

Senator Jerry W. Stevenson proposes the following substitute bill:

**TRANSPORTATION FUNDING AMENDMENTS**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jerry W. Stevenson**

House Sponsor: Wayne A. Harper

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**LONG TITLE**

**General Description:**

This bill modifies the Transportation Code by amending provisions relating to funding for highway projects within Salt Lake County.

**Highlighted Provisions:**

This bill:

► provides that if project savings are identified by the Department of Transportation ~~to fund certain projects~~, and if the use of funds is not in violation of any agreement, the Department of Transportation shall provide \$3,000,000 to West Valley City to fund certain highway improvements;

► provides that if project savings are identified by the Department of Transportation, and if the use of funds is not in violation of any agreement, the Department of Transportation shall provide \$1,100,000 of the funds to West Jordan City for certain highway improvements; ~~and~~ **[and]**

**► provides that if project savings are identified by the Department of Transportation, and if the use of funds is not in violation of any agreement, the Department of Transportation shall provide \$1,000,000 of the funds to Midvale City for certain highway improvements; and** ~~and~~

► provides that a municipality receiving project funds shall certify that it will use the funds provided solely for the specified projects.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**



**1st Sub. S.B. 164**

26 None

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **72-2-121**, as last amended by Laws of Utah 2010, Chapters 168, 263, and 278

30 **72-2-121.4**, as last amended by Laws of Utah 2011, Chapter 225



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

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

33 **72-2-121. County of the First Class State Highway Projects Fund.**

34 (1) There is created a special revenue fund within the Transportation Fund known as  
35 the "County of the First Class State Highway Projects Fund."

36 (2) The fund consists of money generated from the following revenue sources:

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

39 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)  
40 deposited in or transferred to the fund;

41 (c) the portion of the sales and use tax described in Subsection 59-12-2217(2)(b) and  
42 required by Subsection 59-12-2217(8)(b) to be deposited in or transferred to the fund; and

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

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

47 (b) All interest earned on fund money shall be deposited into the fund.

48 (4) The executive director shall use the fund money only:

49 (a) to pay debt service and bond issuance costs for bonds issued under Sections  
50 63B-16-102 and 63B-18-402;

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

54 (c) for fiscal year 2008-09 only, to pay for or to provide funds to a municipality or  
55 county to pay for right-of-way acquisition, construction, reconstruction, renovations, and  
56

57 improvements to highways described in Subsection 63B-16-102(3); [~~and~~]

58 (d) for fiscal year 2009-10 only, to pay for or to provide funds to a municipality or  
59 county to pay for right-of-way acquisition, construction, reconstruction, renovations, and  
60 improvements to highways described in Subsection 63B-18-402(2)[~~]; and~~

61 (e) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or  
62 county to pay for a portion of right-of-way acquisition, construction, reconstruction,

63 renovations, and improvements to highways described in Subsections 72-2-121.4 (7) ~~H→~~ [~~and~~], ~~←H~~  
63a (8) ~~H→~~, and (9) ~~←H~~.

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

67 (6) The additional administrative costs of the department to administer this fund shall  
68 be paid from money in the fund.

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

72 Section 2. Section **72-2-121.4** is amended to read:

73 **72-2-121.4. 2010 interlocal agreement governing state highway projects in Salt**  
74 **Lake County.**

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

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

80 (a) issue revenue bonds in an amount generating proceeds of at least \$77,000,000,  
81 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,  
82 and fund any debt service reserve requirements, and secured by revenues received from the  
83 state of Utah under Section 72-2-121.3;

84 (b) transfer at least \$68,500,000 to the Department of Transportation to be used for  
85 state highway projects in Salt Lake County as provided in the interlocal agreement; and

86 (c) use or transfer to a municipality to use \$8,500,000 to pay all or part of the costs of  
87 the following highway construction projects in Salt Lake County in the following amounts:

- 88 (i) \$2,000,000 to Salt Lake County for 2300 East in Salt Lake County;
- 89 (ii) \$3,500,000 to Salt Lake City for North Temple;
- 90 (iii) \$1,500,000 to Murray City for 4800 South; and
- 91 (iv) \$1,500,000 to Riverton City for 13400 South -- 4000 West to 4570 West.

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

94 (a) use the money transferred by Salt Lake County under Subsection (2)(b) to pay all or  
95 part of the costs of the following state highway construction or reconstruction projects within  
96 Salt Lake County:

- 97 (i) 5400 South -- Bangerter Highway to 4000 West;
- 98 (ii) Bangerter Highway at SR-201;
- 99 (iii) 12300 South at State Street;
- 100 (iv) Bangerter Highway at 6200 South;
- 101 (v) Bangerter Highway at 7000 South;
- 102 (vi) Bangerter Highway at 3100 South;
- 103 (vii) 5400 South -- 4000 West to past 4800 West;
- 104 (viii) 9400 South and Wasatch Boulevard; and
- 105 (ix) I-215 West Interchange -- 3500 South to 3800 South and ramp work;
- 106 (b) widen and improve US-89 between 7200 South and 9000 South with available  
107 highway funding identified by the commission; and

108 (c) transfer to Salt Lake County or its designee from the 2010 Salt Lake County  
109 Revenue Bond Sinking Fund the amount certified by Salt Lake County as necessary to pay:

- 110 (i) the debt service on the revenue bonds issued by Salt Lake County; and
- 111 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,  
112 and fund any debt service reserve requirements.

113 (4) The costs under Subsections (2)(c) and (3)(a) may include the cost of acquiring  
114 land, interests in land, easements and rights-of-way, improving sites, and making all  
115 improvements necessary, incidental, or convenient to the facilities and all related engineering,  
116 architectural, and legal fees.

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

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

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

125 (6) If project savings are identified by the Department of Transportation from the funds  
 126 provided to the Department of Transportation as described in Subsection (2)(b) and if the use  
 127 of funds is not in violation of any agreement, the Department of Transportation shall provide  
 128 \$1,000,000 of the funds described in Subsection (2)(b) to Draper City to pay for highway  
 129 improvements to 13490 South.

130 (7) If project savings are identified from the funds provided to the Department of  
 131 Transportation as described in Subsection (2)(b) and if the use of funds is not in violation of  
 132 any agreement, the Department of Transportation shall provide \$3,000,000 of the funds  
 133 described in Subsection (2)(b) and from funds in the County of the First Class State Highway  
 134 Projects Fund created by Section 72-2-121 to fund the following highway projects:

135 (a) \$2,000,000 to West Valley City to pay for highway improvements to SR-201  
 136 Frontage Road at Bangerter Highway and associated roads to ease traffic flow onto Bangerter  
 137 Highway between SR-201 and Lake Park Boulevard; and

138 (b) \$1,000,000 to West Valley City for improvements to SR-201 Frontage Road at  
 139 7200 West.

140 (8) If project savings are identified by the Department of Transportation from the funds  
 141 provided to the Department of Transportation as described in Subsection (2)(b) and if the use  
 142 of funds is not in violation of any agreement, the Department of Transportation shall provide  
 143 \$1,100,000 of the funds described in Subsection (2)(b) and from funds in the County of the  
 144 First Class State Highway Projects Fund created by Section 72-2-121 to West Jordan City for  
 145 highway improvements on 4000 West from 7800 South to Old Bingham Highway.

145a **H→ (9) If project savings are identified by the Department of Transportation from the funds**  
 145b **provided to the Department of Transportation as described in Subsection (2)(b) and if the use**  
 145c **of funds is not in violation of any agreement, the Department of Transportation shall provide**  
 145d **\$1,000,000 of the funds described in Subsection (2)(b) and from funds in the County of the**  
 145e **First Class State Highway Projects Fund created by Section 72-2-121 to Midvale City to fund**  
 145f **the following highway projects:**

145g **(a) \$500,000 to Midvale City for improvements to Union Park Avenue from I-215**

145h exit south to Creek Road and Wasatch Boulevard; and  
145i (b) \$500,000 to Midvale City for improvements to 7200 South from I-15 to 700 West  
146 ~~(9)~~ 10 ~~←H~~ (a) (i) Before providing funds to a municipality or county under Subsections  
146a (7) ~~H~~→ [and] , ←H  
147 (8), ~~H~~→ and (9), ←H the Department of Transportation shall obtain from the municipality or  
147a county:  
148 (A) a written certification signed by the county or city mayor or the mayor's designee  
149 certifying that the municipality or county will use the funds provided under Subsections (7)  
149a ~~H~~→ [-and] , ←H

150 (8) ~~H→~~ , and (9) ~~←H~~ solely for the projects described in Subsections (7) ~~H→~~ [and] , ~~←H~~ (8)

150a ~~H→~~ , and (9) ~~←H~~ ; and

151 (B) other documents necessary to protect the state and the bondholders and to ensure

152 that all legal requirements are met.

153 (ii) Except as provided in Subsection ~~H→~~ [(9)] 10 ~~←H~~ (b), by January 1 of each year, the

154 municipality or county receiving funds described in Subsections (7) ~~H→~~ [and] , ~~←H~~ (8)

154a ~~H→~~ , and (9) ~~←H~~ shall submit to the

155 Department of Transportation a statement of cash flow for the current fiscal year detailing the

156 funds necessary to pay project costs for the projects described in Subsections (7) ~~H→~~ [and] , ~~←H~~ (8)

156a ~~H→~~ , and (9) ~~←H~~ .

157 (iii) Except as provided in Subsection ~~S→~~ [(4)(b)] ~~H→~~ [(9)] 10 ~~←H~~ (b) ~~←S~~ , after

157a1 receiving the statement

157a required

158 under Subsection ~~H→~~ [(9)] 10 ~~←H~~ (a)(ii) and after July 1, the Department of Transportation

158a shall provide

159 funds to the municipality or county necessary to pay project costs for the current fiscal year

160 based upon the statement of cash flow submitted by the municipality or county.

161 (iv) Upon the financial close of each project described in Subsections (7) ~~H→~~ [and] , ~~←H~~

161a (8), ~~H→~~ and (9), ~~←H~~ the

162 municipality or county receiving funds under Subsections (7) ~~H→~~ [and] , ~~←H~~ (8)

162a ~~H→~~ , and (9) ~~←H~~ shall submit a statement

163 to the Department of Transportation detailing the expenditure of funds received for each

164 project.

165 (b) For calendar year 2012 only:

166 (i) the municipality or county shall submit to the Department of Transportation a

167 statement of cash flow as provided in Subsection ~~H→~~ [(9)] 10 ~~←H~~ (a)(ii) as soon as possible; and

168 (ii) the Department of Transportation shall provide funds to the municipality or county

169 necessary to pay project costs based upon the statement of cash flow.

170 (c) The commission or the state treasurer may make any statement of intent relating to

171 a reimbursement under this Subsection ~~H→~~ [(9)] 10 ~~←H~~ that is necessary or desirable to comply

171a with federal

172 tax law.