

Representative Wayne A. Harper proposes the following substitute bill:

AMENDMENTS TO TRANSPORTATION

PROVISIONS

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies the Motor Vehicles Code, the Sales and Use Tax Act, the Motor and Special Fuel Tax Act, and the Transportation Code by amending provisions relating to transportation.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ creates the Mountain View Corridor Fund;
- ▶ provides that the following shall be deposited in the Mountain View Corridor Fund:
 - the local corridor preservation fee imposed in a county of the first class;
 - 25% of the .25% Public Transit Tax revenue in a county of the first class when certain bonds have been paid off; and
 - 25% of the County Option Sales and Use Tax for Transportation tax revenue imposed in a county of the first class that is designated for corridor preservation;
- ▶ provides that beginning on July 1, 2009, until December 31, 2018, the motor fuel and special fuel tax rate shall be increased by 2 cents every two years in the odd numbered year;



- 26 ▶ provides procedures for implementing the motor fuel and special fuel tax rate
- 27 adjustment;
- 28 ▶ grants the State Tax Commission rulemaking authority to establish rules to
- 29 implement the motor fuel and special fuel tax rate adjustment provisions;
- 30 ▶ exempts the Mountain View Corridor Fund from spending limit provisions;
- 31 ▶ authorizes issuance of a \$300,000,000 general obligation bond to pay all or part of
- 32 the cost of acquiring and constructing a highway construction project within the
- 33 Mountain View Corridor;
- 34 ▶ exempts the general obligation bond from certain debt limitation provisions;
- 35 ▶ authorizes the Department of Transportation to spend revenues deposited in the
- 36 Transportation Corridor Preservation Revolving Loan Fund on administrative costs
- 37 for transportation corridor preservation;
- 38 ▶ restricts the use of the Local Transportation Corridor Preservation Fund revenue to
- 39 preserve highway corridors that are rights-of-way for certain highways;
- 40 ▶ requires the Division of Finance to transfer funds from the State Public
- 41 Transportation System Tax Highway Fund into the Mountain View Corridor Fund if
- 42 the fund monies are not required to pay certain costs for certain highway projects in
- 43 the current fiscal year;
- 44 ▶ provides that local revenues from a county of the first class that are deposited in the
- 45 Mountain View Corridor Fund and used to pay for the purchase of rights-of-way or
- 46 construction costs for a project within the Mountain View Corridor shall be
- 47 considered a local matching contribution; and
- 48 ▶ makes technical changes.

49 Monies Appropriated in this Bill:

50 None

51 Other Special Clauses:

52 This bill takes effect on July 1, 2007.

53 Utah Code Sections Affected:**54 AMENDS:**

55 **41-1a-1222**, as enacted by Chapter 284, Laws of Utah 2005

56 **59-12-502**, as last amended by Chapters 253 and 329, Laws of Utah 2006

57 **59-12-1703**, as enacted by Chapter 1, Laws of Utah 2006, Fourth Special Session
58 **59-13-201**, as last amended by Chapter 237, Laws of Utah 2004
59 **59-13-301**, as last amended by Chapters 7 and 268, Laws of Utah 2003
60 **59-13-304**, as last amended by Chapter 1, Laws of Utah 2005, First Special Session
61 **63-38c-103**, as last amended by Chapter 1, Laws of Utah 2005, First Special Session
62 **63-38c-402**, as last amended by Chapters 308 and 318, Laws of Utah 2004
63 **72-2-117**, as last amended by Chapter 284, Laws of Utah 2005
64 **72-2-117.5**, as last amended by Chapter 1, Laws of Utah 2006, Fourth Special Session
65 **72-2-121**, as last amended by Chapter 1, Laws of Utah 2006, Fourth Special Session

66 ENACTS:

67 **63B-16-101**, Utah Code Annotated 1953
68 **72-2-125**, Utah Code Annotated 1953

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

71 Section 1. Section **41-1a-1222** is amended to read:

72 **41-1a-1222. Local option transportation corridor preservation fee -- Exemptions**
73 **-- Deposit -- County ordinance -- Notice.**

74 (1) (a) (i) A county legislative body may impose a local option transportation corridor
75 preservation fee of up to \$10 on each motor vehicle registration within the county.

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

77 (b) If imposed under Subsection (1)(a), at the time application is made for registration
78 or renewal of registration of a motor vehicle under this chapter, the applicant shall pay the local
79 option transportation corridor preservation fee established by the county legislative body.

80 (c) A motor vehicle that is exempt from the registration fee under Section 41-1a-1209
81 or Subsection 41-1a-419(3) is also exempt from the local option transportation corridor
82 preservation fee required by this section.

83 (d) A commercial motor vehicle with an apportioned registration under Section
84 41-1a-301 is exempt from the local option transportation corridor preservation fee required by
85 this section.

86 (2) ~~[The]~~ (a) Except as provided in Subsection (2)(b), the revenue generated under this
87 section shall be:

88 ~~[(a)]~~ (i) deposited in the Local Transportation Corridor Preservation Fund created in
89 Section 72-2-117.5;

90 ~~[(b)]~~ (ii) credited to the county from which it is generated; and

91 ~~[(c)]~~ (iii) used and distributed in accordance with Section 72-2-117.5.

92 (b) The revenue generated by a fee imposed under this section in a county of the first
93 class shall be:

94 (i) deposited in the Mountain View Corridor Fund created in Section 72-2-125; and

95 (ii) used in accordance with Section 72-2-125.

96 (3) To impose or change the amount of a fee under this section, the county legislative
97 body shall pass an ordinance:

98 (a) approving the fee;

99 (b) setting the amount of the fee; and

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

101 (4) (a) If a county legislative body enacts, changes, or repeals a fee under this section,
102 the enactment, change, or repeal shall take effect on July 1 if the commission receives notice
103 meeting the requirements of Subsection (4)(b) from the county prior to April 1.

104 (b) The notice described in Subsection (4)(a) shall:

105 (i) state that the county will enact, change, or repeal a fee under this part;

106 (ii) include a copy of the ordinance imposing the fee; and

107 (iii) if the county enacts or changes the fee under this section, state the amount of the
108 fee.

109 Section 2. Section **59-12-502** is amended to read:

110 **59-12-502. Additional public transit tax for expanded system and fixed guideway**
111 **and interstate improvements -- Base -- Rate -- Voter approval.**

112 (1) (a) (i) In addition to other sales and use taxes, including the public transit district tax
113 authorized by Section 59-12-501, a county, city, or town within a transit district organized
114 under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act, may impose a sales and
115 use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the
116 county, city, or town, to fund a fixed guideway and expanded public transportation system.

117 (ii) Notwithstanding Subsection (1)(a)(i), a county, city, or town may not impose a tax
118 under this section on:

(A) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; and

(B) any amounts paid or charged by a seller that collects a tax under Subsection 59-12-107(1)(b).

(b) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Section 59-12-207.

(c) (i) A county, city, or town may impose the tax under this section only if the governing body of the county, city, or town submits, by resolution, the proposal to all the qualified voters within the county, city, or town for approval at a general or special election conducted in the manner provided by statute.

(ii) Notice of the election under Subsection (1)(c)(i) shall be given by the county, city, or town governing body 15 days in advance in the manner prescribed by statute.

(2) If the majority of the voters voting in this election approve the proposal, it shall become effective on the date provided by the county, city, or town governing body.

(3) (a) This section may not be construed to require an election in jurisdictions where voters have previously approved a public transit sales or use tax.

(b) This section shall be construed to require an election to impose the sales and use tax authorized by this section, including jurisdictions where the voters have previously approved the sales and use tax authorized by Section 59-12-501, but this section may not be construed to affect the sales and use tax authorized by Section 59-12-501.

(4) No public funds shall be spent to promote the required election.

(5) (a) Notwithstanding the designated use of revenues in Subsection (1), of the revenues generated by the tax imposed under this section by any county of the first class:

(i) 75% shall be allocated to fund a fixed guideway and expanded public transportation system; and

(ii) except as provided in Subsection (5)(b), 25% shall be allocated to fund new construction, major renovations, and improvements to Interstate 15 and state highways within the county and to pay any debt service and bond issuance costs related to those projects.

~~[(b) Notwithstanding the designated use of revenues in Subsection (1), beginning on July 1, 2006, and ending on July 1, 2007, a county of the first class may expend an amount not to exceed \$3,500,000 of the revenues described in Subsection (5)(a)(ii) for expenses relating to~~

reconfiguring railroad curves within that county to reduce rail congestion.]

(b) (i) As used in this Subsection (5)(b), "Mountain View Corridor" means the land area of Salt Lake County running from Interstate 80 south between SR-154 and SR-111 to 12600 South and then south and southeasterly to the northern portion of Utah County west of SR-15.

(ii) Beginning on July 1, 2008 and except as provided in Subsection (5)(c), a bond may not be issued to fund new construction, major renovations, and improvements to Interstate 15 and state highways within the county if the bond is intended to be paid from revenues allocated under Subsection (5)(a)(ii).

(iii) When all bonds incurred before July 1, 2008 for new construction, major renovations, and improvements to Interstate 15 and state highways within the county which were intended to be paid from revenues allocated under Subsection (5)(a)(ii) have been paid off, the revenues generated by the tax imposed under this section that are allocated under Subsection (5)(a)(ii) shall be deposited in the Mountain View Corridor Fund created in Section 72-2-125.

(iv) The Department of Transportation shall notify the commission when all bonds that are intended to be paid from revenues allocated under Subsection (5)(a)(ii) have been paid off.

(6) A county of the first class may, through an interlocal agreement, authorize the deposit or transfer of the portion of the revenues described in Subsection (5)(a)(ii) to the Public Transportation System Tax Highway Fund created in Section 72-2-121.

Section 3. Section **59-12-1703** is amended to read:

59-12-1703. Opinion question election -- Base -- Rate -- Imposition of tax -- Use of tax revenues -- Administration, collection, and enforcement of tax by commission -- Administrative fee -- Enactment or repeal of tax -- Annexation -- Notice.

(1) (a) Beginning on or after April 1, 2007, and subject to the other provisions of this part, a county legislative body may impose a sales and use tax of up to .25%:

(i) on the transactions:

(A) described in Subsection 59-12-103(1); and

(B) within the county, including the cities and towns within the county;

(ii) for the purposes described in Subsection (4); and

(iii) in addition to any other sales and use tax authorized under this chapter.

(b) Notwithstanding Subsection (1)(a)(i), a county legislative body may not impose a tax under this section on:

(i) the sales and uses described in Section 59-12-104 to the extent the sales and uses are exempt from taxation under Section 59-12-104; or

(ii) any amounts paid or charged by a seller that collects a tax under Subsection 59-12-107(1)(b).

(c) For purposes of this Subsection (1), the location of a transaction shall be determined in accordance with Section 59-12-207.

(2) (a) Except as provided in Subsection (2)(d), before imposing a tax under this part, a county legislative body shall:

(i) obtain approval from a majority of the members of the county legislative body to impose the tax; and

(ii) submit an opinion question to the county's registered voters voting on the imposition of the tax so that each registered voter has the opportunity to express the registered voter's opinion on whether a tax should be imposed under this part.

(b) (i) In a county of the first or second class, the opinion question required by Subsection (2)(a)(ii) shall state the following:

"Shall (insert the name of the county), Utah, be authorized to impose a (insert the amount of the sales and use tax up to .25%) sales and use tax for corridor preservation, congestion mitigation, or to expand capacity for regionally significant transportation facilities?"

(ii) In a county of the third, fourth, fifth, or sixth class, the opinion question required by Subsection (2)(a)(ii) shall state the following:

"Shall (insert the name of the county), Utah, be authorized to impose a (insert the amount of the sales and use tax up to .25%) sales and use tax for transportation projects, corridor preservation, congestion mitigation, or to expand capacity for regionally significant transportation facilities?"

(c) Except as provided in Subsection (2)(d), the election required by this Subsection (2) shall be held:

(i) at a regular general election conducted in accordance with the procedures and requirements of Title 20A, Election Code, governing regular elections; or

(ii) at a special election called by the county legislative body that is:

(A) held only on the date of a municipal general election as provided in Subsection 20A-1-202(1); and

(B) authorized in accordance with the procedures and requirements of Section 20A-1-203.

(d) Notwithstanding Subsection (2)(a) or (c), if a county seeks to impose a tax under this part on or after April 1, 2007, but on or before December 31, 2007, the county legislative body shall:

(i) obtain the approval required by Subsection (2)(a)(i) within five calendar days of September 20, 2006;

(ii) direct the county clerk to submit the opinion question required by Subsection (2)(a)(ii) during the November 7, 2006 general election; and

(iii) hold the election required by this section on November 7, 2006.

(3) If a county legislative body determines that a majority of the county's registered voters voting on the imposition of the tax have voted in favor of the imposition of the tax in accordance with Subsection (2), the county legislative body shall impose the tax in accordance with this section.

(4) (a) Subject to Subsections (5) and (6), the revenues generated by a tax under this part may only be expended for:

(i) a project or service:

(A) relating to a regionally significant transportation facility;

(B) for the portion of the project or service that is performed within the county;

(C) for new capacity or congestion mitigation if the project or service is performed within a county:

(I) of the first class;

(II) of the second class; or

(III) that is part of an area metropolitan planning organization;

(D) (I) if the project or service is a principal arterial highway or a minor arterial highway in a county of the first or second class, that is part of the county and municipal master plan and part of:

(Aa) the statewide long-range plan; or

(Bb) the regional transportation plan of the area metropolitan planning organization if a

metropolitan planning organization exists for the area; or

(II) if the project or service is for a fixed guideway or an airport, that is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; and

(E) that is on a priority list:

(I) created by the county's council of governments in accordance with Subsection (5); and

(II) approved by the county legislative body in accordance with Subsection (6);

(ii) corridor preservation for a project described in Subsection (4)(a)(i) as provided in Subsection (7)(b); or

(iii) any debt service and bond issuance costs related to a project described in Subsection (4)(a)(i) or (ii).

(b) In a county of the first or second class, a regionally significant transportation facility project or service described in Subsection (4)(a)(i)(A) must have a funded year priority designation on a Statewide Transportation Improvement Program and Transportation Improvement Program if the project or service described in Subsection (4)(a)(i) is:

(i) a principal arterial highway as defined in Section 72-4-102.5;

(ii) a minor arterial highway as defined in Section 72-4-102.5; or

(iii) a major collector highway:

(A) as defined in Section 72-4-102.5; and

(B) in a rural area.

(c) Notwithstanding the designated use of revenues in Subsection (4)(a), of the revenues generated by the tax imposed under this section by any county of the first or second class, 25% or more shall be expended for the purpose described in Subsection (4)(a)(ii).

(d) For purposes of this Subsection (4), the revenues a county will receive from a tax under this part do not include amounts retained by the commission in accordance with Subsection (8).

(5) (a) The county's council of governments shall create a priority list of regionally significant transportation facility projects described in Subsection (4)(a) using the process described in Subsection (5)(b) and present the priority list to the county's legislative body for approval as described in Subsection (6).

(b) Subject to Sections 59-12-1704 and 59-12-1705, a council of governments shall establish a council of governments' endorsement process which includes prioritization and application procedures for use of the revenues a county will receive from a tax under this part.

(6) (a) The council of governments shall submit the priority list described in Subsection (5) to the county's legislative body and obtain approval of the list from a majority of the members of the county legislative body.

(b) A county's council of governments may only submit one priority list per calendar year.

(c) A county legislative body may only consider and approve one priority list per calendar year.

(7) (a) (i) Except as provided in Subsections (7)(a)(ii) and (7)(b), revenues described in Subsection (4) shall be transmitted:

(A) by the commission;

(B) to the county;

(C) monthly; and

(D) by electronic funds transfer.

(ii) A county may request that the commission transfer a portion of the revenues described in Subsection (4):

(A) directly to a public transit district:

(I) organized under Title 17A, Chapter 2, Part 10, Utah Public Transit District Act; and

(II) designated by the county; and

(B) by providing written notice to the commission:

(I) requesting the revenues to be transferred directly to a public transit district as provided in Subsection (7)(a)(ii)(A); and

(II) designating the public transit district to which the revenues are requested to be transferred.

(b) (i) Except as provided in Subsection (7)(b)(ii), revenues generated by a tax under this part that are allocated for a purpose described in Subsection (4)(a)(ii) shall be:

(A) deposited in or transferred to the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5; and

(B) expended as provided in Section 72-2-117.5.

(ii) In a county of the first class, revenues generated by a tax under this part that are allocated for a purpose described in Subsection (4)(a)(ii) shall be:

(A) deposited in or transferred to the ~~[Public Transportation System Tax Highway]~~ Mountain View Corridor Fund created by Section ~~[72-2-121]~~ 72-2-125; and

(B) expended as provided in Section ~~[72-2-121]~~ 72-2-125.

(8) (a) (i) Except as provided in Subsection (8)(b), the tax authorized under this part shall be administered, collected, and enforced in accordance with:

(A) the same procedures used to administer, collect, and enforce the tax under:

(I) Part 1, Tax Collection; or

(II) Part 2, Local Sales and Use Tax Act; and

(B) Chapter 1, General Taxation Policies.

(ii) A tax under this part is not subject to Subsections 59-12-205(2) through (7).

(b) (i) The commission may retain an amount of tax collected under this part of not to exceed the lesser of:

(A) 1.5%; or

(B) an amount equal to the cost to the commission of administering this part.

(ii) Any amount the commission retains under Subsection (8)(b)(i) shall be:

(A) placed in the Sales and Use Tax Administrative Fees Account; and

(B) used as provided in Subsection 59-12-206(2).

(9) (a) (i) Except as provided in Subsection (9)(b) or (c), if, on or after April 1, 2007, a county enacts or repeals a tax or changes the rate of a tax under this part, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(a)(ii) from the county.

(ii) The notice described in Subsection (9)(a)(i)(B) shall state:

(A) that the county will enact, repeal, or change the rate of a tax under this part;

(B) the statutory authority for the tax described in Subsection (9)(a)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(a)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(a)(ii)(A), the rate of the tax.

(b) (i) For a transaction described in Subsection (9)(b)(iii), if the billing period for the transaction begins before the effective date of the enactment of the tax or tax rate increase under Subsection (1), the enactment of a tax or a tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) For a transaction described in Subsection (9)(b)(iii), if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

(iii) Subsections (9)(b)(i) and (ii) apply to transactions subject to a tax under:

(A) Subsection 59-12-103(1)(b);

(B) Subsection 59-12-103(1)(c);

(C) Subsection 59-12-103(1)(d);

(D) Subsection 59-12-103(1)(e);

(E) Subsection 59-12-103(1)(f);

(F) Subsection 59-12-103(1)(g);

(G) Subsection 59-12-103(1)(h);

(H) Subsection 59-12-103(1)(i);

(I) Subsection 59-12-103(1)(j); or

(J) Subsection 59-12-103(1)(k).

(c) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (9)(a)(i) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate of the tax under Subsection (9)(a)(i).

(ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(d) (i) Except as provided in Subsection (9)(e) or (f), if, for an annexation that occurs on or after April 1, 2007, the annexation will result in the enactment, repeal, or change in the

rate of a tax under this part for an annexing area, the enactment, repeal, or change shall take effect:

(A) on the first day of a calendar quarter; and

(B) after a 90-day period beginning on the date the commission receives notice meeting the requirements of Subsection (9)(d)(ii) from the county that annexes the annexing area.

(ii) The notice described in Subsection (9)(d)(i)(B) shall state:

(A) that the annexation described in Subsection (9)(d)(i)(B) will result in an enactment, repeal, or change in the rate of a tax under this part for the annexing area;

(B) the statutory authority for the tax described in Subsection (9)(d)(ii)(A);

(C) the effective date of the tax described in Subsection (9)(d)(ii)(A); and

(D) if the county enacts the tax or changes the rate of the tax described in Subsection (9)(d)(ii)(A), the rate of the tax.

(e) (i) For a transaction described in Subsection (9)(e)(iii), if the billing period for the transaction begins before the effective date of the enactment of the tax or a tax rate increase under Subsection (1), the enactment of a tax or a tax rate increase shall take effect on the first day of the first billing period that begins after the effective date of the enactment of the tax or the tax rate increase.

(ii) For a transaction described in Subsection (9)(e)(iii), if the billing period for the transaction begins before the effective date of the repeal of the tax or the tax rate decrease imposed under Subsection (1), the repeal of a tax or a tax rate decrease shall take effect on the first day of the last billing period that began before the effective date of the repeal of the tax or the tax rate decrease.

(iii) Subsections (9)(e)(i) and (ii) apply to transactions subject to a tax under:

(A) Subsection 59-12-103(1)(b);

(B) Subsection 59-12-103(1)(c);

(C) Subsection 59-12-103(1)(d);

(D) Subsection 59-12-103(1)(e);

(E) Subsection 59-12-103(1)(f);

(F) Subsection 59-12-103(1)(g);

(G) Subsection 59-12-103(1)(h);

(H) Subsection 59-12-103(1)(i);

(I) Subsection 59-12-103(1)(j); or

(J) Subsection 59-12-103(1)(k).

(f) (i) If a tax due under this chapter on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, an enactment, repeal, or change in the rate of a tax described in Subsection (9)(d)(i) takes effect:

(A) on the first day of a calendar quarter; and

(B) beginning 60 days after the effective date of the enactment, repeal, or change in the rate under Subsection (9)(d)(i).

(ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

Section 4. Section **59-13-201** is amended to read:

59-13-201. Rate -- Tax basis -- Exemptions -- Revenue deposited in the Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of tax in limited circumstances.

(1) (a) Subject to the provisions of this section, a tax is imposed at the rate of 24-1/2 cents per gallon upon all motor fuel that is sold, used, or received for sale or used in this state.

(b) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a), rounded up to the nearest penny, upon all motor fuels that meet the definition of clean fuel in Section 59-13-102 and are sold, used, or received for sale or use in this state.

(c) (i) Beginning on or after January 1, 2009, and until December 31, 2018, the commission shall, every two years in the odd numbered year, increase the rate imposed under Subsection (1)(a) by 2 cents.

(ii) The adjusted fuel tax rate shall take effect on January 1 in a year that the fuel tax rate is required to be adjusted in accordance with Subsection (1)(c)(i).

(iii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may make rules implementing the provisions of this Subsection (1)(c).

(2) Any increase or decrease in tax rate applies to motor fuel that is imported to the state or sold at refineries in the state on or after the effective date of the rate change.

(3) (a) No motor fuel tax is imposed upon:

(i) motor fuel that is brought into and sold in this state in original packages as purely

interstate commerce sales;

(ii) motor fuel that is exported from this state if proof of actual exportation on forms prescribed by the commission is made within 180 days after exportation;

(iii) motor fuel or components of motor fuel that is sold and used in this state and distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in this state; or

(iv) motor fuel that is sold to the United States government, this state, or the political subdivisions of this state.

(b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall make rules governing the procedures for administering the tax exemption provided under Subsection (3)(a)(iv).

(4) The commission may either collect no tax on motor fuel exported from the state or, upon application, refund the tax paid.

(5) (a) All revenue received by the commission under this part shall be deposited daily with the state treasurer and credited to the Transportation Fund.

(b) An appropriation from the Transportation Fund shall be made to the commission to cover expenses incurred in the administration and enforcement of this part and the collection of the motor fuel tax.

(6) (a) The commission shall determine what amount of motor fuel tax revenue is received from the sale or use of motor fuel used in motorboats registered under the provisions of the State Boating Act, and this amount shall be deposited in a restricted revenue account in the General Fund of the state.

(b) The funds from this account shall be used for the construction, improvement, operation, and maintenance of state-owned boating facilities and for the payment of the costs and expenses of the Division of Parks and Recreation in administering and enforcing the State Boating Act.

(7) (a) The United States government or any of its instrumentalities, this state, or a political subdivision of this state that has purchased motor fuel from a licensed distributor or from a retail dealer of motor fuel and has paid the tax on the motor fuel as provided in this section is entitled to a refund of the tax and may file with the commission for a quarterly refund.

(b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund provided for in Subsection (7)(a).

(8) (a) The commission shall refund annually into the Off-Highway Vehicle Account in the General Fund an amount equal to the lesser of the following:

(i) .5% of the motor fuel tax revenues collected under this section; or

(ii) \$1,050,000.

(b) This amount shall be used as provided in Section 41-22-19.

(c) This Subsection (8) sunsets on July 1, 2010.

(9) (a) Beginning on April 1, 2001, a tax imposed under this section on motor fuel that is sold, used, or received for sale or use in this state is reduced to the extent provided in Subsection (9)(b) if:

(i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor fuel is paid to the Navajo Nation;

(ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether or not the person required to pay the tax is an enrolled member of the Navajo Nation; and

(iii) the commission and the Navajo Nation execute and maintain an agreement as provided in this Subsection (9) for the administration of the reduction of tax.

(b) (i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this section:

(A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that difference is greater than \$0; and

(B) a person may not require the state to provide a refund, a credit, or similar tax relief if the difference described in Subsection (9)(b)(ii) is less than or equal to \$0.

(ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:

(A) the amount of tax imposed on the motor fuel by this section; less

(B) the tax imposed and collected by the Navajo Nation on the motor fuel.

(c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under a tax imposed by the Navajo Nation on the basis of the sale, use, or receipt for sale or use of motor fuel does not include any interest or penalties a taxpayer may be required to pay to the Navajo Nation.

(d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall make rules governing the procedures for administering the reduction of tax provided under this Subsection (9).

(e) The agreement required under Subsection (9)(a):

(i) may not:

(A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

(B) provide a reduction of taxes greater than or different from the reduction described in this Subsection (9); or

(C) affect the power of the state to establish rates of taxation;

(ii) shall:

(A) be in writing;

(B) be signed by:

(I) the chair of the commission or the chair's designee; and

(II) a person designated by the Navajo Nation that may bind the Navajo Nation;

(C) be conditioned on obtaining any approval required by federal law;

(D) state the effective date of the agreement; and

(E) state any accommodation the Navajo Nation makes related to the construction and maintenance of state highways and other infrastructure within the Utah portion of the Navajo Nation; and

(iii) may:

(A) notwithstanding Section 59-1-403, authorize the commission to disclose to the Navajo Nation information that is:

(I) contained in a document filed with the commission; and

(II) related to the tax imposed under this section;

(B) provide for maintaining records by the commission or the Navajo Nation; or

(C) provide for inspections or audits of distributors, carriers, or retailers located or doing business within the Utah portion of the Navajo Nation.

(f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax imposed on motor fuel, any change in the reduction of taxes under this Subsection (9) as a result of the change in the tax rate is not effective until the first day of the calendar quarter after a 60-day period beginning on the date the commission receives notice:

(A) from the Navajo Nation; and

(B) meeting the requirements of Subsection (9)(f)(ii).

(ii) The notice described in Subsection (9)(f)(i) shall state:

(A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on motor fuel;

(B) the effective date of the rate change of the tax described in Subsection (9)(f)(ii)(A); and

(C) the new rate of the tax described in Subsection (9)(f)(ii)(A).

(g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not permitted under this Subsection (9) beginning on the first day of the calendar quarter after a 30-day period beginning on the day the agreement terminates.

(h) If there is a conflict between this Subsection (9) and the agreement required by Subsection (9)(a), this Subsection (9) governs.

Section 5. Section **59-13-301** is amended to read:

59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer and credited to Transportation Fund -- Reduction of tax in limited circumstances.

(1) (a) Except as provided in Subsections (2), (3), and (11) and Section 59-13-304, a tax is imposed at the same rate imposed under Subsection 59-13-201(1)[~~(a)~~] on the:

(i) removal of undyed diesel fuel from any refinery;

(ii) removal of undyed diesel fuel from any terminal;

(iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or warehousing;

(iv) sale of undyed diesel fuel to any person who is not registered as a supplier under this part unless the tax has been collected under this section;

(v) any untaxed special fuel blended with undyed diesel fuel; or

(vi) use of untaxed special fuel, other than a clean special fuel.

(b) The tax imposed under this section shall only be imposed once upon any special fuel.

(2) (a) No special fuel tax is imposed or collected upon dyed diesel fuel which:

(i) is sold or used for any purpose other than to operate or propel a motor vehicle upon the public highways of the state, but this exemption applies only in those cases where the

purchasers or the users of special fuel establish to the satisfaction of the commission that the special fuel was used for purposes other than to operate a motor vehicle upon the public highways of the state; or

(ii) is sold to this state or any of its political subdivisions.

(b) No special fuel tax is imposed on undyed diesel fuel which:

(i) is sold to the United States government or any of its instrumentalities or to this state or any of its political subdivisions;

(ii) is exported from this state if proof of actual exportation on forms prescribed by the commission is made within 180 days after exportation;

(iii) is used in a vehicle off-highway;

(iv) is used to operate a power take-off unit of a vehicle;

(v) is used for off-highway agricultural uses;

(vi) is used in a separately fueled engine on a vehicle that does not propel the vehicle upon the highways of the state; or

(vii) is used in machinery and equipment not registered and not required to be registered for highway use.

(3) No tax is imposed or collected on special fuel if it is:

(a) purchased for business use in machinery and equipment not registered and not required to be registered for highway use; and

(b) used pursuant to the conditions of a state implementation plan approved under Title 19, Chapter 2, Air Conservation Act.

(4) Upon request of a buyer meeting the requirements under Subsection (3), the Division of Air Quality shall issue an exemption certificate that may be shown to a seller.

(5) The special fuel tax shall be paid by the supplier.

(6) (a) The special fuel tax shall be paid by every user who is required by Sections 59-13-303 and 59-13-305 to obtain a special fuel user permit and file special fuel tax reports.

(b) The user shall receive a refundable credit for special fuel taxes paid on purchases which are delivered into vehicles and for which special fuel tax liability is reported.

(7) (a) Except as provided under Subsections (7)(b) and (c), all revenue received by the commission from taxes and license fees under this part shall be deposited daily with the state treasurer and credited to the Transportation Fund.

(b) An appropriation from the Transportation Fund shall be made to the commission to cover expenses incurred in the administration and enforcement of this part and the collection of the special fuel tax.

(c) Five dollars of each special fuel user trip permit fee paid under Section 59-13-303 may be used by the commission as a dedicated credit to cover the costs of electronic credentialing as provided in Section 41-1a-303.

(8) The commission may either collect no tax on special fuel exported from the state or, upon application, refund the tax paid.

(9) (a) The United States government or any of its instrumentalities, this state, or a political subdivision of this state that has purchased special fuel from a supplier or from a retail dealer of special fuel and has paid the tax on the special fuel as provided in this section is entitled to a refund of the tax and may file with the commission for a quarterly refund in a manner prescribed by the commission.

(b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund provided for in Subsection (9)(a).

(10) (a) The purchaser shall pay the tax on diesel fuel purchased for uses under Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the tax paid as provided in Subsection (9) and this Subsection (10).

(b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund for off-highway and nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).

(c) A refund of tax paid under this part on diesel fuel used for nonhighway agricultural uses shall be made in accordance with the tax return procedures under Section 59-13-202.

(11) (a) Beginning on April 1, 2001, a tax imposed under this section on special fuel is reduced to the extent provided in Subsection (11)(b) if:

(i) the Navajo Nation imposes a tax on the special fuel;

(ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether the person required to pay the tax is an enrolled member of the Navajo Nation; and

(iii) the commission and the Navajo Nation execute and maintain an agreement as provided in this Subsection (11) for the administration of the reduction of tax.

(b) (i) If but for Subsection (11)(a) the special fuel is subject to a tax imposed by this section:

(A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that difference is greater than \$0; and

(B) a person may not require the state to provide a refund, a credit, or similar tax relief if the difference described in Subsection (11)(b)(ii) is less than or equal to \$0.

(ii) The difference described in Subsection (11)(b)(i) is equal to the difference between:

(A) the amount of tax imposed on the special fuel by this section; less

(B) the tax imposed and collected by the Navajo Nation on the special fuel.

(c) For purposes of Subsections (11)(a) and (b), the tax paid to the Navajo Nation on the special fuel does not include any interest or penalties a taxpayer may be required to pay to the Navajo Nation.

(d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission shall make rules governing the procedures for administering the reduction of tax provided under this Subsection (11).

(e) The agreement required under Subsection (11)(a):

(i) may not:

(A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

(B) provide a reduction of taxes greater than or different from the reduction described in this Subsection (11); or

(C) affect the power of the state to establish rates of taxation;

(ii) shall:

(A) be in writing;

(B) be signed by:

(I) the chair of the commission or the chair's designee; and

(II) a person designated by the Navajo Nation that may bind the Navajo Nation;

(C) be conditioned on obtaining any approval required by federal law;

(D) state the effective date of the agreement; and

(E) state any accommodation the Navajo Nation makes related to the construction and maintenance of state highways and other infrastructure within the Utah portion of the Navajo

Nation; and

(iii) may:

(A) notwithstanding Section 59-1-403, authorize the commission to disclose to the Navajo Nation information that is:

(I) contained in a document filed with the commission; and

(II) related to the tax imposed under this section;

(B) provide for maintaining records by the commission or the Navajo Nation; or

(C) provide for inspections or audits of suppliers, distributors, carriers, or retailers located or doing business within the Utah portion of the Navajo Nation.

(f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax imposed on special fuel, any change in the amount of the reduction of taxes under this Subsection (11) as a result of the change in the tax rate is not effective until the first day of the calendar quarter after a 60-day period beginning on the date the commission receives notice:

(A) from the Navajo Nation; and

(B) meeting the requirements of Subsection (11)(f)(ii).

(ii) The notice described in Subsection (11)(f)(i) shall state:

(A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on special fuel;

(B) the effective date of the rate change of the tax described in Subsection (11)(f)(ii)(A); and

(C) the new rate of the tax described in Subsection (11)(f)(ii)(A).

(g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not permitted under this Subsection (11) beginning on the first day of the calendar quarter after a 30-day period beginning on the day the agreement terminates.

(h) If there is a conflict between this Subsection (11) and the agreement required by Subsection (11)(a), this Subsection (11) governs.

Section 6. Section **59-13-304** is amended to read:

59-13-304. Exemptions from Special Fuel Tax -- Clean Special Fuel Tax -- Certificate required -- Fees for certificates -- Inspection of vehicles -- Exemptions.

(1) (a) Except as provided in Subsection (4), a user of special fuel who owns a vehicle powered by a clean special fuel as defined under Section 59-13-102 shall pay a clean special

fuel tax as provided under this section for use of clean special fuel.

(b) A user of special fuel who qualifies for the clean special fuel tax shall annually purchase from the commission a clean special fuel tax certificate for each vehicle owned or leased that is powered by a clean special fuel.

(c) Clean special fuel tax certificates are provided to encourage the use of clean fuels to reduce air pollution.

(2) (a) The fee for a clean special fuel tax certificate is:

(i) 70¢ of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up to the nearest dollar, for qualified motor vehicles as defined under Section 59-13-102; and

(ii) 36¢ of the tax per gallon imposed under Subsection 59-13-201(1)(a), rounded up to the nearest dollar, for other vehicles.

(b) The commission may require each vehicle to be inspected for safe operation before issuing the certificate.

(c) Each vehicle shall be equipped with an approved and properly installed carburetion system if it is powered by a fuel that is gaseous at standard atmospheric conditions.

(3) (a) Beginning January 1, 2001 through December 31, 2010, there is imposed a surcharge of \$35 on each clean special fuel tax certificate issued under this section.

(b) (i) Until Subsection (3)(b)(ii) applies, surcharges imposed under Subsection (3)(a) shall be deposited into the Centennial Highway Fund Restricted Account created under Section 72-2-118.

(ii) When the highway general obligation bonds have been paid off and the highway projects completed that are intended to be paid from revenues deposited in the Centennial Highway Fund Restricted Account as determined by the Executive Appropriations Committee under Subsection 72-2-118(6)(d), the surcharge imposed under Subsection (3)(a) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(4) A governmental entity identified in Subsection 59-13-301(9) that owns or leases a vehicle powered by a special fuel that qualifies as a clean special fuel is exempt from the clean special fuel tax imposed under this section.

Section 7. Section **63-38c-103** is amended to read:

63-38c-103. Definitions.

As used in this chapter:

(1) (a) "Appropriations" means actual unrestricted capital and operating appropriations from unrestricted General Fund sources and from non-Uniform School Fund income tax revenues as presented in the governor's executive budgets.

(b) "Appropriation" includes appropriations that are contingent upon available surpluses in the General Fund.

(c) "Appropriations" does not mean:

(i) debt service expenditures;

(ii) emergency expenditures;

(iii) expenditures from all other fund or subfund sources presented in the executive budgets;

(iv) transfers into, or appropriations made to, the General Fund Budget Reserve Account established in Section 63-38-2.5;

(v) transfers into, or appropriations made to, the Education Budget Reserve Account established in Section 63-38-2.6;

(vi) monies appropriated to fund the total one-time project costs for the construction of capital developments as defined in Section 63A-5-104;

(vii) appropriations made to the Centennial Highway Fund Restricted Account created by Section 72-2-118; ~~or~~

(viii) appropriations made to the Transportation Investment Fund of 2005 created by Section 72-2-124~~[-]; or~~

(ix) appropriations made to the Mountain View Corridor Fund created by Section 72-2-125.

(2) "Base year real per capita appropriations" means the result obtained for the state by dividing the fiscal year 1985 actual appropriations of the state less debt monies by:

(a) the state's July 1, 1983 population; and

(b) the fiscal year 1983 inflation index divided by 100.

(3) "Calendar year" means the time period beginning on January 1 of any given year and ending on December 31 of the same year.

(4) "Fiscal emergency" means an extraordinary occurrence requiring immediate expenditures and includes the settlement under Chapter 4, Laws of Utah 1988, Fourth Special Session.

(5) "Fiscal year" means the time period beginning on July 1 of any given year and ending on June 30 of the subsequent year.

(6) "Fiscal year 1985 actual base year appropriations" means fiscal year 1985 actual capital and operations appropriations from General Fund and non-Uniform School Fund income tax revenue sources, less debt monies.

(7) "Inflation index" means the change in the general price level of goods and services as measured by the Gross National Product Implicit Price Deflator of the Bureau of Economic Analysis, U.S. Department of Commerce calculated as provided in Section 63-38c-202.

(8) (a) "Maximum allowable appropriations limit" means the appropriations that could be, or could have been, spent in any given year under the limitations of this chapter.

(b) "Maximum allowable appropriations limit" does not mean actual appropriations spent or actual expenditures.

(9) "Most recent fiscal year's inflation index" means the fiscal year inflation index two fiscal years previous to the fiscal year for which the maximum allowable inflation and population appropriations limit is being computed under this chapter.

(10) "Most recent fiscal year's population" means the fiscal year population two fiscal years previous to the fiscal year for which the maximum allowable inflation and population appropriations limit is being computed under this chapter.

(11) "Population" means the number of residents of the state as of July 1 of each year as calculated by the Governor's Office of Planning and Budget according to the procedures and requirements of Section 63-38c-202.

(12) "Revenues" means the revenues of the state from every tax, penalty, receipt, and other monetary exaction and interest connected with it that are recorded as unrestricted revenue of the General Fund and from non-Uniform School Fund income tax revenues, except as specifically exempted by this chapter.

(13) "Security" means any bond, note, warrant, or other evidence of indebtedness, whether or not the bond, note, warrant, or other evidence of indebtedness is or constitutes an "indebtedness" within the meaning of any provision of the constitution or laws of this state.

Section 8. Section **63-38c-402** is amended to read:

63-38c-402. Debt limitation -- Vote requirement needed to exceed limitation -- Exceptions.

(1) (a) Except as provided in Subsection (1)(b), the outstanding general obligation debt of the state may not exceed 45% of the maximum allowable appropriations limit unless approved by more than a two-thirds vote of both houses of the Legislature.

(b) Notwithstanding the limitation contained in Subsection (1)(a), debt issued under the authority of the following parts or sections is not subject to the debt limitation established by this section:

(i) Title 63B, Chapter 6, Part 2, 1997 Highway General Obligation Bond Authorization;

(ii) Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note Authorization;

(iii) Title 63B, Chapter 7, Part 2, 1998 Highway General Obligation Bond Authorization;

(iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note Authorization;

(v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond Authorization;

(vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note Authorization;

(vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond;

(viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bond;

(ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond Anticipation Notes;

(x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation Bond for Salt Lake County;

(xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond Anticipation Notes for Salt Lake County Authorization; ~~and~~

(xii) Section 63B-13-102[-]; and

(xiii) Section 63B-16-101.

(2) This section does not apply if contractual rights will be impaired.

Section 9. Section **63B-16-101** is enacted to read:

Part 1. 2007 General Bond Obligations

63B-16-101. Highway bonds -- Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this section may not exceed \$300,000,000.

(2) (a) Proceeds from the issuance of bonds shall be:

(i) deposited in the Mountain View Corridor Fund created by Section 72-2-125; and

(ii) used by the Department of Transportation to pay for the costs of acquiring and constructing a highway construction project within the Mountain View Corridor as defined in Section 72-2-125.

(b) The Department of Transportation shall use bond proceeds to pay for the portion of the highway construction project described in Subsection (2)(a)(ii) that is located in Salt Lake County.

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

(3) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

(4) The Department of Transportation may enter into agreements related to the project before the receipt of proceeds of bonds issued under this chapter.

Section 10. Section **72-2-117** is amended to read:

**72-2-117. Transportation Corridor Preservation Revolving Loan Fund --
Distribution -- Repayment -- Rulemaking.**

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

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

(a) motor vehicle rental tax imposed under Section 59-12-1201;

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

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

(d) interest earnings on cash balances;

(e) all monies collected for repayments and interest on fund monies;

(f) all monies collected from rents and sales of real property acquired with fund

monies; and

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

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

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

(i) monies available in the fund;

(ii) rules made under Subsection (7); and

(iii) Subsection (9).

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

(5) Administrative costs ~~[of the Transportation Corridor Preservation Revolving Loan Fund]~~ for transportation corridor preservation shall be paid from the fund.

(6) The department:

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

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

(7) The commission shall:

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

(i) preserve transportation corridors;

(ii) promote long-term statewide transportation planning;

(iii) save on acquisition costs; and

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

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

(i) areas with rapidly expanding population;

(ii) the willingness of local governments to complete studies and impact statements

that meet department standards;

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

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

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

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

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

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

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

(i) the procedures for the awarding of fund monies;

(ii) the procedures for the department to apply for transportation corridor preservation monies for projects; and

(iii) repayment conditions of the monies to the fund from the specified project funds.

(8) (a) The proceeds from any bonds or other obligations secured by revenues of the Transportation Corridor Preservation Revolving Loan Fund shall be used for:

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

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

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

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

(b) The access management policy or ordinance shall:

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

(ii) include provisions:

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

- (B) separating conflict areas;
- (C) reducing the interference of through traffic;
- (D) spacing at-grade signalized intersections; and
- (E) providing for adequate on-site circulation and storage.

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

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

(b) The corridor preservation advisory council shall:

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

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

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

Section 11. Section **72-2-117.5** is amended to read:

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

(1) As used in this section:

(a) "Council of governments" means a decision-making body in each county composed of the county governing body and the mayors of each municipality in the county.

(b) "Metropolitan planning organization" has the same meaning as defined in Section 72-1-208.5.

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

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

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

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

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

925 (d) interest earnings on cash balances;

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

927 monies;

928 (f) proceeds from general obligation bonds, revenue bonds, or other obligations issued

929 as authorized by Title 63B, Bonds; and

930 (g) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii)

931 and required by Subsection 59-12-1703(7)(b)(i) to be deposited into the fund.

932 (4) (a) All monies appropriated to the Local Transportation Corridor Preservation Fund

933 are nonlapsing.

934 (b) The State Tax Commission shall provide the department with sufficient data for the

935 department to allocate the revenues:

936 (i) provided under Subsection (3)(a) to each county imposing a local option

937 transportation corridor preservation fee under Section 41-1a-1222; and

938 (ii) provided under Subsection 59-12-1703(4)(a)(ii) to each county imposing a county

939 option sales and use tax for transportation.

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

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

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

943 (A) with the condition that the state will not be charged for any asset purchased with

944 the monies allocated under Subsection (4)(b); and

945 (B) are considered a local matching contribution for the purposes described under

946 Section 72-2-123 if used on a state highway.

947 (d) Administrative costs of the department to implement this section shall be paid from

948 the fund.

949 (5) (a) The department shall authorize the expenditure of fund monies to allow a

950 highway authority to acquire real property or any interests in real property for state, county, and

951 municipal transportation corridors subject to:

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

953 (ii) the provisions of this section.

954 (b) Fund monies may be used to pay interest on debts incurred in accordance with this

955 section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

987 (ii) The Local Transportation Corridor Preservation Fund shall only be used to preserve
988 a highway corridor that is right-of-way:

989 (A) in a county of the first or second class for a:

990 (I) state highway;

991 (II) a principal arterial highway as defined in Section 72-4-102.5; or

992 (III) a minor arterial highway as defined in Section 72-4-102.5; or

993 (B) in a county of the third, fourth, fifth, or sixth class:

994 (I) state highway;

995 (II) a principal arterial highway as defined in Section 72-4-102.5;

996 (III) a minor arterial highway as defined in Section 72-4-102.5;

997 (IV) a major collector highway as defined in Section 72-4-102.5; or

998 (V) a minor collector roads as defined in Section 72-4-102.5.

999 ~~[(ii)]~~ (iii) The Local Transportation Corridor Preservation Fund may not be used for a
1000 transportation corridor that is primarily a recreational trail as defined under Section
1001 63-11a-101.

1002 (b) (i) The department shall develop and implement a program to educate highway
1003 authorities on the objectives, application process, use, and responsibilities of the Local
1004 Transportation Corridor Preservation Fund as provided under this section to promote the most
1005 efficient and effective use of fund monies including priority use on designated high priority
1006 corridor preservation projects.

1007 (ii) The department shall develop a model transportation corridor property acquisition
1008 policy or ordinance that meets federal requirements for the benefit of a highway authority to
1009 acquire real property or any interests in real property under this section.

1010 (c) The department shall authorize the expenditure of fund monies after determining
1011 that the expenditure is being made in accordance with this section from applications that are:

1012 (i) made by a highway authority; ~~[and]~~

1013 (ii) endorsed by the council of governments~~[-]; and~~

1014 (iii) for a right-of-way purchase for a highway authorized under Subsection (6)(a)(ii).

1015 (7) (a) (i) A council of governments may establish a council of governments
1016 endorsement process which includes prioritization and application procedures for use of the
1017 monies allocated to each county under this section.

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

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

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

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

(i) areas with rapidly expanding population;

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

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

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

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

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

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

(A) the county and municipal master plan; and

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

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

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

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

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

(b) The highway authority shall pledge the necessary part of the revenues of the Local Transportation Corridor Preservation Fund to the payment of principal and interest on the

1049 bonds or other obligations.

1050 (10) (a) A highway authority may not apply for monies under this section unless the
1051 highway authority has:

1052 (i) a transportation corridor property acquisition policy or ordinance in effect that
1053 meets federal requirements for the acquisition of real property or any interests in real property
1054 under this section; and

1055 (ii) an access management policy or ordinance in effect that meets the requirements
1056 under Subsection 72-2-117(9).

1057 (b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a
1058 written agreement with the department for the acquisition of real property or any interests in
1059 real property under this section.

1060 Section 12. Section **72-2-121** is amended to read:

1061 **72-2-121. Public Transportation System Tax Highway Fund.**

1062 (1) There is created a special revenue fund entitled the Public Transportation System
1063 Tax Highway Fund.

1064 (2) The fund consists of monies generated from the following revenue sources:

1065 (a) any voluntary contributions received for new construction, major renovations, and
1066 improvements to Interstate 15 and state highways within a county of the first class; and

1067 (b) the portion of the sales and use tax described in Subsection 59-12-502(5)(a)(ii)
1068 deposited in or transferred to the fund through an interlocal agreement[~~;~~ and].

1069 [~~(c) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii)~~
1070 ~~and required by Subsection 59-12-1703(7)(b)(ii) to be deposited in or transferred to the fund.~~]

1071 (3) (a) The fund shall earn interest.

1072 (b) All interest earned on fund monies shall be deposited into the fund.

1073 (4) (a) The Division of Finance shall, from funds that are deposited or transferred into
1074 the Public Transportation System Tax Highway Fund, transfer into the Mountain View
1075 Corridor created by Section 72-2-125 the amount of funds certified by the Department of
1076 Transportation in accordance with Subsection (4)(b) that are not required to pay:

1077 (i) principal, interest, and issuance costs of bonds issued for highway construction
1078 projects authorized under Subsection 63B-11-502(2)(a) or (e) in the current fiscal year; or

1079 (ii) construction or reconstruction costs for projects authorized under Subsection

63B-11-502(2)(a) or (e) in the current fiscal year.

(b) The Division of Finance shall transfer the amount under Subsection (7)(a) when the Division of Finance receives a written letter from the Department of Transportation certifying the amounts of funds available under Subsection (4)(a).

~~[(4)] (5) The executive director may use fund monies, as prioritized by the Transportation Commission[: (a) for the portion of the monies generated from the revenue sources described in Subsections (2)(a) and (b)], only for new construction, major renovations, and improvements to Interstate 15 and state highways within a county of the first class and to pay any debt service and bond issuance costs related to those projects[; and].~~

~~[(b) for the portion of the monies generated from the revenue sources described in Subsection (2)(c), only for state highway corridor preservation for new state highway projects within a county of the first class, to pay any debt service and bond issuance costs related to those projects, and shall not supplant monies already designated for state projects.]~~

~~[(5)] (6) The additional administrative costs of the department to administer this fund shall be paid from the monies in the fund.~~

Section 13. Section **72-2-125** is enacted to read:

72-2-125. Mountain View Corridor Fund.

(1) As used in this section, "Mountain View Corridor" means the land area of Salt Lake County running from Interstate 80 south between SR-154 and SR-111 to 12600 South and then south and southeasterly to the northern portion of Utah County west of SR-15.

(2) There is created a special revenue fund within the Transportation Fund entitled the Mountain View Corridor Fund.

(3) The fund consists of monies generated from the following sources:

(a) any voluntary contributions received for the maintenance, construction, reconstruction, or renovation of a state highway within the Mountain View Corridor;

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

(c) a local option transportation corridor preservation fee imposed in a county of the first class under Section 41-1a-1222;

(d) a portion of the Public Transit Tax imposed in a county of the first class under Section 59-12-502; and

(e) a portion of the County Option Sales and Use Tax for Transportation tax revenue

1111 imposed in a county of the first class that is designated for corridor preservation under Section
1112 59-12-1703.

1113 (4) (a) The fund shall earn interest.

1114 (b) All interest earned on fund monies shall be deposited into the fund.

1115 (5) The executive director may use fund monies only to pay for:

1116 (a) the acquisition of real property within the Mountain View Corridor;

1117 (b) a highway construction project within the Mountain View Corridor; and

1118 (c) any debt service and bond issuance costs related to that project.

1119 (6) The revenues described in Subsections (3)(c), (d), and (e) that are deposited in the
1120 fund:

1121 (a) shall be used on the portion of the project described in Subsection (5) that is located
1122 in a county of the first class; and

1123 (b) are considered a local matching contribution for the purposes described under
1124 Section 72-2-123.

1125 Section 14. **Effective date.**

1126 This bill takes effect on July 1, 2007.