

TRANSPORTATION REVISIONS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Sheldon L. Killpack

House Sponsor: Kevin S. Garn

LONG TITLE

General Description:

This bill enacts and amends provisions relating to transportation funding.

Highlighted Provisions:

This bill:

- ▶ increases certain motor vehicle registration fees by \$20;
- ▶ provides that \$20 of certain motor vehicle registration fees shall be deposited in the Transportation Investment Fund of 2005;
- ▶ authorizes the issuance of general obligation bonds to pay for certain state highway construction or reconstruction projects;
- ▶ specifies the use of general obligation bond proceeds and the manner of issuance;
- ▶ exempts certain general obligation bonds from certain debt limitation provisions;
- ▶ requires the Department of Transportation and the Transportation Commission to report the amount of bonds needed to fund certain projects in the next fiscal year to the Executive Appropriations Committee of the Legislature before the bonds may be issued; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2009.



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **41-1a-1201**, as last amended by Laws of Utah 2008, Chapter 143

31 **41-1a-1206**, as last amended by Laws of Utah 2008, Chapter 210

32 **63B-1-306**, as last amended by Laws of Utah 2004, Chapter 308

33 **63J-3-402**, as renumbered and amended by Laws of Utah 2008, Chapter 382

34 **72-2-124**, as last amended by Laws of Utah 2008, Chapters 153 and 389

35 ENACTS:

36 **63B-18-101**, Utah Code Annotated 1953



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

39 Section 1. Section **41-1a-1201** is amended to read:

40 **41-1a-1201. Disposition of fees.**

41 (1) All fees received and collected under this part shall be transmitted daily to the state
42 treasurer.

43 (2) Except as provided in Subsections (3), (4), ~~and~~ (6), and (7) and Sections
44 41-1a-422, 41-1a-1220, and 41-1a-1221, all fees collected under this part shall be deposited in
45 the Transportation Fund.

46 (3) (a) Funds generated under Subsections 41-1a-1211(1)(b)(i), (6)(b)(i), and (7) and
47 Section 41-1a-1212 may be used by the commission as a dedicated credit to cover the costs
48 incurred in issuing license plates under Part 4, License Plates and Registration Indicia.

49 (b) Fees for statehood centennial license plates shall be collected and deposited in the
50 Transportation Fund, less production and administrative costs incurred by the commission.

51 (4) All funds available to the commission for purchase and distribution of license
52 plates and decals are nonlapsing.

53 (5) Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of the
54 commission in enforcing and administering this part shall be provided for by legislative
55 appropriation from the revenues of the Transportation Fund.

56 (6) (a) Except as provided in Subsection (6)(b), the following portions of the
57 registration fees imposed under Section 41-1a-1206 for each vehicle shall be deposited in the
58 Centennial Highway Fund Restricted Account created under Section 72-2-118:

59 (i) \$10 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b), (2),
60 and (5);

61 (ii) \$1 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i),
62 (1)(c)(ii), and (1)(d)(ii);

63 (iii) \$2 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

64 (iv) \$3 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i); and

65 (v) \$4.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i).

66 (b) When the highway general obligation bonds have been paid off and the highway
67 projects completed that are intended to be paid from revenues deposited in the Centennial
68 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
69 under Subsection 72-2-118(6)(d), the portions of the registration fees deposited under
70 Subsection (6)(a) for each vehicle shall be deposited in the Transportation Investment Fund of
71 2005 created by Section 72-2-124.

72 (7) Twenty dollars of each registration fee collected under Subsections 41-1a-1206
73 (1)(a), (1)(b), (1)(c), (1)(d)(i), (1)(e), (2)(a), and (5) shall be deposited in the Transportation
74 Investment Fund of 2005 created by Section 72-2-124.

75 Section 2. Section **41-1a-1206** is amended to read:

76 **41-1a-1206. Registration fees -- Fees by gross laden weight.**

77 (1) Except as provided in Subsection (2), at the time application is made for
78 registration or renewal of registration of a vehicle or combination of vehicles under this
79 chapter, a registration fee shall be paid to the division as follows:

80 (a) [~~\$22.50~~] \$42.50 for each motorcycle;

81 (b) [~~\$21~~] \$41 for each motor vehicle of 12,000 pounds or less gross laden weight,
82 excluding motorcycles;

83 (c) unless the semitrailer or trailer is exempt from registration under Section 41-1a-202
84 or is registered under Section 41-1a-301:

85 (i) [~~\$11~~] \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or

86 (ii) [~~\$8.50~~] \$28.50 for each commercial trailer or commercial semitrailer of 750
87 pounds or less gross unladen weight;

88 (d) (i) [~~\$33~~] \$53 for each farm truck over 12,000 pounds, but not exceeding 14,000
89 pounds gross laden weight; plus

- 90 (ii) \$9 for each 2,000 pounds over 14,000 pounds gross laden weight; and
- 91 (e) (i) [~~\$49.50~~] \$69.50 for each motor vehicle or combination of motor vehicles,
- 92 excluding farm trucks, over 12,000 pounds, but not exceeding 14,000 pounds gross laden
- 93 weight; plus
- 94 (ii) [~~\$18.50~~] \$19 for each 2,000 pounds over 14,000 pounds gross laden weight.
- 95 (2) (a) The initial registration fee for a vintage vehicle is [~~\$20~~] \$40.
- 96 (b) A vintage vehicle is exempt from the renewal of registration fees under Subsection
- 97 (1).
- 98 (c) A vehicle with a Purple Heart special group license plate issued in accordance with
- 99 Section 41-1a-421 is exempt from the registration fees under Subsection (1).
- 100 (3) If a motor vehicle is operated in combination with a semitrailer or trailer, each
- 101 motor vehicle shall register for the total gross laden weight of all units of the combination if the
- 102 total gross laden weight of the combination exceeds 12,000 pounds.
- 103 (4) (a) Registration fee categories under this section are based on the gross laden
- 104 weight declared in the licensee's application for registration.
- 105 (b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part
- 106 of 2,000 pounds is a full unit.
- 107 (5) The owner of a commercial trailer or commercial semitrailer may, as an alternative
- 108 to registering under Subsection (1)(c), apply for and obtain a special registration and license
- 109 plate for a fee of [~~\$110~~] \$130.
- 110 (6) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm
- 111 truck unless:
- 112 (a) the truck meets the definition of a farm truck under Section 41-1a-102; and
- 113 (b) (i) the truck has a gross vehicle weight rating of more than 12,000 pounds; or
- 114 (ii) the truck has a gross vehicle weight rating of 12,000 pounds or less and the owner
- 115 submits to the division a certificate of emissions inspection or a waiver in compliance with
- 116 Section 41-6a-1642.
- 117 (7) A violation of Subsection (6) is a class B misdemeanor that shall be punished by a
- 118 fine of not less than \$200.
- 119 (8) Trucks used exclusively to pump cement, bore wells, or perform crane services
- 120 with a crane lift capacity of five or more tons, are exempt from 50% of the amount of the fees

121 required for those vehicles under this section.

122 Section 3. Section **63B-1-306** is amended to read:

123 **63B-1-306. Obligations issued by authority -- Limitation of liability on**
124 **obligations -- Limitation on amount of obligations issued.**

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

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

130 (2) (a) No authority obligations incurred under this section may be issued in an amount
131 exceeding the difference between the total indebtedness of the state and an amount equal to
132 1-1/2% of the value of the taxable property of the state.

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

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

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

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

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

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

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

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

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

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

151 (x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation Bonds for Salt

152 Lake County;

153 (xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond

154 Anticipation Notes for Salt Lake County; [~~and~~]

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

156 (xiii) Section 63B-16-101;

157 (xiv) Section 63B-16-102; and

158 (xv) Section 63B-18-101.

159 (c) Debt issued under authority of Section 63B-7-503 may not be included as part of
160 the total indebtedness of the state in determining the debt limit established by this Subsection
161 (2).

162 (3) The obligations shall be authorized by resolution of the authority, following
163 approval of the Legislature, and may:

164 (a) be executed and delivered at any time, and from time to time, as the authority may
165 determine;

166 (b) be sold at public or private sale in the manner and at the prices, either at, in excess
167 of, or below their face value and at the times that the authority determines;

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

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

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

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

172 (g) be payable at the places, either within or without this state, that the authority
173 determines;

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

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

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

180 (k) bear facsimile signatures and seals.

181 (4) The authority may pay any expenses, premiums, or commissions, that it considers
182 necessary or advantageous in connection with the authorization, sale, and issuance of these

183 obligations, from the proceeds of the sale of the obligations or from the revenues of the projects
184 involved.

185 Section 4. Section **63B-18-101** is enacted to read:

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

187 **63B-18-101. Highway bonds -- Maximum amount -- Use of proceeds for highway**
188 **projects.**

189 (1) (a) The total amount of bonds issued under this section may not exceed
190 \$2,186,000,000.

191 (b) When the Department of Transportation certifies to the commission that the
192 requirements of Subsection 72-2-124(6) have been met and certifies the amount of bond
193 proceeds that it needs to provide funding for the projects described in Subsection (2) for the
194 next fiscal year, the commission may issue and sell general obligation bonds in an amount
195 equal to the certified amount plus costs of issuance.

196 (2) (a) Proceeds from the issuance of bonds shall be provided to the Department of
197 Transportation to pay all or part of the costs of the following state highway construction or
198 reconstruction projects:

199 (i) Interstate 15 reconstruction in Utah County;

200 (ii) the Mountain View Corridor;

201 (iii) the Southern Parkway; and

202 (iv) state and federal highways prioritized by the Transportation Commission through:

203 (A) the prioritization process for new transportation capacity projects adopted under
204 Section 72-1-304; or

205 (B) the state highway construction program.

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

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

214 (4) The Department of Transportation may enter into agreements related to the projects
215 described in Subsection (2) before the receipt of proceeds of bonds issued under this section.

216 Section 5. Section **63J-3-402** is amended to read:

217 **63J-3-402. Debt limitation -- Vote requirement needed to exceed limitation --**
218 **Exceptions.**

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

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

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

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

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

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

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

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

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

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

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

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

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

244 (xii) Section 63B-13-102;

245 (xiii) Section 63B-16-101; ~~and~~

246 (xiv) Section 63B-16-102~~[-]; and~~

247 (xv) Section 63B-18-101.

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

249 Section 6. Section **72-2-124** is amended to read:

250 **72-2-124. Transportation Investment Fund of 2005.**

251 (1) There is created a special revenue fund entitled the Transportation Investment Fund
252 of 2005.

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

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

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

257 (c) the sales and use tax revenues deposited into the fund in accordance with Section
258 59-12-103.

259 (3) When the highway general obligation bonds have been paid off and the highway
260 projects completed that are intended to be paid from revenues deposited in the Centennial
261 Highway Fund Restricted Account as determined by the Executive Appropriations Committee
262 under Subsection 72-2-118(6)(d), the fund shall also consist of monies generated from the
263 following sources:

264 (a) registration fees designated under Subsection 41-1a-1201(6)(a); and

265 (b) the sales and use tax amounts provided for in Section 59-12-103.

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

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

268 (5) (a) Except as provided in ~~Subsections~~ Subsection (5)(b) ~~and (c)~~, the executive
269 director may use fund monies only to pay:

270 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
271 federal highways prioritized by the Transportation Commission through the prioritization
272 process for new transportation capacity projects adopted under Section 72-1-304~~[-];~~

273 ~~[(b) The executive director may use fund monies deposited into the fund in fiscal year~~
274 ~~2006 only to pay the costs of maintenance, construction, reconstruction, or renovation to state~~
275 ~~and federal highways prioritized by the Transportation Commission.]~~

276 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
277 projects described in Subsection 63B-18-101(2); and

278 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-101.

279 ~~(c)~~ (b) The executive director may use fund monies to exchange for an equal or
280 greater amount of federal transportation funds to be used as provided in Subsection (5)(a).

281 (6) (a) Before bonds authorized by Section 63B-18-101 may be issued in any fiscal
282 year, the department and the commission shall appear before the Executive Appropriations
283 Committee of the Legislature and present the amount of bond proceeds that the department
284 needs to provide funding for the projects identified in Subsection 63B-18-101(2) for the next
285 fiscal year.

286 (b) The Executive Appropriations Committee of the Legislature shall review and
287 comment on the amount of bond proceeds needed to fund the projects.

288 (7) The Division of Finance shall, from monies deposited into the fund, transfer the
289 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
290 Section 63B-18-101 in the current fiscal year to the appropriate debt service or sinking fund.

291 **Section 7. Effective date.**

292 This bill takes effect on July 1, 2009.

Legislative Review Note
as of 3-9-09 6:25 PM

Office of Legislative Research and General Counsel

S.B. 239 - Transportation Revisions

Fiscal Note

2009 General Session
State of Utah

State Impact

Provisions of this bill are estimated to increase revenue to the Transportation Investment Fund of 2005 in FY 2010 and FY 2011 by \$53,000,000. The Legislation authorizes issuance of General Obligation Bonds, which are backed by the full faith and credit of the State, for construction of state highways. Assuming all of the bonds are issued in the first year, with a standard fifteen year repayment period and flattened payments at today's rates, debt service will require approximately \$181,540,000 per year with first year interest cost of \$56,584,000. Actual debt service will vary according to interest rates at the time of issuance, the structure of the bonds, and the number of issuances. Assuming \$100,000,000 of this authorization will be issued in FY 2009 and \$500,000,000 will be issued in FY 2010, current debt service appropriations will cover all but \$1,400,000 in FY 2009 and \$20,300,000 in FY 2010, and \$77,925,000 in FY 2011.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Transportation Fund Restricted	\$1,400,000	\$20,300,000	\$77,925,000	\$0	\$53,000,000	\$53,000,000
Total	\$1,400,000	\$20,300,000	\$77,925,000	\$0	\$53,000,000	\$53,000,000

Individual, Business and/or Local Impact

Enactment of this bill will result in direct, measurable costs for individuals and businesses with the increase of motor vehicle registration fees. It is unlikely that local governments will be benefited or have measurable costs with enactment of this bill.
