

HB0492S06 compared with HB0492S01

~~{Omitted text}~~ shows text that was in HB0492S01 but was omitted in HB0492S06

inserted text shows text that was not in HB0492S01 but was inserted into HB0492S06

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Transportation, Infrastructure, and Housing Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill modifies transportation, infrastructure, and housing provisions.

Highlighted Provisions:

This bill:

- defines terms;
- creates the State Housing Infrastructure Partnership Fund (fund) and provides for the use of fund money;
- creates the State Housing Infrastructure Partnership Board ~~{(board)}~~ {(infrastructure loan board)} and describes the infrastructure loan board's membership and duties;
- requires the Governor's Office of Economic Opportunity to provide staff support to the infrastructure loan board;
- authorizes the infrastructure loan board to make loans from the fund to qualifying political subdivisions to finance system improvements that will facilitate the construction of housing;
- establishes ~~{certain}~~ terms and requirements for ~~{the}~~ infrastructure loans awarded by the infrastructure loan board;

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- 20 ▶ directs the state treasurer to complete a study that analyzes the economic effect of the
infrastructure loan program;
- 22 ▶ exempts conduct arising from the provision of affordable housing, if the housing benefits
are provided to all qualified residents, from certain ethics requirements for public officers;
- 16 ▶ ~~{repeals-}~~ modifies the membership of the Affordable Housing Infrastructure Grant Board ~~{and~~
~~transfers duties for awarding-}~~ (grant board) for the provision of affordable housing infrastructure grants
~~{to the board}~~ ;
- 27 ▶ limits to owner-occupied the affordable housing for which public entities in certain counties
may qualify for an affordable housing infrastructure grant;
- 18 ▶ ~~{requires-}~~ allows the grant board, in relation to awarding ~~{infrastructure loans and-}~~ affordable
housing infrastructure grants, to ~~{give preference to projects that include certain starter homes;}~~ ;
- 20 ▶ ~~{requires the Governor's Office of Economic Opportunity to provide staff support to the~~
~~board;}~~
- 22 ▶ ~~{requires annual reporting from the board and provides the board with rulemaking~~
~~authority;}~~
- 24 ▶ ~~{authorizes the board to use a certain amount of money in the fund to offset administrative~~
~~expenses;}~~
- 30 • determine whether an owner-occupied dwelling qualifies as an affordable housing unit;
and
- 32 • waive certain preliminary cost estimate requirements;
- 26 ▶ increases the maximum amount of bonds ~~{that-}~~ the Utah Department of Transportation
(department) may ~~{be authorized in relation to-}~~ authorize for affordable housing infrastructure grants;
~~{and}~~
- 35 ▶ allows the department to use certain local option sales tax revenue to pay for affordable
housing infrastructure grants, subject to repayment from bond proceeds;
- 37 ▶ diverts a certain portion of revenue from the County of the First Class Highway Projects
Fund for revitalization of a convention center;
- 39 ▶ establishes expenditure requirements for revenue in the County of the First Class Highway
Projects Fund;
- 41 ▶ establishes requirements in relation to a public transit hub project for the Cottonwood
Canyons;

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- 43 ▸ reduces the amount of revenue the department may allocate from the Transportation
Investment Fund to pay for a certain roadway project;
- 45 ▸ establishes the Convention Center Reserves Restricted Account (account);
- 46 ▸ requires the Division of Finance to transfer a certain amount of revenue from the
Transportation Investment Fund to the account;
- 48 ▸ limits the use of money deposited into the account for revitalization of a convention center;
- 50 ▸ establishes requirements for the department to coordinate and assist on certain projects,
subject to availability of funding;
- 52 ▸ allows state agencies to sell surplus real property at pre-entitlement appraised value to
certain qualifying entities and defer payment for the purchase of such property;
- 54 ▸ addresses the sale or disposal of real property by the department and other state agencies;
and
- 28 ▸ makes technical and conforming changes.

Money Appropriated in this Bill:

- 58 ▸ This bill appropriates \$100,000,000 in restricted fund and account transfers for fiscal year
59 2027, all of which is from the various sources as detailed in this bill.

Other Special Clauses:

61 None

Utah Code Sections Affected:

AMENDS:

- 64 59-12-2214 (Effective 05/06/26), as last amended by Laws of Utah 2025, Chapter 29
- 65 63B-34-101 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapter 502
- 66 63L-12-102 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special
Session, Chapter 17
- 68 67-16-4 (Effective 05/06/26), as last amended by Laws of Utah 2018, Chapter 415
- 69 72-2-121 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session,
Chapter 17
- 71 72-2-124 (Effective 05/06/26) (Superseded 07/01/26), as last amended by Laws of Utah 2025,
First Special Session, Chapter 15
- 73 72-2-124 (Effective 07/01/26), as last amended by Laws of Utah 2025, First Special Session,
Chapter 15

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75 72-2-501 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapter 502

76 72-2-502 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapter 502

77 72-2-503 (Effective 05/06/26), as enacted by Laws of Utah 2025, Chapter 502

78 72-5-111 (Effective 05/06/26), as last amended by Laws of Utah 2022, Chapter 101

79 72-5-117 (Effective 05/06/26), as last amended by Laws of Utah 2025, First Special Session,
Chapter 15

81 78B-6-521 (Effective 05/06/26), as last amended by Laws of Utah 2022, Chapter 101

82 ENACTS:

83 63A-2-412 (Effective 05/06/26), Utah Code Annotated 1953

84 63N-3-1801 (Effective 05/06/26), Utah Code Annotated 1953

85 63N-3-1802 (Effective 05/06/26), Utah Code Annotated 1953

86 63N-3-1803 (Effective 05/06/26), Utah Code Annotated 1953

87 63N-3-1804 (Effective 05/06/26), Utah Code Annotated 1953

88 63N-3-1805 (Effective 05/06/26), Utah Code Annotated 1953

89 72-2-136 (Effective 05/06/26), Utah Code Annotated 1953

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

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

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

96 (1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax
of .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or
town.

99 (2) Notwithstanding Section 59-12-2212.2, and subject to Subsections (3) and (4), a county, city, or
town that imposes a sales and use tax under this section shall expend the revenues collected from the
sales and use tax:

102 (a) to fund a system for public transit;

103 (b) to fund a project or service related to an airport facility for the portion of the project or service that
is performed within the county, city, or town within which the sales and use tax is imposed:

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- (i) for a county that imposes the sales and use tax, if the airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or
- (ii) for a city or town that imposes the sales and use tax, if:
- (A) that city or town is located within a county of the second class;
- (B) that city or town owns or operates the airport facility; and
- (C) an airline is headquartered in that city or town; or
- (c) for a combination of Subsections (2)(a) and (b).
- (3) After application of Subsection 59-12-2206(5), a county of the first class that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax as follows:
- (a) 80% of the revenues collected from the sales and use tax shall be expended to fund a system for public transit; and
- (b) except as provided in Subsection (5), 20% of the revenues collected from the sales and use tax shall be deposited into the County of the First Class Highway Projects Fund created by Section 72-2-121.
- (4)
- (a) A county of the third class that has a portion of the county annexed into a large public transit district and that has imposed a sales and use tax under this section as of January 1, 2020, may change the list of purposes for which the sales and use tax revenue may be expended if:
- (i) the proposed uses of the sales and use tax revenue are allowed uses described in this section; and
- (ii) in coordination with a relevant large public transit district, the county legislative body passes an ordinance describing the allowed uses of the sales and use tax revenue.
- (b) Notwithstanding Section 59-12-2208, and regardless of whether the imposition of the sales and use tax imposed under this section was submitted to the voters as described in Section 59-12-2208, the county legislative body is not required to submit an opinion question to the county's registered voters to change the allowed uses as described in Subsection (4)(a).
- (5)
- (a) For a fiscal year beginning on or after July 1, 2030, but beginning on or before July 1, 2060, \$5,000,000 of the revenue described in Subsection (3)(b) shall be distributed to a county of the first class.

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(b) A county of the first class may expend the revenue described in Subsection (5)(a) 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.

Section 2. Section 2 is enacted to read:

63A-2-412. Sale of surplus real property by state agency to qualifying entity for pre-entitlement appraised value -- Deferred payment.

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

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

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

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

(1)

(a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed [\$70,000,000] {~~\$140,000,000~~} \$150,00,000.

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

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

(2)

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

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

(c) The costs under this Subsection (2) may include the costs of acquiring land, interests in land, easements and rights-of-way, the costs of improving sites, making all improvements necessary, incidental, or convenient to the facilities, and the costs of interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

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

Section 4. Section 63L-12-102 is amended to read:

63L-12-102. Grant or lease of real property for moderate income housing.

(1) Subject to the requirements of this section, a governmental entity may grant or lease real property owned by the governmental entity to an entity for the development of moderate income housing on the real property.

(2) A governmental entity shall ensure that real property granted or leased under Subsection (1) is deed restricted for moderate income housing for at least 30 years after the day on which each moderate income housing unit is completed and occupied.

(3) If applicable, a governmental entity granting real property under this section shall comply with:

(a) the provisions of Title 78B, Chapter 6, Part 5, Eminent Domain;

(b) Subsection 10-8-2(4), if a municipality is granting real property under this section;

(c) Subsection 17-78-103(4), if a county is granting real property under this section; and

(d) except as provided in Subsection (4), any other applicable provisions of law that govern the granting of real property by the governmental entity.

(4) A municipality granting real property under this section is not subject to the provisions of Subsection 10-8-2(3).

Section 5. Section 5 is enacted to read:

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

18. State Housing Infrastructure Partnership

As used in this part:

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- (1) "Board" means the State Housing Infrastructure Partnership Board{-} created in Section 63N-3-1803.
- (2) "Development agreement" means the same as that term is defined in Section 10-20-102.
- (3) "Fund" means the State Housing Infrastructure Partnership Fund{-} created in Section 63N-3-1802.
- (4) "Housing development" means a land development proposal to construct new housing that a municipality or a county approves with a land use application, development agreement, or zone change.
- (5) "Infrastructure facility" means a facility used in connection with system-level infrastructure, including:
- (a) a drinking water facility;
 - (b) a wastewater facility;
 - (c) a sewer lift station;
 - (d) a stormwater system;
 - (e) a water drainage system; {or}
 - (f) a secondary water system{-};
 - (g) power transmission and distribution lines, including burying of the lines; or
 - (h) a regional transportation facility.
- (6) "Infrastructure loan" means a loan of fund money to finance a system improvement.
- (7) "Land use application" means the same as that term is defined in Section 10-20-102.
- (8) "Qualifying political subdivision" means:
- (a) a municipality;
 - (b) a county;
 - (c) a special district;
 - (d) a special service district;
 - (c){(e)} an agency{-} as defined in Section 17C-1-102; or
 - (d){(f)} the Point of the Mountain State Land Authority{-} created in Section 11-59-201.
- (9) "Special district" means the same as that term is defined in Section 17B-1-102.
- (10) "Special service district" means the same as that term is defined in Section 17D-1-102.
- (10){(11)}
- (a) "System improvement" means a project to construct or {expand} improve a publicly owned:

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(i) ~~{road}~~ highway, public transit facility, or paved pedestrian or non-motorized trail that is a part of:

(A) the statewide long-range transportation plan;

(B) a regional transportation plan of a metropolitan planning organization; or

(C) a municipal or county general plan, transportation master plan, or economic development initiative;
or

(ii) infrastructure facility that is part of:

(A) a municipal or county general plan, infrastructure plan, or economic development initiative; or

(B) a special district infrastructure plan or strategic plan.

(b) "System improvement" may include the costs of:

(i) designing a project described in Subsection ~~{(10)(a)}~~ (11)(a); ~~{or}~~

(ii) acquiring property for a project described in Subsection ~~{(10)(a)}~~ (11)(a); or

(iii) environmental remediation for a project described in Subsection (11)(a).

Section 6. Section 6 is enacted to read:

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

(1) There is created a revolving loan fund known as the "State Housing Infrastructure Partnership Fund."

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

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

~~{(b) {the sales and use tax revenue deposited into the fund in accordance with Section 59-12-103;}}~~

(c){(b)} amounts received for the repayment of infrastructure loans made by the board under this part;

(d){(c)} grants, gifts, loans, or other funding from:

(i) the federal government; or

(ii) other public or private sources; and

(e){(d)} interest or other earnings deposited under Subsection (3).

(3) The state treasurer shall:

(a) invest the money in the fund by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act; and

(b) deposit all interest or other earnings derived from those investments into the fund.

(4) ~~{The board may use money}~~ Money in the fund ~~{only to}~~ may only be used for:

(a) ~~{make}~~ infrastructure loans ~~{in accordance with}~~ made by the board under this part; and

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- 140 (b) ~~{pay the office's}~~ the administrative costs ~~{related to this part}~~ incurred by the office, in an amount
that does not exceed ~~{0.5%}~~ 1% of the revenues of the fund, including any appropriation to the
fund~~{.}~~, from:
- 268 (i) implementing this part; and
269 (ii) facilitating the implementation of Section 63A-2-412 and Subsection 72-5-117(2)(f).
- 271 Section 7. Section 7 is enacted to read:
272 **63N-3-1803. (Effective 05/06/26) State Housing Infrastructure Partnership Board.**
- 144 (1) There is created within the office the State Housing Infrastructure Partnership Board composed of:
146 (a) five voting members as follows:
147 (i) the executive director of the office or the executive director's designee;
148 (ii) the executive director of the Department of Transportation or the executive director's designee;
150 (iii) one member appointed by the governor;
151 (iv) one member appointed by the president of the Senate; and
152 (v) one member appointed by the speaker of the House of Representatives; and
153 (b) any number of nonvoting members appointed by the chair and vice chair of the board.
154 (2)
(a) The members described in Subsections (1)(a)(iv) and (v) shall serve a four-year term.
156 (b) When a vacancy occurs in a position described in Subsections (1)(a)(iv) and (v), the person that
appointed the member shall appoint a new member for the unexpired term.
158 (c) If a member described in Subsections (1)(a)(iv) and (v) leaves elected office, the appointing entity
shall appoint a new member for the unexpired term.
- 160 (3)
(a) The voting members of the board shall elect a chair and vice chair from the board's voting members.
162 (b) The chair and vice chair of the board shall serve a term of one year.
163 (c) The chair of the board is responsible for the call and conduct of board meetings.
164 (4)
(a) A majority of the voting members of the board constitutes a quorum.
165 (b) Action by a majority vote of a quorum of the board constitutes action by the board
166 (5)
(a) A voting member of the board who is a legislator shall be paid salary and expenses in accordance
with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

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(b) A voting member of the board who is not a legislator may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(i) Section 63A-3-106;

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

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

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

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

Section 8. Section 8 is enacted to read:

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

(1) The board shall:

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

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

(i) establish criteria for determining infrastructure loan eligibility;

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

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

~~{(c) {award affordable housing infrastructure grants to public entities in accordance with Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants; and}} }~~

~~(d){(c)}~~ administer the fund in a manner that will keep a portion of the fund revolving.

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

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

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

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

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

(e) any recommendations for legislation.

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

(a) management of the fund; and

(b) infrastructure loan application requirements and eligibility review criteria.

(4)

(a) Beginning after June 30, 2028, the state treasurer shall conduct a study that analyzes whether the lending activity under this part resulted in measurable local economic benefits.

(b) On or before October 1, 2028, the state treasurer shall submit a report summarizing the results of the study to the Legislative Management Committee and the governor.

(c) The state treasurer may contract with a third party to complete the study and report described in this Subsection (4).

Section 9. Section 9 is enacted to read:

63N-3-1805. (Effective 05/06/26) Infrastructure loans to qualifying political subdivisions --

Application -- Loan requirements.

(1) A qualifying political subdivision may receive an infrastructure loan under this part to finance a system improvement that will facilitate the construction of a housing development.

(2) To receive an infrastructure loan, a qualifying political subdivision shall submit an application to the board that:

(a) demonstrates:

(i) the qualifying political subdivision has approved or will approve a housing development;

(ii) the infrastructure loan will accelerate the completion of the housing development;

(iii) the builder or developer of the housing development has agreed to, or will agree to, a specific timeline to complete the housing development if the board approves the infrastructure loan;

(iv) the qualifying political subdivision will provide matching funds for the system improvement in an amount determined by the board;

(v) the qualifying political subdivision has a primary revenue source for repaying the infrastructure loan; and

(vi) if the qualifying political subdivision is a municipality or county, the qualifying political subdivision has adopted a moderate income housing plan that complies with Section 10-21-202 or 17-80-202;

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- 226 (b) identifies the qualifying political subdivision's current bonding capacity; and
227 (c) includes any other information the board requires.
- 228 (3) In considering an application for an infrastructure loan, the board shall:
229 (a) give preference to a housing development that includes, as a substantial component, the construction
of detached single-family owner-occupied starter homes; and
231 (b) consider criteria including:
232 (i) the number of housing units that may be built compared to the requested infrastructure loan amount;
234 (ii) geographic diversity, including whether the applicant is urban or rural;
235 (iii) the inclusion of affordable housing in the housing development;
236 (iv) the inclusion of for-sale owner-occupied housing units in the housing development;
238 (v) the likelihood that the housing development will be completed in accordance with the timeline
described in Subsection (2)(a)(iii);
240 (vi) the amount of matching funds the qualifying political subdivision will provide for the system
improvement;
242 (vii) other available sources of funding that may be used to construct the system improvement; and
244 (viii) existing public facilities and services nearby the housing development.
- 245 (4) The board shall ensure that each infrastructure loan:
246 (a) is secured by any combination of revenue sources for the loan recipient, whether the revenue is
actualized or anticipated, and which may include revenue the loan recipient receives from:
249 (i) the imposition of property taxes;
250 (ii) the collection of impact fees;
251 (iii) the issuance of bonds; or
252 (iv) any other revenue source the board determines to be sufficient for securing the infrastructure loan;
254 (b) has a term that does not exceed 20 years, except as provided in Subsection (5)(b)(ii);
255 (c) charges interest:
256 (i) to a presumed repayment date established by the board, regardless of the actual repayment date; and
258 (ii) at a rate that is within 1.5% of the federal funds rate target;
259 (A) established by the Federal Open Market Committee; and
260 (B) in effect on January 1 of the year in which the loan is made; and
261 (d) specifies the terms and revenue sources for the loan recipient's repayment of the loan.
262 (5)

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(a) The board may make one infrastructure loan to the Point of the Mountain State Land Authority created in Section 11-59-201.

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

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

(ii) a term of three years.

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

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

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

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

67-16-4. Improperly disclosing or using private, controlled, or protected information -- Using position to secure privileges or exemptions -- Accepting employment that would impair independence of judgment or ethical performance -- Exception.

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

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

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

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

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

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

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

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

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

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- 434 (2)
- (a) Subsection (1) does not apply to the provision of education-related services to public school students by public education employees acting outside their regular employment.
- 437 (b) The conduct referred to in Subsection (2)(a) is subject to Section 53E-3-512.
- 438 (3) This section does not apply to a public officer, public employee, or legislator who engages in conduct that constitutes a violation of this section to the extent that the public officer, public employee, or legislator is chargeable, for the same conduct, under Section 63G-6a-2404 or Section 76-8-105.
- 442 (4) Subsections (1)(c)(i) and (ii) do not apply to conduct relating to the construction or operation of affordable housing, as authorized by Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act, or Title 17, Chapter 27a, County Land Use, Development, and Management Act, if the benefits are provided to all qualified residents.
- 447 Section 11. Section **72-2-121** is amended to read:
- 448 **72-2-121. (Effective 05/06/26)County of the First Class Highway Projects Fund.**
- 274 (1) There is created a special revenue fund within the Transportation Fund known as the "County of the First Class Highway Projects Fund."
- 276 (2) The fund consists of money generated from the following revenue sources:
- 277 (a) any voluntary contributions received for new construction, major renovations, and improvements to highways within a county of the first class;
- 279 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b) deposited into or transferred to the fund;
- 281 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or transferred to the fund;
- 283 (d) a portion of the local option highway construction and transportation corridor preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited into or transferred to the fund; and
- 286 (e) the portion of the sales and use tax transferred into the fund as described in Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b); and
- 463 (f) revenue from bond proceeds described in Section 63B-34-101 for repayment of grants paid from fund money in accordance with Subsection (4)(m).
- 288 (3)

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- (a) The fund shall earn interest.
- 289 (b) All interest earned on fund money shall be deposited into the fund.
- 290 (4) Subject to Subsection (11), the executive director shall use the fund money only:
- 291 (a) to pay debt service and bond issuance costs for bonds issued under Sections 63B-16-102,
63B-18-402, and 63B-27-102;
- 293 (b) for right-of-way acquisition, new construction, major renovations, and improvements to highways
within a county of the first class and to pay any debt service and bond issuance costs related to those
projects, including improvements to a highway located within a municipality in a county of the first
class where the municipality is located within the boundaries of more than a single county;
- 298 (c) for the construction, acquisition, use, maintenance, or operation of:
- 299 (i) an active transportation facility for nonmotorized vehicles;
- 300 (ii) multimodal transportation that connects an origin with a destination; or
- 301 (iii) a facility that may include a:
- 302 (A) pedestrian or nonmotorized vehicle trail;
- 303 (B) nonmotorized vehicle storage facility;
- 304 (C) pedestrian or vehicle bridge; or
- 305 (D) vehicle parking lot or parking structure;
- 306 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3
the amount required in Subsection 72-2-121.3(4)(c) minus the amounts transferred in accordance
with Subsection 72-2-124(4)(a)(v);
- 309 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond issuance costs for
\$30,000,000 of the bonds issued under Section 63B-18-401 for the projects described in Subsection
63B-18-401(4)(a);
- 312 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has verified that the
amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to transfer an amount
equal to 50% of the revenue generated by the local option highway construction and transportation
corridor preservation fee imposed under Section 41-1a-1222 in a county of the first class:
- 317 (i) to the legislative body of a county of the first class; and
- 318 (ii) to be used by a county of the first class for:
- 319 (A) highway construction, reconstruction, or maintenance projects; or
- 320 (B) the enforcement of state motor vehicle and traffic laws;

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- 321 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified that the
amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
Subsection (4)(e) has been made, to annually transfer an amount of the sales and use tax revenue
imposed in a county of the first class and deposited into the fund in accordance with Subsection
59-12-2214(3)(b) equal to an amount needed to cover the debt to:
- 327 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under Section
63B-27-102; and
- 329 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued under Sections
63B-31-102 and 63B-31-103;
- 331 (h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is
available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection
(4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to
a public transit district in a county of the first class to fund a system for public transit;
- 336 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount
required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under
Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)
(i) has been made, through fiscal year 2027, to annually transfer 20%, and beginning with fiscal
year 2028, and each year thereafter for 20 years, to annually transfer 33% of the amount deposited
into the fund under Subsection (2)(b) to the legislative body of a county of the first class for the
following purposes:
- 344 (i) to fund parking facilities in a county of the first class that facilitate significant economic
development and recreation and tourism within the state; and
- 346 (ii) to be used for purposes allowed in Section 17-78-702;
- 347 (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for 15 years
thereafter, to annually transfer the following amounts to the following cities and the county of the
first class for priority projects to mitigate congestion and improve transportation safety:
- 351 (i) \$2,000,000 to Sandy;
- 352 (ii) \$2,300,000 to Taylorsville;
- 353 (iii) \$1,100,000 to Salt Lake City;
- 354 (iv) \$1,100,000 to West Jordan;
- 355 (v) \$1,100,000 to West Valley City;

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- 356 (vi) \$800,000 to Herriman;
357 (vii) \$700,000 to Draper;
358 (viii) \$700,000 to Riverton;
359 (ix) \$700,000 to South Jordan;
360 (x) \$500,000 to Bluffdale;
361 (xi) \$500,000 to Midvale;
362 (xii) \$500,000 to Millcreek;
363 (xiii) \$500,000 to Murray;
364 (xiv) \$400,000 to Cottonwood Heights; and
365 (xv) \$300,000 to Holladay;
366 (k) for the 2024-25, 2025-26, and 2026-27 fiscal years, and subject to revenue balances after the
distributions under Subsection (4)(j), to reimburse the following municipalities for the amounts and
projects indicated, as each project progresses and as revenue balances allow:
370 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from Grandville Avenue to
Mountain View Corridor;
372 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street and 700 West;
374 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements throughout Salt
Lake City;
376 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard and 2300 East;
378 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800 South and I-15;
380 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
381 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
382 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal Trail between 11800 South
and 13800 South;
384 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700 South;
386 (x) \$470,000 to the department for construction of a sound wall on Bangerter Highway at
approximately 11200 South;
388 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800 South and 5300
South;
390 (xii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100 South;
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(xiii) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111 and Old Bingham Highway;

394 (xiv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East between 3300 South and Atkin Avenue;

396 (xv) \$1,230,000 to Holladay for improvements to Highland Drive between Van Winkle Expressway and Arbor Lane;

398 (xvi) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215 interchange;

400 (xvii) \$3,750,000 to West Valley City for improvements to 4000 West between 4100 South and 4700 South and improvements to 4700 South from 4000 West to Bangerter Highway;

403 (xviii) \$1,700,000 to South Jordan for improvements to Prosperity Road between Crimson View Drive and Copper Hawk Drive;

405 (xix) \$2,300,000 to West Valley City for a road connecting U-111 at approximately 6200 South, then east and turning north and connecting to 5400 South;

407 (xx) \$1,400,000 to Magna for improvements to 8000 West between 3500 South to 4100 South;

409 (xxi) \$1,300,000 to Taylorsville for improvements on 4700 South between Redwood Road and 2700 West; and

411 (xxii) \$3,000,000 to West Jordan for improvements to 1300 West between 6600 South and 7800 South; and

413 (l) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay debt service and bond issuance costs for [~~\$70,000,000~~] {~~\$140,000,000~~} \$150,000,000 of the bonds issued under Section ~~[63B-34-201]~~ 63B-34-101 for the grants awarded under Part 5, Affordable Housing Infrastructure Grants~~[:]~~ ; and

594 (m) for a fiscal year beginning on or after July 1, 2026, and only until June 30, 2028, to pay for grants awarded under Part 5, Affordable Housing Infrastructure Grants, subject to repayment to the fund from bond proceeds described in Section 63B-34-101, if the executive director finds that providing the grant money will not delay a project prioritized by the commission.

417 (5)

(a) If revenue in the fund is insufficient to satisfy all of the transfers described in Subsection (4)(j), the executive director shall proportionately reduce the amounts transferred as described in Subsection (4)(j).

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(b) A local government may not use revenue described in Subsection (4)(j) to supplant existing class B or class C road funds that a local government has budgeted for transportation projects.

(6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes described under Section 72-2-123.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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- 640 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
641 (g) revenue from bond proceeds described in Section 63B-34-101.
642 (3)
(a) The fund shall earn interest.
643 (b) All interest earned on fund money shall be deposited into the fund.
644 (4)
(a) Except as provided in Subsection (4)(b), the executive director may only use fund money to pay:
646 (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;
650 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway projects
described in Subsections 63B-18-401(2), (3), and (4);
652 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in Section
72-5-401;
654 (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);
657 (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;
662 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects
prioritized in accordance with Section 72-2-125;
664 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway
Projects Fund created in Section 72-2-121 to be used for the purposes described in Section
72-2-121;
667 (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:
670 (A) mitigate traffic congestion on the state highway system;
671 (B) are part of an active transportation plan approved by the department; and

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- 672 (C) are prioritized by the commission through the prioritization process for new transportation capacity
projects adopted under Section 72-1-304;
- 674 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or
renovation of or improvement to the following projects:
- 676 (A) the connector road between Main Street and 1600 North in the city of Vineyard;
- 678 (B) Geneva Road from University Parkway to 1800 South;
- 679 (C) the SR-97 interchange at 5600 South on I-15;
- 680 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to South Jordan Parkway;
- 682 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 683 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 684 (G) widening I-15 between mileposts 6 and 8;
- 685 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 686 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in Spanish Fork
Canyon;
- 688 (J) I-15 northbound between mileposts 43 and 56;
- 689 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1;
- 691 (L) east Zion SR-9 improvements;
- 692 (M) Toquerville Parkway;
- 693 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 694 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for construction of an
interchange on Bangerter Highway at 13400 South; and
- 696 (P) an environmental impact study for Kimball Junction in Summit County;
- 697 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project 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:
- 701 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 702 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 703 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 704 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40 between mile
markers 7 and 10;

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- 706 (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;
- 709 (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:
- 712 (A) \$3,000,000 for the department to perform an environmental study for the I-15 Salem and Benjamin
project; and
- 714 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand Dunes Road project;
[and]
- 716 (xiii) for a fiscal year beginning on July 1, 2025, up to [~~\$300,000,000~~] \$250,000,000 for the costs
of right-of-way acquisition and construction for improvements on and connections to SR-89 and
surrounding transportation facilities in a county of the first class[:]; and
- 720 (xiv) for grants awarded under Part 5, Affordable Housing Infrastructure Grants, subject to
repayment to the fund from bond proceeds described in Section 63B-34-101, if the executive
director finds that providing the grant money will not delay a project prioritized by the
commission.
- 724 (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).
- 726 (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.
- 730 (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.
- 734 (d) For a fiscal year beginning on July 1, 2026, the Division of Finance shall transfer \$50,000,000 of the
revenue deposited into the fund to the Convention Center Reserves Restricted Account created in
Section 72-2-136.
- 737 (5)

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(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), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the municipality until the department receives notification from the Housing and Community Development Division within the Department of Workforce Services that ineligibility under this Subsection (5) no longer applies to the municipality.

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

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

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

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

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

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

(6)

(a) Except as provided in Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-80-202(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.

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

(i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility to a project prioritized by the commission under Section 72-1-304;

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- 772 (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange
on a limited-access facility;
- 774 (iii) may program Transit Transportation Investment Fund money for a multi-community fixed
guideway public transportation project; and
- 776 (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.
- 779 (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.
- 782 (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.
- 788 (b) The Executive Appropriations Committee of the Legislature shall review and comment on the
amount of bond proceeds needed to fund the projects.
- 790 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount 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.
- 794 (9) The executive director may only use money in the fund for corridor preservation as described in
Subsection (4)(a)(iii):
- 796 (a) if the project has been prioritized by the commission, including the use of fund money for corridor
preservation; or
- 798 (b) for a project that has not been prioritized by the commission, if the commission:
- 799 (i) approves the use of fund money for the corridor preservation; and
- 800 (ii) finds that the use of fund money for corridor preservation will not result in any delay to a project
that has been prioritized by the commission.
- 802 (10)
- (a) There is created in the Transportation Investment Fund of 2005 the Transit Transportation
Investment Fund.

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- 804 (b) The fund shall be funded by:
- 805 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 806 (ii) appropriations into the account by the Legislature;
- 807 (iii) deposits of sales and use tax increment related to a housing and transit reinvestment zone as
described in Section 63N-3-610;
- 809 (iv) transfers of local option sales and use tax revenue as described in Subsection 59-12-2220(11)(b) or
(c);
- 811 (v) private contributions; and
- 812 (vi) donations or grants from public or private entities.
- 813 (c)
- (i) The fund shall earn interest.
- 814 (ii) All interest earned on fund money shall be deposited into the fund.
- 815 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 816 (i) for public transit capital development of new capacity projects and fixed guideway capital
development projects to be used as prioritized by the commission through the prioritization process
adopted under Section 72-1-304;
- 819 (ii) to the department for oversight of a fixed guideway capital development project for which the
department has responsibility; or
- 821 (iii) up to \$500,000 per year, to be used for a public transit study.
- 822 (e)
- (i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize 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.
- 827 (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:
- 830 (A) the loan is approved by the commission as required in Part 2, State Infrastructure Bank Fund; and
- 832 (B) the proposed capital project has been prioritized by the commission pursuant to Section 72-1-303.
- 834 (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

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to facilitate the purchase of zero emissions or low emissions rail engines and trainsets for regional public transit rail systems.

- 838 (g) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(b):
840 (i) the commission may prioritize money from the fund for public transit projects, operations, or
maintenance within the county of the first class; and
842 (ii) Subsection (10)(e) does not apply.
- 843 (h) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(c):
845 (i) the commission may prioritize public transit projects, operations, or maintenance in the county from
which the revenue was generated; and
847 (ii) Subsection (10)(e) does not apply.
- 848 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for 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.
- 852 (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.
- 856 (11)
(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood Canyons
Transportation Investment Fund.
- 858 (b) The fund shall be funded by:
859 (i) money deposited into the fund in accordance with Section 59-12-103;
860 (ii) appropriations into the account by the Legislature;
861 (iii) private contributions; and
862 (iv) donations or grants from public or private entities.
- 863 (c)
(i) The fund shall earn interest.
864 (ii) All interest earned on fund money shall be deposited into the fund.
- 865 (d) The Legislature may appropriate money from the fund for public transit or transportation projects in
the Cottonwood Canyons of Salt Lake County.

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(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.

(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.

(12)

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

(b) The fund shall be funded by:

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

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

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

(c)

(i) The fund shall earn interest.

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

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

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

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

(B) serve a regional purpose; and

(C) are part of an active transportation plan approved by the department or the plan described in Subsection (12)(d)(ii);

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

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

(13)

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

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- 895 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail Subaccount.
897 (c) The subaccount shall be funded by:
898 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
899 (ii) appropriations into the subaccount by the Legislature;
900 (iii) private contributions; and
901 (iv) donations or grants from public or private entities.
902 (d)
(i) The subaccount shall earn interest.
903 (ii) All interest earned on money in the subaccount shall be deposited into the subaccount.
905 (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.
910 (f) Appropriations made in accordance with this section are nonlapsing in accordance with Section
63J-1-602.1.

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

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

- 914 (1) There is created a capital projects fund entitled the Transportation Investment Fund of 2005.
916 (2) The fund consists of money generated from the following sources:
917 (a) any voluntary contributions received for the maintenance, construction, reconstruction, or
renovation of state and federal highways;
919 (b) appropriations made to the fund by the Legislature;
920 (c) registration fees designated under Section 41-1a-1201;
921 (d) the sales and use tax revenues deposited into the fund in accordance with Section 59-12-103;
923 (e) revenues transferred to the fund in accordance with Section 72-2-106;
924 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
925 (g) revenue from bond proceeds described in Section [~~63B-34-201~~] 63B-34-101.
926 (3)
(a) The fund shall earn interest.
927 (b) All interest earned on fund money shall be deposited into the fund.
928 (4)

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- (a) Except as provided in Subsection (4)(b), the executive director may only use fund money to pay:
- 930 (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;
 - 934 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway projects
described in Subsections 63B-18-401(2), (3), and (4);
 - 936 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in Section
72-5-401;
 - 938 (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);
 - 941 (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;
 - 946 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects
prioritized in accordance with Section 72-2-125;
 - 948 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway
Projects Fund created in Section 72-2-121 to be used for the purposes described in Section
72-2-121;
 - 951 (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:
 - 954 (A) mitigate traffic congestion on the state highway system;
 - 955 (B) are part of an active transportation plan approved by the department; and
 - 956 (C) are prioritized by the commission through the prioritization process for new transportation capacity
projects adopted under Section 72-1-304;
 - 958 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction, reconstruction, or
renovation of or improvement to the following projects:
 - 960 (A) the connector road between Main Street and 1600 North in the city of Vineyard;
 - 962 (B) Geneva Road from University Parkway to 1800 South;

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- 963 (C) the SR-97 interchange at 5600 South on I-15;
- 964 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to South Jordan Parkway;
- 966 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 967 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 968 (G) widening I-15 between mileposts 6 and 8;
- 969 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 970 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in Spanish Fork Canyon;
- 972 (J) I-15 northbound between mileposts 43 and 56;
- 973 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1;
- 975 (L) east Zion SR-9 improvements;
- 976 (M) Toquerville Parkway;
- 977 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 978 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for construction of an interchange on Bangerter Highway at 13400 South; and
- 980 (P) an environmental impact study for Kimball Junction in Summit County;
- 981 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project 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:
- 985 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 986 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 987 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 988 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40 between mile markers 7 and 10;
- 990 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way acquisition, construction, reconstruction, or renovation to connect Fingerhut Road over the railroad and to U.S. Highway 6;
- 993 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from revenue deposited into the fund in accordance with Section 59-12-103, for the following projects:
- 996

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- (A) \$3,000,000 for the department to perform an environmental study for the I-15 Salem and Benjamin project; and
- 998 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand Dunes Road project; [and]
- 1000 (xiii) for a fiscal year beginning on July 1, 2025, up to [~~\$300,000,000~~] \$250,000,000 for the costs of right-of-way acquisition and construction for improvements on and connections to SR-89 and surrounding transportation facilities in a county of the first class[-] ; and
- 1004 (xiv) for grants awarded under Part 5, Affordable Housing Infrastructure Grants, subject to repayment to the fund from bond proceeds described in Section 63B-34-101, if the executive director finds that providing the grant money will not delay a project prioritized by the commission.
- 1008 (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).
- 1010 (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.
- 1014 (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.
- 1018 (d) For a fiscal year beginning on July 1, 2026, the Division of Finance shall transfer \$50,000,000 of the revenue deposited into the fund to the Convention Center Reserves Restricted Account created in Section 72-2-136.
- 1021 (5)
- (a) Except as provided in Subsection (5)(b), if the department receives a notice of ineligibility for a municipality as described in Subsection 10-21-202(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 municipality until the department receives notification from the Housing and Community Development Division within

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

- 1029 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive director:
- 1031 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access facility or interchange connecting limited-access facilities;
- 1033 (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- 1035 (iii) may program Transit Transportation Investment Fund money for a multi-community fixed guideway public transportation project; and
- 1037 (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.
- 1040 (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.
- 1043 (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.
- 1051 (b) Within the boundaries of the unincorporated area of a county described in Subsection (6)(a), the executive director:
- 1053 (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;
- 1056 (ii) may not program fund money for the construction, reconstruction, or renovation of an interchange on a limited-access facility;
- 1058 (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.

1063 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive director before
1066 July 1, 2022, for projects prioritized by the commission under Section 72-1-304.

(7)

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

1072 (b) The Executive Appropriations Committee of the Legislature shall review and comment on the amount of bond proceeds needed to fund the projects.

1074 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount 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.

1078 (9) The executive director may only use money in the fund for corridor preservation as described in Subsection (4)(a)(iii):

1080 (a) if the project has been prioritized by the commission, including the use of fund money for corridor preservation; or

1082 (b) for a project that has not been prioritized by the commission, if the commission:

1083 (i) approves the use of fund money for the corridor preservation; and

1084 (ii) finds that the use of fund money for corridor preservation will not result in any delay to a project that has been prioritized by the commission.

1086 (10)

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

1088 (b) The fund shall be funded by:

1089 (i) contributions deposited into the fund in accordance with Section 59-12-103;

1090 (ii) appropriations into the account by the Legislature;

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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;
- 1093 (iv) transfers of local option sales and use tax revenue as described in Subsection 59-12-2220(11)(b) or
- (c);
- 1095 (v) private contributions; and
- 1096 (vi) donations or grants from public or private entities.
- 1097 (c)
- (i) The fund shall earn interest.
- 1098 (ii) All interest earned on fund money shall be deposited into the fund.
- 1099 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 1100 (i) for public transit capital development of new capacity projects and fixed guideway capital
- development projects to be used as prioritized by the commission through the prioritization process
- adopted under Section 72-1-304;
- 1103 (ii) to the department for oversight of a fixed guideway capital development project for which the
- department has responsibility; or
- 1105 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1106 (e)
- (i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize 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.
- 1111 (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:
- 1114 (A) the loan is approved by the commission as required in Part 2, State Infrastructure Bank Fund; and
- 1116 (B) the proposed capital project has been prioritized by the commission pursuant to Section 72-1-303.
- 1118 (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.
- 1122 (g) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(b):

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- 1124 (i) the commission may prioritize money from the fund for public transit projects, operations, or
maintenance within the county of the first class; and
- 1126 (ii) Subsection (10)(e) does not apply.
- 1127 (h) For any revenue transferred into the fund in accordance with Subsection 59-12-2220(11)(c):
- 1129 (i) the commission may prioritize public transit projects, operations, or maintenance in the county from
which the revenue was generated; and
- 1131 (ii) Subsection (10)(e) does not apply.
- 1132 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for 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.
- 1136 (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.
- 1140 (11)
- (a) There is created in the Transportation Investment Fund of 2005 the Cottonwood Canyons
Transportation Investment Fund.
- 1142 (b) The fund shall be funded by:
- 1143 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1144 (ii) appropriations into the account by the Legislature;
- 1145 (iii) private contributions; and
- 1146 (iv) donations or grants from public or private entities.
- 1147 (c)
- (i) The fund shall earn interest.
- 1148 (ii) All interest earned on fund money shall be deposited into the fund.
- 1149 (d) The Legislature may appropriate money from the fund for public transit or transportation projects in
the Cottonwood Canyons of Salt Lake County.
- 1151 (e) The department may use up to 2% of the revenue deposited into the account under 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.
- 1154 (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.

- 1158 (12)
- (a) There is created in the Transportation Investment Fund of 2005 the Active Transportation Investment Fund.
- 1160 (b) The fund shall be funded by:
- 1161 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1162 (ii) appropriations into the account by the Legislature; and
- 1163 (iii) donations or grants from public or private entities.
- 1164 (c)
- (i) The fund shall earn interest.
- 1165 (ii) All interest earned on fund money shall be deposited into the fund.
- 1166 (d) The executive director may only use fund money to pay the costs needed for:
- 1167 (i) the planning, design, construction, maintenance, reconstruction, or renovation of paved pedestrian or paved nonmotorized trail projects that:
- 1169 (A) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;
- 1171 (B) serve a regional purpose; and
- 1172 (C) are part of an active transportation plan approved by the department or the plan described in Subsection (12)(d)(ii);
- 1174 (ii) the development of a plan for a statewide network of paved pedestrian or paved nonmotorized trails that serve a regional purpose; and
- 1176 (iii) the administration of the fund, including staff and overhead costs.
- 1177 (13)
- (a) As used in this Subsection (13), "commuter rail" means the same as that term is defined in Section 63N-3-602.
- 1179 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail Subaccount.
- 1181 (c) The subaccount shall be funded by:
- 1182 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 1183 (ii) appropriations into the subaccount by the Legislature;
- 1184 (iii) private contributions; and

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- 1185 (iv) donations or grants from public or private entities.
1186 (d)
1187 (i) The subaccount shall earn interest.
1187 (ii) All interest earned on money in the subaccount shall be deposited into the subaccount.
1189 (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.
1194 (f) Appropriations made in accordance with this section are nonlapsing in accordance with Section
63J-1-602.1.

1196 Section 14. Section 14 is enacted to read:

1197 **72-2-136. Convention Center Reserves Restricted Account.**

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

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

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

As used in this part:

- 448 (1) "Affordable housing unit" means a dwelling that~~[(a)]~~
449 ~~[(a) is offered for rent at a rental price affordable to a household with a gross income of no more than~~
~~80% of the area median income for the county in which the residential unit is offered for rent; or]~~

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~~[(b)]~~ is offered for sale to an owner-occupier at a purchase price that the board determines is affordable ~~[to a household with a gross income of no more than 120% of the area median income]~~ for the county in which the residential unit is offered for sale and is deed restricted for ~~[no fewer than]~~ up to five years.

(2) "Board" means the ~~[affordable housing infrastructure grant board]~~ {State} Affordable Housing Infrastructure {Partnership} Grant Board created in Section ~~{72-2-503}~~ {63N-3-1803}.

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

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

72-2-502. Affordable housing infrastructure grant funding sources.

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

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

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

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

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

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

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

72-2-503. (Effective 05/06/26){Affordable housing infrastructure grant} Board creation -- Duties -- Grant administration.

~~{(1)}~~

(a) {There is created the }[affordable housing infrastructure grant board] Affordable Housing Infrastructure Grant Board{ consisting of }:{ }

(i) {the following }five voting {members:}

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

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

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- 1249 (B) two individuals from a county of the first class, as classified in Section 17-60-104, appointed by the
1251 speaker of the House of Representatives; and
- 1251 (C) two individuals from a county of the first class, as classified in Section 17-60-104, appointed by the
467 president of the Senate; and
- 467 [(e) an employee of the governor's office that is an expert or advisor on housing strategy, appointed by
the governor.]
- 1255 (ii) the following two nonvoting members:
- 1256 (A) the executive director of the department, or the executive director's designee; and
- 1258 (B) the legislative fiscal analyst, or the legislative fiscal analyst's designee.
- 1259 (b) In accordance with this section, the board shall award grants to public entities in a county of the first
class, as classified in Section 17-60-104, for infrastructure that will facilitate the development of
affordable housing units.
- 469 {{(2){}} {(1){}}}
- (a) The Governor's Office of Economic Opportunity shall provide staff support for the board and the
grant program.
- 471 (b) The Governor's Office of Economic Opportunity may use and the department shall transfer grant
funds for the costs of the Governor's Office of Economic Opportunity to administer the grant
program under this part.
- 474 (c) The Governor's Office of Economic Opportunity and the department shall enter into a memorandum
of understanding to facilitate the calculation and transfer of funds for the administrative costs
described in Subsection {{(2)(b){}} {(1)(b){}}}.
- 477 {{(3){}} {(2){}}} The [Governor's Office of Economic Opportunity] department, in consultation with the
board, shall develop a process for the prioritization of grant proposals that includes:
- 479 (a) instructions on making and submitting a grant proposal;
- 480 (b) methodology for selecting grants; and
- 481 (c) methodology for awarding grants.
- 482 {{(4){}} {(3){}}} In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
[Governor's Office of Economic Opportunity] department shall make rules to establish the process
described in Subsection {{(3){}} {(2){}}} and as otherwise necessary to implement this part.
- 485 {{(5){}} {(4){}}} The board shall:
- 486 (a) accept grant applications;

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- 487 (b) rank grant proposals; and
488 (c) award grants in accordance with this part.
- 489 ~~{(6)}{1}~~ ~~{(5)}~~ A grant applicant shall ensure that each grant proposal includes:
490 (a) information about the proposed project, including the projected number of affordable housing units,
which may not be less than 50 units of affordable housing;
492 (b) the projected time line of the proposed project;
493 (c) data and information regarding the proposed types of affordable housing; and
494 (d) information about the public infrastructure and other improvements needed.
- 495 ~~{(7)}{1}~~ ~~{(6)}~~
(a) In considering a grant proposal, the board shall:
496 (i) give priority to a project that includes, as a substantial component, the construction of detached
single-family owner-occupied starter homes; and
498 (ii) consider criteria including:
499 [(i)] (A) the value and number of housing units the project will produce;
500 [(ii)] (B) the value of any matching contribution from the grant applicant, including information about
how the public entity determined the value of the matching assets; and
503 [(iii)] (C) any other criteria the board determines relevant.
- 504 (b) For a grant proposal including highway infrastructure, the board may not award a grant unless
the grant applicant provides a minimum matching contribution of the right-of-way needed for the
highway improvements.
- 507 (c) If a grant proposal includes highway infrastructure, the board shall give priority to the construction
of public highways that are highways of regional significance that connect to other highways or
points of regional significance.
- 510 ~~{(8)}{1}~~ ~~{(7)}~~
(a) Subject to available funding, and subject to Subsection ~~{(8)(b)}{1}~~ ~~(7)(b)~~, the board may award a
grant to a recipient that the board determines advisable.
- 512 (b) For every \$20,000 of grant funding awarded to a recipient, the infrastructure shall support at least
one unit of affordable housing.
- 514 (c) The board may not award a grant to a recipient if the board determines that the recipient will not be
able to satisfy the requirement under Subsection ~~{(8)(b)}{1}~~ ~~(7)(b)~~.
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~~{{(9)}} {{(8)}}~~ If the board approves the award of a grant as provided in this part, the department shall transfer the money to the grant recipient in accordance with Subsection ~~{{(10)}} {{(9)}}~~.

518 ~~{{(10)}} {{(9)}}~~

(a)

~~[(a)] (i) [Before] Except as provided in Subsection (10)(b), before~~ the department may provide grant money to a public entity for a project related to a grant awarded by the board, the public entity shall provide a detailed cost estimate of costs to complete the planning and design of the project.

521 ~~[(b)] (ii)~~ If the executive director approves the cost estimate described in Subsection ~~[(10)(a)] {{(9)(a)}}~~ (10)(a)(i), the department may provide to the public entity grant money reasonably necessary to complete the planning and design of the project.

524 ~~[(c)] (iii)~~ After completion of the planning and design of a project related to a grant awarded by the board, the public entity shall provide to the department a detailed estimate of the costs to construct and complete the project described in Subsection ~~[(10)(b)] {{(9)(b)}}~~ (10)(a)(ii).

527 ~~[(d)] (iv)~~ If the executive director approves the cost estimates described in Subsection ~~[(10)(c)] {{(9)(c)}}~~ (10)(a)(iii), the department may provide grant money to a public entity to construct and complete the project described in Subsection ~~[(10)(b)] {{(9)(b)}}~~ (10)(a)(ii).

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

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

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

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

1329 **72-5-111. Disposal of real property.**

1330 (1)

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

1334 (b)

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

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

1340 (c)

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- (i) Except as provided in Subsection (1)(c)(ii), if approved by the commission, real property or an interest in real property may be exchanged by the department for other real property or interest in real property, including improvements, for a state transportation purpose.
- 1344 (ii) The department may exchange an interest in real property for another interest in real property for a project that is part of a statewide transportation improvement program approved by the commission.
- 1347 (d) Proceeds from the sale of real property or an interest in real property from a maintenance facility may be used by the department for the purchase or improvement of another maintenance facility, including real property.
- 1350 (2)
- (a) In disposing of real property or an interest in real property described in Subsection (1), the department shall give the right of first refusal for the highest offer, as defined in Section 78B-6-521, to:
- 1353 (i) for real property, the original grantor if, since the date of the original transfer to the department, the original grantor has owned real property adjacent to the transferred real property; or
- 1356 (ii) for an interest in real property that is an easement:
- 1357 (A) if the original grantor owns the servient estate subject to the easement, the original grantor; or
- 1359 (B) if a subsequent bona fide purchaser owns the servient estate subject to the easement, the subsequent bona fide purchaser.
- 1361 (b) Notwithstanding Subsection (2)(a) and Section 78B-6-521, if the department acquires real property or an easement and does not use any portion of the real property or easement for a state transportation purpose, the department shall give the original grantor the opportunity to purchase the real property or easement at the original purchase price if, since the date of the original transfer to the department, the original grantor has owned real property adjacent to the transferred real property or the servient estate subject to the easement.
- 1368 (c) In accordance with Section 72-5-404, this Subsection (2) does not apply to property rights acquired in proposed transportation corridors using funds from the Marda Dillree Corridor Preservation Fund created in Section 72-2-117.
- 1371 (d)
- ~~[(i) The right of first refusal described in this Subsection (2) is subject to the same terms and may be assigned by the original grantor or subsequent bona fide purchaser in the manner described in Subsection 78B-6-521(3).]~~

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- 1374 [(ii) The original grantor or subsequent bona fide purchaser, or the original grantor's or subsequent
bona fide purchaser's assignee, shall notify the department of an assignment by certified mail to the
current office address of the executive director of the department.]
- 1378 (i) If an original grantor or subsequent bona fide purchaser fails to purchase real property or an
easement described in this Subsection (2), the department may reject all bids and dispose of the real
property or easement in accordance with Subsection 78B-6-521(3).
- 1382 [(iii)] (ii) An exchange of real property ~~[as provided in]~~ under Subsection (1)(c) or Section 72-5-113
does not entitle the original grantor or subsequent bona fide purchaser to exercise the right of first
refusal described in this Subsection (2).
- 1385 [(iv)] (iii) The right of first refusal described in this Subsection (2) terminates upon an exchange of the
acquired real property ~~[as provided in]~~ under Subsection (1)(c) or Section 72-5-113.
- 1388 (3)
- (a) Any sale, exchange, or disposal of real property or interest in real property made by the department
under this section, is exempt from the mineral reservation provisions of Title 65A, Chapter 6,
Mineral Leases.
- 1391 (b) Any deed made and delivered by the department under this section without specific reservations in
the deed is a conveyance of all the state's right, title, and interest in the real property or interest in
the real property.
- 1394 Section 19. Section 72-5-117 is amended to read:
- 1395 **72-5-117. Rulemaking for sale of real property -- Licensed or certified appraisers --**
Exceptions.
- 1397 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the department
buys, sells, or exchanges real property, the department shall make rules to ensure that the value
of the real property is congruent with the proposed price and other terms of the purchase, sale, or
exchange.
- 1401 (2) The rules:
- 1402 (a) shall establish procedures for determining the value of the real property;
- 1403 (b) may provide that an appraisal, as defined under Section 61-2g-102, demonstrates the real property's
value;
- 1405 (c) may require that the appraisal be completed by a state-certified general appraiser, as defined under
Section 61-2g-102;

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- 1407 (d) may provide for the sale or exchange of real property, with or without charge, to a large public
transit district if the executive director enters into an agreement with the large public transit district
and determines that the real property:
- 1410 (i) is within the boundaries of a station area that has a station area plan certified by a metropolitan
planning organization in accordance with Section 10-21-203;
- 1412 (ii) is part of a transit-oriented development or transit-supportive development as defined in Section
17B-2a-802;
- 1414 (iii) is adjacent to a completed fixed guideway capital development that was overseen by the
department; or
- 1416 (iv) will only be used by the large public transit district in a manner that the executive director
determines will provide a benefit to the state transportation system; [and]
- 1418 (e) may provide for the disposal of surplus real property for a purpose described in Section 63L-12-102;
and
- 1420 ~~[(e)]~~ (f) may provide for a sale of surplus real property to a state agency or an independent entity, as
defined in Section 63E-1-102, that administers public interests in housing for a pre-entitlement
appraised value, the payment of which may be deferred~~[-until after the development of owner-~~
~~occupied housing]~~ , as determined by the department and subject to state and federal law.
- 1425 (3) Subsection (1) does not apply to the purchase, sale, or exchange of real property, or to an interest in
real property:
- 1427 (a) that is under a contract or other written agreement before May 5, 2008; or
- 1428 (b) with a value of less than \$100,000, as estimated by the state agency.
- 1429 Section 20. Section 78B-6-521 is amended to read:
- 1430 **78B-6-521. Sale of property acquired by eminent domain.**
- 1431 (1) As used in this section:
- 1432 (a) "Condemnation" or "threat of condemnation" means:
- 1433 (i) acquisition through an eminent domain proceeding; or
- 1434 (ii) an official body of the state or a subdivision of the state, having the power of eminent domain, has
specifically authorized the use of eminent domain to acquire the real property.
- 1437 (b)
- (i) "Highest offer" means all material terms of the best bona fide offer received by the state or one of the
state's subdivisions, including:

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- 1439 (A) purchase price;
1440 (B) conditions; and
1441 (C) terms of performance.
- 1442 (ii) "Highest offer" does not mean the terms and conditions of an agreement to exchange real property
or an interest in real property for other real property or an interest in real property.
- 1445 (2) If the state or one of the state's subdivisions, at the state's or the state subdivision's sole discretion,
declares real property or an easement the state or state subdivision acquires through condemnation
or threat of condemnation to be surplus real property, the state or state subdivision may not sell the
real property or easement at a private or public sale unless:
- 1450 (a)
(i) for real property, the state or state subdivision gives the right of first refusal to the original grantor
for the highest offer if, since the date of the original transfer to the state or state subdivision, the
original grantor has owned real property adjacent to the transferred real property; or
- 1454 (ii) for an easement, the state or state subdivision gives the right of first refusal to:
- 1455 (A) if the original grantor owns the servient estate subject to the easement, the original grantor for the
highest offer; or
- 1457 (B) if a subsequent bona fide purchaser owns the servient estate subject to the easement, the subsequent
bona fide purchaser for the highest offer;
- 1459 (b) the original grantor or subsequent bona fide purchaser described in Subsection (2)(a):
- 1460 (i) expressly waives in writing the right of first refusal on the offer; or
- 1461 (ii) fails to accept the offer within 90 days after the day on which the original grantor or subsequent
bona fide purchaser receives notification by registered mail to the original grantor's or subsequent
bona fide purchaser's last-known address; and
- 1464 (c) neither the state nor the state subdivision selling the property is involved in the rezoning of the
property or the acquisition of additional property to enhance the value of the real property to be sold.
- 1467 (3) If an original grantor or subsequent bona fide purchaser fails to purchase surplus real property or an
easement described in Subsection (2), the state or the state subdivision that owns the real property
or easement may reject all bids and sell the real property or easement in accordance with applicable
provisions of law that govern the granting of real property or an interest in real property by the state
or the state subdivision.
- 1472 [(3)

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(a) If the original grantor or subsequent bona fide purchaser has not waived the right of first refusal as described in Subsection (2)(b), an original grantor or subsequent bona fide purchaser may assign the right of first refusal.]

1475 [(b) The assignment of a right of first refusal in accordance with Subsection (3)(a) does not extend the
time for acceptance of an offer as described in Subsection (2)(b).]

1477 (4)

(a) Real property acquired through condemnation or the threat of condemnation is not considered surplus if the real property is approved for use in an exchange for other real property.

1480 (b) An exchange of real property for other real property is not a private or public sale.

1481 (c) The right of first refusal described in Subsection (2)(a) shall terminate upon an exchange of the
acquired real property.

1483 (5) This section shall only apply to property acquired after July 1, 1983.

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

1485 The following sums of money are appropriated for the fiscal year beginning July 1,
1486 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
1487 fiscal year 2027.

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

1489 The Legislature authorizes the State Division of Finance to transfer the following
1490 amounts between the following funds or accounts as indicated. Expenditures and outlays from
1491 the funds to which the money is transferred must be authorized by an appropriation.

1492 ITEM 1 To State Housing Infrastructure Partnership Fund

1493 From Transportation Infrastructure General Fund Support Subfund, One-time 100,000,000

1495 Schedule of Programs:

1496 State Housing Infrastructure Partnership Fund 100,000,000

1497 Section 22. **Effective date.**

Effective Date.

This bill takes effect on May 6, 2026.

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