

TRANSPORTATION AMENDMENTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

Senate Sponsor: Sheldon L. Killpack

LONG TITLE

General Description:

This bill modifies general obligation bond provisions and the Transportation Code by amending provisions relating to transportation funding.

Highlighted Provisions:

This bill:

- ▶ changes the transportation projects for which a portion of certain general obligation bond proceeds previously authorized that were allocated for certain transportation projects shall be used;

- ▶ authorizes issuance of \$39,895,000 in general obligation bonds to pay all or part of the costs of constructing, reconstructing, renovating, or improving certain highways within a county of the first class;

- ▶ exempts the general obligation bonds from certain debt limitation provisions;

- ▶ provides that for a fiscal year beginning on or after July 1, 2010, the executive director shall use at least a certain portion of the fund monies in the County of the First Class State Highway Projects Fund to pay for:

- east-west transportation route improvements in a county of the first class; and
- state highway capacity improvement and congestion mitigation projects in a county of the first class; and

- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

30 This bill takes effect on July 1, 2009.

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **63B-1-306**, as last amended by Laws of Utah 2004, Chapter 308

34 **63B-16-102**, as last amended by Laws of Utah 2008, Second Special Session, Chapter

35 4

36 **63J-3-402**, as renumbered and amended by Laws of Utah 2008, Chapter 382

37 **72-2-121**, as last amended by Laws of Utah 2008, Chapters 286 and 337

38 ENACTS:

39 **63B-18-101**, Utah Code Annotated 1953



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

42 Section 1. Section **63B-1-306** is amended to read:

43 **63B-1-306. Obligations issued by authority -- Limitation of liability on**
44 **obligations -- Limitation on amount of obligations issued.**

45 (1) (a) All obligations issued by the authority under this part shall be limited
46 obligations of the authority and may not constitute, nor give rise to, a general obligation or
47 liability of, nor a charge against the general credit or taxing power of, this state or any of its
48 political subdivisions.

49 (b) This limitation shall be plainly stated upon all obligations.

50 (2) (a) No authority obligations incurred under this section may be issued in an
51 amount exceeding the difference between the total indebtedness of the state and an amount
52 equal to 1-1/2% of the value of the taxable property of the state.

53 (b) Debt issued under authority of the following parts or sections may not be included
54 as part of the total indebtedness of the state of Utah in determining the debt limit established
55 by this Subsection (2):

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

- 58 (ii) Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note
59 Authorization;
- 60 (iii) Title 63B, Chapter 7, Part 2, 1998 Highway General Obligation Bond
61 Authorization;
- 62 (iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note
63 Authorization;
- 64 (v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond
65 Authorization;
- 66 (vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note
67 Authorization;
- 68 (vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond;
69 (viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bonds;
70 (ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond
71 Anticipation Notes;
- 72 (x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation Bonds for Salt
73 Lake County;
- 74 (xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond
75 Anticipation Notes for Salt Lake County; [~~and~~]
- 76 (xii) Section 63B-13-102; and
77 (xiii) Section 63B-18-101.
- 78 (c) Debt issued under authority of Section 63B-7-503 may not be included as part of
79 the total indebtedness of the state in determining the debt limit established by this Subsection
80 (2).
- 81 (3) The obligations shall be authorized by resolution of the authority, following
82 approval of the Legislature, and may:
- 83 (a) be executed and delivered at any time, and from time to time, as the authority may
84 determine;
- 85 (b) be sold at public or private sale in the manner and at the prices, either at, in excess

86 of, or below their face value and at the times that the authority determines;

87 (c) be in the form and denominations that the authority determines;

88 (d) be of the tenor that the authority determines;

89 (e) be in registered or bearer form either as to principal or interest or both;

90 (f) be payable in those installments and at the times that the authority determines;

91 (g) be payable at the places, either within or without this state, that the authority

92 determines;

93 (h) bear interest at the rate or rates, payable at the place or places, and evidenced in the
94 manner, that the authority determines;

95 (i) be redeemable before maturity, with or without premium;

96 (j) contain any other provisions not inconsistent with this part that are considered to be
97 for the best interests of the authority and provided for in the proceedings of the authority under
98 which the bonds are authorized to be issued; and

99 (k) bear facsimile signatures and seals.

100 (4) The authority may pay any expenses, premiums, or commissions, that it considers
101 necessary or advantageous in connection with the authorization, sale, and issuance of these
102 obligations, from the proceeds of the sale of the obligations or from the revenues of the
103 projects involved.

104 Section 2. Section **63B-16-102** is amended to read:

105 **63B-16-102. Highway bonds -- Maximum amount -- Projects authorized.**

106 (1) (a) The total amount of bonds issued under this section may not exceed
107 \$100,000,000.

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

112 (2) (a) As used in this Subsection (2), "Mountain View Corridor" means the land area
113 of Salt Lake County running from Interstate 80 south between SR-154 and SR-111 to 12600

114 South and then south and southeasterly to the northern portion of Utah County west of SR-15.

115 (b) Except as provided in Subsection (3), proceeds from the issuance of bonds shall be
116 provided to the Department of Transportation to pay for the costs of acquiring rights-of-way
117 and constructing a highway construction project within the Mountain View Corridor.

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

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

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

133 (b) Bond proceeds described under Subsection (3)(a) and funds under Subsection
134 72-2-121(4)(c) shall be used to pay the amounts described in this Subsection (3)(b) for the
135 following highways in Salt Lake County:

136 (i) \$6,500,000 to Taylorsville City for:

137 (A) 6200 South and Redwood Road intersection, interchange, and highway
138 improvements; and

139 (B) an environmental study and preliminary engineering at 5400 South and Interstate
140 215;

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

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

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

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

148 (vi) \$3,500,000 for highway [~~and bridge construction and reconstruction on 14600~~
149 ~~South~~], access, and other improvements for the new commuter rail station in the south end of
150 Salt Lake County;

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

153 (viii) \$1,000,000 to Murray City for highway improvements [~~for~~] between
154 Cottonwood Street and 4500 South;

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

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

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

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

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

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

168 Section 3. Section **63B-18-101** is enacted to read:

169 **Part 1. 2009 Highway General Obligation Bonds**

170 **63B-18-101. Highway bonds -- Maximum amount -- Projects authorized.**

171 (1) (a) The total amount of bonds issued under this section may not exceed
172 \$39,895,000.

173 (b) When the Department of Transportation certifies to the commission the amount of
174 bond proceeds that it needs to provide funding for the highway construction projects described
175 in Subsection (2), the commission may issue and sell general obligation bonds in an amount
176 equal to the certified amount plus costs of issuance.

177 (2) (a) Proceeds from the bonds issued under this section shall be provided to the
178 Department of Transportation and funds under Subsection 72-2-121(4)(d) shall be used by the
179 Department of Transportation to pay for or to provide funds to a municipality or county to pay
180 for the costs of right-of-way acquisition, construction, reconstruction, renovations, or
181 improvements to highways described in Subsection (2)(b).

182 (b) Bond proceeds described under Subsection (2)(a) and funds under Subsection
183 72-2-121(4)(d) shall be used to pay the amounts described in this Subsection (2)(b) for the
184 following highway projects in Salt Lake County:

185 (i) \$15,000,000 to pay for projects in the following priority order:

186 (A) interchange improvements at 5400 South and Bangerter Highway;

187 (B) interchange improvements at 4700 South and Bangerter Highway;

188 (C) reversible lanes on 5400 South from Bangerter Highway going east, terminating at
189 either Redwood Road or Interstate 15; and

190 (D) any remaining proceeds from the amount described in Subsection (2)(b)(i) not
191 required for the projects described in Subsections (2)(b)(i)(A), (B), and (C), to pay for
192 intersection and congestion mitigation projects identified by the Department of Transportation
193 in the east-west transportation route improvement study;

194 (ii) \$20,000,000 to Salt Lake City for the viaduct on North Temple and 400 West; and

195 (iii) \$4,500,000 to Sandy City for the widening and improvement of 1300 East
196 between 9800 South to 11000 South.

197 (c) Prior to a municipality or county receiving funds described in this Subsection (2),

198 the municipality or county shall sign and file a written certification with the Department of
199 Transportation certifying that it will use the funds provided under this Subsection (2) solely
200 for the projects described in Subsection (2)(b).

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

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

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

212 Section 4. Section **63J-3-402** is amended to read:

213 **63J-3-402. Debt limitation -- Vote requirement needed to exceed limitation --**
214 **Exceptions.**

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

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

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

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

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

- 226 Authorization;
- 227 (iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note
- 228 Authorization;
- 229 (v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond
- 230 Authorization;
- 231 (vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note
- 232 Authorization;
- 233 (vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond;
- 234 (viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bond;
- 235 (ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond
- 236 Anticipation Notes;
- 237 (x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation Bond for Salt
- 238 Lake County;
- 239 (xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond
- 240 Anticipation Notes for Salt Lake County Authorization;
- 241 (xii) Section 63B-13-102;
- 242 (xiii) Section 63B-16-101; [~~and~~]
- 243 (xiv) Section 63B-16-102; and
- 244 (xv) Section 63B-18-101.
- 245 (2) This section does not apply if contractual rights will be impaired.
- 246 Section 5. Section **72-2-121** is amended to read:
- 247 **72-2-121. County of the First Class State Highway Projects Fund.**
- 248 (1) There is created a special revenue fund entitled the County of the First Class State
- 249 Highway Projects Fund.
- 250 (2) The fund consists of monies generated from the following revenue sources:
- 251 (a) any voluntary contributions received for new construction, major renovations, and
- 252 improvements to state highways within a county of the first class;
- 253 (b) the portion of the sales and use tax described in Subsection 59-12-502(5)(a)

254 deposited in or transferred to the fund;

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

258 (d) a portion of the local option highway construction and transportation corridor
259 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited in
260 or transferred to the fund.

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

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

263 (4) The executive director shall use fund monies only:

264 (a) to pay debt service and bond issuance costs for bonds issued under [~~Section~~]
265 Sections 63B-16-102 and 63B-18-101;

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

269 (c) for fiscal year 2008-09 only, to pay for or to provide funds to a municipality or
270 county to pay for right-of-way acquisition, construction, reconstruction, renovations, and
271 improvements to highways described in Subsection 63B-16-102(3)[~~-~~]; and

272 (d) for fiscal year 2009-10 only, to pay for or to provide funds to a municipality or
273 county to pay for right-of-way acquisition, construction, reconstruction, renovations, and
274 improvements to highways described in Subsection 63B-18-101(2).

275 (5) (a) For fiscal years beginning with fiscal year 2010-11 and ending with fiscal year
276 2012-13, the executive director shall use at least 20% of fund monies available that are not
277 required to pay principal, interest, and issuance costs of bonds issued under Sections
278 63B-16-102 and 63B-18-101 to pay for:

279 (i) east-west transportation route improvements in a county of the first class; and

280 (ii) state highway capacity improvement and congestion mitigation projects in a
281 county of the first class.

282 (b) For a fiscal year beginning on or after July 1, 2013, the executive director shall use
283 at least 25% of fund monies available that are not required to pay principal, interest, and
284 issuance costs of bonds issued under Sections 63B-16-102 and 63B-18-101 to pay for:

285 (i) east-west transportation route improvements in a county of the first class; and
286 (ii) state highway capacity improvement and congestion mitigation projects in a
287 county of the first class.

288 [~~5~~] (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited
289 in the fund and bond proceeds from bonds issued under [~~Section~~] Sections 63B-16-102 and
290 63B-18-101 are considered a local matching contribution for the purposes described under
291 Section 72-2-123.

292 [~~6~~] (7) The additional administrative costs of the department to administer this fund
293 shall be paid from the monies in the fund.

294 Section 6. **Effective date.**

295 This bill takes effect on July 1, 2009.