

Kirk A. Cullimore proposes the following substitute bill:

Transportation, Infrastructure, and Housing Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Calvin Roberts

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill modifies transportation, infrastructure, and housing provisions.

Highlighted Provisions:

This bill:

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

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

57 **Money Appropriated in this Bill:**

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

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

60 **Other Special Clauses:**

61 None

62 **Utah Code Sections Affected:**

63 AMENDS:

64 **59-12-2214 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 29
 65 **59-12-2220 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 66 Session, Chapter 15
 67 **63B-34-101 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
 68 **63L-12-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 69 Session, Chapter 17
 70 **67-16-4 (Effective 05/06/26)**, as last amended by Laws of Utah 2018, Chapter 415
 71 **72-2-121 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 72 Session, Chapter 17
 73 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah
 74 2025, First Special Session, Chapter 15
 75 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
 76 Session, Chapter 15
 77 **72-2-501 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
 78 **72-2-502 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
 79 **72-2-503 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 502
 80 **72-5-111 (Effective 05/06/26)**, as last amended by Laws of Utah 2022, Chapter 101
 81 **72-5-117 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 82 Session, Chapter 15
 83 **78B-6-521 (Effective 05/06/26)**, as last amended by Laws of Utah 2022, Chapter 101

84 ENACTS:

85 **63A-2-412 (Effective 05/06/26)**, Utah Code Annotated 1953
 86 **63N-3-1801 (Effective 05/06/26)**, Utah Code Annotated 1953
 87 **63N-3-1802 (Effective 05/06/26)**, Utah Code Annotated 1953
 88 **63N-3-1803 (Effective 05/06/26)**, Utah Code Annotated 1953
 89 **63N-3-1804 (Effective 05/06/26)**, Utah Code Annotated 1953
 90 **63N-3-1805 (Effective 05/06/26)**, Utah Code Annotated 1953
 91 **72-2-136 (Effective 05/06/26)**, Utah Code Annotated 1953

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

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

95 **59-12-2214 (Effective 05/06/26). County, city, or town option sales and use tax to**
 96 **fund a system for public transit, an airport facility, a water conservation project, or to be**

97 **deposited into the County of the First Class Highway Projects Fund -- Base -- Rate.**

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

131 body passes an ordinance describing the allowed uses of the sales and use tax
132 revenue.

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

138 (5)(a) For a fiscal year beginning on or after July 1, 2030, but beginning on or before
139 July 1, 2060, \$2,500,000 of the revenue described in Subsection (3)(b) shall be
140 distributed to a county of the first class.

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

144 Section 2. Section **59-12-2220** is amended to read:

145 **59-12-2220 (Effective 05/06/26). County option sales and use tax to fund**
146 **highways or a system for public transit -- Base -- Rate.**

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

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

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

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

156 (A) Section 59-12-2213;

157 (B) Section 59-12-2214;

158 (C) Section 59-12-2215;

159 (D) Section 59-12-2216;

160 (E) Section 59-12-2217;

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

162 (G) Section 59-12-2219;

163 (b) if the county is not annexed into a large public transit district, the county legislative
164 body may impose the sales and use tax on the transactions described in Subsection

- 165 59-12-103(1) located within the county, including the cities and towns within the
166 county if:
- 167 (i) the county is an eligible political subdivision; or
 - 168 (ii) a city or town within the boundary of the county is an eligible political
169 subdivision; or
 - 170 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
171 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)
172 located within the county, including the cities and towns within the county.
- 173 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
174 county legislative body that imposes a sales and use tax under this section may impose
175 the tax at a rate of .2%.
- 176 (3)(a) The commission shall distribute sales and use tax revenue collected under this
177 section as determined by a county legislative body as described in Subsection (3)(b).
- 178 (b) If a county legislative body imposes a sales and use tax as described in this section,
179 the county legislative body may elect to impose a sales and use tax revenue
180 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
181 county, and presence and type of a public transit provider in the county.
- 182 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a
183 county legislative body imposes a sales and use tax as described in this section, and the
184 entire boundary of the county is annexed into a large public transit district, and the
185 county is a county of the first class, the commission shall distribute the sales and use tax
186 revenue as follows:
- 187 (a) .10% to a public transit district as described in Subsection (11);
 - 188 (b) .05% to the cities and towns as provided in Subsection (8); and
 - 189 (c) .05% to the county legislative body.
- 190 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as
191 described in this section and the entire boundary of the county is annexed into a large
192 public transit district, and the county is a county not described in Subsection (4), the
193 commission shall distribute the sales and use tax revenue as follows:
- 194 (a) .10% to a public transit district as described in Subsection (11);
 - 195 (b) .05% to the cities and towns as provided in Subsection (8); and
 - 196 (c) .05% to the county legislative body.
- 197 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that
198 imposes a sales and use tax as described in this section is not annexed into a single

- 199 public transit district, but a city or town within the county is annexed into a single
200 public transit district, or if the city or town is an eligible political subdivision, the
201 commission shall distribute the sales and use tax revenue collected within the county
202 as provided in Subsection (6)(b) or (c).
- 203 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
204 annexed into the single public transit district, or an eligible political subdivision, the
205 commission shall distribute the sales and use tax revenue collected within the portion
206 of the county that is within a public transit district or eligible political subdivision as
207 follows:
- 208 (i) .05% to a public transit provider as described in Subsection (11);
 - 209 (ii) .075% to the cities and towns as provided in Subsection (8); and
 - 210 (iii) .075% to the county legislative body.
- 211 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county
212 described in Subsection (6)(a) that is not annexed into a single public transit district
213 or eligible political subdivision in the county, the commission shall distribute the
214 sales and use tax revenue collected within that portion of the county as follows:
- 215 (i) .08% to the cities and towns as provided in Subsection (8); and
 - 216 (ii) .12% to the county legislative body.
- 217 (7) For a county without a public transit service that imposes a sales and use tax as
218 described in this section, the commission shall distribute the sales and use tax revenue
219 collected within the county as follows:
- 220 (a) .08% to the cities and towns as provided in Subsection (8); and
 - 221 (b) .12% to the county legislative body.
- 222 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
223 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
- 224 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
225 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
226 through (7) shall be distributed to the unincorporated areas, cities, and towns
227 within those counties on the basis of the percentage that the population of each
228 unincorporated area, city, or town bears to the total population of all of the
229 counties that impose a tax under this section; and
 - 230 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
231 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
232 through (7) shall be distributed to the unincorporated areas, cities, and towns

233 within those counties on the basis of the location of the transaction as determined
234 under Sections 59-12-211 through 59-12-215.

235 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent
236 not otherwise required by federal law:

237 (A) the most recent estimate from the Utah Population Committee created in
238 Section 63C-20-103; or

239 (B) if the Utah Population Committee estimate is not available for each
240 municipality and unincorporated area, the adjusted sub-county population
241 estimate provided by the Utah Population Committee in accordance with
242 Section 63C-20-104.

243 (ii) If a needed population estimate is not available from the United States Census
244 Bureau, population figures shall be derived from an estimate from the Utah
245 Population Estimates Committee created by executive order of the governor.

246 (c)(i) Beginning on January 1, 2024, if the Housing and Community Development
247 Division within the Department of Workforce Services determines that a city or
248 town is ineligible for funds in accordance with Subsection 10-21-202(6),
249 beginning the first day of the calendar quarter after receiving 90 days' notice, the
250 commission shall distribute the distribution that city or town would have received
251 under Subsection (8)(a) to cities or towns to which Subsection 10-21-202(6) does
252 not apply.

253 (ii) Beginning on January 1, 2024, if the Housing and Community Development
254 Division within the Department of Workforce Services determines that a county is
255 ineligible for funds in accordance with Subsection 17-80-202(6), beginning the
256 first day of the calendar quarter after receiving 90 days' notice, the commission
257 shall distribute the distribution that county would have received under Subsection
258 (8)(a) to counties to which Subsection 17-80-202(6) does not apply.

259 (9) If a public transit service is organized after the date a county legislative body first
260 imposes a tax under this section, a change in a distribution required by this section may
261 not take effect until the first distribution the commission makes under this section after a
262 90-day period that begins on the date the commission receives written notice from the
263 public transit provider that the public transit service has been organized.

264 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that
265 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
266 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in

267 Section 59-12-2212.2.

268 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
269 the sales and use tax authorized in this section, the county may also use funds
270 distributed in accordance with Subsection (4)(c) for public safety purposes.

271 (c) In addition to the purposes described in Subsections (10)(a) and (b), for a city
272 relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable
273 use of revenue from a sales and use tax under this section includes the revitalization
274 of a convention center owned by the county within a city of the first class and
275 surrounding revitalization projects related to the convention center.

276 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
277 as described in this section may be used for capital expenses and service delivery
278 expenses of:

279 (i) a public transit district;

280 (ii) an eligible political subdivision; or

281 (iii) another entity providing a service for public transit or a transit facility within the
282 relevant county, as those terms are defined in Section 17B-2a-802.

283 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this
284 section, beginning on the date on which the county imposes the sales and use
285 tax under this section, and for a three-year period after at least three counties
286 described in Subsections (4) and (5) have imposed a tax under this section, or
287 until June 30, 2030, whichever comes first, revenue designated for public
288 transit within a county of the first class as described in Subsection (4)(a) shall
289 be transferred to the County of the First Class Highway Projects Fund created
290 in Section 72-2-121.

291 (B) Revenue deposited into the County of the First Class Highway Projects Fund
292 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be
293 used for public transit innovation grants as provided in Title 72, Chapter 2, Part
294 4, Public Transit Innovation Grants.

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

300 (A) except as provided in Subsection (16), 50% of the revenue from a sales and

301 use tax imposed under this section in a county of the first class shall be
302 transferred to the County of the First Class Highway Projects Fund created in
303 Section 72-2-121; and

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

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

316 (ii) If a county that is not a county of the first class for which the entire boundary of
317 the county is annexed into a large public transit district imposes a sales and use
318 tax described in this section, beginning on the day three years after the date on
319 which at least three counties described in Subsections (4) and (5) have imposed a
320 tax under this section, or beginning on July 1, 2030, whichever comes first, for the
321 revenue that is designated for public transit in Subsection (5)(a):

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

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

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

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

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

334 (b) June 30, 2030.

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

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

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

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

352 (15)(a) Revenue collected from a sales and use tax under this section may not be used to
 353 supplant existing General Fund appropriations that a county, city, or town budgeted
 354 for transportation or public transit as of the date the tax becomes effective for a
 355 county, city, or town.

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

359 (16)(a) For a fiscal year beginning on or after July 1, 2030, but beginning on or before
 360 July 1, 2060, 12.5% of the revenue described in Subsection (11)(b)(ii)(A) shall be
 361 distributed to a county of the first class.

362 (b) A county of the first class may expend the revenue described in Subsection (16)(a)
 363 for revitalization of a convention center owned by the county within a city of the first
 364 class and surrounding revitalization projects related to the convention center.

365 Section 3. Section **63A-2-412** is enacted to read:

366 **63A-2-412 (Effective 05/06/26). Sale of surplus real property by state agency to**
 367 **qualifying entity for pre-entitlement appraised value -- Deferred payment.**

368 (1) As used in this section, "qualifying entity" means a state agency or an independent

369 entity, as defined in Section 63E-1-102, that administers public interests in housing.
 370 (2) A state agency may provide for the sale of the state's surplus real property to a
 371 qualifying entity for a pre-entitlement appraised value, payment of which may be
 372 deferred, as determined by the state agency and subject to state and federal law.

373 Section 4. Section **63B-34-101** is amended to read:

374 **63B-34-101 (Effective 05/06/26). Transportation bonds -- Maximum amount --**
 375 **Use for transportation projects related to affordable housing initiatives.**

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

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

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

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

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

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

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

403 Infrastructure Grants.

404 Section 5. Section **63L-12-102** is amended to read:

405 **63L-12-102 (Effective 05/06/26). Grant or lease of real property for moderate**
 406 **income housing.**

- 407 (1) Subject to the requirements of this section, a governmental entity may grant or lease real
 408 property owned by the governmental entity to an entity for the development of moderate
 409 income housing on the real property.
- 410 (2) A governmental entity shall ensure that real property granted or leased under Subsection
 411 (1) is deed restricted for moderate income housing for at least 30 years after the day on
 412 which each moderate income housing unit is completed and occupied.
- 413 (3) If applicable, a governmental entity granting real property under this section shall
 414 comply with:
- 415 (a) the provisions of Title 78B, Chapter 6, Part 5, Eminent Domain;
- 416 (b) Subsection 10-8-2(4), if a municipality is granting real property under this section;
- 417 (c) Subsection 17-78-103(4), if a county is granting real property under this section; and
- 418 (d) except as provided in Subsection (4), any other applicable provisions of law that
 419 govern the granting of real property by the governmental entity.
- 420 (4) A municipality granting real property under this section is not subject to the provisions
 421 of Subsection 10-8-2(3).

422 Section 6. Section **63N-3-1801** is enacted to read:

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

424 **63N-3-1801 (Effective 05/06/26). Definitions.**

425 As used in this part:

- 426 (1) "Board" means the State Housing Infrastructure Partnership Board created in Section
 427 63N-3-1803.
- 428 (2) "Development agreement" means the same as that term is defined in Section 10-20-102.
- 429 (3) "Fund" means the State Housing Infrastructure Partnership Fund created in Section
 430 63N-3-1802.
- 431 (4) "Housing development" means a land development proposal to construct new housing
 432 that a municipality or a county approves with a land use application, development
 433 agreement, or zone change.
- 434 (5) "Infrastructure facility" means a facility used in connection with system-level
 435 infrastructure, including:
- 436 (a) a drinking water facility;

- 437 (b) a wastewater facility;
438 (c) a sewer lift station;
439 (d) a stormwater system;
440 (e) a water drainage system;
441 (f) a secondary water system;
442 (g) power transmission and distribution lines, including burying of the lines; or
443 (h) a regional transportation facility.
- 444 (6) "Infrastructure loan" means a loan of fund money to finance a system improvement.
445 (7) "Land use application" means the same as that term is defined in Section 10-20-102.
446 (8) "Qualifying political subdivision" means:
447 (a) a municipality;
448 (b) a county;
449 (c) a special district;
450 (d) a special service district;
451 (e) an agency as defined in Section 17C-1-102; or
452 (f) the Point of the Mountain State Land Authority created in Section 11-59-201.
453 (9) "Special district" means the same as that term is defined in Section 17B-1-102.
454 (10) "Special service district" means the same as that term is defined in Section 17D-1-102.
455 (11)(a) "System improvement" means a project to construct or improve a publicly
456 owned:
457 (i) highway, public transit facility, or paved pedestrian or non-motorized trail that is a
458 part of:
459 (A) the statewide long-range transportation plan;
460 (B) a regional transportation plan of a metropolitan planning organization; or
461 (C) a municipal or county general plan, transportation master plan, or economic
462 development initiative; or
463 (ii) infrastructure facility that is part of:
464 (A) a municipal or county general plan, infrastructure plan, or economic
465 development initiative; or
466 (B) a special district infrastructure plan or strategic plan.
- 467 (b) "System improvement" may include the costs of:
468 (i) designing a project described in Subsection (11)(a);
469 (ii) acquiring property for a project described in Subsection (11)(a); or
470 (iii) environmental remediation for a project described in Subsection (11)(a).

471 Section 7. Section **63N-3-1802** is enacted to read:
 472 **63N-3-1802 (Effective 05/06/26). State Housing Infrastructure Partnership Fund.**

- 473 (1) There is created a revolving loan fund known as the "State Housing Infrastructure
 474 Partnership Fund."
- 475 (2) The fund consists of money generated from the following revenue sources:
- 476 (a) appropriations made to the fund by the Legislature;
 477 (b) amounts received for the repayment of infrastructure loans made by the board under
 478 this part;
 479 (c) grants, gifts, loans, or other funding from:
 480 (i) the federal government; or
 481 (ii) other public or private sources; and
 482 (d) interest or other earnings deposited under Subsection (3).
- 483 (3) The state treasurer shall:
- 484 (a) invest the money in the fund by following the procedures and requirements of Title
 485 51, Chapter 7, State Money Management Act; and
 486 (b) deposit all interest or other earnings derived from those investments into the fund.
- 487 (4) Money in the fund may only be used for:
- 488 (a) infrastructure loans made by the board under this part; and
 489 (b) the administrative costs incurred by the office, in an amount that does not exceed 1%
 490 of the revenues of the fund, including any appropriation to the fund, from:
 491 (i) implementing this part; and
 492 (ii) facilitating the implementation of Section 63A-2-412 and Subsection
 493 72-5-117(2)(f).

494 Section 8. Section **63N-3-1803** is enacted to read:

495 **63N-3-1803 (Effective 05/06/26). State Housing Infrastructure Partnership**
 496 **Board.**

- 497 (1) There is created within the office the State Housing Infrastructure Partnership Board
 498 composed of:
- 499 (a) five voting members as follows:
- 500 (i) the executive director of the office or the executive director's designee;
 501 (ii) the executive director of the Department of Transportation or the executive
 502 director's designee;
 503 (iii) one member appointed by the governor;
 504 (iv) one member appointed by the president of the Senate; and

- 505 (v) one member appointed by the speaker of the House of Representatives; and
- 506 (b) any number of nonvoting members appointed by the chair and vice chair of the board.
- 507 (2)(a) The members described in Subsections (1)(a)(iv) and (v) shall serve a four-year
- 508 term.
- 509 (b) When a vacancy occurs in a position described in Subsections (1)(a)(iv) and (v), the
- 510 person that appointed the member shall appoint a new member for the unexpired term.
- 511 (c) If a member described in Subsections (1)(a)(iv) and (v) leaves elected office, the
- 512 appointing entity shall appoint a new member for the unexpired term.
- 513 (3)(a) The voting members of the board shall elect a chair and vice chair from the
- 514 board's voting members.
- 515 (b) The chair and vice chair of the board shall serve a term of one year.
- 516 (c) The chair of the board is responsible for the call and conduct of board meetings.
- 517 (4)(a) A majority of the voting members of the board constitutes a quorum.
- 518 (b) Action by a majority vote of a quorum of the board constitutes action by the board
- 519 (5)(a) A voting member of the board who is a legislator shall be paid salary and
- 520 expenses in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5,
- 521 Chapter 3, Legislator Compensation.
- 522 (b) A voting member of the board who is not a legislator may not receive compensation
- 523 or benefits for the member's service, but may receive per diem and travel expenses in
- 524 accordance with:
- 525 (i) Section 63A-3-106;
- 526 (ii) Section 63A-3-107; and
- 527 (iii) rules made by the Division of Finance in accordance with Sections 63A-3-106
- 528 and 63A-3-107.
- 529 (6) A voting member of the board shall comply with the conflict of interest provisions
- 530 described in Title 63G, Chapter 24, Part 3, Conflicts of Interest.
- 531 (7) The office shall provide staff support to the board.
- 532 Section 9. Section **63N-3-1804** is enacted to read:
- 533 **63N-3-1804 (Effective 05/06/26). Board duties -- Annual report -- Rulemaking --**
- 534 **Study of economic effect by state auditor.**
- 535 (1) The board shall:
- 536 (a) make infrastructure loans to qualifying political subdivisions for system
- 537 improvements that will facilitate the construction of housing in accordance with
- 538 Section 63N-3-1805;

- 539 (b) for the infrastructure loans described in Subsection (1)(a):
 540 (i) establish criteria for determining infrastructure loan eligibility;
 541 (ii) establish criteria by which an infrastructure loan will be made and repaid; and
 542 (iii) determine the order in which system improvements will be funded; and
 543 (c) administer the fund in a manner that will keep a portion of the fund revolving.
- 544 (2) On or before September 1 of each year, the board shall submit a written report to the
 545 Economic Development and Workforce Services Interim Committee and the Political
 546 Subdivisions Interim Committee that includes:
- 547 (a) information regarding the activities of the board, including any rules made under
 548 Subsection (3);
 549 (b) the number and types of infrastructure loans made;
 550 (c) a list of qualifying political subdivisions that received an infrastructure loan;
 551 (d) the number of constructed housing units that each infrastructure loan facilitated; and
 552 (e) any recommendations for legislation.
- 553 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
 554 subject to any recommendations provided by the Economic Development and
 555 Workforce Services Interim Committee and the Political Subdivisions Interim
 556 Committee, the board may make rules governing:
- 557 (a) management of the fund; and
 558 (b) infrastructure loan application requirements and eligibility review criteria.
- 559 (4)(a) Beginning after June 30, 2028, the state treasurer shall conduct a study that
 560 analyzes whether the lending activity under this part resulted in measurable local
 561 economic benefits.
- 562 (b) On or before October 1, 2028, the state treasurer shall submit a report summarizing
 563 the results of the study to the Legislative Management Committee and the governor.
- 564 (c) The state treasurer may contract with a third party to complete the study and report
 565 described in this Subsection (4).

566 Section 10. Section **63N-3-1805** is enacted to read:

567 **63N-3-1805 (Effective 05/06/26). Infrastructure loans to qualifying political**
 568 **subdivisions -- Application -- Loan requirements.**

- 569 (1) A qualifying political subdivision may receive an infrastructure loan under this part to
 570 finance a system improvement that will facilitate the construction of a housing
 571 development.
- 572 (2) To receive an infrastructure loan, a qualifying political subdivision shall submit an

- 573 application to the board that:
- 574 (a) demonstrates:
- 575 (i) the qualifying political subdivision has approved or will approve a housing
- 576 development;
- 577 (ii) the infrastructure loan will accelerate the completion of the housing development;
- 578 (iii) the builder or developer of the housing development has agreed to, or will agree
- 579 to, a specific timeline to complete the housing development if the board approves
- 580 the infrastructure loan;
- 581 (iv) the qualifying political subdivision will provide matching funds for the system
- 582 improvement in an amount determined by the board;
- 583 (v) the qualifying political subdivision has a primary revenue source for repaying the
- 584 infrastructure loan; and
- 585 (vi) if the qualifying political subdivision is a municipality or county, the qualifying
- 586 political subdivision has adopted a moderate income housing plan that complies
- 587 with Section 10-21-202 or 17-80-202;
- 588 (b) identifies the qualifying political subdivision's current bonding capacity; and
- 589 (c) includes any other information the board requires.
- 590 (3) In considering an application for an infrastructure loan, the board shall:
- 591 (a) give preference to a housing development that includes, as a substantial component,
- 592 the construction of detached single-family owner-occupied starter homes; and
- 593 (b) consider criteria including:
- 594 (i) the number of housing units that may be built compared to the requested
- 595 infrastructure loan amount;
- 596 (ii) geographic diversity, including whether the applicant is urban or rural;
- 597 (iii) the inclusion of affordable housing in the housing development;
- 598 (iv) the inclusion of for-sale owner-occupied housing units in the housing
- 599 development;
- 600 (v) the likelihood that the housing development will be completed in accordance with
- 601 the timeline described in Subsection (2)(a)(iii);
- 602 (vi) the amount of matching funds the qualifying political subdivision will provide
- 603 for the system improvement;
- 604 (vii) other available sources of funding that may be used to construct the system
- 605 improvement; and
- 606 (viii) existing public facilities and services nearby the housing development.

- 607 (4) The board shall ensure that each infrastructure loan:
- 608 (a) is secured by any combination of revenue sources for the loan recipient, whether the
- 609 revenue is actualized or anticipated, and which may include revenue the loan
- 610 recipient receives from:
- 611 (i) the imposition of property taxes;
- 612 (ii) the collection of impact fees;
- 613 (iii) the issuance of bonds; or
- 614 (iv) any other revenue source the board determines to be sufficient for securing the
- 615 infrastructure loan;
- 616 (b) has a term that does not exceed 20 years, except as provided in Subsection (5)(b)(ii);
- 617 (c) charges interest:
- 618 (i) to a presumed repayment date established by the board, regardless of the actual
- 619 repayment date; and
- 620 (ii) at a rate that is within 1.5% of the federal funds rate target:
- 621 (A) established by the Federal Open Market Committee; and
- 622 (B) in effect on January 1 of the year in which the loan is made; and
- 623 (d) specifies the terms and revenue sources for the loan recipient's repayment of the loan.
- 624 (5)(a) The board may make one infrastructure loan to the Point of the Mountain State
- 625 Land Authority created in Section 11-59-201.
- 626 (b) The infrastructure loan described in Subsection (5)(a) may not exceed:
- 627 (i) an amount of \$18,000,000; and
- 628 (ii) a term of three years.
- 629 (6) In making infrastructure loans, the board may:
- 630 (a) restructure all or part of a loan recipient's liability to repay an infrastructure loan for
- 631 extenuating circumstances, subject to the requirements of Subsections (4) and (5); and
- 632 (b) condition approval of an infrastructure loan on whatever assurances the board
- 633 considers necessary to ensure that loan proceeds are used in accordance with this part.
- 634 Section 11. Section **67-16-4** is amended to read:
- 635 **67-16-4 (Effective 05/06/26). Improperly disclosing or using private, controlled,**
- 636 **or protected information -- Using position to secure privileges or exemptions -- Accepting**
- 637 **employment that would impair independence of judgment or ethical performance --**
- 638 **Exception.**
- 639 (1) Except as provided in [~~Subsection (3)~~] Subsections (3) and (4), it is an offense for a
- 640 public officer, public employee, or legislator to:

- 641 (a) accept employment or engage in any business or professional activity that he might
642 reasonably expect would require or induce him to improperly disclose controlled
643 information that he has gained by reason of his official position;
- 644 (b) disclose or improperly use controlled, private, or protected information acquired by
645 reason of his official position or in the course of official duties in order to further
646 substantially the officer's or employee's personal economic interest or to secure
647 special privileges or exemptions for himself or others;
- 648 (c) use or attempt to use his official position to:
- 649 (i) further substantially the officer's or employee's personal economic interest; ~~or~~
650 (ii) secure special privileges or exemptions for himself or others; or
651 (iii) coerce another person to secure special privileges or exemptions for himself or
652 others;
- 653 (d) accept other employment that he might expect would impair his independence of
654 judgment in the performance of his public duties; or
- 655 (e) accept other employment that he might expect would interfere with the ethical
656 performance of his public duties.
- 657 (2)(a) Subsection (1) does not apply to the provision of education-related services to
658 public school students by public education employees acting outside their regular
659 employment.
- 660 (b) The conduct referred to in Subsection (2)(a) is subject to Section 53E-3-512.
- 661 (3) This section does not apply to a public officer, public employee, or legislator who
662 engages in conduct that constitutes a violation of this section to the extent that the public
663 officer, public employee, or legislator is chargeable, for the same conduct, under Section
664 63G-6a-2404 or Section 76-8-105.
- 665 (4) Subsections (1)(c)(i) and (ii) do not apply to conduct relating to the construction or
666 operation of affordable housing, as authorized by Title 10, Chapter 9a, Municipal Land
667 Use, Development, and Management Act, or Title 17, Chapter 27a, County Land Use,
668 Development, and Management Act, if the benefits are provided to all qualified
669 residents.
- 670 Section 12. Section **72-2-121** is amended to read:
- 671 **72-2-121 (Effective 05/06/26). County of the First Class Highway Projects Fund.**
- 672 (1) There is created a special revenue fund within the Transportation Fund known as the
673 "County of the First Class Highway Projects Fund."
- 674 (2) The fund consists of money generated from the following revenue sources:

- 675 (a) any voluntary contributions received for new construction, major renovations, and
 676 improvements to highways within a county of the first class;
- 677 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
 678 deposited into or transferred to the fund;
- 679 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or
 680 transferred to the fund;
- 681 (d) a portion of the local option highway construction and transportation corridor
 682 preservation fee imposed in a county of the first class under Section 41-1a-1222
 683 deposited into or transferred to the fund; [~~and~~]
- 684 (e) the portion of the sales and use tax transferred into the fund as described in
 685 Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b)[~~;~~] ; and
- 686 (f) revenue from bond proceeds described in Section 63B-34-101 for repayment of
 687 grants paid from fund money in accordance with Subsection (4)(m).
- 688 (3)(a) The fund shall earn interest.
- 689 (b) All interest earned on fund money shall be deposited into the fund.
- 690 (4) Subject to Subsection (11), the executive director shall use the fund money only:
- 691 (a) to pay debt service and bond issuance costs for bonds issued under Sections
 692 63B-16-102, 63B-18-402, and 63B-27-102;
- 693 (b) for right-of-way acquisition, new construction, major renovations, and improvements
 694 to highways within a county of the first class and to pay any debt service and bond
 695 issuance costs related to those projects, including improvements to a highway located
 696 within a municipality in a county of the first class where the municipality is located
 697 within the boundaries of more than a single county;
- 698 (c) for the construction, acquisition, use, maintenance, or operation of:
- 699 (i) an active transportation facility for nonmotorized vehicles;
- 700 (ii) multimodal transportation that connects an origin with a destination; or
- 701 (iii) a facility that may include a:
- 702 (A) pedestrian or nonmotorized vehicle trail;
- 703 (B) nonmotorized vehicle storage facility;
- 704 (C) pedestrian or vehicle bridge; or
- 705 (D) vehicle parking lot or parking structure;
- 706 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
 707 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the
 708 amounts transferred in accordance with Subsection 72-2-124(4)(a)(v);

- 709 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
710 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the
711 projects described in Subsection 63B-18-401(4)(a);
- 712 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
713 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in
714 the fund, to transfer an amount equal to 50% of the revenue generated by the local
715 option highway construction and transportation corridor preservation fee imposed
716 under Section 41-1a-1222 in a county of the first class:
- 717 (i) to the legislative body of a county of the first class; and
718 (ii) to be used by a county of the first class for:
- 719 (A) highway construction, reconstruction, or maintenance projects; or
720 (B) the enforcement of state motor vehicle and traffic laws;
- 721 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified
722 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
723 and the transfer under Subsection (4)(e) has been made, to annually transfer an
724 amount of the sales and use tax revenue imposed in a county of the first class and
725 deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an
726 amount needed to cover the debt to:
- 727 (i) the appropriate debt service or sinking fund for the repayment of bonds issued
728 under Section 63B-27-102; and
729 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
730 under Sections 63B-31-102 and 63B-31-103;
- 731 (h) after the department has verified that the amount required under Subsection
732 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d),
733 the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has
734 been made, to annually transfer \$2,000,000 to a public transit district in a county of
735 the first class to fund a system for public transit;
- 736 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified
737 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
738 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e),
739 and the transfer under Subsection (4)(g)(i) has been made, through fiscal year 2027,
740 to annually transfer 20%, and beginning with fiscal year 2028, and each year
741 thereafter for 20 years, to annually transfer 33% of the amount deposited into the
742 fund under Subsection (2)(b) to the legislative body of a county of the first class for

- 743 the following purposes:
- 744 (i) to fund parking facilities in a county of the first class that facilitate significant
745 economic development and recreation and tourism within the state; and
746 (ii) to be used for purposes allowed in Section 17-78-702;
- 747 (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for
748 15 years thereafter, to annually transfer the following amounts to the following cities
749 and the county of the first class for priority projects to mitigate congestion and
750 improve transportation safety:
- 751 (i) \$2,000,000 to Sandy;
- 752 (ii) \$2,300,000 to Taylorsville;
- 753 (iii) \$1,100,000 to Salt Lake City;
- 754 (iv) \$1,100,000 to West Jordan;
- 755 (v) \$1,100,000 to West Valley City;
- 756 (vi) \$800,000 to Herriman;
- 757 (vii) \$700,000 to Draper;
- 758 (viii) \$700,000 to Riverton;
- 759 (ix) \$700,000 to South Jordan;
- 760 (x) \$500,000 to Bluffdale;
- 761 (xi) \$500,000 to Midvale;
- 762 (xii) \$500,000 to Millcreek;
- 763 (xiii) \$500,000 to Murray;
- 764 (xiv) \$400,000 to Cottonwood Heights; and
- 765 (xv) \$300,000 to Holladay;
- 766 (k) for the 2024-25, 2025-26, and 2026-27 fiscal years, and subject to revenue balances
767 after the distributions under Subsection (4)(j), to reimburse the following
768 municipalities for the amounts and projects indicated, as each project progresses and
769 as revenue balances allow:
- 770 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from
771 Grandville Avenue to Mountain View Corridor;
- 772 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street
773 and 700 West;
- 774 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
775 throughout Salt Lake City;
- 776 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard

- 777 and 2300 East;
- 778 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800
779 South and I-15;
- 780 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 781 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 782 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal Trail
783 between 11800 South and 13800 South;
- 784 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
785 South;
- 786 (x) \$470,000 to the department for construction of a sound wall on Bangerter
787 Highway at approximately 11200 South;
- 788 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800
789 South and 5300 South;
- 790 (xii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100
791 South;
- 792 (xiii) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111
793 and Old Bingham Highway;
- 794 (xiv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East
795 between 3300 South and Atkin Avenue;
- 796 (xv) \$1,230,000 to Holladay for improvements to Highland Drive between Van
797 Winkle Expressway and Arbor Lane;
- 798 (xvi) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215
799 interchange;
- 800 (xvii) \$3,750,000 to West Valley City for improvements to 4000 West between 4100
801 South and 4700 South and improvements to 4700 South from 4000 West to
802 Bangerter Highway;
- 803 (xviii) \$1,700,000 to South Jordan for improvements to Prosperity Road between
804 Crimson View Drive and Copper Hawk Drive;
- 805 (xix) \$2,300,000 to West Valley City for a road connecting U-111 at approximately
806 6200 South, then east and turning north and connecting to 5400 South;
- 807 (xx) \$1,400,000 to Magna for improvements to 8000 West between 3500 South to
808 4100 South;
- 809 (xxi) \$1,300,000 to Taylorsville for improvements on 4700 South between Redwood
810 Road and 2700 West; and

- 811 (xxii) \$3,000,000 to West Jordan for improvements to 1300 West between 6600
812 South and 7800 South; [~~and~~]
- 813 (l) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay
814 debt service and bond issuance costs for [~~\$70,000,000~~] \$150,000,000 of the bonds
815 issued under Section [~~63B-34-201~~] 63B-34-101 for the grants awarded under Part 5,
816 Affordable Housing Infrastructure Grants[-] ; and
- 817 (m) for a fiscal year beginning on or after July 1, 2026, and only until June 30, 2028, to
818 pay for grants awarded under Part 5, Affordable Housing Infrastructure Grants,
819 subject to repayment to the fund from bond proceeds described in Section 63B-34-101,
820 if the executive director finds that providing the grant money will not delay a project
821 prioritized by the commission.
- 822 (5)(a) If revenue in the fund is insufficient to satisfy all of the transfers described in
823 Subsection (4)(j), the executive director shall proportionately reduce the amounts
824 transferred as described in Subsection (4)(j).
- 825 (b) A local government may not use revenue described in Subsection (4)(j) to supplant
826 existing class B or class C road funds that a local government has budgeted for
827 transportation projects.
- 828 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the
829 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402,
830 and 63B-27-102 are considered a local matching contribution for the purposes described
831 under Section 72-2-123.
- 832 (7) The department may expend up to \$3,000,000 of revenue deposited into the account as
833 described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as
834 provided in Part 4, Public Transit Innovation Grants.
- 835 (8) The additional administrative costs of the department to administer this fund shall be
836 paid from money in the fund.
- 837 (9) Subject to Subsection (11), and notwithstanding any statutory or other restrictions on
838 the use or expenditure of the revenue sources deposited into this fund, the Department of
839 Transportation may use the money in this fund for any of the purposes detailed in
840 Subsection (4).
- 841 (10) Subject to Subsection (11), any revenue deposited into the fund as described in
842 Subsection (2)(e) shall be used to provide funding or loans for public transit projects,
843 operations, and supporting infrastructure in the county of the first class.
- 844 (11) For the first three years after a county of the first class imposes a sales and use tax

845 authorized in Section 59-12-2220, revenue deposited into the fund as described in
846 Subsection (2)(e) shall be allocated as follows:

- 847 (a) 10% to the department to construct an express bus facility on 5600 West; and
848 (b) 90% into the County of the First Class Infrastructure Bank Fund created in Section
849 72-2-302.

850 (12)(a) As used in this Subsection (12), "specified date" means the earlier of:

- 851 (i) the day three years after the date on which at least three counties described in
852 Subsections 59-12-2220(4) and (5) impose a tax under Section 59-12-2220; and
853 (ii) July 1, 2030.

854 (b) Notwithstanding the other provisions of this section, for a two-year period following
855 the specified date, revenue deposited into the fund as described in Subsection (2)(e)
856 shall be used to fund the following projects in the amounts indicated, as each project
857 progresses and as revenue balances allow:

- 858 (i) \$8,000,000 to the Utah Transit Authority for transit rail car safety; and
859 (ii) \$60,000,000 to the Utah Transit Authority for transit rail car purchases.

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

861 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26). Transportation Investment**
862 **Fund of 2005.**

863 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
864 2005.

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

- 866 (a) any voluntary contributions received for the maintenance, construction,
867 reconstruction, or renovation of state and federal highways;
868 (b) appropriations made to the fund by the Legislature;
869 (c) registration fees designated under Section 41-1a-1201;
870 (d) the sales and use tax revenues deposited into the fund in accordance with Section
871 59-12-103;
872 (e) revenues transferred to the fund in accordance with Section 72-2-106;
873 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
874 (g) revenue from bond proceeds described in Section 63B-34-101.

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

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

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

- 879 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
880 federal highways prioritized by the Transportation Commission through the
881 prioritization process for new transportation capacity projects adopted under
882 Section 72-1-304;
- 883 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
884 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 885 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
886 Section 72-5-401;
- 887 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
888 minus the costs paid from the County of the First Class Highway Projects Fund in
889 accordance with Subsection 72-2-121(4)(e);
- 890 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
891 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
892 amount certified by Salt Lake County in accordance with Subsection
893 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
894 revenue bonds issued by Salt Lake County;
- 895 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
896 for projects prioritized in accordance with Section 72-2-125;
- 897 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
898 Class Highway Projects Fund created in Section 72-2-121 to be used for the
899 purposes described in Section 72-2-121;
- 900 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
901 the costs needed for construction, reconstruction, or renovation of paved
902 pedestrian or paved nonmotorized transportation for projects that:
- 903 (A) mitigate traffic congestion on the state highway system;
- 904 (B) are part of an active transportation plan approved by the department; and
- 905 (C) are prioritized by the commission through the prioritization process for new
906 transportation capacity projects adopted under Section 72-1-304;
- 907 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
908 reconstruction, or renovation of or improvement to the following projects:
- 909 (A) the connector road between Main Street and 1600 North in the city of
910 Vineyard;
- 911 (B) Geneva Road from University Parkway to 1800 South;
- 912 (C) the SR-97 interchange at 5600 South on I-15;

- 913 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
914 South Jordan Parkway;
- 915 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 916 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 917 (G) widening I-15 between mileposts 6 and 8;
- 918 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 919 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
920 in Spanish Fork Canyon;
- 921 (J) I-15 northbound between mileposts 43 and 56;
- 922 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
923 43 and 45.1;
- 924 (L) east Zion SR-9 improvements;
- 925 (M) Toquerville Parkway;
- 926 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 927 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
928 for construction of an interchange on Bangerter Highway at 13400 South; and
- 929 (P) an environmental impact study for Kimball Junction in Summit County;
- 930 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
931 costs based upon a statement of cash flow that the local jurisdiction where the
932 project is located provides to the department demonstrating the need for money
933 for the project, for the following projects in the following amounts:
- 934 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 935 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 936 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 937 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
938 40 between mile markers 7 and 10;
- 939 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
940 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
941 over the railroad and to U.S. Highway 6;
- 942 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
943 revenue deposited into the fund in accordance with Section 59-12-103, for the
944 following projects:
- 945 (A) \$3,000,000 for the department to perform an environmental study for the I-15
946 Salem and Benjamin project; and

947 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
948 Dunes Road project; ~~and~~

949 (xiii) for a fiscal year beginning on July 1, 2025, up to [~~\$300,000,000~~] \$250,000,000
950 for the costs of right-of-way acquisition and construction for improvements on
951 and connections to SR-89 and surrounding transportation facilities in a county of
952 the first class[-] ; and

953 (xiv) for grants awarded under Part 5, Affordable Housing Infrastructure Grants,
954 subject to repayment to the fund from bond proceeds described in Section
955 63B-34-101, if the executive director finds that providing the grant money will not
956 delay a project prioritized by the commission.

957 (b) The executive director may use fund money to exchange for an equal or greater
958 amount of federal transportation funds to be used as provided in Subsection (4)(a).

959 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
960 not commence until a right-of-way not owned by a federal agency that is required
961 for the realignment and extension of U-111, as described in the department's 2023
962 environmental study related to the project, is dedicated to the department.

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

967 (d) For a fiscal year beginning on July 1, 2026, the Division of Finance shall transfer
968 \$50,000,000 of the revenue deposited into the fund to the Convention Center
969 Reserves Restricted Account created in Section 72-2-136.

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

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

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

- 981 limited-access facility or interchange connecting limited-access facilities;
- 982 (ii) may not program fund money for the construction, reconstruction, or renovation
- 983 of an interchange on a limited-access facility;
- 984 (iii) may program Transit Transportation Investment Fund money for a
- 985 multi-community fixed guideway public transportation project; and
- 986 (iv) may not program Transit Transportation Investment Fund money for the
- 987 construction, reconstruction, or renovation of a station that is part of a fixed
- 988 guideway public transportation project.
- 989 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
- 990 director before July 1, 2022, for projects prioritized by the commission under Section
- 991 72-1-304.
- 992 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
- 993 ineligibility for a county as described in Subsection 17-80-202(8), the executive
- 994 director may not program fund money to a project prioritized by the commission
- 995 under Section 72-1-304, including fund money from the Transit Transportation
- 996 Investment Fund, within the boundaries of the unincorporated area of the county until
- 997 the department receives notification from the Housing and Community Development
- 998 Division within the Department of Workforce Services that ineligibility under this
- 999 Subsection (6) no longer applies to the county.
- 1000 (b) Within the boundaries of the unincorporated area of a county described in Subsection
- 1001 (6)(a), the executive director:
- 1002 (i) may program fund money in accordance with Subsection (4)(a) for a
- 1003 limited-access facility to a project prioritized by the commission under Section
- 1004 72-1-304;
- 1005 (ii) may not program fund money for the construction, reconstruction, or renovation
- 1006 of an interchange on a limited-access facility;
- 1007 (iii) may program Transit Transportation Investment Fund money for a
- 1008 multi-community fixed guideway public transportation project; and
- 1009 (iv) may not program Transit Transportation Investment Fund money for the
- 1010 construction, reconstruction, or renovation of a station that is part of a fixed
- 1011 guideway public transportation project.
- 1012 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
- 1013 director before July 1, 2022, for projects prioritized by the commission under Section
- 1014 72-1-304.

- 1015 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1016 any fiscal year, the department and the commission shall appear before the Executive
1017 Appropriations Committee of the Legislature and present the amount of bond
1018 proceeds that the department needs to provide funding for the projects identified in
1019 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
1020 or next fiscal year.
- 1021 (b) The Executive Appropriations Committee of the Legislature shall review and
1022 comment on the amount of bond proceeds needed to fund the projects.
- 1023 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1024 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1025 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1026 service or sinking fund.
- 1027 (9) The executive director may only use money in the fund for corridor preservation as
1028 described in Subsection (4)(a)(iii):
- 1029 (a) if the project has been prioritized by the commission, including the use of fund
1030 money for corridor preservation; or
- 1031 (b) for a project that has not been prioritized by the commission, if the commission:
- 1032 (i) approves the use of fund money for the corridor preservation; and
- 1033 (ii) finds that the use of fund money for corridor preservation will not result in any
1034 delay to a project that has been prioritized by the commission.
- 1035 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
1036 Transportation Investment Fund.
- 1037 (b) The fund shall be funded by:
- 1038 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 1039 (ii) appropriations into the account by the Legislature;
- 1040 (iii) deposits of sales and use tax increment related to a housing and transit
1041 reinvestment zone as described in Section 63N-3-610;
- 1042 (iv) transfers of local option sales and use tax revenue as described in Subsection
1043 59-12-2220(11)(b) or (c);
- 1044 (v) private contributions; and
- 1045 (vi) donations or grants from public or private entities.
- 1046 (c)(i) The fund shall earn interest.
- 1047 (ii) All interest earned on fund money shall be deposited into the fund.
- 1048 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:

- 1049 (i) for public transit capital development of new capacity projects and fixed guideway
1050 capital development projects to be used as prioritized by the commission through
1051 the prioritization process adopted under Section 72-1-304;
- 1052 (ii) to the department for oversight of a fixed guideway capital development project
1053 for which the department has responsibility; or
- 1054 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1055 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
1056 money from the fund for a public transit capital development project or pedestrian
1057 or nonmotorized transportation project that provides connection to the public
1058 transit system if the public transit district or political subdivision provides funds of
1059 equal to or greater than 30% of the costs needed for the project.
- 1060 (ii) A public transit district or political subdivision may use money derived from a
1061 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
1062 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 1063 (A) the loan is approved by the commission as required in Part 2, State
1064 Infrastructure Bank Fund; and
- 1065 (B) the proposed capital project has been prioritized by the commission pursuant
1066 to Section 72-1-303.
- 1067 (f) Before July 1, 2022, the department and a large public transit district shall enter into
1068 an agreement for a large public transit district to pay the department \$5,000,000 per
1069 year for 15 years to be used to facilitate the purchase of zero emissions or low
1070 emissions rail engines and trainsets for regional public transit rail systems.
- 1071 (g) For any revenue transferred into the fund in accordance with Subsection
1072 59-12-2220(11)(b):
- 1073 (i) the commission may prioritize money from the fund for public transit projects,
1074 operations, or maintenance within the county of the first class; and
- 1075 (ii) Subsection (10)(e) does not apply.
- 1076 (h) For any revenue transferred into the fund in accordance with Subsection
1077 59-12-2220(11)(c):
- 1078 (i) the commission may prioritize public transit projects, operations, or maintenance
1079 in the county from which the revenue was generated; and
- 1080 (ii) Subsection (10)(e) does not apply.
- 1081 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
1082 the project described in Subsection (10)(e) does not apply to a public transit capital

1083 development project or pedestrian or nonmotorized transportation project that the
1084 department proposes.

1085 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
1086 prioritize money from the fund for public transit innovation grants, as defined in
1087 Section 72-2-401, for public transit capital development projects requested by a
1088 political subdivision within a public transit district.

1089 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
1090 Canyons Transportation Investment Fund.

1091 (b) The fund shall be funded by:

1092 (i) money deposited into the fund in accordance with Section 59-12-103;

1093 (ii) appropriations into the account by the Legislature;

1094 (iii) private contributions; and

1095 (iv) donations or grants from public or private entities.

1096 (c)(i) The fund shall earn interest.

1097 (ii) All interest earned on fund money shall be deposited into the fund.

1098 (d) The Legislature may appropriate money from the fund for public transit or
1099 transportation projects in the Cottonwood Canyons of Salt Lake County.

1100 (e) The department may use up to 2% of the revenue deposited into the account under
1101 Subsection 59-12-103(7)(b) to contract with local governments as necessary for
1102 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.

1103 (f)(i) Beginning with fiscal year beginning on July 1, 2025, the department shall use
1104 any sales and use tax growth over sales and use tax collections during the 2025
1105 fiscal year to fund projects to provide ingress and egress for a public transit hub,
1106 including construction of the public transit hub, in the Big Cottonwood Canyon
1107 area.

1108 (ii) The department shall cooperate with a private landowner in relation to the
1109 location of a public transit hub described in Subsection (11)(f)(i) and associated
1110 parking structure, including alignment of interior roads to provide ingress and
1111 egress.

1112 (g) Subject to availability of funds, the department shall coordinate with Cottonwood
1113 Heights to include a visitor center as part of the public transit hub project.

1114 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
1115 Transportation Investment Fund.

1116 (b) The fund shall be funded by:

- 1117 (i) money deposited into the fund in accordance with Section 59-12-103;
- 1118 (ii) appropriations into the account by the Legislature; and
- 1119 (iii) donations or grants from public or private entities.
- 1120 (c)(i) The fund shall earn interest.
- 1121 (ii) All interest earned on fund money shall be deposited into the fund.
- 1122 (d) The executive director may only use fund money to pay the costs needed for:
- 1123 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 1124 paved pedestrian or paved nonmotorized trail projects that:
- 1125 (A) are prioritized by the commission through the prioritization process for new
- 1126 transportation capacity projects adopted under Section 72-1-304;
- 1127 (B) serve a regional purpose; and
- 1128 (C) are part of an active transportation plan approved by the department or the
- 1129 plan described in Subsection (12)(d)(ii);
- 1130 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 1131 nonmotorized trails that serve a regional purpose; and
- 1132 (iii) the administration of the fund, including staff and overhead costs.
- 1133 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
- 1134 defined in Section 63N-3-602.
- 1135 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 1136 Subaccount.
- 1137 (c) The subaccount shall be funded by:
- 1138 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 1139 (ii) appropriations into the subaccount by the Legislature;
- 1140 (iii) private contributions; and
- 1141 (iv) donations or grants from public or private entities.
- 1142 (d)(i) The subaccount shall earn interest.
- 1143 (ii) All interest earned on money in the subaccount shall be deposited into the
- 1144 subaccount.
- 1145 (e) As prioritized by the commission through the prioritization process adopted under
- 1146 Section 72-1-304 or as directed by the Legislature, the department may only use
- 1147 money from the subaccount for projects that improve the state's commuter rail
- 1148 infrastructure, including the building or improvement of grade-separated crossings
- 1149 between commuter rail lines and public highways.
- 1150 (f) Appropriations made in accordance with this section are nonlapsing in accordance

1151 with Section 63J-1-602.1.

1152 Section 14. Section **72-2-124** is amended to read:

1153 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**

1154 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
1155 2005.

1156 (2) The fund consists of money generated from the following sources:

1157 (a) any voluntary contributions received for the maintenance, construction,
1158 reconstruction, or renovation of state and federal highways;

1159 (b) appropriations made to the fund by the Legislature;

1160 (c) registration fees designated under Section 41-1a-1201;

1161 (d) the sales and use tax revenues deposited into the fund in accordance with Section
1162 59-12-103;

1163 (e) revenues transferred to the fund in accordance with Section 72-2-106;

1164 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and

1165 (g) revenue from bond proceeds described in Section [~~63B-34-201~~] 63B-34-101.

1166 (3)(a) The fund shall earn interest.

1167 (b) All interest earned on fund money shall be deposited into the fund.

1168 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
1169 money to pay:

1170 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
1171 federal highways prioritized by the Transportation Commission through the
1172 prioritization process for new transportation capacity projects adopted under
1173 Section 72-1-304;

1174 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
1175 highway projects described in Subsections 63B-18-401(2), (3), and (4);

1176 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
1177 Section 72-5-401;

1178 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
1179 minus the costs paid from the County of the First Class Highway Projects Fund in
1180 accordance with Subsection 72-2-121(4)(e);

1181 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1182 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
1183 amount certified by Salt Lake County in accordance with Subsection
1184 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the

- 1185 revenue bonds issued by Salt Lake County;
- 1186 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
- 1187 for projects prioritized in accordance with Section 72-2-125;
- 1188 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
- 1189 Class Highway Projects Fund created in Section 72-2-121 to be used for the
- 1190 purposes described in Section 72-2-121;
- 1191 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
- 1192 the costs needed for construction, reconstruction, or renovation of paved
- 1193 pedestrian or paved nonmotorized transportation for projects that:
- 1194 (A) mitigate traffic congestion on the state highway system;
- 1195 (B) are part of an active transportation plan approved by the department; and
- 1196 (C) are prioritized by the commission through the prioritization process for new
- 1197 transportation capacity projects adopted under Section 72-1-304;
- 1198 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
- 1199 reconstruction, or renovation of or improvement to the following projects:
- 1200 (A) the connector road between Main Street and 1600 North in the city of
- 1201 Vineyard;
- 1202 (B) Geneva Road from University Parkway to 1800 South;
- 1203 (C) the SR-97 interchange at 5600 South on I-15;
- 1204 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
- 1205 South Jordan Parkway;
- 1206 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 1207 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 1208 (G) widening I-15 between mileposts 6 and 8;
- 1209 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 1210 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
- 1211 in Spanish Fork Canyon;
- 1212 (J) I-15 northbound between mileposts 43 and 56;
- 1213 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 1214 43 and 45.1;
- 1215 (L) east Zion SR-9 improvements;
- 1216 (M) Toquerville Parkway;
- 1217 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 1218 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,

- 1219 for construction of an interchange on Bangerter Highway at 13400 South; and
- 1220 (P) an environmental impact study for Kimball Junction in Summit County;
- 1221 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 1222 costs based upon a statement of cash flow that the local jurisdiction where the
- 1223 project is located provides to the department demonstrating the need for money
- 1224 for the project, for the following projects in the following amounts:
- 1225 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 1226 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 1227 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 1228 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 1229 40 between mile markers 7 and 10;
- 1230 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
- 1231 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
- 1232 over the railroad and to U.S. Highway 6;
- 1233 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
- 1234 revenue deposited into the fund in accordance with Section 59-12-103, for the
- 1235 following projects:
- 1236 (A) \$3,000,000 for the department to perform an environmental study for the I-15
- 1237 Salem and Benjamin project; and
- 1238 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
- 1239 Dunes Road project; ~~and~~
- 1240 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
- 1241 right-of-way acquisition and construction for improvements on and connections to
- 1242 SR-89 and surrounding transportation facilities in a county of the first class[-]; and
- 1243 (xiv) for grants awarded under Part 5, Affordable Housing Infrastructure Grants,
- 1244 subject to repayment to the fund from bond proceeds described in Section
- 1245 63B-34-101, if the executive director finds that providing the grant money will not
- 1246 delay a project prioritized by the commission.
- 1247 (b) The executive director may use fund money to exchange for an equal or greater
- 1248 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 1249 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
- 1250 not commence until a right-of-way not owned by a federal agency that is required
- 1251 for the realignment and extension of U-111, as described in the department's 2023
- 1252 environmental study related to the project, is dedicated to the department.

1253 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
1254 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
1255 department may proceed with the project, except that the project will be limited to
1256 two lanes on U-111 from Herriman Parkway to 11800 South.

1257 (d) For a fiscal year beginning on July 1, 2026, the Division of Finance shall transfer
1258 \$50,000,000 of the revenue deposited into the fund to the Convention Center
1259 Reserves Restricted Account created in Section 72-2-136.

1260 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
1261 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
1262 director may not program fund money to a project prioritized by the commission
1263 under Section 72-1-304, including fund money from the Transit Transportation
1264 Investment Fund, within the boundaries of the municipality until the department
1265 receives notification from the Housing and Community Development Division within
1266 the Department of Workforce Services that ineligibility under this Subsection (5) no
1267 longer applies to the municipality.

1268 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
1269 director:

1270 (i) may program fund money in accordance with Subsection (4)(a) for a
1271 limited-access facility or interchange connecting limited-access facilities;

1272 (ii) may not program fund money for the construction, reconstruction, or renovation
1273 of an interchange on a limited-access facility;

1274 (iii) may program Transit Transportation Investment Fund money for a
1275 multi-community fixed guideway public transportation project; and

1276 (iv) may not program Transit Transportation Investment Fund money for the
1277 construction, reconstruction, or renovation of a station that is part of a fixed
1278 guideway public transportation project.

1279 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1280 director before July 1, 2022, for projects prioritized by the commission under Section
1281 72-1-304.

1282 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
1283 ineligibility for a county as described in Subsection 17-80-202(8), the executive
1284 director may not program fund money to a project prioritized by the commission
1285 under Section 72-1-304, including fund money from the Transit Transportation
1286 Investment Fund, within the boundaries of the unincorporated area of the county until

- 1287 the department receives notification from the Housing and Community Development
1288 Division within the Department of Workforce Services that ineligibility under this
1289 Subsection (6) no longer applies to the county.
- 1290 (b) Within the boundaries of the unincorporated area of a county described in Subsection
1291 (6)(a), the executive director:
- 1292 (i) may program fund money in accordance with Subsection (4)(a) for a
1293 limited-access facility to a project prioritized by the commission under Section
1294 72-1-304;
- 1295 (ii) may not program fund money for the construction, reconstruction, or renovation
1296 of an interchange on a limited-access facility;
- 1297 (iii) may program Transit Transportation Investment Fund money for a
1298 multi-community fixed guideway public transportation project; and
- 1299 (iv) may not program Transit Transportation Investment Fund money for the
1300 construction, reconstruction, or renovation of a station that is part of a fixed
1301 guideway public transportation project.
- 1302 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1303 director before July 1, 2022, for projects prioritized by the commission under Section
1304 72-1-304.
- 1305 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1306 any fiscal year, the department and the commission shall appear before the Executive
1307 Appropriations Committee of the Legislature and present the amount of bond
1308 proceeds that the department needs to provide funding for the projects identified in
1309 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
1310 or next fiscal year.
- 1311 (b) The Executive Appropriations Committee of the Legislature shall review and
1312 comment on the amount of bond proceeds needed to fund the projects.
- 1313 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1314 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1315 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1316 service or sinking fund.
- 1317 (9) The executive director may only use money in the fund for corridor preservation as
1318 described in Subsection (4)(a)(iii):
- 1319 (a) if the project has been prioritized by the commission, including the use of fund
1320 money for corridor preservation; or

- 1321 (b) for a project that has not been prioritized by the commission, if the commission:
1322 (i) approves the use of fund money for the corridor preservation; and
1323 (ii) finds that the use of fund money for corridor preservation will not result in any
1324 delay to a project that has been prioritized by the commission.
- 1325 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
1326 Transportation Investment Fund.
- 1327 (b) The fund shall be funded by:
1328 (i) contributions deposited into the fund in accordance with Section 59-12-103;
1329 (ii) appropriations into the account by the Legislature;
1330 (iii) deposits of sales and use tax increment related to a housing and transit
1331 reinvestment zone as described in Section 63N-3-610;
1332 (iv) transfers of local option sales and use tax revenue as described in Subsection
1333 59-12-2220(11)(b) or (c);
1334 (v) private contributions; and
1335 (vi) donations or grants from public or private entities.
- 1336 (c)(i) The fund shall earn interest.
1337 (ii) All interest earned on fund money shall be deposited into the fund.
- 1338 (d) Subject to Subsection (10)(e), the commission may prioritize money from the fund:
1339 (i) for public transit capital development of new capacity projects and fixed guideway
1340 capital development projects to be used as prioritized by the commission through
1341 the prioritization process adopted under Section 72-1-304;
1342 (ii) to the department for oversight of a fixed guideway capital development project
1343 for which the department has responsibility; or
1344 (iii) up to \$500,000 per year, to be used for a public transit study.
- 1345 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
1346 money from the fund for a public transit capital development project or pedestrian
1347 or nonmotorized transportation project that provides connection to the public
1348 transit system if the public transit district or political subdivision provides funds of
1349 equal to or greater than 30% of the costs needed for the project.
1350 (ii) A public transit district or political subdivision may use money derived from a
1351 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
1352 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
1353 (A) the loan is approved by the commission as required in Part 2, State
1354 Infrastructure Bank Fund; and

- 1355 (B) the proposed capital project has been prioritized by the commission pursuant
1356 to Section 72-1-303.
- 1357 (f) Before July 1, 2022, the department and a large public transit district shall enter into
1358 an agreement for a large public transit district to pay the department \$5,000,000 per
1359 year for 15 years to be used to facilitate the purchase of zero emissions or low
1360 emissions rail engines and trainsets for regional public transit rail systems.
- 1361 (g) For any revenue transferred into the fund in accordance with Subsection
1362 59-12-2220(11)(b):
- 1363 (i) the commission may prioritize money from the fund for public transit projects,
1364 operations, or maintenance within the county of the first class; and
1365 (ii) Subsection (10)(e) does not apply.
- 1366 (h) For any revenue transferred into the fund in accordance with Subsection
1367 59-12-2220(11)(c):
- 1368 (i) the commission may prioritize public transit projects, operations, or maintenance
1369 in the county from which the revenue was generated; and
1370 (ii) Subsection (10)(e) does not apply.
- 1371 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
1372 the project described in Subsection (10)(e) does not apply to a public transit capital
1373 development project or pedestrian or nonmotorized transportation project that the
1374 department proposes.
- 1375 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
1376 prioritize money from the fund for public transit innovation grants, as defined in
1377 Section 72-2-401, for public transit capital development projects requested by a
1378 political subdivision within a public transit district.
- 1379 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
1380 Canyons Transportation Investment Fund.
- 1381 (b) The fund shall be funded by:
- 1382 (i) money deposited into the fund in accordance with Section 59-12-103;
1383 (ii) appropriations into the account by the Legislature;
1384 (iii) private contributions; and
1385 (iv) donations or grants from public or private entities.
- 1386 (c)(i) The fund shall earn interest.
1387 (ii) All interest earned on fund money shall be deposited into the fund.
- 1388 (d) The Legislature may appropriate money from the fund for public transit or

- 1389 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 1390 (e) The department may use up to 2% of the revenue deposited into the account under
1391 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
1392 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 1393 (f)(i) Beginning with fiscal year beginning on July 1, 2025, the department shall use
1394 any sales and use tax growth over sales and use tax collections during the 2025
1395 fiscal year to fund projects to provide ingress and egress for a public transit hub,
1396 including construction of the public transit hub, in the Big Cottonwood Canyon
1397 area.
- 1398 (ii) The department shall cooperate with a private landowner regarding the location
1399 of a public transit hub described in Subsection (11)(f)(i) and associated parking
1400 structure, including alignment of interior roads for ingress and egress.
- 1401 (g) Subject to availability of funds, the department shall coordinate with Cottonwood
1402 Heights to include a visitor center as part of the public transit hub project.
- 1403 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
1404 Transportation Investment Fund.
- 1405 (b) The fund shall be funded by:
- 1406 (i) money deposited into the fund in accordance with Section 59-12-103;
1407 (ii) appropriations into the account by the Legislature; and
1408 (iii) donations or grants from public or private entities.
- 1409 (c)(i) The fund shall earn interest.
1410 (ii) All interest earned on fund money shall be deposited into the fund.
- 1411 (d) The executive director may only use fund money to pay the costs needed for:
- 1412 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
1413 paved pedestrian or paved nonmotorized trail projects that:
- 1414 (A) are prioritized by the commission through the prioritization process for new
1415 transportation capacity projects adopted under Section 72-1-304;
1416 (B) serve a regional purpose; and
1417 (C) are part of an active transportation plan approved by the department or the
1418 plan described in Subsection (12)(d)(ii);
- 1419 (ii) the development of a plan for a statewide network of paved pedestrian or paved
1420 nonmotorized trails that serve a regional purpose; and
1421 (iii) the administration of the fund, including staff and overhead costs.
- 1422 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is

- 1423 defined in Section 63N-3-602.
- 1424 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
1425 Subaccount.
- 1426 (c) The subaccount shall be funded by:
- 1427 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 1428 (ii) appropriations into the subaccount by the Legislature;
- 1429 (iii) private contributions; and
- 1430 (iv) donations or grants from public or private entities.
- 1431 (d)(i) The subaccount shall earn interest.
- 1432 (ii) All interest earned on money in the subaccount shall be deposited into the
1433 subaccount.
- 1434 (e) As prioritized by the commission through the prioritization process adopted under
1435 Section 72-1-304 or as directed by the Legislature, the department may only use
1436 money from the subaccount for projects that improve the state's commuter rail
1437 infrastructure, including the building or improvement of grade-separated crossings
1438 between commuter rail lines and public highways.
- 1439 (f) Appropriations made in accordance with this section are nonlapsing in accordance
1440 with Section 63J-1-602.1.

1441 Section 15. Section **72-2-136** is enacted to read:

1442 **72-2-136 (Effective 05/06/26). Convention Center Reserves Restricted Account.**

- 1443 (1) As used in this section, "convention center" means a convention center owned by a
1444 county of the first class within a city of the first class.
- 1445 (2) There is created within the Transportation Fund a restricted account known as the
1446 "Convention Center Reserves Restricted Account."
- 1447 (3) The account consists of:
- 1448 (a) revenue transferred to the account in accordance with Subsection 72-2-124(4)(d); and
1449 (b) amounts appropriated by the Legislature.
- 1450 (4) Subject to appropriation, money in the account may be used for revitalization of a
1451 convention center and surrounding revitalization projects related to the convention
1452 center.

1453 Section 16. Section **72-2-501** is amended to read:

1454 **72-2-501 (Effective 05/06/26). Definitions.**

1455 As used in this part:

- 1456 (1) "Affordable housing unit" means a dwelling that[?]

1457 [(a) is offered for rent at a rental price affordable to a household with a gross income of
 1458 no more than 80% of the area median income for the county in which the residential
 1459 unit is offered for rent; or]

1460 [(b)] is offered for sale to an owner-occupier at a purchase price that the board
 1461 determines is affordable [~~to a household with a gross income of no more than 120%~~
 1462 ~~of the area median income~~] for the county in which the residential unit is offered for
 1463 sale and is deed restricted for [~~no fewer than~~] up to five years.

1464 (2) "Board" means the [~~affordable housing infrastructure grant board~~] Affordable Housing
 1465 Infrastructure Grant Board created in Section 72-2-503.

1466 (3) "Grant" means a grant issued to a public entity in a county of the first class, as classified
 1467 in Section 17-60-104, as provided in this part.

1468 Section 17. Section **72-2-502** is amended to read:

1469 **72-2-502 (Effective 05/06/26). Affordable housing infrastructure grant funding**
 1470 **sources.**

1471 (1) In accordance with Section 72-2-503, the board may rank, prioritize, and award
 1472 affordable housing infrastructure grants to public entities within a county of the first
 1473 class with money derived from the following sources:

1474 (a) bond proceeds deposited into the Transportation Investment Fund of 2005 created in
 1475 Section 72-2-124 in accordance with a bond issued under Section [~~63B-34-201~~]
 1476 63B-34-101;

1477 (b) for a fiscal year beginning on or after July 1, 2026, and only until June 30, 2028,
 1478 revenue deposited into the County of the First Class Highway Projects Fund created
 1479 in Section 72-2-121;

1480 [(b)] (c) appropriations by the Legislature; and

1481 [(e)] (d) any other transfers or contributions.

1482 (2) Administrative costs of the department to administer affordable housing infrastructure
 1483 grants under this part shall be paid from the funds described in Subsection (1).

1484 Section 18. Section **72-2-503** is amended to read:

1485 **72-2-503 (Effective 05/06/26). Board creation -- Duties -- Grant administration.**

1486 (1)(a) There is created the [~~affordable housing infrastructure grant board~~] Affordable
 1487 Housing Infrastructure Grant Board consisting of:

1488 (i) the following five voting members:

1489 [(a) the executive director of the department, or the executive director's designee;]

1490 [(b)] (A) the executive director of the Governor's Office of Economic Opportunity

- 1491 appointed under Section 63N-1a-302, or the executive director's designee; [and]
- 1492 (B) two individuals from a county of the first class, as classified in Section
- 1493 17-60-104, appointed by the speaker of the House of Representatives; and
- 1494 (C) two individuals from a county of the first class, as classified in Section
- 1495 17-60-104, appointed by the president of the Senate; and
- 1496 ~~[(e) an employee of the governor's office that is an expert or advisor on housing strategy,~~
- 1497 ~~appointed by the governor.]~~
- 1498 (ii) the following two nonvoting members:
- 1499 (A) the executive director of the department, or the executive director's designee;
- 1500 and
- 1501 (B) the legislative fiscal analyst, or the legislative fiscal analyst's designee.
- 1502 (b) In accordance with this section, the board shall award grants to public entities in a
- 1503 county of the first class, as classified in Section 17-60-104, for infrastructure that will
- 1504 facilitate the development of affordable housing units.
- 1505 (2)(a) The Governor's Office of Economic Opportunity shall provide staff support for
- 1506 the board and the grant program.
- 1507 (b) The Governor's Office of Economic Opportunity may use and the department shall
- 1508 transfer grant funds for the costs of the Governor's Office of Economic Opportunity
- 1509 to administer the grant program under this part.
- 1510 (c) The Governor's Office of Economic Opportunity and the department shall enter into
- 1511 a memorandum of understanding to facilitate the calculation and transfer of funds for
- 1512 the administrative costs described in Subsection (2)(b).
- 1513 (3) The Governor's Office of Economic Opportunity, in consultation with the board, shall
- 1514 develop a process for the prioritization of grant proposals that includes:
- 1515 (a) instructions on making and submitting a grant proposal;
- 1516 (b) methodology for selecting grants; and
- 1517 (c) methodology for awarding grants.
- 1518 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1519 Governor's Office of Economic Opportunity shall make rules to establish the process
- 1520 described in Subsection (3) and as otherwise necessary to implement this part.
- 1521 (5) The board shall:
- 1522 (a) accept grant applications;
- 1523 (b) rank grant proposals; and
- 1524 (c) award grants in accordance with this part.

- 1525 (6) A grant applicant shall ensure that each grant proposal includes:
- 1526 (a) information about the proposed project, including the projected number of affordable
- 1527 housing units, which may not be less than 50 units of affordable housing;
- 1528 (b) the projected time line of the proposed project;
- 1529 (c) data and information regarding the proposed types of affordable housing; and
- 1530 (d) information about the public infrastructure and other improvements needed.
- 1531 (7)(a) In considering a grant proposal, the board shall:
- 1532 (i) give priority to a project that includes, as a substantial component, the
- 1533 construction of detached single-family owner-occupied starter homes; and
- 1534 (ii) consider criteria including:
- 1535 [(†)] (A) the value and number of housing units the project will produce;
- 1536 [(†)] (B) the value of any matching contribution from the grant applicant,
- 1537 including information about how the public entity determined the value of the
- 1538 matching assets; and
- 1539 [(†)] (C) any other criteria the board determines relevant.
- 1540 (b) For a grant proposal including highway infrastructure, the board may not award a
- 1541 grant unless the grant applicant provides a minimum matching contribution of the
- 1542 right-of-way needed for the highway improvements.
- 1543 (c) If a grant proposal includes highway infrastructure, the board shall give priority to
- 1544 the construction of public highways that are highways of regional significance that
- 1545 connect to other highways or points of regional significance.
- 1546 (8)(a) Subject to available funding, and subject to Subsection (8)(b), the board may
- 1547 award a grant to a recipient that the board determines advisable.
- 1548 (b) For every \$20,000 of grant funding awarded to a recipient, the infrastructure shall
- 1549 support at least one unit of affordable housing.
- 1550 (c) The board may not award a grant to a recipient if the board determines that the
- 1551 recipient will not be able to satisfy the requirement under Subsection (8)(b).
- 1552 (9) If the board approves the award of a grant as provided in this part, the department shall
- 1553 transfer the money to the grant recipient in accordance with Subsection (10).
- 1554 (10)(a)[(a)] (i) [~~Before~~] Except as provided in Subsection (10)(b), before the
- 1555 department may provide grant money to a public entity for a project related to a
- 1556 grant awarded by the board, the public entity shall provide a detailed cost estimate
- 1557 of costs to complete the planning and design of the project.
- 1558 [~~(b)~~] (ii) If the executive director approves the cost estimate described in Subsection [

1559 ~~(10)(a)] (10)(a)(i),~~ the department may provide to the public entity grant money
 1560 reasonably necessary to complete the planning and design of the project.

1561 ~~[(e)] (iii)~~ After completion of the planning and design of a project related to a grant
 1562 awarded by the board, the public entity shall provide to the department a detailed
 1563 estimate of the costs to construct and complete the project described in Subsection [
 1564 ~~(10)(b)] (10)(a)(ii).~~

1565 ~~[(d)] (iv)~~ If the executive director approves the cost estimates described in Subsection [
 1566 ~~(10)(e)] (10)(a)(iii),~~ the department may provide grant money to a public entity to
 1567 construct and complete the project described in Subsection [~~(10)(b)] (10)(a)(ii).~~

1568 (b) The board may, in relation to a grant awarded by the board:

1569 (i) waive the requirements of Subsection (10)(a); and

1570 (ii) direct the department to transfer grant money to the grant recipient.

1571 Section 19. Section **72-5-111** is amended to read:

1572 **72-5-111 (Effective 05/06/26). Disposal of real property.**

1573 (1)(a) If the department determines that any real property or interest in real property,
 1574 acquired for a state transportation purpose, is no longer necessary for the purpose, the
 1575 department may lease, sell, exchange, or otherwise dispose of the real property or
 1576 interest in the real property.

1577 (b)(i) Real property or an interest in real property may be sold at private or public
 1578 sale.

1579 (ii) Except as provided in Subsection (1)(c) related to exchanges and Subsection
 1580 (1)(d) related to the proceeds of any sale of real property from a maintenance
 1581 facility, proceeds of any sale shall be deposited with the state treasurer and
 1582 credited to the Transportation Fund.

1583 (c)(i) Except as provided in Subsection (1)(c)(ii), if approved by the commission, real
 1584 property or an interest in real property may be exchanged by the department for
 1585 other real property or interest in real property, including improvements, for a state
 1586 transportation purpose.

1587 (ii) The department may exchange an interest in real property for another interest in
 1588 real property for a project that is part of a statewide transportation improvement
 1589 program approved by the commission.

1590 (d) Proceeds from the sale of real property or an interest in real property from a
 1591 maintenance facility may be used by the department for the purchase or improvement
 1592 of another maintenance facility, including real property.

- 1593 (2)(a) In disposing of real property or an interest in real property described in Subsection
1594 (1), the department shall give the right of first refusal for the highest offer, as defined
1595 in Section 78B-6-521, to:
- 1596 (i) for real property, the original grantor if, since the date of the original transfer to
1597 the department, the original grantor has owned real property adjacent to the
1598 transferred real property; or
 - 1599 (ii) for an interest in real property that is an easement:
 - 1600 (A) if the original grantor owns the servient estate subject to the easement, the
1601 original grantor; or
 - 1602 (B) if a subsequent bona fide purchaser owns the servient estate subject to the
1603 easement, the subsequent bona fide purchaser.
 - 1604 (b) Notwithstanding Subsection (2)(a) and Section 78B-6-521, if the department
1605 acquires real property or an easement and does not use any portion of the real
1606 property or easement for a state transportation purpose, the department shall give the
1607 original grantor the opportunity to purchase the real property or easement at the
1608 original purchase price if, since the date of the original transfer to the department, the
1609 original grantor has owned real property adjacent to the transferred real property or
1610 the servient estate subject to the easement.
 - 1611 (c) In accordance with Section 72-5-404, this Subsection (2) does not apply to property
1612 rights acquired in proposed transportation corridors using funds from the Marda
1613 Dillree Corridor Preservation Fund created in Section 72-2-117.
 - 1614 (d)[(i) ~~The right of first refusal described in this Subsection (2) is subject to the same~~
1615 ~~terms and may be assigned by the original grantor or subsequent bona fide~~
1616 ~~purchaser in the manner described in Subsection 78B-6-521(3).]~~
 - 1617 [(ii) ~~The original grantor or subsequent bona fide purchaser, or the original grantor's~~
1618 ~~or subsequent bona fide purchaser's assignee, shall notify the department of an~~
1619 ~~assignment by certified mail to the current office address of the executive director~~
1620 ~~of the department.]~~
 - 1621 (i) If an original grantor or subsequent bona fide purchaser fails to purchase real
1622 property or an easement described in this Subsection (2), the department may
1623 reject all bids and dispose of the real property or easement in accordance with
1624 Subsection 78B-6-521(3).
 - 1625 [(iii)] (ii) An exchange of real property [as provided in] under Subsection (1)(c) or
1626 Section 72-5-113 does not entitle the original grantor or subsequent bona fide

1627 purchaser to exercise the right of first refusal described in this Subsection (2).
 1628 [~~(iv)~~] (iii) The right of first refusal described in this Subsection (2) terminates upon an
 1629 exchange of the acquired real property [~~as provided in~~] under Subsection (1)(c) or
 1630 Section 72-5-113.

1631 (3)(a) Any sale, exchange, or disposal of real property or interest in real property made
 1632 by the department under this section, is exempt from the mineral reservation
 1633 provisions of Title 65A, Chapter 6, Mineral Leases.

1634 (b) Any deed made and delivered by the department under this section without specific
 1635 reservations in the deed is a conveyance of all the state's right, title, and interest in the
 1636 real property or interest in the real property.

1637 Section 20. Section **72-5-117** is amended to read:

1638 **72-5-117 (Effective 05/06/26). Rulemaking for sale of real property -- Licensed**
 1639 **or certified appraisers -- Exceptions.**

1640 (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if the
 1641 department buys, sells, or exchanges real property, the department shall make rules to
 1642 ensure that the value of the real property is congruent with the proposed price and other
 1643 terms of the purchase, sale, or exchange.

1644 (2) The rules:

1645 (a) shall establish procedures for determining the value of the real property;

1646 (b) may provide that an appraisal, as defined under Section 61-2g-102, demonstrates the
 1647 real property's value;

1648 (c) may require that the appraisal be completed by a state-certified general appraiser, as
 1649 defined under Section 61-2g-102;

1650 (d) may provide for the sale or exchange of real property, with or without charge, to a
 1651 large public transit district if the executive director enters into an agreement with the
 1652 large public transit district and determines that the real property:

1653 (i) is within the boundaries of a station area that has a station area plan certified by a
 1654 metropolitan planning organization in accordance with Section 10-21-203;

1655 (ii) is part of a transit-oriented development or transit-supportive development as
 1656 defined in Section 17B-2a-802;

1657 (iii) is adjacent to a completed fixed guideway capital development that was overseen
 1658 by the department; or

1659 (iv) will only be used by the large public transit district in a manner that the executive
 1660 director determines will provide a benefit to the state transportation system; [~~and~~]

1661 (e) may provide for the disposal of surplus real property for a purpose described in
 1662 Section 63L-12-102; and
 1663 [~~(e)~~] (f) may provide for a sale of surplus real property to a state agency or an
 1664 independent entity, as defined in Section 63E-1-102, that administers public interests
 1665 in housing for a pre-entitlement appraised value, the payment of which may be
 1666 deferred[~~until after the development of owner-occupied housing~~], as determined by
 1667 the department and subject to state and federal law.

1668 (3) Subsection (1) does not apply to the purchase, sale, or exchange of real property, or to
 1669 an interest in real property:

1670 (a) that is under a contract or other written agreement before May 5, 2008; or

1671 (b) with a value of less than \$100,000, as estimated by the state agency.

1672 Section 21. Section **78B-6-521** is amended to read:

1673 **78B-6-521 (Effective 05/06/26). Sale of property acquired by eminent domain.**

1674 (1) As used in this section:

1675 (a) "Condemnation" or "threat of condemnation" means:

1676 (i) acquisition through an eminent domain proceeding; or

1677 (ii) an official body of the state or a subdivision of the state, having the power of
 1678 eminent domain, has specifically authorized the use of eminent domain to acquire
 1679 the real property.

1680 (b)(i) "Highest offer" means all material terms of the best bona fide offer received by
 1681 the state or one of the state's subdivisions, including:

1682 (A) purchase price;

1683 (B) conditions; and

1684 (C) terms of performance.

1685 (ii) "Highest offer" does not mean the terms and conditions of an agreement to
 1686 exchange real property or an interest in real property for other real property or an
 1687 interest in real property.

1688 (2) If the state or one of the state's subdivisions, at the state's or the state subdivision's sole
 1689 discretion, declares real property or an easement the state or state subdivision acquires
 1690 through condemnation or threat of condemnation to be surplus real property, the state or
 1691 state subdivision may not sell the real property or easement at a private or public sale
 1692 unless:

1693 (a)(i) for real property, the state or state subdivision gives the right of first refusal to

1694 the original grantor for the highest offer if, since the date of the original transfer to

1695 the state or state subdivision, the original grantor has owned real property adjacent
 1696 to the transferred real property; or
 1697 (ii) for an easement, the state or state subdivision gives the right of first refusal to:
 1698 (A) if the original grantor owns the servient estate subject to the easement, the
 1699 original grantor for the highest offer; or
 1700 (B) if a subsequent bona fide purchaser owns the servient estate subject to the
 1701 easement, the subsequent bona fide purchaser for the highest offer;
 1702 (b) the original grantor or subsequent bona fide purchaser described in Subsection (2)(a):
 1703 (i) expressly waives in writing the right of first refusal on the offer; or
 1704 (ii) fails to accept the offer within 90 days after the day on which the original grantor
 1705 or subsequent bona fide purchaser receives notification by registered mail to the
 1706 original grantor's or subsequent bona fide purchaser's last-known address; and
 1707 (c) neither the state nor the state subdivision selling the property is involved in the
 1708 rezoning of the property or the acquisition of additional property to enhance the value
 1709 of the real property to be sold.

1710 (3) If an original grantor or subsequent bona fide purchaser fails to purchase surplus real
 1711 property or an easement described in Subsection (2), the state or the state subdivision
 1712 that owns the real property or easement may reject all bids and sell the real property or
 1713 easement in accordance with applicable provisions of law that govern the granting of
 1714 real property or an interest in real property by the state or the state subdivision.

1715 [~~(3)(a) If the original grantor or subsequent bona fide purchaser has not waived the right~~
 1716 ~~of first refusal as described in Subsection (2)(b), an original grantor or subsequent~~
 1717 ~~bona fide purchaser may assign the right of first refusal.]~~

1718 [~~(b) The assignment of a right of first refusal in accordance with Subsection (3)(a) does~~
 1719 ~~not extend the time for acceptance of an offer as described in Subsection (2)(b).]~~

1720 (4)(a) Real property acquired through condemnation or the threat of condemnation is not
 1721 considered surplus if the real property is approved for use in an exchange for other
 1722 real property.

1723 (b) An exchange of real property for other real property is not a private or public sale.

1724 (c) The right of first refusal described in Subsection (2)(a) shall terminate upon an
 1725 exchange of the acquired real property.

1726 (5) This section shall only apply to property acquired after July 1, 1983.

1727 Section 22. **FY 2027 Appropriations.**

1728 The following sums of money are appropriated for the fiscal year beginning July 1,

1729 2026, and ending June 30, 2027. These are additions to amounts previously appropriated for
1730 fiscal year 2027.

1731 Subsection 22(a). **Restricted Fund and Account Transfers**

1732 The Legislature authorizes the State Division of Finance to transfer the following
1733 amounts between the following funds or accounts as indicated. Expenditures and outlays from
1734 the funds to which the money is transferred must be authorized by an appropriation.

1735	ITEM 1	To State Housing Infrastructure Partnership Fund	
1736		From Transportation Infrastructure General Fund	
1737		Support Subfund, One-time	100,000,000
1738		Schedule of Programs:	
1739		State Housing Infrastructure Partnership Fund	100,000,000

1740 Section 23. **Effective Date.**

1741 This bill takes effect on May 6, 2026.