

Senator Sheldon L. Killpack proposes the following substitute bill:

LOCAL CORRIDOR PRESERVATION FUNDING

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Sheldon L. Killpack

LONG TITLE

General Description:

8 This bill modifies the Transportation Code and Motor Vehicles Code by creating the
9 Local Transportation Corridor Preservation Fund and establishing a revenue source and
10 an approval process for preservation projects for certain county and municipal
11 governments.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ allows a county legislative body to impose up to a \$20 local option transportation
15 corridor preservation fee on motor vehicle registrations and renewals of registration;

16 ▶ requires that revenues from the fee be:

- deposited in the Local Transportation Corridor Preservation Fund; and
- allocated for each county based on the total revenue received from the fee; defines council of governments and metropolitan planning organizations; allows fund monies to be used by counties that are not within a metropolitan

21 planning organization for countywide transportation planning with certain
22 limitations;

23 ▶ provides that monies from the fee are a grant to each county provided that the state
24 is not charged for any asset purchased with the monies;

25 ▶ provides that unless otherwise provided by written agreement, the highway



26 authority that holds the deed to the property is responsible for maintenance of the property and
27 that transfer of ownership of property acquired shall be done with a written agreement;

28 ▶ provides that fund monies may be used to pay maintenance costs of properties
29 acquired limited to a total of 5% of the purchase price of the property;

30 ▶ requires the department to develop and implement a program to educate highway
31 authorities on the objectives, application process, use, and responsibilities of the
32 fund monies;

33 ▶ requires the department to develop a model transportation corridor property
34 acquisition policy or ordinance that meets federal requirements;

35 ▶ requires the department to authorize the expenditure of fund monies after
36 determining that the expenditure is being made in accordance with certain
37 provisions from applications by a highway authority and endorsed by the council of
38 governments;

39 ▶ allows a council of governments to establish prioritization and application
40 procedures for use of the monies allocated to each county;

41 ▶ requires all fund monies to be prioritized by each highway authority and council of
42 governments based on certain provisions;

43 ▶ prohibits a highway authority from applying for fund monies unless the highway
44 authority has:

45 • a transportation corridor property acquisition policy or ordinance in effect that
46 meets federal requirements unless the highway authority has a written
47 agreement with the department for acquisition of property; and

48 • an access management policy or ordinance in effect that meets certain
49 requirements; and

50 ▶ makes technical changes.

51 **Monies Appropriated in this Bill:**

52 None

53 **Other Special Clauses:**

54 This bill takes effect on January 1, 2006.

55 **Utah Code Sections Affected:**

56 AMENDS:

57 **72-2-117**, as last amended by Chapter 60, Laws of Utah 2001

58 ENACTS:

59 **41-1a-1222**, Utah Code Annotated 1953

60 **72-2-117.5**, Utah Code Annotated 1953

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

63 Section 1. Section **41-1a-1222** is enacted to read:

64 **41-1a-1222. Local option transportation corridor preservation fee -- Exemptions**

65 **-- Deposit -- County ordinance -- Notice.**

66 **(1) (a) (i) A county legislative body may impose a local option transportation corridor**

67 **preservation fee of up to \$20 on each motor vehicle registration within the county.**

68 **(ii) A fee imposed under Subsection (1)(a)(i) shall be set in whole dollar increments.**

69 **(b) If imposed under Subsection (1)(a), at the time application is made for registration**

70 **or renewal of registration of a motor vehicle under this chapter, the applicant shall pay the local**

71 **option transportation corridor preservation fee established by the county legislative body.**

72 **(c) A motor vehicle that is exempt from the registration fee under Section 41-1a-1209**

73 **or Subsection 41-1a-419(3) is also exempt from the local option transportation corridor**

74 **preservation fee required by this section.**

75 **(2) The revenue generated under this section shall be:**

76 **(a) deposited in the Local Transportation Corridor Preservation Fund created in Section**

77 **72-2-117.5;**

78 **(b) credited to the county from which it is generated; and**

79 **(c) used and distributed in accordance with Section 72-2-117.5.**

80 **(3) To impose or change the amount of a fee under this section, the county legislative**

81 **body shall pass an ordinance:**

82 **(a) approving the fee;**

83 **(b) setting the amount of the fee; and**

84 **(c) providing an effective date for the fee as provided in Subsection (4).**

85 **(4) (a) If a county legislative body enacts, changes, or repeals a fee under this section,**

86 **the enactment, change, or repeal shall take effect on July 1 if the commission receives notice**

87 **meeting the requirements of Subsection (4)(b) from the county prior to April 1.**

88 (b) The notice described in Subsection (4)(a) shall:
89 (i) state that the county will enact, change, or repeal a fee under this part;
90 (ii) include a copy of the ordinance imposing the fee; and
91 (iii) if the county enacts or changes the fee under this section, state the amount of the
92 fee.

93 Section 2. Section **72-2-117** is amended to read:

94 **72-2-117. Transportation Corridor Preservation Revolving Loan Fund --**

95 **Distribution -- Repayment -- Rulemaking.**

96 (1) There is created the Transportation Corridor Preservation Revolving Loan Fund
97 within the Transportation Fund.

98 (2) The fund shall be funded from the following sources:

99 (a) motor vehicle rental tax imposed under Section 59-12-1201;
100 (b) appropriations made to the fund by the Legislature;
101 (c) contributions from other public and private sources for deposit into the fund;
102 (d) interest earnings on cash balances;
103 (e) all monies collected for repayments and interest on fund monies;
104 (f) all monies collected from rents and sales of real property acquired with fund
105 monies; and

106 (g) proceeds from general obligation bonds, revenue bonds, or other obligations [~~issued~~
107 ~~in accordance with Title 63, Chapter 9a, State Building Ownership, and]~~ as authorized by Title
108 63B, Bonds.

109 (3) All monies appropriated to the Transportation Corridor Preservation Revolving
110 Loan Fund are nonlapsing.

111 (4) (a) The commission shall authorize the expenditure of fund monies to allow the
112 department to acquire real property or any interests in real property for state, county, and
113 municipal transportation corridors subject to:

114 (i) monies available in the fund;
115 (ii) rules made under Subsection (7); and
116 (iii) Subsection (9).

117 (b) Fund monies may be used to pay interest on debts incurred in accordance with this
118 section.

119 (5) Administrative costs of the Transportation Corridor Preservation Revolving Loan
120 Fund shall be paid from the fund.

121 (6) The department:

122 (a) may apply to the commission under this section for monies from the Transportation
123 Corridor Preservation Revolving Loan Fund for a specified transportation corridor project,
124 including for county and municipal projects; and

125 (b) shall repay the fund monies authorized for the project to the fund as required under
126 Subsection (7).

127 (7) The commission shall:

128 (a) administer the Transportation Corridor Preservation Revolving Loan Fund to:

129 (i) preserve transportation corridors[-];

130 (ii) promote long-term statewide transportation planning[-];

131 (iii) save on acquisition costs[-]; and

132 (iv) promote the best interests of the state in a manner which minimizes impact on
133 prime agricultural land;

134 (b) prioritize fund monies based on considerations, including:

135 (i) areas with rapidly expanding population;

136 (ii) the willingness of local governments to complete studies and impact statements
137 that meet department standards;

138 (iii) the preservation of corridors by the use of local planning and zoning processes;

139 (iv) the availability of other public and private matching funds for a project; and

140 (v) the cost-effectiveness of the preservation projects; [and]

141 (c) designate high priority corridor preservation projects in cooperation with a
142 metropolitan planning organization;

143 (d) administer the program for the purposes provided in this section;

144 (e) prioritize fund monies in accordance with this section; and

145 [¶] (f) make rules in accordance with Title 63, Chapter 46a, Utah Administrative
146 Rulemaking Act, establishing:

147 (i) the procedures for the

148 (ii) the procedures for the department to apply for the

149 monies for projects; and

154 (i) the acquisition of real property in hardship cases; and

155 (ii) any of the purposes authorized for funds in the Transportation Corridor
156 Preservation Revolving Loan Fund under this section.

157 (b) The commission shall pledge the necessary part of the revenues of the
158 Transportation Corridor Preservation Revolving Loan Fund to the payment of principal of and
159 interest on the [revenue] bonds or other obligations.

160 (9) (a) The department may not apply for monies under this section [for a] unless the
161 highway authority [that does not have] has an access management policy or ordinance in effect
162 that meets the requirements under Subsection (9)(b).

163 (b) The access management policy or ordinance shall:

164 (i) be for the purpose of balancing the need for reasonable access to land uses with the
165 need to preserve the smooth flow of traffic on the highway system in terms of safety, capacity,
166 and speed; and

167 (ii) include provisions:

168 (A) limiting the number of conflict points at driveway locations;

169 (B) separating conflict areas;

170 (C) reducing the interference of through traffic;

171 (D) spacing at-grade signalized intersections; and

172 (E) providing for adequate on-site circulation and storage.

173 (c) The department shall develop a model access management policy or ordinance that
174 meets the requirements of this Subsection (9) for the benefit of a county or municipality under
175 this section.

176 (10) (a) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
177 Act, the commission shall make rules establishing a corridor preservation advisory council.

178 (b) The corridor preservation advisory council shall:

179 (i) assist with and help coordinate the corridor preservation efforts of the department
180 and local governments;

181 (ii) provide recommendations and priorities concerning corridor preservation and the
182 use of fund monies to the department and to the commission; and

183 (iii) include members designated by each metropolitan planning organization in the
184 state to represent local governments that are involved with corridor preservation through
185 official maps and planning.

186 Section 3. Section **72-2-117.5** is enacted to read:

72-2-117.5. Local Transportation Corridor Preservation Fund -- Distribution --

188 Rulemaking.

(1) As used in this section:

190 (a) "council of governments" means a decision-making body in each county composed
191 of the county governing body and the mayors of each municipality in the county; and

192 **(b) "metropolitan planning organization" has the same meaning as defined in Section**
193 **72-1-208.5.**

194 (2) There is created the Local Transportation Corridor Preservation Fund within the
195 Transportation Fund.

196 (3) The fund shall be funded from the following sources:

197 (a) a local option transportation corridor preservation fee imposed under Section
198 41-1a-1222;

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

200 (c) contributions from other public and private sources for deposit into the fund;

201 (d) interest earnings on cash balances;

202 (e) all monies collected from rents and sales of real property acquired with fund
203 monies; and

204 (f) proceeds from general obligation bonds, revenue bonds, or other obligations issued
205 as authorized by Title 63B, Bonds.

206 (4) (a) All monies appropriated to the Local Transportation Corridor Preservation Fund
207 are nonlapsing.

208 (b) The Tax Commission shall provide the department with sufficient data for the
209 department to allocate the revenues provided under Subsection (3)(a) to each county imposing
210 a local option transportation corridor preservation fee under Section 41-1a-1222.

211 (c) The monies allocated under Subsection (4)(b):

212 (i) shall be used for the purposes provided in this section for each county; and

213 (ii) are allocated to each county as provided in this section:

214 (A) with the condition that the state will not be charged for any asset purchased with
215 the monies allocated under Subsection (4)(b); and

216 (B) are considered a local matching contribution for the purposes described under
217 Section 72-2-123 if used on a state highway.

218 (d) Administrative costs of the department to implement this section shall be paid from
219 the fund.

220 (5) (a) The department shall authorize the expenditure of fund monies to allow a
221 highway authority to acquire real property or any interests in real property for state, county, and
222 municipal transportation corridors subject to:

223 (i) monies available in the fund to each county under Subsection (4)(b); and

224 (ii) the provisions of this section.

225 (b) Fund monies may be used to pay interest on debts incurred in accordance with this
226 section.

227 (c) (i) (A) Fund monies may be used to pay maintenance costs of properties acquired
228 under this section but limited to a total of 5% of the purchase price of the property.

229 (B) Any additional maintenance cost shall be paid from funds other than under this
230 section.

231 (C) Revenue generated by any property acquired under this section is excluded from
232 the limitations under this Subsection (5)(c)(i).

233 (ii) Fund monies may be used to pay direct costs of acquisition of properties acquired
234 under this section.

235 (d) Fund monies allocated under Subsection (4)(b) may be used by a county highway
236 authority for countywide transportation planning if:

237 (i) the county is not included in a metropolitan planning organization;

238 (ii) the transportation planning is part of the county's continuing, cooperative, and
239 comprehensive process for transportation planning, corridor preservation, right-of-way
240 acquisition, and project programming;

241 (iii) no more than four years allocation every 20 years to each county is used for
242 transportation planning under this Subsection (5)(d); and

243 (iv) the county otherwise qualifies to use the fund monies as provided under this
244 section.

245 (e) (i) Fund monies allocated under Subsection (4)(b) may be used by a county
246 highway authority for transportation corridor planning that is part of the corridor elements of an
247 ongoing work program of transportation projects.

248 (ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the
249 direction of:

250 (A) the metropolitan planning organization if the county is within the boundaries of a
251 metropolitan planning organization; or

252 (B) the department if the county is not within the boundaries of a metropolitan
253 planning organization.

254 (6) (a) (i) The Local Transportation Corridor Preservation Fund shall be used to
255 preserve transportation corridors, promote long-term statewide transportation planning, save on
256 acquisition costs, and promote the best interests of the state in a manner which minimizes
257 impact on prime agricultural land.

258 (ii) The Local Transportation Corridor Preservation Fund may not be used for a
259 transportation corridor that is primarily a recreational trail as defined under Section
260 63-11a-101.

261 (b) (i) The department shall develop and implement a program to educate highway
262 authorities on the objectives, application process, use, and responsibilities of the Local
263 Transportation Corridor Preservation Fund as provided under this section to promote the most
264 efficient and effective use of fund monies including priority use on designated high priority
265 corridor preservation projects.

266 (ii) The department shall develop a model transportation corridor property acquisition
267 policy or ordinance that meets federal requirements for the benefit of a highway authority to
268 acquire real property or any interests in real property under this section.

269 (c) The department shall authorize the expenditure of fund monies after determining
270 that the expenditure is being made in accordance with this section from applications that are:

271 (i) made by a highway authority; and

272 (ii) endorsed by the council of governments:

273 (7) (a) (i) A council of governments may establish a council of governments

274 endorsement process which includes prioritization and application procedures for use of the
275 monies allocated to each county under this section.

276 (ii) The endorsement process under Subsection (7)(a)(i) may include review or
277 endorsement of the preservation project by the:

278 (A) metropolitan planning organization if the county is within the boundaries of a
279 metropolitan planning organization; or

280 (B) the department if the county is not within the boundaries of a metropolitan
281 planning organization.

282 (b) All fund monies shall be prioritized by each highway authority and council of
283 governments based on considerations, including:

284 (i) areas with rapidly expanding population;

285 (ii) the willingness of local governments to complete studies and impact statements
286 that meet department standards;

287 (iii) the preservation of corridors by the use of local planning and zoning processes;

288 (iv) the availability of other public and private matching funds for a project;

289 (v) the cost-effectiveness of the preservation projects;

290 (vi) long and short-term maintenance costs for property acquired; and

291 (viii) whether the transportation corridor is included as part of:

292 (A) the county and municipal master plan; and

293 (B) (I) the statewide long range plan; or

294 (II) the regional transportation plan of the area metropolitan planning organization if
295 one exists for the area.

296 (8) (a) Unless otherwise provided by written agreement with another highway
297 authority, the highway authority that holds the deed to the property is responsible for
298 maintenance of the property.

299 (b) The transfer of ownership for property acquired under this section from one
300 highway authority to another shall include a written agreement between the highway
301 authorities.

302 (9) (a) The proceeds from any bonds or other obligations secured by revenues of the
303 Local Transportation Corridor Preservation Fund shall be used for the purposes authorized for
304 funds under this section.

305 (b) The highway authority shall pledge the necessary part of the revenues of the Local
306 Transportation Corridor Preservation Fund to the payment of principal and interest on the
307 bonds or other obligations.

308 (10) (a) A highway authority may not apply for monies under this section unless the
309 highway authority has:

310 (i) a transportation corridor property acquisition policy or ordinance in effect that
311 meets federal requirements for the acquisition of real property or any interests in real property
312 under this section; and

313 (ii) an access management policy or ordinance in effect that meets the requirements
314 under Subsection 72-2-117(9).

315 (b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a
316 written agreement with the department for the acquisition of real property or any interests in
317 real property under this section.

318 Section 4. **Effective date.**

319 This bill takes effect on January 1, 2006.

State Impact

Provisions of this bill enable county governments to impose up to a \$20 local option transportation corridor preservation fee on motor vehicle registrations. It is unknown at this time how many counties will impose the fee or what proportion of the \$20 option they might impose. Therefore, it is unknown what revenues would be generated. If a substantial number of counties imposed the fee increase additional administrative personnel could be required at the Tax Commission and the Department of Transportation.

Individual and Business Impact

If fees were imposed on registration of vehicles that increased would be assessed to individuals and businesses that own vehicles.

Office of the Legislative Fiscal Analyst