

**STATE HIGHWAY PROJECT FUNDING - SALT LAKE  
COUNTY**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill provides a mechanism for financing and constructing certain state highway projects in Salt Lake County using revenues generated wholly in Salt Lake County.

**Highlighted Provisions:**

This bill:

- ▶ authorizes Salt Lake County and the state of Utah to enter into an interlocal agreement for financing certain state highway projects in Salt Lake County;
- ▶ specifies certain provisions of that agreement;
- ▶ provides for Salt Lake County to issue revenue bonds and transmit the proceeds to the Department of Transportation;
- ▶ provides for the state of Utah to transfer money from the state fund that receives certain Salt Lake County revenues to Salt Lake County to pay debt service on the revenue bonds;
- ▶ modifies existing statutory provisions to provide revenues necessary to pay debt service on the Salt Lake County revenue bonds; and
- ▶ makes technical corrections.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**



28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **72-2-121**, as last amended by Laws of Utah 2009, Chapter 275

32 ENACTS:

33 **72-2-121.3**, Utah Code Annotated 1953

34 **72-2-121.4**, Utah Code Annotated 1953



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

37 Section 1. Section **72-2-121** is amended to read:

38 **72-2-121. County of the First Class State Highway Projects Fund.**

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

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

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

44 (b) the portion of the sales and use tax described in Subsection 59-12-502(5)(a)  
45 deposited in or transferred to the fund;

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

48 and

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

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

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

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

55 (a) to pay debt service and bond issuance costs for bonds issued under Sections  
56 63B-16-102 and 63B-18-402;

57 (b) for right-of-way acquisition, new construction, major renovations, and  
58 improvements to state highways within a county of the first class and to pay any debt service

59 and bond issuance costs related to those projects;

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

63 (d) for fiscal year 2009-10 only, to pay for or to provide funds to a municipality or  
64 county to pay for right-of-way acquisition, construction, reconstruction, renovations, and  
65 improvements to highways described in Subsection 63B-18-402(2).

66 ~~[(5)(a) For fiscal years beginning with fiscal year 2010-11 and ending with fiscal year  
67 2012-13, the executive director shall use at least 20% of fund monies available that are not  
68 required to pay principal, interest, and issuance costs of bonds issued under Sections  
69 63B-16-102 and 63B-18-402 to pay for:]~~

70 ~~[(i) east-west transportation route improvements in a county of the first class; and]~~

71 ~~[(ii) state highway capacity improvement and congestion mitigation projects in a  
72 county of the first class:]~~

73 ~~[(b) For a fiscal year beginning on or after July 1, 2013, the executive director shall use  
74 at least 25% of fund monies available that are not required to pay principal, interest, and  
75 issuance costs of bonds issued under Sections 63B-16-102 and 63B-18-402 to pay for:]~~

76 ~~[(i) east-west transportation route improvements in a county of the first class; and]~~

77 ~~[(ii) state highway capacity improvement and congestion mitigation projects in a  
78 county of the first class:]~~

79 ~~[(6)]~~ (5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in  
80 the fund and bond proceeds from bonds issued under Sections 63B-16-102 and 63B-18-402 are  
81 considered a local matching contribution for the purposes described under Section 72-2-123.

82 ~~[(7)]~~ (6) The additional administrative costs of the department to administer this fund  
83 shall be paid from the monies in the fund.

84 (7) Notwithstanding any statutory or other restrictions on the use or expenditure of the  
85 revenue sources deposited into this fund, the Department of Transportation may use the money  
86 in this fund for any of the purposes detailed in Subsection (4).

87 Section 2. Section **72-2-121.3** is enacted to read:

88 **72-2-121.3. Special Revenue Fund -- 2010 Salt Lake County Revenue Bonds**

89 **Sinking Fund.**

90 (1) There is created a special revenue fund within the County of the First Class State  
91 Highway Projects Fund entitled "2010 Salt Lake County Revenue Bond Sinking Fund."

92 (2) (a) The fund consists of monies transferred into the fund from the County of the  
93 First Class State Highway Projects Fund.

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

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

96 (4) (a) The director of the Division of Finance may use fund monies only as provided  
97 in this section.

98 (b) The director of the Division of Finance may not distribute any money from the fund  
99 under this section until the director has received a formal opinion from the attorney general that  
100 Salt Lake County has entered into a binding agreement with the state of Utah containing all of  
101 the terms required by Section 72-2-121.4.

102 (c) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake  
103 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, on  
104 July 1 of each year beginning July 1, 2011, the director of the Division of Finance shall transfer  
105 from the County of the First Class State Highway Projects Fund to the 2010 Salt Lake County  
106 Revenue Bond Sinking Fund the amount certified by Salt Lake County that is necessary to pay:

107 (i) up to two times the debt service requirement necessary to pay debt service on the  
108 revenue bonds issued by Salt Lake County for that fiscal year; and

109 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,  
110 and fund any debt service reserve requirements.

111 (d) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake  
112 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, the  
113 director of the Division of Finance shall, upon request from Salt Lake County, transfer to Salt  
114 Lake County or its designee from the 2010 Salt Lake County Revenue Bond Sinking Fund the  
115 amount certified by Salt Lake County as necessary to pay:

116 (i) the debt service on the revenue bonds issued by Salt Lake County as provided in the  
117 interlocal agreement required by Section 72-2-121.4; and

118 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,  
119 and fund any debt service reserve requirements.

120 (5) Any money remaining in the 2010 Salt Lake County Revenue Bond Sinking Fund

121 at the end of the fiscal year lapses to the County of the First Class State Highway Projects  
122 Fund.

123 Section 3. Section **72-2-121.4** is enacted to read:

124 **72-2-121.4. 2010 interlocal agreement governing state highway projects in Salt**  
125 **Lake County.**

126 (1) Under the direction of the attorney general, the state of Utah and Salt Lake County  
127 may enter into an interlocal agreement that includes, at minimum, the provisions specified in  
128 this section.

129 (2) The attorney general shall ensure that, in the agreement, Salt Lake County  
130 covenants to:

131 (a) issue revenue bonds in an amount generating proceeds of at least \$74,000,000,  
132 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,  
133 and fund any debt service reserve requirements, and secured by revenues received from the  
134 state of Utah under Section 72-2-121.3; and

135 (b) transfer at least \$74,000,000 to the Department of Transportation to be used for  
136 state highway projects in Salt Lake County as provided in the interlocal agreement.

137 (3) The attorney general shall ensure that, in the agreement, the state of Utah covenants  
138 to:

139 (a) use the money transferred by Salt Lake County to pay all or part of the costs of the  
140 following state highway construction or reconstruction projects within Salt Lake County:

141 (i) 5400 South -- Bangerter Highway to 4000 West;

142 (ii) Bangerter Highway at SR-201;

143 (iii) 12300 South at State Street;

144 (iv) Bangerter Highway at 6200 South;

145 (v) Bangerter Highway at 7000 South;

146 (vi) Bangerter Highway at 3100 South;

147 (vii) 5400 South; 4000 West to past 4800 West;

148 (viii) 9400 South and Wasatch Boulevard;

149 (ix) I-215 East southbound at 3300 South; and

150 (x) I-215 West Interchange -- 3500 South to 3800 South and ramp work; and

151 (b) transfer to Salt Lake County or its designee from the 2010 Salt Lake County

152 Revenue Bond Sinking Fund the amount certified by Salt Lake County as necessary to pay:

153 (i) the debt service on the revenue bonds issued by Salt Lake County; and

154 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,  
155 and fund any debt service reserve requirements.

156 (4) The costs under Subsection (3)(a) may include the cost of acquiring land, interests  
157 in land, easements and rights-of-way, improving sites, and making all improvements necessary,  
158 incidental, or convenient to the facilities and all related engineering, architectural, and legal  
159 fees.

160 (5) In preparing the agreement required by this section, the attorney general and Salt  
161 Lake County shall:

162 (a) review each existing interlocal agreement with Salt Lake County concerning Salt  
163 Lake County revenues received by the state for state highway projects within Salt Lake County;  
164 and

165 (b) as necessary, modify those agreements or draft a new interlocal agreement  
166 encompassing all of the provisions necessary to reflect the state's and Salt Lake County's  
167 obligations for those revenues and projects.

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**Legislative Review Note**  
**as of 2-25-10 12:02 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 351 - State Highway Project Funding - Salt Lake County**

**Fiscal Note**

2010 General Session

State of Utah

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**State Impact**

Based on current revenue estimates no state funds or state bonding will be required.

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**Individual, Business and/or Local Impact**

Highway construction projects authorized in this bill will be paid from bonding and revenues provided by Salt Lake County. The bill likely will not result in direct, measurable costs and/or benefits for individuals or businesses.

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