs to provide funding
for the projects identified in Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2)
for the current or next fiscal year.
- 794 (b) The Executive Appropriations Committee of the Legislature shall review and comment on the
amount of bond proceeds needed to fund the projects.
- 796 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount of funds
necessary to pay principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
or 63B-27-101 in the current fiscal year to the appropriate debt service or sinking fund.
- 800 (9) The executive director may only use money in the fund for corridor preservation as described in
Subsection (4)(a)(iii):

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- 802 (a) if the project has been prioritized by the commission, including the use of fund money for corridor
preservation; or
- 804 (b) for a project that has not been prioritized by the commission, if the commission:
- 805 (i) approves the use of fund money for the corridor preservation; and
- 806 (ii) finds that the use of fund money for corridor preservation will not result in any delay to a project
that has been prioritized by the commission.
- 808 (10)
- (a) There is created in the Transportation Investment Fund of 2005 the Transit Transportation
Investment Fund.
- 810 (b) The fund shall be funded by:
- 811 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 812 (ii) appropriations into the account by the Legislature;
- 813 (iii) deposits of sales and use tax increment related to a housing and transit reinvestment zone as
described in Section 63N-3-610;
- 815 (iv) transfers of local option sales and use tax revenue as described in Subsection 59-12-2220(11)(b) or
(c);
- 817 (v) private contributions; and
- 818 (vi) donations or grants from public or private entities.
- 819 (c)
- (i) The fund shall earn interest.
- 820 (ii) All interest earned on fund money shall be deposited into the fund.
- 821 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 822 (i) for public transit capital development of new capacity projects and fixed guideway capital
development projects to be used as prioritized by the commission through the prioritization process
adopted under Section 72-1-304;
- 825 (ii) to the department for oversight of a fixed guideway capital development project for which the
department has responsibility; or
- 827 (iii) up to \$500,000 per year, to be used for a public transit study.
- 828 (e)
- (i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize money from the
fund for a public transit capital development project or pedestrian or nonmotorized transportation

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project that provides connection to the public transit system if the public transit district or political subdivision provides funds of equal to or greater than 30% of the costs needed for the project.

- 833 (ii) A public transit district or political subdivision may use money derived from a loan granted
in accordance with Part 2, State Infrastructure Bank Fund, to provide all or part of the 30%
requirement described in Subsection (10)(e)(i) if:
- 836 (A) the loan is approved by the commission as required in Part 2, State Infrastructure Bank Fund; and
838 (B) the proposed capital project has been prioritized by the commission pursuant to Section 72-1-303.
- 840 (f) Before July 1, 2022, the department and a large public transit district shall enter into an agreement
for a large public transit district to pay the department \$5,000,000 per year for 15 years to be used
to facilitate the purchase of zero emissions or low emissions rail engines and trainsets for regional
public transit rail systems.
- 844 (g) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(b):
846 (i) the commission may prioritize money from the fund for public transit projects, operations, or
maintenance within the county of the first class; and
848 (ii) Subsection (10)(e) does not apply.
- 849 (h) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(c):
851 (i) the commission may prioritize public transit projects, operations, or maintenance in the county from
which the revenue was generated; and
853 (ii) Subsection (10)(e) does not apply.
- 854 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for the project
described in Subsection (10)(e) does not apply to a public transit capital development project or
pedestrian or nonmotorized transportation project that the department proposes.
- 858 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may prioritize money
from the fund for public transit innovation grants, as defined in Section 72-2-401, for public transit
capital development projects requested by a political subdivision within a public transit district.
- 862 (11)
(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood Canyons
Transportation Investment Fund.
- 864 (b) The fund shall be funded by:
865 (i) money deposited into the fund in accordance with Section 59-12-103;
866 (ii) appropriations into the account by the Legislature;

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- 867 (iii) private contributions; and
868 (iv) donations or grants from public or private entities.
869 (c)
(i) The fund shall earn interest.
870 (ii) All interest earned on fund money shall be deposited into the fund.
871 (d) The Legislature may appropriate money from the fund for public transit or transportation projects in
the Cottonwood Canyons of Salt Lake County.
873 (e) The department may use up to 2% of the revenue deposited into the account under Subsection
59-12-103(7)(b) to contract with local governments as necessary for public safety enforcement
related to the Cottonwood Canyons of Salt Lake County.
876 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any sales and use
tax growth over sales and use tax collections during the 2025 fiscal year to fund projects to provide
ingress and egress for a public transit hub, including construction of the public transit hub, in the
Big Cottonwood Canyon area.
880 (12)
(a) There is created in the Transportation Investment Fund of 2005 the Active Transportation
Investment Fund.
882 (b) The fund shall be funded by:
883 (i) money deposited into the fund in accordance with Section 59-12-103;
884 (ii) appropriations into the account by the Legislature; and
885 (iii) donations or grants from public or private entities.
886 (c)
(i) The fund shall earn interest.
887 (ii) All interest earned on fund money shall be deposited into the fund.
888 (d) The executive director may only use fund money to pay the costs needed for:
889 (i) the planning, design, construction, maintenance, reconstruction, or renovation of paved pedestrian or
paved nonmotorized trail projects that:
891 (A) are prioritized by the commission through the prioritization process for new transportation capacity
projects adopted under Section 72-1-304;
893 (B) serve a regional purpose; and
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(C) are part of an active transportation plan approved by the department or the plan described in Subsection (12)(d)(ii);

896 (ii) the development of a plan for a statewide network of paved pedestrian or paved nonmotorized trails that serve a regional purpose; and

898 (iii) the administration of the fund, including staff and overhead costs.

899 (13)

(a) As used in this Subsection (13), "commuter rail" means the same as that term is defined in Section 63N-3-602.

901 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail Subaccount.

903 (c) The subaccount shall be funded by:

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

905 (ii) appropriations into the subaccount by the Legislature;

906 (iii) private contributions; and

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

908 (d)

(i) The subaccount shall earn interest.

909 (ii) All interest earned on money in the subaccount shall be deposited into the subaccount.

911 (e) As prioritized by the commission through the prioritization process adopted under Section 72-1-304 or as directed by the Legislature, the department may only use money from the subaccount for projects that improve the state's commuter rail infrastructure, including the building or improvement of grade-separated crossings between commuter rail lines and public highways.

916 (f) Appropriations made in accordance with this section are nonlapsing in accordance with Section 63J-1-602.1.

1205 Section 8. Section **72-2-124** is amended to read:

1206 **72-2-124. Transportation Investment Fund of 2005.**

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

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

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

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

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

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- 927 (d) the sales and use tax revenues deposited into the fund in accordance with Section 59-12-103;
- 929 (e) revenues transferred to the fund in accordance with Section 72-2-106;
- 930 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
- 931 (g) revenue from bond proceeds described in Section 63B-34-201.
- 932 (3)
- (a) The fund shall earn interest.
- 933 (b) All interest earned on fund money shall be deposited into the fund.
- 934 (4)
- (a) Except as provided in Subsection (4)(b), the executive director may only use fund money to pay:
- 936 (i) the costs of maintenance, construction, reconstruction, or renovation to state and federal
highways prioritized by the Transportation Commission through the prioritization process for
new transportation capacity projects adopted under Section 72-1-304;
- 940 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway projects
described in Subsections 63B-18-401(2), (3), and (4);
- 942 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in Section
72-5-401;
- 944 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 minus
the costs paid from the County of the First Class Highway Projects Fund in accordance with
Subsection 72-2-121(4)(e);
- 947 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt Lake County
Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified by Salt Lake
County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the debt service on
\$30,000,000 of the revenue bonds issued by Salt Lake County;
- 952 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects
prioritized in accordance with Section 72-2-125;
- 954 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway
Projects Fund created in Section 72-2-121 to be used for the purposes described in Section
72-2-121;
- 957 (viii) if a political subdivision provides a contribution equal to or greater than 40% of the
costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
nonmotorized transportation for projects that:

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- 960 (A) mitigate traffic congestion on the state highway system;
- 961 (B) are part of an active transportation plan approved by the department; and
- 962 (C) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
- 964 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or renovation of or improvement to the following projects:
- 966 (A) the connector road between Main Street and 1600 North in the city of Vineyard;
- 968 (B) Geneva Road from University Parkway to 1800 South;
- 969 (C) the SR-97 interchange at 5600 South on I-15;
- 970 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to South Jordan Parkway;
- 972 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 973 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 974 (G) widening I-15 between mileposts 6 and 8;
- 975 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 976 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in Spanish Fork Canyon;
- 978 (J) I-15 northbound between mileposts 43 and 56;
- 979 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1;
- 981 (L) east Zion SR-9 improvements;
- 982 (M) Toquerville Parkway;
- 983 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 984 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for construction of an interchange on Bangerter Highway at 13400 South; and
- 986 (P) an environmental impact study for Kimball Junction in Summit County;
- 987 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project costs based upon a statement of cash flow that the local jurisdiction where the project is located provides to the department demonstrating the need for money for the project, for the following projects in the following amounts:
- 991 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 992 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 993 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and

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- 994 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40 between mile
markers 7 and 10;
- 996 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way acquisition,
construction, reconstruction, or renovation to connect Fingerhut Road over the railroad and to
U.S. Highway 6;
- 999 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from revenue deposited
into the fund in accordance with Section 59-12-103, for the following projects:
- 1002 (A) \$3,000,000 for the department to perform an environmental study for the I-15 Salem and Benjamin
project; and
- 1004 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand Dunes Road project;
and
- 1006 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of right-of-way
acquisition and construction for improvements on SR-89 in a county of the first class.
- 1009 (b) The executive director may use fund money to exchange for an equal or greater amount of federal
transportation funds to be used as provided in Subsection (4)(a).
- 1011 (c)
- (i) Construction related to the project described in Subsection (4)(a)(ix)(D) may not commence until
a right-of-way not owned by a federal agency that is required for the realignment and extension of
U-111, as described in the department's 2023 environmental study related to the project, is dedicated
to the department.
- 1015 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the project as described
in Subsection (4)(c)(i) on or before October 1, 2024, the department may proceed with the project,
except that the project will be limited to two lanes on U-111 from Herriman Parkway to 11800
South.
- 1019 (5)
- (a) Except as provided in Subsection (5)(b), if the department receives a notice of ineligibility for
a municipality as described in Subsection [~~10-21-202(8)~~] 10-21-202(10), the executive director
may not program fund money to a project prioritized by the commission under Section 72-1-304,
including fund money from the Transit Transportation Investment Fund, within the boundaries
of the municipality until the department receives notification from the Housing and Community

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Development Division within the Department of Workforce Services that ineligibility under this Subsection (5) no longer applies to the municipality.

- 1027 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:
- 1029 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility or interchange connecting limited-access facilities;
- 1031 (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- 1033 (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and
- 1035 (iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.
- 1038 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive director before July 1, 2022, for projects prioritized by the commission under Section 72-1-304.
- 1041 (6)
- (a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-80-202(8), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area of the county until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (6) no longer applies to the county.
- 1049 (b) Within the boundaries of the unincorporated area of a county described in Subsection (6)(a), the executive director:
- 1051 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility to a project prioritized by the commission under Section 72-1-304;
- 1054 (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- 1056 (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and

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- (iv) may not program Transit Transportation Investment Fund money for the construction, reconstruction, or renovation of a station that is part of a fixed guideway public transportation project.
- 1061 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive director before
July 1, 2022, for projects prioritized by the commission under Section 72-1-304.
- 1064 (7)
- (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in any fiscal year, the department and the commission shall appear before the Executive Appropriations Committee of the Legislature and present the amount of bond proceeds that the department needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.
- 1070 (b) The Executive Appropriations Committee of the Legislature shall review and comment on the amount of bond proceeds needed to fund the projects.
- 1072 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or sinking fund.
- 1076 (9) The executive director may only use money in the fund for corridor preservation as described in Subsection (4)(a)(iii):
- 1078 (a) if the project has been prioritized by the commission, including the use of fund money for corridor preservation; or
- 1080 (b) for a project that has not been prioritized by the commission, if the commission:
- 1081 (i) approves the use of fund money for the corridor preservation; and
- 1082 (ii) finds that the use of fund money for corridor preservation will not result in any delay to a project that has been prioritized by the commission.
- 1084 (10)
- (a) There is created in the Transportation Investment Fund of 2005 the Transit Transportation Investment Fund.
- 1086 (b) The fund shall be funded by:
- 1087 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 1088 (ii) appropriations into the account by the Legislature;
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- (iii) deposits of sales and use tax increment related to a housing and transit reinvestment zone as described in Section 63N-3-610;
- 1091 (iv) transfers of local option sales and use tax revenue as described in Subsection 59-12-2220(11)(b) or
- (c);
- 1093 (v) private contributions; and
- 1094 (vi) donations or grants from public or private entities.
- 1095 (c)
- (i) The fund shall earn interest.
- 1096 (ii) All interest earned on fund money shall be deposited into the fund.
- 1097 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 1098 (i) for public transit capital development of new capacity projects and fixed guideway capital
- development projects to be used as prioritized by the commission through the prioritization process
- adopted under Section 72-1-304;
- 1101 (ii) to the department for oversight of a fixed guideway capital development project for which the
- department has responsibility; or
- 1103 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1104 (e)
- (i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize money from the
- fund for a public transit capital development project or pedestrian or nonmotorized transportation
- project that provides connection to the public transit system if the public transit district or political
- subdivision provides funds of equal to or greater than 30% of the costs needed for the project.
- 1109 (ii) A public transit district or political subdivision may use money derived from a loan granted
- in accordance with Part 2, State Infrastructure Bank Fund, to provide all or part of the 30%
- requirement described in Subsection (10)(e)(i) if:
- 1112 (A) the loan is approved by the commission as required in Part 2, State Infrastructure Bank Fund; and
- 1114 (B) the proposed capital project has been prioritized by the commission pursuant to Section 72-1-303.
- 1116 (f) Before July 1, 2022, the department and a large public transit district shall enter into an agreement
- for a large public transit district to pay the department \$5,000,000 per year for 15 years to be used
- to facilitate the purchase of zero emissions or low emissions rail engines and trainsets for regional
- public transit rail systems.
- 1120 (g) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(b):

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- 1122 (i) the commission may prioritize money from the fund for public transit projects, operations, or
maintenance within the county of the first class; and
- 1124 (ii) Subsection (10)(e) does not apply.
- 1125 (h) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(c):
- 1127 (i) the commission may prioritize public transit projects, operations, or maintenance in the county from
which the revenue was generated; and
- 1129 (ii) Subsection (10)(e) does not apply.
- 1130 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for the project
described in Subsection (10)(e) does not apply to a public transit capital development project or
pedestrian or nonmotorized transportation project that the department proposes.
- 1134 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may prioritize money
from the fund for public transit innovation grants, as defined in Section 72-2-401, for public transit
capital development projects requested by a political subdivision within a public transit district.
- 1138 (11)
- (a) There is created in the Transportation Investment Fund of 2005 the Cottonwood Canyons
Transportation Investment Fund.
- 1140 (b) The fund shall be funded by:
- 1141 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1142 (ii) appropriations into the account by the Legislature;
- 1143 (iii) private contributions; and
- 1144 (iv) donations or grants from public or private entities.
- 1145 (c)
- (i) The fund shall earn interest.
- 1146 (ii) All interest earned on fund money shall be deposited into the fund.
- 1147 (d) The Legislature may appropriate money from the fund for public transit or transportation projects in
the Cottonwood Canyons of Salt Lake County.
- 1149 (e) The department may use up to 2% of the revenue deposited into the account under Subsection
59-12-103(4)(f) to contract with local governments as necessary for public safety enforcement
related to the Cottonwood Canyons of Salt Lake County.
- 1152 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any sales and use
tax growth over sales and use tax collections during the 2025 fiscal year to fund projects to provide

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ingress and egress for a public transit hub, including construction of the public transit hub, in the Big Cottonwood Canyon area.

- 1156 (12)
- (a) There is created in the Transportation Investment Fund of 2005 the Active Transportation Investment Fund.
- 1158 (b) The fund shall be funded by:
- 1159 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1160 (ii) appropriations into the account by the Legislature; and
- 1161 (iii) donations or grants from public or private entities.
- 1162 (c)
- (i) The fund shall earn interest.
- 1163 (ii) All interest earned on fund money shall be deposited into the fund.
- 1164 (d) The executive director may only use fund money to pay the costs needed for:
- 1165 (i) the planning, design, construction, maintenance, reconstruction, or renovation of paved pedestrian or paved nonmotorized trail projects that:
- 1167 (A) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
- 1169 (B) serve a regional purpose; and
- 1170 (C) are part of an active transportation plan approved by the department or the plan described in Subsection (12)(d)(ii);
- 1172 (ii) the development of a plan for a statewide network of paved pedestrian or paved nonmotorized trails that serve a regional purpose; and
- 1174 (iii) the administration of the fund, including staff and overhead costs.
- 1175 (13)
- (a) As used in this Subsection (13), "commuter rail" means the same as that term is defined in Section 63N-3-602.
- 1177 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail Subaccount.
- 1179 (c) The subaccount shall be funded by:
- 1180 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 1181 (ii) appropriations into the subaccount by the Legislature;
- 1182 (iii) private contributions; and

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- 1183 (iv) donations or grants from public or private entities.
- 1184 (d)
- (i) The subaccount shall earn interest.
- 1185 (ii) All interest earned on money in the subaccount shall be deposited into the subaccount.
- 1187 (e) As prioritized by the commission through the prioritization process adopted under Section 72-1-304 or as directed by the Legislature, the department may only use money from the subaccount for projects that improve the state's commuter rail infrastructure, including the building or improvement of grade-separated crossings between commuter rail lines and public highways.
- 1192 (f) Appropriations made in accordance with this section are nonlapsing in accordance with Section 63J-1-602.1.
- 1481 Section 9. **Effective date.**
- Effective Date.
- 1195 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.
- 1196 (2) The actions affecting Section 72-2-124 (Effective 07/01/26) take effect on July 1, 2026.

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