

TRANSPORTATION FUNDING REVISIONS

2008 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: Michael G. Waddoups

LONG TITLE

General Description:

This bill modifies provisions relating to the use of monies in the County of the First Class State Highway Projects Fund.

Highlighted Provisions:

This bill:

► provides that \$30,000,000 of certain bond proceeds previously authorized shall be used to pay for or to provide funds to a municipality or county to pay for the costs of right-of-way acquisition, construction, reconstruction, renovations, or improvements to certain highways within Salt Lake County;

► requires that, for fiscal year 2008-09 only, the executive director of the Department of Transportation shall use monies in the County of the First Class State Highway Projects Fund to pay for or to provide a municipality or county funds to pay for the costs of right-of-way acquisition, construction, reconstruction, renovations, or improvements to certain highways within Salt Lake County;

► provides that prior to receiving bond proceeds or funds from the County of the First Class State Highway Projects Fund, a municipality or county shall sign and file a written certification with the Department of Transportation certifying that it will use the funds solely for designated projects; and

► makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

30 This bill takes effect on July 1, 2008.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **63B-16-102**, as enacted by Laws of Utah 2007, Chapter 201

34 **72-2-121**, as last amended by Laws of Utah 2007, Chapter 201



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

37 Section 1. Section **63B-16-102** is amended to read:

38 **63B-16-102. Highway bonds -- Maximum amount -- Projects authorized.**

39 (1) (a) The total amount of bonds issued under this section may not exceed
40 \$100,000,000.

41 (b) When the Department of Transportation certifies to the commission the amount of
42 bond proceeds that it needs to provide funding for the highway construction project described in
43 Subsection (2) for the next fiscal year, the commission may issue and sell general obligation
44 bonds in an amount equal to the certified amount plus costs of issuance.

45 (2) (a) As used in this Subsection (2), "Mountain View Corridor" means the land area
46 of Salt Lake County running from Interstate 80 south between SR-154 and SR-111 to 12600
47 South and then south and southeasterly to the northern portion of Utah County west of SR-15.

48 (b) [~~Proceeds~~] Except as provided in Subsection (3), proceeds from the issuance of
49 bonds shall be provided to the Department of Transportation to pay for the costs of acquiring
50 rights-of-way and constructing a highway construction project within the Mountain View
51 Corridor.

52 (c) The Department of Transportation shall use bond proceeds to pay for the portion of
53 the highway construction project described in this Subsection (2) that is located in Salt Lake
54 County.

55 (d) The costs under this Subsection (2) may include the cost of acquiring land, interests
56 in land, easements and rights-of-way, improving sites, and making all improvements necessary,
57 incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the

58 period to be covered by construction of the projects plus a period of six months after the end of
59 the construction period, interest estimated to accrue on any bond anticipation notes issued
60 under the authority of this title, and all related engineering, architectural, and legal fees.

61 (3) (a) Thirty million dollars of the bond proceeds issued under this section shall be
62 provided to the Department of Transportation and funds under Subsection 72-2-121(4)(c) shall
63 be used by the Department of Transportation to pay for or to provide funds to a municipality or
64 county to pay for the costs of right-of-way acquisition, construction, reconstruction,
65 renovations, or improvements to highways described in Subsection (3)(b).

66 (b) Bond proceeds described under Subsection (3)(a) and funds under Subsection
67 72-2-121(4)(c) shall be used to pay the amounts described in this Subsection (3)(b) for the
68 following highways in Salt Lake County:

69 (i) \$6,500,000 to Taylorsville City for 6200 South and Redwood Road intersection,
70 interchange, and highway improvements;

71 (ii) \$2,000,000 to West Valley City for 7200 West;

72 (iii) \$4,000,000 to West Jordan City for 7800 South and Airport Road intersection and
73 highway improvements;

74 (iv) \$6,250,000 to Sandy City for 1300 East, 9000 South to 11400 South, and State
75 Street to Interstate 15;

76 (v) \$1,500,000 to Riverton City for right-of-way acquisition between Mountain View
77 Corridor and Bangerter Highway north of 13400 South;

78 (vi) \$3,500,000 for highway and bridge construction and reconstruction on 14600
79 South;

80 (vii) \$11,000,000 to Draper City for the costs of highway improvements in the Salt
81 Lake County portion of Draper City;

82 (viii) \$1,000,000 to Murray City for highway improvements for Cottonwood Street;

83 (ix) \$1,000,000 to Cottonwood Heights for Fort Union Boulevard between 1300 East
84 and Highland Drive;

85 (x) \$1,000,000 to Midvale City for State Street between 7200 South and 9000 South;

86 and

87 (xi) \$250,000 to Salt Lake County for 2300 East.

88 (c) Prior to a municipality or county receiving funds described in this Subsection (3),
89 the municipality or county shall sign and file a written certification with the department
90 certifying that it will use the funds provided under this Subsection (3) solely for the projects
91 described in Subsection (3)(b).

92 [~~3~~] (4) The commission or the state treasurer may make any statement of intent
93 relating to a reimbursement that is necessary or desirable to comply with federal tax law.

94 [~~4~~] (5) The Department of Transportation may enter into agreements related to the
95 project before the receipt of proceeds of bonds issued under this chapter.

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

97 **72-2-121. County of the First Class State Highway Projects Fund.**

98 (1) There is created a special revenue fund entitled the County of the First Class State
99 Highway Projects Fund.

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

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

103 (b) the portion of the sales and use tax described in Subsection 59-12-502(5)(a)[~~ii~~]
104 deposited in or transferred to the fund;

105 (c) the portion of the sales and use tax described in Subsection 59-12-1703(4)(a)(ii) and
106 required by Subsection 59-12-1703(7)(b)(ii) to be deposited in or transferred to the fund; and

107 (d) a portion of the local option transportation corridor preservation fee imposed in a
108 county of the first class under Section 41-1a-1222 deposited in or transferred to the fund.

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

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

111 (4) The executive director [~~may~~] shall use fund monies only:

112 (a) to pay debt service and bond issuance costs for bonds issued under Section

113 63B-16-102; [~~and~~]

114 (b) for right-of-way acquisition, new construction, major renovations, and
115 improvements to state highways within a county of the first class and to pay any debt service
116 and bond issuance costs related to those projects[-]; and

117 (c) for fiscal year 2008-09 only, to pay for or to provide funds to a municipality or
118 county to pay for right-of-way acquisition, construction, reconstruction, renovations, and
119 improvements to highways described in Subsection 63B-16-102(3).

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

123 (6) The additional administrative costs of the department to administer this fund shall be
124 paid from the monies in the fund.

125 **Section 3. Effective date.**

126 This bill takes effect on July 1, 2008.