

Stephanie Gricius proposes the following substitute bill:

**Moderate Income Housing Infrastructure Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephanie Gricius**

Senate Sponsor: Calvin R. Musselman

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

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

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

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

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

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 34 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah  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

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

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

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

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

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

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

53 (c) The initial report shall:

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

57 (ii) include an implementation plan.

58 (d) For reporting year 2026:

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

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

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

- 97            comparing the number of residential certificates of occupancy the specified  
98            municipality issued during the previous 12-month period to the number of housing  
99            units that existed in the specified municipality before the day on which the  
100           previous 12-month period began;
- 101           [~~(vi)~~] (viii) shapefiles, or website links if shapefiles are not available, to current maps  
102           and tables related to zoning;
- 103           [~~(vii)~~] (ix) a description of how the market has responded to the selected moderate  
104           income housing strategies, including the number of entitled moderate income  
105           housing units or other relevant data; and
- 106           [~~(viii)~~] (x) any recommendations on how the state can support the specified  
107           municipality in implementing the moderate income housing strategies.
- 108           (c) For purposes of describing actions taken by a specified municipality under  
109           Subsection (2)(b)(i), the specified municipality may include an ongoing action taken  
110           by the specified municipality before the 12-month reporting period applicable to the  
111           subsequent progress report if the specified municipality:
- 112           (i) has already adopted an ordinance, approved a land use application, made an  
113           investment, or approved an agreement or financing that substantially promotes the  
114           implementation of a moderate income housing strategy identified in the initial  
115           report; and
- 116           (ii) demonstrates in the subsequent progress report that the action taken under  
117           Subsection (2)(c)(i) is relevant to making meaningful progress towards the  
118           specified municipality's implementation plan.
- 119           (d) A specified municipality's report shall be in a form:
- 120           (i) approved by the division; and
- 121           (ii) made available by the division on or before May 1 of the year in which the report  
122           is required.
- 123           (3) Within 90 days after the day on which the division receives a specified municipality's  
124           report, the division shall:
- 125           (a) post the report on the division's website;
- 126           (b) send a copy of the report to the Department of Transportation, the Governor's Office  
127           of Planning and Budget, the association of governments in which the specified  
128           municipality is located, and, if the specified municipality is located within the  
129           boundaries of a metropolitan planning organization, the appropriate metropolitan  
130           planning organization; and

- 131 (c) subject to Subsection (4), review the report to determine compliance with this section.
- 132 (4)(a) An initial report complies with this section if the report:
- 133 (i) includes the information required under Subsection (1)(c);
- 134 (ii) demonstrates to the division that the specified municipality made plans to
- 135 implement:
- 136 (A) three or more moderate income housing strategies if the specified
- 137 municipality does not have a fixed guideway public transit station; or
- 138 (B) if the specified municipality has a fixed guideway public transit station:
- 139 (I) five or more of the moderate income housing strategies described in
- 140 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
- 141 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
- 142 shall be a moderate income housing strategy described in Subsection
- 143 10-21-201(3)(a)(iii)(G) or (H); or
- 144 (II) the moderate income housing strategy described in Subsection
- 145 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
- 146 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
- 147 moderate income strategy described in Subsection 10-21-201(3)(a)(iii); and
- 148 (iii) is in a form approved by the division.
- 149 (b) A subsequent progress report complies with this section if the report:
- 150 (i) demonstrates to the division that the specified municipality made plans to
- 151 implement:
- 152 (A) three or more moderate income housing strategies if the specified
- 153 municipality does not have a fixed guideway public transit station; or
- 154 (B) if the specified municipality has a fixed guideway public transit station:
- 155 (I) five or more of the moderate income housing strategies described in
- 156 Subsection 10-21-201(3)(a)(iii), of which one shall be the moderate income
- 157 housing strategy described in Subsection 10-21-201(3)(a)(iii)(U) and one
- 158 shall be a moderate income housing strategy described in Subsection
- 159 10-21-201(3)(a)(iii)(G) or (H); or
- 160 (II) the moderate income housing strategy described in Subsection
- 161 10-21-201(3)(a)(iii)(U), one of the moderate income housing strategies
- 162 described in Subsections 10-21-201(3)(a)(iii)(X) through (CC), and one
- 163 moderate income housing strategy described in Subsection
- 164 10-21-201(3)(a)(iii);

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

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

- 233           ~~[(d)]~~ (b) The notice described in Subsection ~~[(5)(e)]~~ (7)(a) shall:
- 234           (i) name the specified municipality that qualifies for priority consideration;
- 235           (ii) describe the funds or projects for which the specified municipality qualifies to
- 236           receive priority consideration under Subsection (5) or (6); and
- 237           (iii) state the basis for the division's determination that the specified municipality
- 238           qualifies for priority consideration.
- 239           ~~[(e)]~~ (c) The division shall notify the legislative body of a specified municipality and the
- 240           Department of Transportation in writing if the division determines that the specified
- 241           municipality no longer qualifies for priority consideration under ~~[this-]~~Subsection (5)
- 242           or (6).
- 243           ~~[(6)]~~ (8)(a) If the division, after reviewing a specified municipality's report, determines
- 244           that the report does not comply with this section, the division shall send a notice of
- 245           noncompliance to the legislative body of the specified municipality.
- 246           (b) A specified municipality that receives a notice of noncompliance may:
- 247           (i) cure each deficiency in the report within 90 days after the day on which the notice
- 248           of noncompliance is sent; or
- 249           (ii) request an appeal of the division's determination of noncompliance within 10
- 250           days after the day on which the notice of noncompliance is sent.
- 251           (c) The notice described in Subsection ~~[(6)(a)]~~ (8)(a) shall:
- 252           (i) describe each deficiency in the report and the actions needed to cure each
- 253           deficiency;
- 254           (ii) state that the specified municipality has an opportunity to:
- 255           (A) submit to the division a corrected report that cures each deficiency in the
- 256           report within 90 days after the day on which the notice of compliance is sent; or
- 257           (B) submit to the division a request for an appeal of the division's determination of
- 258           noncompliance within 10 days after the day on which the notice of
- 259           noncompliance is sent; and
- 260           (iii) state that failure to take action under Subsection ~~[(6)(e)(ii)]~~ (8)(c)(ii) will result in
- 261           the specified municipality's ineligibility for funds under Subsection ~~[(8)]~~ (10).
- 262           (d) For purposes of curing the deficiencies in a report under this Subsection ~~[(6)]~~ (8), if
- 263           the action needed to cure the deficiency as described by the division requires the
- 264           specified municipality to make a legislative change, the specified municipality may
- 265           cure the deficiency by making that legislative change within the 90-day cure period.
- 266           (e)(i) If a specified municipality submits to the division a corrected report in

- 267 accordance with Subsection [~~(6)(b)(i)~~] (8)(b)(i) and the division determines that  
 268 the corrected report does not comply with this section, the division shall send a  
 269 second notice of noncompliance to the legislative body of the specified  
 270 municipality within 30 days after the day on which the corrected report is  
 271 submitted.
- 272 (ii) A specified municipality that receives a second notice of noncompliance may  
 273 submit to the division a request for an appeal of the division's determination of  
 274 noncompliance within 10 days after the day on which the second notice of  
 275 noncompliance is sent.
- 276 (iii) The notice described in Subsection [~~(6)(e)(i)~~] (8)(e)(i) shall:
- 277 (A) state that the specified municipality has an opportunity to submit to the  
 278 division a request for an appeal of the division's determination of  
 279 noncompliance within 10 days after the day on which the second notice of  
 280 noncompliance is sent; and
- 281 (B) state that failure to take action under Subsection [~~(6)(e)(iii)(A)~~] (8)(e)(iii)(A)  
 282 will result in the specified municipality's ineligibility for funds under  
 283 Subsection [~~(8)~~] (10).
- 284 [~~(7)~~] (9)(a) A specified municipality that receives a notice of noncompliance under  
 285 Subsection [~~(6)(a)~~] (8)(a) or [~~(6)(e)(i)~~] (8)(e)(i) may request an appeal of the division's  
 286 determination of noncompliance within 10 days after the day on which the notice of  
 287 noncompliance is sent.
- 288 (b) Within 90 days after the day on which the division receives a request for an appeal,  
 289 an appeal board consisting of the following three members shall review and issue a  
 290 written decision on the appeal:
- 291 (i) one individual appointed by the Utah League of Cities and Towns;  
 292 (ii) one individual appointed by the Utah Homebuilders Association; and  
 293 (iii) one individual appointed by the presiding member of the association of  
 294 governments, established in accordance with an interlocal agreement under Title  
 295 11, Chapter 13, Interlocal Cooperation Act, of which the specified municipality is  
 296 a member.
- 297 (c) The written decision of the appeal board shall either uphold or reverse the division's  
 298 determination of noncompliance.
- 299 (d) The appeal board's written decision on the appeal is final.
- 300 [~~(8)~~] (10)(a) A specified municipality is ineligible for funds under this Subsection [~~(8)~~]

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

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

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

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

- 366 (1)(a) The legislative body of a specified county shall annually submit an initial report to  
 367 the division.
- 368 (b)(i) This Subsection (1)(b) applies to a county that is not a specified county as of

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

- 403 tables related to zoning;
- 404 (vi) information regarding the number of internal and external or detached accessory  
405 dwelling units located within the specified county for which the specified county:  
406 (A) issued a building permit to construct; or  
407 (B) issued a business license or comparable license or permit to rent;
- 408 (vii) a description of how the market has responded to the selected moderate income  
409 housing strategies, including the number of entitled moderate income housing  
410 units or other relevant data; and
- 411 (viii) any recommendations on how the state can support the specified county in  
412 implementing the moderate income housing strategies.
- 413 (c) For purposes of describing actions taken by a specified county under Subsection  
414 (2)(b)(i), the specified county may include an ongoing action taken by the specified  
415 county before the 12-month reporting period applicable to the subsequent progress  
416 report if the specified county:
- 417 (i) has already adopted an ordinance, approved a land use application, made an  
418 investment, or approved an agreement or financing that substantially promotes the  
419 implementation of a moderate income housing strategy identified in the initial  
420 report; and
- 421 (ii) demonstrates in the subsequent progress report that the action taken under  
422 Subsection (2)(b)(i) is relevant to making meaningful progress towards the  
423 specified county's implementation plan.
- 424 (d) A specified county's report shall be in a form:
- 425 (i) approved by the division; and  
426 (ii) made available by the division on or before May 1 of the year in which the report  
427 is required.
- 428 (3) Within 90 days after the day on which the division receives a specified county's report,  
429 the division shall:
- 430 (a) post the report on the division's website;
- 431 (b) send a copy of the report to the Department of Transportation, the Governor's Office  
432 of Planning and Budget, the association of governments in which the specified  
433 county is located, and, if the unincorporated area of the specified county is located  
434 within the boundaries of a metropolitan planning organization, the appropriate  
435 metropolitan planning organization; and
- 436 (c) subject to Subsection (4), review the report to determine compliance with this section.

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

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

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

- 539 determination of noncompliance.
- 540 (d) The appeal board's written decision on the appeal is final.
- 541 (8)(a) A specified county is ineligible for funds and owes a fee under this Subsection (8)
- 542 if:
- 543 (i) the specified county fails to submit a report to the division;
- 544 (ii) after submitting a report to the division, the division determines that the report
- 545 does not comply with this section and the specified county fails to:
- 546 (A) cure each deficiency in the report within 90 days after the day on which the
- 547 notice of noncompliance is sent; or
- 548 (B) request an appeal of the division's determination of noncompliance within 10
- 549 days after the day on which the notice of noncompliance is sent;
- 550 (iii) after submitting to the division a corrected report to cure the deficiencies in a
- 551 previously submitted report, the division determines that the corrected report does
- 552 not comply with this section and the specified county fails to request an appeal of
- 553 the division's determination of noncompliance within 10 days after the day on
- 554 which the second notice of noncompliance is sent; or
- 555 (iv) after submitting a request for an appeal under Subsection (7), the appeal board
- 556 issues a written decision upholding the division's determination of noncompliance.
- 557 (b) The following apply to a specified county described in Subsection (8)(a) until the
- 558 division provides notice under Subsection (8)(e):
- 559 (i) the executive director of the Department of Transportation may not program funds
- 560 from the Transportation Investment Fund of 2005, including the Transit
- 561 Transportation Investment Fund, to projects located within the unincorporated
- 562 areas of the specified county in accordance with Subsection 72-2-124(6);
- 563 (ii) beginning with the report submitted in 2024, the specified county shall pay a fee
- 564 to the Olene Walker Housing Loan Fund in the amount of \$250 per day that the
- 565 specified county:
- 566 (A) fails to submit the report to the division in accordance with this section,
- 567 beginning the day after the day on which the report was due; or
- 568 (B) fails to cure the deficiencies in the report, beginning the day after the day by
- 569 which the cure was required to occur as described in the notice of
- 570 noncompliance under Subsection (6); and
- 571 (iii) beginning with the report submitted in 2025, the specified county shall pay a fee
- 572 to the Olene Walker Housing Loan Fund in the amount of \$500 per day that the

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

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

603 **59-12-2220 (Effective 05/06/26). County option sales and use tax to fund**  
604 **highways or a system for public transit -- Base -- Rate.**

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

- 607 (a) a county legislative body may impose the sales and use tax on the transactions  
608 described in Subsection 59-12-103(1) located within the county, including the cities  
609 and towns within the county if:
- 610 (i) the entire boundary of a county is annexed into a large public transit district; and  
611 (ii) the maximum amount of sales and use tax authorizations allowed in accordance  
612 with Section 59-12-2203 and authorized under the following sections has been  
613 imposed:
- 614 (A) Section 59-12-2213;  
615 (B) Section 59-12-2214;  
616 (C) Section 59-12-2215;  
617 (D) Section 59-12-2216;  
618 (E) Section 59-12-2217;  
619 (F) Section 59-12-2218; and  
620 (G) Section 59-12-2219;
- 621 (b) if the county is not annexed into a large public transit district, the county legislative  
622 body may impose the sales and use tax on the transactions described in Subsection  
623 59-12-103(1) located within the county, including the cities and towns within the  
624 county if:
- 625 (i) the county is an eligible political subdivision; or  
626 (ii) a city or town within the boundary of the county is an eligible political  
627 subdivision; or
- 628 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may  
629 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)  
630 located within the county, including the cities and towns within the county.
- 631 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a  
632 county legislative body that imposes a sales and use tax under this section may impose  
633 the tax at a rate of .2%.
- 634 (3)(a) The commission shall distribute sales and use tax revenue collected under this  
635 section as determined by a county legislative body as described in Subsection (3)(b).
- 636 (b) If a county legislative body imposes a sales and use tax as described in this section,  
637 the county legislative body may elect to impose a sales and use tax revenue  
638 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of  
639 county, and presence and type of a public transit provider in the county.
- 640 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a

641 county legislative body imposes a sales and use tax as described in this section, and the  
642 entire boundary of the county is annexed into a large public transit district, and the  
643 county is a county of the first class, the commission shall distribute the sales and use tax  
644 revenue as follows:

- 645 (a) .10% to a public transit district as described in Subsection (11);
- 646 (b) .05% to the cities and towns as provided in Subsection (8); and
- 647 (c) .05% to the county legislative body.

648 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as  
649 described in this section and the entire boundary of the county is annexed into a large  
650 public transit district, and the county is a county not described in Subsection (4), the  
651 commission shall distribute the sales and use tax revenue as follows:

- 652 (a) .10% to a public transit district as described in Subsection (11);
- 653 (b) .05% to the cities and towns as provided in Subsection (8); and
- 654 (c) .05% to the county legislative body.

655 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that  
656 imposes a sales and use tax as described in this section is not annexed into a single  
657 public transit district, but a city or town within the county is annexed into a single  
658 public transit district, or if the city or town is an eligible political subdivision, the  
659 commission shall distribute the sales and use tax revenue collected within the county  
660 as provided in Subsection (6)(b) or (c).

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

- 666 (i) .05% to a public transit provider as described in Subsection (11);
- 667 (ii) .075% to the cities and towns as provided in Subsection (8); and
- 668 (iii) .075% to the county legislative body.

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

- 673 (i) .08% to the cities and towns as provided in Subsection (8); and
- 674 (ii) .12% to the county legislative body.

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

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

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

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

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

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

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

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

773 (ii) If a county that is not a county of the first class for which the entire boundary of  
774 the county is annexed into a large public transit district imposes a sales and use  
775 tax described in this section, beginning on the day three years after the date on  
776 which at least three counties described in Subsections (4) and (5) have imposed a

- 777 tax under this section, or beginning on July 1, 2030, whichever comes first, for the  
778 revenue that is designated for public transit in Subsection (5)(a):
- 779 (A) 50% shall be transferred to the Transit Transportation Investment Fund  
780 created in Subsection 72-2-124(9); and
- 781 (B) 50% shall be transferred to the relevant county legislative body to be used for  
782 a purpose described in Subsection (11)(a).
- 783 (d) Except as provided in Subsection [~~(13)(e)~~] (14)(c), for a county that imposes a sales  
784 and use tax under this section, for revenue designated for public transit as described  
785 in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county  
786 legislative body to be used for a purpose described in Subsection (11)(a).
- 787 (12) A large public transit district shall send notice to the commission at least 90 days  
788 before the earlier of:
- 789 (a) the date that is three years after the date on which at least three counties described in  
790 Subsections (4) and (5) have imposed a tax under this section; or
- 791 (b) June 30, 2030.
- 792 (13) For a city described in Subsection (10)(c), during the bondable term of a revitalization  
793 project described in Subsection (10)(c), the city shall transfer at least 50%, and may  
794 transfer up to 100%, of any revenue the city receives from a distribution under  
795 Subsection (4)(b) to a convention center public infrastructure district created in  
796 accordance with Section 17D-4-202.1 for revitalization of a convention center owned by  
797 the county within a city of the first class and surrounding revitalization projects related  
798 to the convention center as permitted in Subsection (10)(c).
- 799 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not  
800 required to, submit an opinion question to the county's registered voters in  
801 accordance with Section 59-12-2208 to impose a sales and use tax under this section.
- 802 (b) If a county passes an ordinance to impose a sales and use tax as described in this  
803 section, the sales and use tax shall take effect on the first day of the calendar quarter  
804 after a 90-day period that begins on the date the commission receives written notice  
805 from the county of the passage of the ordinance.
- 806 (c) A county that imposed the local option sales and use tax described in this section  
807 before January 1, 2023, may maintain that county's distribution allocation in place as  
808 of January 1, 2023.
- 809 (15)(a) Revenue collected from a sales and use tax under this section may not be used to  
810 supplant existing General Fund appropriations that a county, city, or town budgeted

811 for transportation or public transit as of the date the tax becomes effective for a  
812 county, city, or town.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 879 local government's or public transit district's general plan in accordance with  
 880 Section 10-20-404 or 17-79-403;
- 881 (ii) the extent to which local land use plans relevant to a project support and  
 882 accomplish the strategic initiatives adopted under Section 72-1-211; and
- 883 (iii) any matching funds provided by a political subdivision or public transit district  
 884 in addition to the percentage of costs required by Subsections 72-2-124(4)(a)(viii)  
 885 and 72-2-124(10)(e).
- 886 (3)(a) When prioritizing a public transit project that increases capacity, the commission:
- 887 (i) may give priority consideration to projects that are part of a transit-oriented  
 888 development or transit-supportive development as defined in Section 17B-2a-802;  
 889 and
- 890 (ii) shall give priority consideration to projects that are within the boundaries of a  
 891 housing and transit reinvestment zone created in accordance with Title 63N,  
 892 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.
- 893 (b) When prioritizing a transportation project that increases capacity, the commission  
 894 may give priority consideration to projects that are:
- 895 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:  
 896 (A) the state is a participant in the transportation reinvestment zone; or  
 897 (B) the commission finds that the transportation reinvestment zone provides a  
 898 benefit to the state transportation system; or
- 899 (ii) within the boundaries of a housing and transit reinvestment zone created [  
 900 ~~pursuant to~~] in accordance with Title 63N, Chapter 3, Part 6, Housing and Transit  
 901 Reinvestment Zone Act.
- 902 (c) If the department receives a notice of prioritization for a municipality as described in  
 903 Subsection [~~10-21-202(5)~~] 10-21-202(7), or a notice of prioritization for a county as  
 904 described in Subsection 17-80-202(5), the commission may give priority  
 905 consideration to transportation projects that are within the boundaries of the  
 906 municipality or the unincorporated areas of the county until the department receives  
 907 notification from the Housing and Community Development Division within the  
 908 Department of Workforce Services that the municipality or county no longer qualifies  
 909 for prioritization under this Subsection (3)(c).
- 910 (d) When prioritizing a transportation project described in Subsection (1)(a)(ii) or (iv),  
 911 the commission may give priority consideration to projects that improve connectivity  
 912 in accordance with Section 10-8-87.

913           (e) The total priority consideration the commission gives under this Subsection (3) may  
 914           not increase the score the commission uses to rank a project for purposes of  
 915           prioritization by more than 7%.

916 (4) In developing the written prioritization process, the commission:

917           (a) shall seek and consider public comment by holding public meetings at locations  
 918           throughout the state; and

919           (b) may not consider local matching dollars as provided under Section 72-2-123 unless  
 920           the state provides an equal opportunity to raise local matching dollars for state  
 921           highway improvements within each county.

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

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

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

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

931 (1) There is created a capital projects fund entitled the Transportation Investment Fund of  
 932           2005.

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

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

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

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

938           (d) the sales and use tax revenues deposited into the fund in accordance with Section  
 939           59-12-103;

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

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

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

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

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

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

- 947 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
948 federal highways prioritized by the Transportation Commission through the  
949 prioritization process for new transportation capacity projects adopted under  
950 Section 72-1-304;
- 951 (ii) the costs of maintenance, construction, reconstruction, or renovation to the  
952 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 953 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in  
954 Section 72-5-401;
- 955 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401  
956 minus the costs paid from the County of the First Class Highway Projects Fund in  
957 accordance with Subsection 72-2-121(4)(e);
- 958 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
959 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the  
960 amount certified by Salt Lake County in accordance with Subsection  
961 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the  
962 revenue bonds issued by Salt Lake County;
- 963 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101  
964 for projects prioritized in accordance with Section 72-2-125;
- 965 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First  
966 Class Highway Projects Fund created in Section 72-2-121 to be used for the  
967 purposes described in Section 72-2-121;
- 968 (viii) if a political subdivision provides a contribution equal to or greater than 40% of  
969 the costs needed for construction, reconstruction, or renovation of paved  
970 pedestrian or paved nonmotorized transportation for projects that:  
971 (A) mitigate traffic congestion on the state highway system;  
972 (B) are part of an active transportation plan approved by the department; and  
973 (C) are prioritized by the commission through the prioritization process for new  
974 transportation capacity projects adopted under Section 72-1-304;
- 975 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,  
976 reconstruction, or renovation of or improvement to the following projects:  
977 (A) the connector road between Main Street and 1600 North in the city of  
978 Vineyard;  
979 (B) Geneva Road from University Parkway to 1800 South;  
980 (C) the SR-97 interchange at 5600 South on I-15;

- 981 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to  
 982 South Jordan Parkway;
- 983 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 984 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 985 (G) widening I-15 between mileposts 6 and 8;
- 986 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 987 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197  
 988 in Spanish Fork Canyon;
- 989 (J) I-15 northbound between mileposts 43 and 56;
- 990 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts  
 991 43 and 45.1;
- 992 (L) east Zion SR-9 improvements;
- 993 (M) Toquerville Parkway;
- 994 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 995 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,  
 996 for construction of an interchange on Bangerter Highway at 13400 South; and
- 997 (P) an environmental impact study for Kimball Junction in Summit County;
- 998 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project  
 999 costs based upon a statement of cash flow that the local jurisdiction where the  
 1000 project is located provides to the department demonstrating the need for money  
 1001 for the project, for the following projects in the following amounts:
- 1002 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 1003 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 1004 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 1005 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.  
 1006 40 between mile markers 7 and 10;
- 1007 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way  
 1008 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road  
 1009 over the railroad and to U.S. Highway 6;
- 1010 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from  
 1011 revenue deposited into the fund in accordance with Section 59-12-103, for the  
 1012 following projects:
- 1013 (A) \$3,000,000 for the department to perform an environmental study for the I-15  
 1014 Salem and Benjamin project; and

- 1015 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand  
1016 Dunes Road project; and
- 1017 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of  
1018 right-of-way acquisition and construction for improvements on SR-89 in a county  
1019 of the first class.
- 1020 (b) The executive director may use fund money to exchange for an equal or greater  
1021 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1022 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may  
1023 not commence until a right-of-way not owned by a federal agency that is required  
1024 for the realignment and extension of U-111, as described in the department's 2023  
1025 environmental study related to the project, is dedicated to the department.
- 1026 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the  
1027 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the  
1028 department may proceed with the project, except that the project will be limited to  
1029 two lanes on U-111 from Herriman Parkway to 11800 South.
- 1030 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of  
1031 ineligibility for a municipality as described in Subsection [~~10-21-202(8)~~  
1032 10-21-202(10)], the executive director may not program fund money to a project  
1033 prioritized by the commission under Section 72-1-304, including fund money from  
1034 the Transit Transportation Investment Fund, within the boundaries of the  
1035 municipality until the department receives notification from the Housing and  
1036 Community Development Division within the Department of Workforce Services  
1037 that ineligibility under this Subsection (5) no longer applies to the municipality.
- 1038 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive  
1039 director:
- 1040 (i) may program fund money in accordance with Subsection (4)(a) for a  
1041 limited-access facility or interchange connecting limited-access facilities;
- 1042 (ii) may not program fund money for the construction, reconstruction, or renovation  
1043 of an interchange on a limited-access facility;
- 1044 (iii) may program Transit Transportation Investment Fund money for a  
1045 multi-community fixed guideway public transportation project; and
- 1046 (iv) may not program Transit Transportation Investment Fund money for the  
1047 construction, reconstruction, or renovation of a station that is part of a fixed  
1048 guideway public transportation project.

1049 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
1050 director before July 1, 2022, for projects prioritized by the commission under Section  
1051 72-1-304.

1052 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of  
1053 ineligibility for a county as described in Subsection 17-80-202(8), the executive  
1054 director may not program fund money to a project prioritized by the commission  
1055 under Section 72-1-304, including fund money from the Transit Transportation  
1056 Investment Fund, within the boundaries of the unincorporated area of the county until  
1057 the department receives notification from the Housing and Community Development  
1058 Division within the Department of Workforce Services that ineligibility under this  
1059 Subsection (6) no longer applies to the county.

1060 (b) Within the boundaries of the unincorporated area of a county described in Subsection  
1061 (6)(a), the executive director:

- 1062 (i) may program fund money in accordance with Subsection (4)(a) for a  
1063 limited-access facility to a project prioritized by the commission under Section  
1064 72-1-304;
- 1065 (ii) may not program fund money for the construction, reconstruction, or renovation  
1066 of an interchange on a limited-access facility;
- 1067 (iii) may program Transit Transportation Investment Fund money for a  
1068 multi-community fixed guideway public transportation project; and
- 1069 (iv) may not program Transit Transportation Investment Fund money for the  
1070 construction, reconstruction, or renovation of a station that is part of a fixed  
1071 guideway public transportation project.

1072 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive  
1073 director before July 1, 2022, for projects prioritized by the commission under Section  
1074 72-1-304.

1075 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in  
1076 any fiscal year, the department and the commission shall appear before the Executive  
1077 Appropriations Committee of the Legislature and present the amount of bond  
1078 proceeds that the department needs to provide funding for the projects identified in  
1079 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current  
1080 or next fiscal year.

1081 (b) The Executive Appropriations Committee of the Legislature shall review and  
1082 comment on the amount of bond proceeds needed to fund the projects.

- 1083 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount  
1084 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
1085 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt  
1086 service or sinking fund.
- 1087 (9) The executive director may only use money in the fund for corridor preservation as  
1088 described in Subsection (4)(a)(iii):
- 1089 (a) if the project has been prioritized by the commission, including the use of fund  
1090 money for corridor preservation; or
- 1091 (b) for a project that has not been prioritized by the commission, if the commission:
- 1092 (i) approves the use of fund money for the corridor preservation; and
- 1093 (ii) finds that the use of fund money for corridor preservation will not result in any  
1094 delay to a project that has been prioritized by the commission.
- 1095 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit  
1096 Transportation Investment Fund.
- 1097 (b) The fund shall be funded by:
- 1098 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 1099 (ii) appropriations into the account by the Legislature;
- 1100 (iii) deposits of sales and use tax increment related to a housing and transit  
1101 reinvestment zone as described in Section 63N-3-610;
- 1102 (iv) transfers of local option sales and use tax revenue as described in Subsection  
1103 59-12-2220(11)(b) or (c);
- 1104 (v) private contributions; and
- 1105 (vi) donations or grants from public or private entities.
- 1106 (c)(i) The fund shall earn interest.
- 1107 (ii) All interest earned on fund money shall be deposited into the fund.
- 1108 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 1109 (i) for public transit capital development of new capacity projects and fixed guideway  
1110 capital development projects to be used as prioritized by the commission through  
1111 the prioritization process adopted under Section 72-1-304;
- 1112 (ii) to the department for oversight of a fixed guideway capital development project  
1113 for which the department has responsibility; or
- 1114 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1115 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize  
1116 money from the fund for a public transit capital development project or pedestrian

- 1117 or nonmotorized transportation project that provides connection to the public  
1118 transit system if the public transit district or political subdivision provides funds of  
1119 equal to or greater than 30% of the costs needed for the project.
- 1120 (ii) A public transit district or political subdivision may use money derived from a  
1121 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide  
1122 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 1123 (A) the loan is approved by the commission as required in Part 2, State  
1124 Infrastructure Bank Fund; and
- 1125 (B) the proposed capital project has been prioritized by the commission pursuant  
1126 to Section 72-1-303.
- 1127 (f) Before July 1, 2022, the department and a large public transit district shall enter into  
1128 an agreement for a large public transit district to pay the department \$5,000,000 per  
1129 year for 15 years to be used to facilitate the purchase of zero emissions or low  
1130 emissions rail engines and trainsets for regional public transit rail systems.
- 1131 (g) For any revenue transferred into the fund in accordance with Subsection  
1132 59-12-2220(11)(b):
- 1133 (i) the commission may prioritize money from the fund for public transit projects,  
1134 operations, or maintenance within the county of the first class; and
- 1135 (ii) Subsection (10)(e) does not apply.
- 1136 (h) For any revenue transferred into the fund in accordance with Subsection  
1137 59-12-2220(11)(c):
- 1138 (i) the commission may prioritize public transit projects, operations, or maintenance  
1139 in the county from which the revenue was generated; and
- 1140 (ii) Subsection (10)(e) does not apply.
- 1141 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for  
1142 the project described in Subsection (10)(e) does not apply to a public transit capital  
1143 development project or pedestrian or nonmotorized transportation project that the  
1144 department proposes.
- 1145 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may  
1146 prioritize money from the fund for public transit innovation grants, as defined in  
1147 Section 72-2-401, for public transit capital development projects requested by a  
1148 political subdivision within a public transit district.
- 1149 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood  
1150 Canyons Transportation Investment Fund.

- 1151 (b) The fund shall be funded by:
- 1152 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1153 (ii) appropriations into the account by the Legislature;
- 1154 (iii) private contributions; and
- 1155 (iv) donations or grants from public or private entities.
- 1156 (c)(i) The fund shall earn interest.
- 1157 (ii) All interest earned on fund money shall be deposited into the fund.
- 1158 (d) The Legislature may appropriate money from the fund for public transit or
- 1159 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 1160 (e) The department may use up to 2% of the revenue deposited into the account under
- 1161 Subsection 59-12-103(7)(b) to contract with local governments as necessary for
- 1162 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 1163 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
- 1164 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
- 1165 to fund projects to provide ingress and egress for a public transit hub, including
- 1166 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 1167 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
- 1168 Transportation Investment Fund.
- 1169 (b) The fund shall be funded by:
- 1170 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1171 (ii) appropriations into the account by the Legislature; and
- 1172 (iii) donations or grants from public or private entities.
- 1173 (c)(i) The fund shall earn interest.
- 1174 (ii) All interest earned on fund money shall be deposited into the fund.
- 1175 (d) The executive director may only use fund money to pay the costs needed for:
- 1176 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 1177 paved pedestrian or paved nonmotorized trail projects that:
- 1178 (A) are prioritized by the commission through the prioritization process for new
- 1179 transportation capacity projects adopted under Section 72-1-304;
- 1180 (B) serve a regional purpose; and
- 1181 (C) are part of an active transportation plan approved by the department or the
- 1182 plan described in Subsection (12)(d)(ii);
- 1183 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 1184 nonmotorized trails that serve a regional purpose; and

- 1185 (iii) the administration of the fund, including staff and overhead costs.
- 1186 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is  
1187 defined in Section 63N-3-602.
- 1188 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail  
1189 Subaccount.
- 1190 (c) The subaccount shall be funded by:
- 1191 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 1192 (ii) appropriations into the subaccount by the Legislature;
- 1193 (iii) private contributions; and
- 1194 (iv) donations or grants from public or private entities.
- 1195 (d)(i) The subaccount shall earn interest.
- 1196 (ii) All interest earned on money in the subaccount shall be deposited into the  
1197 subaccount.
- 1198 (e) As prioritized by the commission through the prioritization process adopted under  
1199 Section 72-1-304 or as directed by the Legislature, the department may only use  
1200 money from the subaccount for projects that improve the state's commuter rail  
1201 infrastructure, including the building or improvement of grade-separated crossings  
1202 between commuter rail lines and public highways.
- 1203 (f) Appropriations made in accordance with this section are nonlapsing in accordance  
1204 with Section 63J-1-602.1.
- 1205 Section 8. Section **72-2-124** is amended to read:
- 1206 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**
- 1207 (1) There is created a capital projects fund entitled the Transportation Investment Fund of  
1208 2005.
- 1209 (2) The fund consists of money generated from the following sources:
- 1210 (a) any voluntary contributions received for the maintenance, construction,  
1211 reconstruction, or renovation of state and federal highways;
- 1212 (b) appropriations made to the fund by the Legislature;
- 1213 (c) registration fees designated under Section 41-1a-1201;
- 1214 (d) the sales and use tax revenues deposited into the fund in accordance with Section  
1215 59-12-103;
- 1216 (e) revenues transferred to the fund in accordance with Section 72-2-106;
- 1217 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
- 1218 (g) revenue from bond proceeds described in Section 63B-34-201.

- 1219 (3)(a) The fund shall earn interest.
- 1220 (b) All interest earned on fund money shall be deposited into the fund.
- 1221 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
- 1222 money to pay:
- 1223 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
- 1224 federal highways prioritized by the Transportation Commission through the
- 1225 prioritization process for new transportation capacity projects adopted under
- 1226 Section 72-1-304;
- 1227 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
- 1228 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 1229 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
- 1230 Section 72-5-401;
- 1231 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
- 1232 minus the costs paid from the County of the First Class Highway Projects Fund in
- 1233 accordance with Subsection 72-2-121(4)(e);
- 1234 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
- 1235 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
- 1236 amount certified by Salt Lake County in accordance with Subsection
- 1237 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
- 1238 revenue bonds issued by Salt Lake County;
- 1239 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
- 1240 for projects prioritized in accordance with Section 72-2-125;
- 1241 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
- 1242 Class Highway Projects Fund created in Section 72-2-121 to be used for the
- 1243 purposes described in Section 72-2-121;
- 1244 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
- 1245 the costs needed for construction, reconstruction, or renovation of paved
- 1246 pedestrian or paved nonmotorized transportation for projects that:
- 1247 (A) mitigate traffic congestion on the state highway system;
- 1248 (B) are part of an active transportation plan approved by the department; and
- 1249 (C) are prioritized by the commission through the prioritization process for new
- 1250 transportation capacity projects adopted under Section 72-1-304;
- 1251 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
- 1252 reconstruction, or renovation of or improvement to the following projects:

- 1253 (A) the connector road between Main Street and 1600 North in the city of  
 1254 Vineyard;
- 1255 (B) Geneva Road from University Parkway to 1800 South;
- 1256 (C) the SR-97 interchange at 5600 South on I-15;
- 1257 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to  
 1258 South Jordan Parkway;
- 1259 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 1260 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 1261 (G) widening I-15 between mileposts 6 and 8;
- 1262 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 1263 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197  
 1264 in Spanish Fork Canyon;
- 1265 (J) I-15 northbound between mileposts 43 and 56;
- 1266 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts  
 1267 43 and 45.1;
- 1268 (L) east Zion SR-9 improvements;
- 1269 (M) Toquerville Parkway;
- 1270 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 1271 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,  
 1272 for construction of an interchange on Bangerter Highway at 13400 South; and
- 1273 (P) an environmental impact study for Kimball Junction in Summit County;
- 1274 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project  
 1275 costs based upon a statement of cash flow that the local jurisdiction where the  
 1276 project is located provides to the department demonstrating the need for money  
 1277 for the project, for the following projects in the following amounts:
- 1278 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 1279 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 1280 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 1281 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.  
 1282 40 between mile markers 7 and 10;
- 1283 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way  
 1284 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road  
 1285 over the railroad and to U.S. Highway 6;
- 1286 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from

- 1287 revenue deposited into the fund in accordance with Section 59-12-103, for the  
1288 following projects:
- 1289 (A) \$3,000,000 for the department to perform an environmental study for the I-15  
1290 Salem and Benjamin project; and
- 1291 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand  
1292 Dunes Road project; and
- 1293 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of  
1294 right-of-way acquisition and construction for improvements on SR-89 in a county  
1295 of the first class.
- 1296 (b) The executive director may use fund money to exchange for an equal or greater  
1297 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1298 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may  
1299 not commence until a right-of-way not owned by a federal agency that is required  
1300 for the realignment and extension of U-111, as described in the department's 2023  
1301 environmental study related to the project, is dedicated to the department.
- 1302 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the  
1303 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the  
1304 department may proceed with the project, except that the project will be limited to  
1305 two lanes on U-111 from Herriman Parkway to 11800 South.
- 1306 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of  
1307 ineligibility for a municipality as described in Subsection [~~10-21-202(8)~~  
1308 10-21-202(10)], the executive director may not program fund money to a project  
1309 prioritized by the commission under Section 72-1-304, including fund money from  
1310 the Transit Transportation Investment Fund, within the boundaries of the  
1311 municipality until the department receives notification from the Housing and  
1312 Community Development Division within the Department of Workforce Services  
1313 that ineligibility under this Subsection (5) no longer applies to the municipality.
- 1314 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive  
1315 director:
- 1316 (i) may program fund money in accordance with Subsection (4)(a) for a  
1317 limited-access facility or interchange connecting limited-access facilities;
- 1318 (ii) may not program fund money for the construction, reconstruction, or renovation  
1319 of an interchange on a limited-access facility;
- 1320 (iii) may program Transit Transportation Investment Fund money for a

- 1321 multi-community fixed guideway public transportation project; and  
1322 (iv) may not program Transit Transportation Investment Fund money for the  
1323 construction, reconstruction, or renovation of a station that is part of a fixed  
1324 guideway public transportation project.
- 1325 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
1326 director before July 1, 2022, for projects prioritized by the commission under Section  
1327 72-1-304.
- 1328 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of  
1329 ineligibility for a county as described in Subsection 17-80-202(8), the executive  
1330 director may not program fund money to a project prioritized by the commission  
1331 under Section 72-1-304, including fund money from the Transit Transportation  
1332 Investment Fund, within the boundaries of the unincorporated area of the county until  
1333 the department receives notification from the Housing and Community Development  
1334 Division within the Department of Workforce Services that ineligibility under this  
1335 Subsection (6) no longer applies to the county.
- 1336 (b) Within the boundaries of the unincorporated area of a county described in Subsection  
1337 (6)(a), the executive director:
- 1338 (i) may program fund money in accordance with Subsection (4)(a) for a  
1339 limited-access facility to a project prioritized by the commission under Section  
1340 72-1-304;
- 1341 (ii) may not program fund money for the construction, reconstruction, or renovation  
1342 of an interchange on a limited-access facility;
- 1343 (iii) may program Transit Transportation Investment Fund money for a  
1344 multi-community fixed guideway public transportation project; and
- 1345 (iv) may not program Transit Transportation Investment Fund money for the  
1346 construction, reconstruction, or renovation of a station that is part of a fixed  
1347 guideway public transportation project.
- 1348 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive  
1349 director before July 1, 2022, for projects prioritized by the commission under Section  
1350 72-1-304.
- 1351 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in  
1352 any fiscal year, the department and the commission shall appear before the Executive  
1353 Appropriations Committee of the Legislature and present the amount of bond  
1354 proceeds that the department needs to provide funding for the projects identified in

- 1355 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current  
1356 or next fiscal year.
- 1357 (b) The Executive Appropriations Committee of the Legislature shall review and  
1358 comment on the amount of bond proceeds needed to fund the projects.
- 1359 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount  
1360 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
1361 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt  
1362 service or sinking fund.
- 1363 (9) The executive director may only use money in the fund for corridor preservation as  
1364 described in Subsection (4)(a)(iii):
- 1365 (a) if the project has been prioritized by the commission, including the use of fund  
1366 money for corridor preservation; or
- 1367 (b) for a project that has not been prioritized by the commission, if the commission:
- 1368 (i) approves the use of fund money for the corridor preservation; and  
1369 (ii) finds that the use of fund money for corridor preservation will not result in any  
1370 delay to a project that has been prioritized by the commission.
- 1371 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit  
1372 Transportation Investment Fund.
- 1373 (b) The fund shall be funded by:
- 1374 (i) contributions deposited into the fund in accordance with Section 59-12-103;  
1375 (ii) appropriations into the account by the Legislature;  
1376 (iii) deposits of sales and use tax increment related to a housing and transit  
1377 reinvestment zone as described in Section 63N-3-610;  
1378 (iv) transfers of local option sales and use tax revenue as described in Subsection  
1379 59-12-2220(11)(b) or (c);  
1380 (v) private contributions; and  
1381 (vi) donations or grants from public or private entities.
- 1382 (c)(i) The fund shall earn interest.  
1383 (ii) All interest earned on fund money shall be deposited into the fund.
- 1384 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
- 1385 (i) for public transit capital development of new capacity projects and fixed guideway  
1386 capital development projects to be used as prioritized by the commission through  
1387 the prioritization process adopted under Section 72-1-304;  
1388 (ii) to the department for oversight of a fixed guideway capital development project

- 1389 for which the department has responsibility; or
- 1390 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1391 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
- 1392 money from the fund for a public transit capital development project or pedestrian
- 1393 or nonmotorized transportation project that provides connection to the public
- 1394 transit system if the public transit district or political subdivision provides funds of
- 1395 equal to or greater than 30% of the costs needed for the project.
- 1396 (ii) A public transit district or political subdivision may use money derived from a
- 1397 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
- 1398 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 1399 (A) the loan is approved by the commission as required in Part 2, State
- 1400 Infrastructure Bank Fund; and
- 1401 (B) the proposed capital project has been prioritized by the commission pursuant
- 1402 to Section 72-1-303.
- 1403 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 1404 an agreement for a large public transit district to pay the department \$5,000,000 per
- 1405 year for 15 years to be used to facilitate the purchase of zero emissions or low
- 1406 emissions rail engines and trainsets for regional public transit rail systems.
- 1407 (g) For any revenue transferred into the fund in accordance with Subsection
- 1408 59-12-2220(11)(b):
- 1409 (i) the commission may prioritize money from the fund for public transit projects,
- 1410 operations, or maintenance within the county of the first class; and
- 1411 (ii) Subsection (10)(e) does not apply.
- 1412 (h) For any revenue transferred into the fund in accordance with Subsection
- 1413 59-12-2220(11)(c):
- 1414 (i) the commission may prioritize public transit projects, operations, or maintenance
- 1415 in the county from which the revenue was generated; and
- 1416 (ii) Subsection (10)(e) does not apply.
- 1417 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
- 1418 the project described in Subsection (10)(e) does not apply to a public transit capital
- 1419 development project or pedestrian or nonmotorized transportation project that the
- 1420 department proposes.
- 1421 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
- 1422 prioritize money from the fund for public transit innovation grants, as defined in

- 1423 Section 72-2-401, for public transit capital development projects requested by a  
1424 political subdivision within a public transit district.
- 1425 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood  
1426 Canyons Transportation Investment Fund.
- 1427 (b) The fund shall be funded by:
- 1428 (i) money deposited into the fund in accordance with Section 59-12-103;  
1429 (ii) appropriations into the account by the Legislature;  
1430 (iii) private contributions; and  
1431 (iv) donations or grants from public or private entities.
- 1432 (c)(i) The fund shall earn interest.  
1433 (ii) All interest earned on fund money shall be deposited into the fund.
- 1434 (d) The Legislature may appropriate money from the fund for public transit or  
1435 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 1436 (e) The department may use up to 2% of the revenue deposited into the account under  
1437 Subsection 59-12-103(4)(f) to contract with local governments as necessary for  
1438 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 1439 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any  
1440 sales and use tax growth over sales and use tax collections during the 2025 fiscal year  
1441 to fund projects to provide ingress and egress for a public transit hub, including  
1442 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 1443 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active  
1444 Transportation Investment Fund.
- 1445 (b) The fund shall be funded by:
- 1446 (i) money deposited into the fund in accordance with Section 59-12-103;  
1447 (ii) appropriations into the account by the Legislature; and  
1448 (iii) donations or grants from public or private entities.
- 1449 (c)(i) The fund shall earn interest.  
1450 (ii) All interest earned on fund money shall be deposited into the fund.
- 1451 (d) The executive director may only use fund money to pay the costs needed for:
- 1452 (i) the planning, design, construction, maintenance, reconstruction, or renovation of  
1453 paved pedestrian or paved nonmotorized trail projects that:  
1454 (A) are prioritized by the commission through the prioritization process for new  
1455 transportation capacity projects adopted under Section 72-1-304;  
1456 (B) serve a regional purpose; and

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

1481 **Section 9. Effective Date.**

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