

Representative Johnny Anderson proposes the following substitute bill:

TRANSPORTATION FUNDING REVISIONS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Johnny Anderson

LONG TITLE

General Description:

This bill modifies transportation funding provisions.

Highlighted Provisions:

This bill:

- ▶ reallocates a portion of certain bond proceeds and funds available in the Transportation Investment Fund of 2005 from the Governor's Office of Economic Development to the Department of Transportation for certain transportation infrastructure improvements;
- ▶ provides that for fiscal year 2014-15 only, a portion of the revenue in the County of the First Class State Highway Projects Fund shall be transferred to the legislative body of a county of the first class to be used for certain purposes; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:



26 **63B-18-401**, as last amended by Laws of Utah 2013, Chapter 389

27 **72-2-121**, as last amended by Laws of Utah 2013, Chapter 389



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

30 Section 1. Section **63B-18-401** is amended to read:

31 **63B-18-401. Highway bonds -- Maximum amount -- Use of proceeds for highway**
32 **projects.**

33 (1) (a) The total amount of bonds issued under this section may not exceed
34 \$2,077,000,000.

35 (b) When the Department of Transportation certifies to the commission that the
36 requirements of Subsection **72-2-124(5)** have been met and certifies the amount of bond
37 proceeds that it needs to provide funding for the projects described in Subsection (2) for the
38 next fiscal year, the commission may issue and sell general obligation bonds in an amount
39 equal to the certified amount plus costs of issuance.

40 (2) Except as provided in Subsections (3) and (4), proceeds from the issuance of bonds
41 shall be provided to the Department of Transportation to pay all or part of the costs of the
42 following state highway construction or reconstruction projects:

- 43 (a) Interstate 15 reconstruction in Utah County;
- 44 (b) the Mountain View Corridor;
- 45 (c) the Southern Parkway; and
- 46 (d) state and federal highways prioritized by the Transportation Commission through:
 - 47 (i) the prioritization process for new transportation capacity projects adopted under
 - 48 Section **72-1-304**; or
 - 49 (ii) the state highway construction program.

50 (3) (a) Except as provided in Subsection (5), the bond proceeds issued under this
51 section shall be provided to the Department of Transportation.

52 (b) The Department of Transportation shall use bond proceeds and the funds provided
53 to it under Section **72-2-124** to pay for the costs of right-of-way acquisition, construction,
54 reconstruction, renovations, or improvements to the following highways:

- 55 (i) \$35 million to add highway capacity on I-15 south of the Spanish Fork Main Street
56 interchange to Payson;

- 57 (ii) \$28 million for improvements to Riverdale Road in Ogden;
- 58 (iii) \$1 million for intersection improvements on S.R. 36 at South Mountain Road;
- 59 (iv) \$2 million for capacity enhancements on S.R. 248 between Sidewinder Drive and
60 Richardson Flat Road;
- 61 (v) \$12 million for Vineyard Connector from 800 North Geneva Road to Lake Shore
62 Road;
- 63 (vi) \$7 million for 2600 South interchange modifications in Woods Cross;
- 64 (vii) \$9 million for reconfiguring the 1100 South interchange on I-15 in Box Elder
65 County;
- 66 (viii) \$18 million for the Provo west-side connector;
- 67 (ix) \$8 million for interchange modifications on I-15 in the Layton area;
- 68 (x) \$3,000,000 for an energy corridor study and environmental review for
69 improvements in the Uintah Basin;
- 70 (xi) \$2,000,000 for highway improvements to Harrison Boulevard in Ogden City;
- 71 (xii) \$2,500,000 to be provided to Tooele City for roads around the Utah State
72 University campus to create improved access to an institution of higher education;
- 73 (xiii) \$3,000,000 to be provided to the Utah Office of Tourism within the Governor's
74 Office of Economic Development for transportation infrastructure improvements associated
75 with annual tourism events that have:
- 76 (A) a significant economic development impact within the state; and
- 77 (B) significant needs for congestion mitigation;
- 78 (xiv) [~~\$4,500,000~~] \$1,377,700 to be provided to the Governor's Office of Economic
79 Development for transportation infrastructure acquisitions and improvements that have a
80 significant economic development impact within the state;
- 81 (xv) \$3,122,300 for transportation improvements that have a significant economic
82 development impact within the state;
- 83 [~~(xvi)~~] (xvi) \$125,000,000 to pay all or part of the costs of state and federal highway
84 construction or reconstruction projects prioritized by the Transportation Commission through
85 the prioritization process for new transportation capacity projects adopted under Section
86 [72-1-304](#); and
- 87 [~~(xvi)~~] (xvii) \$10,000,000 for the Transportation Fund to pay all or part of the costs of

88 state and federal highway construction or reconstruction projects as prioritized by the
89 Transportation Commission.

90 (4) (a) The Department of Transportation shall use bond proceeds and the funds under
91 Section 72-2-121 to pay for, or to provide funds to, a municipality, county, or political
92 subdivision to pay for the costs of right-of-way acquisition, construction, reconstruction,
93 renovations, or improvements to the following highway or transit projects in Salt Lake County
94 or in a municipality with a boundary that is located within more than one county and a portion
95 of the municipality is within Salt Lake County:

- 96 (i) \$4,000,000 to Taylorsville City for bus rapid transit planning on 4700 South;
- 97 (ii) \$4,200,000 to Taylorsville City for highway improvements on or surrounding 6200
98 South and pedestrian crossings and system connections;
- 99 (iii) \$2,250,000 to Herriman City for highway improvements to the Salt Lake
100 Community College Road;
- 101 (iv) \$5,300,000 to West Jordan City for highway improvements on 5600 West from
102 6200 South to 8600 South;
- 103 (v) \$4,000,000 to West Jordan City for highway improvements to 7800 South from
104 1300 West to S.R. 111;
- 105 (vi) \$7,300,000 to Sandy City for highway improvements on Monroe Street;
- 106 (vii) \$3,000,000 to Draper City for highway improvements to 13490 South from 200
107 West to 700 West;
- 108 (viii) \$5,000,000 to Draper City for highway improvements to Suncrest Road;
- 109 (ix) \$1,200,000 to Murray City for highway improvements to 5900 South from State
110 Street to 900 East;
- 111 (x) \$1,800,000 to Murray City for highway improvements to 1300 East;
- 112 (xi) \$3,000,000 to South Salt Lake City for intersection improvements on West
113 Temple, Main Street, and State Street;
- 114 (xii) \$2,000,000 to Salt Lake County for highway improvements to 5400 South from
115 5600 West to Mountain View Corridor;
- 116 (xiii) \$3,000,000 to West Valley City for highway improvements to 6400 West from
117 Parkway Boulevard to SR-201 Frontage Road;
- 118 (xiv) \$4,300,000 to West Valley City for highway improvements to 2400 South from

119 4800 West to 7200 West and pedestrian crossings;
120 (xv) \$4,000,000 to Salt Lake City for highway improvements to 700 South from 2800
121 West to 5600 West;
122 (xvi) \$2,750,000 to Riverton City for highway improvements to 4570 West from
123 12600 South to Riverton Boulevard;
124 (xvii) \$1,950,000 to Cottonwood Heights for improvements to Union Park Avenue
125 from I-215 exit south to Creek Road and Wasatch Boulevard and Big Cottonwood Canyon;
126 (xviii) \$1,300,000 to Cottonwood Heights for highway improvements to Bengal
127 Boulevard;
128 (xix) \$1,500,000 to Midvale City for highway improvements to 7200 South from I-15
129 to 1000 West;
130 (xx) \$1,000,000 to Bluffdale City for an environmental impact study on Porter
131 Rockwell Boulevard;
132 (xxi) \$2,900,000 to the Utah Transit Authority for the following public transit studies:
133 (A) a circulator study; and
134 (B) a mountain transport study; and
135 (xxii) \$1,000,000 to South Jordan City for highway improvements to 2700 West.
136 (b) (i) Before providing funds to a municipality or county under this Subsection (4), the
137 Department of Transportation shall obtain from the municipality or county:
138 (A) a written certification signed by the county or city mayor or the mayor's designee
139 certifying that the municipality or county will use the funds provided under this Subsection (4)
140 solely for the projects described in Subsection (4)(a); and
141 (B) other documents necessary to protect the state and the bondholders and to ensure
142 that all legal requirements are met.
143 (ii) Except as provided in Subsection (4)(c), by January 1 of each year, the municipality
144 or county receiving funds described in this Subsection (4) shall submit to the Department of
145 Transportation a statement of cash flow for the next fiscal year detailing the funds necessary to
146 pay project costs for the projects described in Subsection (4)(a).
147 (iii) After receiving the statement required under Subsection (4)(b)(ii) and after July 1,
148 the Department of Transportation shall provide funds to the municipality or county necessary to
149 pay project costs for the next fiscal year based upon the statement of cash flow submitted by

150 the municipality or county.

151 (iv) Upon the financial close of each project described in Subsection (4)(a), the
152 municipality or county receiving funds under this Subsection (4) shall submit a statement to the
153 Department of Transportation detailing the expenditure of funds received for each project.

154 (c) For calendar year 2012 only:

155 (i) the municipality or county shall submit to the Department of Transportation a
156 statement of cash flow as provided in Subsection (4)(b)(ii) as soon as possible; and

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

159 (5) Twenty million dollars of the bond proceeds issued under this section and funds
160 available under Section 72-2-124 shall be provided to the Transportation Infrastructure Loan
161 Fund created by Section 72-2-202 to make funds available for transportation infrastructure
162 loans and transportation infrastructure assistance under Title 72, Chapter 2, Part 2,
163 Transportation Infrastructure Loan Fund.

164 (6) The costs under Subsections (2), (3), and (4) may include the costs of studies
165 necessary to make transportation infrastructure improvements, the cost of acquiring land,
166 interests in land, easements and rights-of-way, improving sites, and making all improvements
167 necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds
168 during the period to be covered by construction of the projects plus a period of six months after
169 the end of the construction period, interest estimated to accrue on any bond anticipation notes
170 issued under the authority of this title, and all related engineering, architectural, and legal fees.

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

173 (8) The Department of Transportation may enter into agreements related to the projects
174 described in Subsections (2), (3), and (4) before the receipt of proceeds of bonds issued under
175 this section.

176 (9) The Department of Transportation may enter into a new or amend an existing
177 interlocal agreement related to the projects described in Subsections (3) and (4) to establish any
178 necessary covenants or requirements not otherwise provided for by law.

179 Section 2. Section 72-2-121 is amended to read:

180 **72-2-121. County of the First Class State Highway Projects Fund.**

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

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

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

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

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

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

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

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

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

196 (a) to pay debt service and bond issuance costs for bonds issued under Sections
197 63B-16-102 and 63B-18-402;

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

201 (c) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or
202 county to pay for a portion of right-of-way acquisition, construction, reconstruction,
203 renovations, and improvements to highways described in Subsections 72-2-121.4(7), (8), and
204 (9);

205 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
206 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
207 transferred in accordance with Subsection 72-2-124(4)(a)(iv);

208 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
209 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects
210 described in Subsection 63B-18-401(4)(a); [~~and~~]

211 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has

212 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to
213 transfer an amount equal to 50% of the revenue generated by the local option highway
214 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
215 a county of the first class:

- 216 (i) to the legislative body of a county of the first class; and
- 217 (ii) to be used by a county of the first class for:
 - 218 (A) highway construction, reconstruction, or maintenance projects; or
 - 219 (B) the enforcement of state motor vehicle and traffic laws[-]; and
 - 220 (g) for fiscal year 2014-15 only, and after the department has verified that the amount
 - 221 required under Subsection 72-2-121.3(4)(c) is available in the fund, to transfer an amount equal
 - 222 to \$4,000,000:

- 223 (i) to the legislative body of a county of the first class; and
- 224 (ii) to be used by a county of the first class for:
 - 225 (A) highway construction, reconstruction, or maintenance projects; or
 - 226 (B) the enforcement of state motor vehicle and traffic laws.

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

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

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