

**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, 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;

- ▶ 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

- ▶ 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:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **72-2-121**, as last amended by Laws of Utah 2010, Chapters 168, 263, and 278

34 **72-2-121.4**, as last amended by Laws of Utah 2011, Chapter 225

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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 within the Transportation Fund known as  
40 the "County of the First Class State Highway Projects Fund."

41 (2) The fund consists of money 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 59-12-2214(3)(b)  
45 deposited in or transferred to the fund;

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

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

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

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

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

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

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

58 and bond issuance costs related to those projects;

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

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

65 (e) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or  
66 county to pay for a portion of right-of-way acquisition, construction, reconstruction,  
67 renovations, and improvements to highways described in Subsections 72-2-121.4 (7), (8), and  
68 (9).

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

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

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

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

78 **72-2-121.4. 2010 interlocal agreement governing state highway projects in Salt**  
79 **Lake County.**

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

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

85 (a) issue revenue bonds in an amount generating proceeds of at least \$77,000,000,

86 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,  
87 and fund any debt service reserve requirements, and secured by revenues received from the  
88 state of Utah under Section 72-2-121.3;

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

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

93 (i) \$2,000,000 to Salt Lake County for 2300 East in Salt Lake County;

94 (ii) \$3,500,000 to Salt Lake City for North Temple;

95 (iii) \$1,500,000 to Murray City for 4800 South; and

96 (iv) \$1,500,000 to Riverton City for 13400 South -- 4000 West to 4570 West.

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

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

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

103 (ii) Bangerter Highway at SR-201;

104 (iii) 12300 South at State Street;

105 (iv) Bangerter Highway at 6200 South;

106 (v) Bangerter Highway at 7000 South;

107 (vi) Bangerter Highway at 3100 South;

108 (vii) 5400 South -- 4000 West to past 4800 West;

109 (viii) 9400 South and Wasatch Boulevard; and

110 (ix) I-215 West Interchange -- 3500 South to 3800 South and ramp work;

111 (b) widen and improve US-89 between 7200 South and 9000 South with available  
112 highway funding identified by the commission; and

113 (c) transfer to Salt Lake County or its designee from the 2010 Salt Lake County

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

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

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

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

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

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

130 (6) If project savings are identified by the Department of Transportation from the funds  
131 provided to the Department of Transportation as described in Subsection (2)(b) and if the use  
132 of funds is not in violation of any agreement, the Department of Transportation shall provide  
133 \$1,000,000 of the funds described in Subsection (2)(b) to Draper City to pay for highway  
134 improvements to 13490 South.

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

140 (a) \$2,000,000 to West Valley City to pay for highway improvements to SR-201  
141 Frontage Road at Bangerter Highway and associated roads to ease traffic flow onto Bangerter

142 Highway between SR-201 and Lake Park Boulevard; and

143 (b) \$1,000,000 to West Valley City for improvements to SR-201 Frontage Road at  
144 7200 West.

145 (8) If project savings are identified by the Department of Transportation from the funds  
146 provided to the Department of Transportation as described in Subsection (2)(b) and if the use  
147 of funds is not in violation of any agreement, the Department of Transportation shall provide  
148 \$1,100,000 of the funds described in Subsection (2)(b) and from funds in the County of the  
149 First Class State Highway Projects Fund created by Section 72-2-121 to West Jordan City for  
150 highway improvements on 4000 West from 7800 South to Old Bingham Highway.

151 (9) If project savings are identified by the Department of Transportation from the funds  
152 provided to the Department of Transportation as described in Subsection (2)(b) and if the use  
153 of funds is not in violation of any agreement, the Department of Transportation shall provide  
154 \$1,000,000 of the funds described in Subsection (2)(b) and from funds in the County of the  
155 First Class State Highway Projects Fund created by Section 72-2-121 to Midvale City to fund  
156 the following highway projects:

157 (a) \$500,000 to Midvale City for improvements to Union Park Avenue from I-215 exit  
158 south to Creek Road and Wasatch Boulevard; and

159 (b) \$500,000 to Midvale City for improvements to 7200 South from I-15 to 700 West.

160 (10) (a) (i) Before providing funds to a municipality or county under Subsections (7),  
161 (8), and (9), the Department of Transportation shall obtain from the municipality or county:

162 (A) a written certification signed by the county or city mayor or the mayor's designee  
163 certifying that the municipality or county will use the funds provided under Subsections (7),  
164 (8), and (9) solely for the projects described in Subsections (7), (8), and (9); and

165 (B) other documents necessary to protect the state and the bondholders and to ensure  
166 that all legal requirements are met.

167 (ii) Except as provided in Subsection (10)(b), by January 1 of each year, the  
168 municipality or county receiving funds described in Subsections (7), (8), and (9) shall submit to  
169 the Department of Transportation a statement of cash flow for the current fiscal year detailing

170 the funds necessary to pay project costs for the projects described in Subsections (7), (8), and  
171 (9).

172 (iii) Except as provided in Subsection (10)(b), after receiving the statement required  
173 under Subsection (10)(a)(ii) and after July 1, the Department of Transportation shall provide  
174 funds to the municipality or county necessary to pay project costs for the current fiscal year  
175 based upon the statement of cash flow submitted by the municipality or county.

176 (iv) Upon the financial close of each project described in Subsections (7), (8), and (9),  
177 the municipality or county receiving funds under Subsections (7), (8), and (9) shall submit a  
178 statement to the Department of Transportation detailing the expenditure of funds received for  
179 each project.

180 (b) For calendar year 2012 only:

181 (i) the municipality or county shall submit to the Department of Transportation a  
182 statement of cash flow as provided in Subsection (10)(a)(ii) as soon as possible; and

183 (ii) the Department of Transportation shall provide funds to the municipality or county  
184 necessary to pay project costs based upon the statement of cash flow.

185 (c) The commission or the state treasurer may make any statement of intent relating to  
186 a reimbursement under this Subsection (10) that is necessary or desirable to comply with  
187 federal tax law.