

Senator Wayne A. Harper proposes the following substitute bill:

**REVISIONS TO TRANSPORTATION FUNDING**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Johnny Anderson**

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

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to transportation funding.

**Highlighted Provisions:**

This bill:

- ▶ provides an exception to certain voter approval requirements to impose certain local option sales and use taxes for transportation;
- ▶ amends the allowable uses for revenue in the County of the First Class Highway Projects Fund;
- ▶ provides that a portion of the revenue in the County of the First Class Highway Projects Fund shall be transferred to the legislative body of a county of the first class to be used for certain purposes;
- ▶ requires the Transportation Commission to develop a funding plan and identify a program that meets long-term transportation needs beyond the normal four year programming horizon;
- ▶ requires the Transportation Commission to report the funding plan and program to the Transportation Interim Committee of the Legislature; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**



26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **41-1a-1222**, as last amended by Laws of Utah 2012, Chapter 397

32 **59-12-2208**, as enacted by Laws of Utah 2010, Chapter 263

33 **59-12-2214**, as enacted by Laws of Utah 2010, Chapter 263

34 **59-12-2217**, as last amended by Laws of Utah 2012, Chapter 400

35 **72-2-121**, as last amended by Laws of Utah 2013, Chapter 389

36 **72-2-121.3**, as last amended by Laws of Utah 2013, Chapter 389

37 **72-2-121.4**, as last amended by Laws of Utah 2012, Chapter 131

38 **72-2-124**, as last amended by Laws of Utah 2013, Chapters 389 and 400



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

41 Section 1. Section **41-1a-1222** is amended to read:

42 **41-1a-1222. Local option highway construction and transportation corridor**  
43 **preservation fee -- Exemptions -- Deposit -- Transfer -- County ordinance -- Notice.**

44 (1) (a) (i) Except as provided in Subsection (1)(a)(ii), a county legislative body may  
45 impose a local option highway construction and transportation corridor preservation fee of up  
46 to \$10 on each motor vehicle registration within the county.

47 (ii) A county legislative body may impose a local option highway construction and  
48 transportation corridor preservation fee of up to \$7.75 on each motor vehicle registration for a  
49 six-month registration period under Section **41-1a-215.5** within the county.

50 (iii) A fee imposed under Subsection (1)(a)(i) or (ii) shall be set in whole dollar  
51 increments.

52 (b) If imposed under Subsection (1)(a), at the time application is made for registration  
53 or renewal of registration of a motor vehicle under this chapter, the applicant shall pay the local  
54 option highway construction and transportation corridor preservation fee established by the  
55 county legislative body.

56 (c) The following are exempt from the fee required under Subsection (1)(a):

57 (i) a motor vehicle that is exempt from the registration fee under Section 41-1a-1209 or  
58 Subsection 41-1a-419(3);

59 (ii) a commercial vehicle with an apportioned registration under Section 41-1a-301;  
60 and

61 (iii) a motor vehicle with a Purple Heart special group license plate issued in  
62 accordance with Section 41-1a-421.

63 (2) (a) Except as provided in Subsection (2)(b), the revenue generated under this  
64 section shall be:

65 (i) deposited in the Local Transportation Corridor Preservation Fund created in Section  
66 72-2-117.5;

67 (ii) credited to the county from which it is generated; and

68 (iii) used and distributed in accordance with Section 72-2-117.5.

69 (b) The revenue generated by a fee imposed under this section in a county of the first  
70 class shall be deposited or transferred as follows:

71 (i) 50% of the revenue shall be:

72 (A) deposited in the County of the First Class [State] Highway Projects Fund created in  
73 Section 72-2-121; and

74 (B) used in accordance with Section 72-2-121;

75 (ii) 20% of the revenue shall be:

76 (A) transferred to the legislative body of a city of the first class:

77 (I) located in a county of the first class; and

78 (II) that has:

79 (Aa) an international airport within its boundaries; and

80 (Bb) a United States customs office on the premises of the international airport  
81 described in Subsection (2)(b)(ii)(A)(II)(Aa); and

82 (B) used by the city described in Subsection (2)(b)(ii)(A) for highway construction,  
83 reconstruction, or maintenance projects; and

84 (iii) 30% of the revenue shall be deposited, credited, and used as provided in  
85 Subsection (2)(a).

86 (3) To impose or change the amount of a fee under this section, the county legislative  
87 body shall pass an ordinance:

- 88 (a) approving the fee;
- 89 (b) setting the amount of the fee; and
- 90 (c) providing an effective date for the fee as provided in Subsection (4).
- 91 (4) (a) If a county legislative body enacts, changes, or repeals a fee under this section,
- 92 the enactment, change, or repeal shall take effect on July 1 if the commission receives notice
- 93 meeting the requirements of Subsection (4)(b) from the county prior to April 1.
- 94 (b) The notice described in Subsection (4)(a) shall:
- 95 (i) state that the county will enact, change, or repeal a fee under this part;
- 96 (ii) include a copy of the ordinance imposing the fee; and
- 97 (iii) if the county enacts or changes the fee under this section, state the amount of the
- 98 fee.

99 Section 2. Section **59-12-2208** is amended to read:

100 **59-12-2208. Legislative body approval requirements -- Voter approval**  
101 **requirements.**

102 (1) Subject to the other provisions of this section, before imposing a sales and use tax  
103 under this part, a county, city, or town legislative body shall:

104 (a) obtain approval to impose the sales and use tax from a majority of the members of  
105 the county, city, or town legislative body; and

106 (b) submit an opinion question to the county's, city's, or town's registered voters voting  
107 on the imposition of the sales and use tax so that each registered voter has the opportunity to  
108 express the registered voter's opinion on whether a sales and use tax should be imposed under  
109 this section.

110 (2) The opinion question required by this section shall state:

111 "Shall (insert the name of the county, city, or town), Utah, be authorized to impose a  
112 (insert the tax rate of the sales and use tax) sales and use tax for (list the purposes for which the  
113 revenues collected from the sales and use tax shall be expended)?"

114 (3) (a) Subject to Subsection (3)(b), the election required by this section shall be held:

115 (i) at a regular general election conducted in accordance with the procedures and  
116 requirements of Title 20A, Election Code, governing regular general elections; or

117 (ii) at a municipal general election conducted in accordance with the procedures and  
118 requirements of Section [20A-1-202](#).

119 (b) (i) Subject to Subsection (3)(b)(ii), the county clerk of the county in which the  
120 opinion question required by this section will be submitted to registered voters shall, no later  
121 than 15 days before the date of the election:

122 (A) publish a notice:

123 (I) once in a newspaper published in that county; and

124 (II) as required in Section 45-1-101; or

125 (B) (I) cause a copy of the notice to be posted in a conspicuous place most likely to  
126 give notice of the election to the registered voters voting on the imposition of the sales and use  
127 tax; and

128 (II) prepare an affidavit of that posting, showing a copy of the notice and the places  
129 where the notice was posted.

130 (ii) The notice under Subsection (3)(b)(i) shall:

131 (A) state that an opinion question will be submitted to the county's, city's, or town's  
132 registered voters voting on the imposition of a sales and use tax under this section so that each  
133 registered voter has the opportunity to express the registered voter's opinion on whether a sales  
134 and use tax should be imposed under this section; and

135 (B) list the purposes for which the revenues collected from the sales and use tax shall  
136 be expended.

137 (4) A county, city, or town that submits an opinion question to registered voters under  
138 this section is subject to Section 20A-11-1203.

139 (5) Subject to Section 59-12-2209, if a county, city, or town legislative body  
140 determines that a majority of the county's, city's, or town's registered voters voting on the  
141 imposition of a sales and use tax under this part have voted in favor of the imposition of the  
142 sales and use tax in accordance with this section, the county, city, or town legislative body shall  
143 impose the sales and use tax.

144 (6) If, after imposing a sales and use tax under this part, a county, city, or town  
145 legislative body seeks to impose a tax rate for the sales and use tax that exceeds or is less than  
146 the tax rate stated in the opinion question described in Subsection (2) or repeals the tax rate  
147 stated in the opinion question described in Subsection (2), the county, city, or town legislative  
148 body shall:

149 (a) obtain approval from a majority of the members of the county, city, or town

150 legislative body to impose a tax rate for the sales and use tax that exceeds or is less than the tax  
151 rate stated in the opinion question described in Subsection (2) or repeals the tax rate stated in  
152 the opinion question described in Subsection (2); and

153 (b) in accordance with the procedures and requirements of this section, submit an  
154 opinion question to the county's, city's, or town's registered voters voting on the tax rate so that  
155 each registered voter has the opportunity to express the registered voter's opinion on whether to  
156 impose a tax rate for the sales and use tax that exceeds or is less than the tax rate stated in the  
157 opinion question described in Subsection (2) or repeal the tax rate stated in the opinion  
158 question described in Subsection (2).

159 (7) Notwithstanding any other provision of this section, a county legislative body is not  
160 required to submit an opinion question to the county's registered voters in accordance with this  
161 section to impose for the first time either the sales and use tax authorized by Section  
162 59-12-2217 or the sales and use tax authorized by Section 59-12-2218, if the county:

163 (a) before January 1, 2015, obtained voter approval to impose and imposes a tax rate of  
164 .25% under Sections 59-12-2213 and 59-12-2214; and

165 (b) on or after July 1, 2015, but on or before July 1, 2018, obtains approval to impose  
166 for the first time either the sales and use tax authorized by Section 59-12-2217 or the sales and  
167 use tax authorized by Section 59-12-2218, from a majority of the members of the county  
168 legislative body.

169 Section 3. Section 59-12-2214 is amended to read:

170 **59-12-2214. County, city, or town option sales and use tax to fund a system for**  
171 **public transit, an airport facility, a water conservation project, or to be deposited into the**  
172 **County of the First Class Highway Projects Fund -- Base -- Rate -- Voter approval**  
173 **exception.**

174 (1) Subject to the other provisions of this part, a county, city, or town may impose a  
175 sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located  
176 within the county, city, or town.

177 (2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax  
178 under this section shall expend the revenues collected from the sales and use tax:

179 (a) to fund a system for public transit;

180 (b) to fund a project or service related to an airport facility for the portion of the project

181 or service that is performed within the county, city, or town within which the sales and use tax  
182 is imposed:

183 (i) for a county that imposes the sales and use tax, if the airport facility is part of the  
184 regional transportation plan of the area metropolitan planning organization if a metropolitan  
185 planning organization exists for the area; or

186 (ii) for a city or town that imposes the sales and use tax, if:

187 (A) that city or town is located within a county of the second class;

188 (B) that city or town owns or operates the airport facility; and

189 (C) an airline is headquartered in that city or town; or

190 (c) for a combination of Subsections (2)(a) and (b).

191 (3) A county of the first class that imposes a sales and use tax under this section shall  
192 expend the revenues collected from the sales and use tax as follows:

193 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund  
194 a system for public transit; and

195 (b) 20% of the revenues collected from the sales and use tax shall be deposited into the  
196 County of the First Class [State] Highway Projects Fund created by Section 72-2-121.

197 (4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not  
198 required to submit an opinion question to the county's, city's, or town's registered voters in  
199 accordance with Section 59-12-2208 to impose a sales and use tax under this section if:

200 (a) the county, city, or town imposes the sales and use tax under this section on or after  
201 July 1, 2010, but on or before July 1, 2011;

202 (b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:

203 (i) Section 59-12-2213; or

204 (ii) Section 59-12-2215; and

205 (c) the county, city, or town obtained voter approval to impose the sales and use tax  
206 under:

207 (i) Section 59-12-2213; or

208 (ii) Section 59-12-2215.

209 Section 4. Section 59-12-2217 is amended to read:

210 **59-12-2217. County option sales and use tax for transportation -- Base -- Rate --**

211 **Written prioritization process -- Approval by county legislative body.**

212 (1) Subject to the other provisions of this part, a county legislative body may impose a  
213 sales and use tax of up to .25% on the transactions described in Subsection 59-12-103(1)  
214 within the county, including the cities and towns within the county.

215 (2) Subject to Subsections (3) through (8) and Section 59-12-2207, the revenues  
216 collected from a sales and use tax under this section may only be expended for:

217 (a) a project or service:

218 (i) relating to a regionally significant transportation facility for the portion of the  
219 project or service that is performed within the county;

220 (ii) for new capacity or congestion mitigation if the project or service is performed  
221 within a county:

222 (A) of the first or second class; or

223 (B) if that county is part of an area metropolitan planning organization; and

224 (iii) that is on a priority list:

225 (A) created by the county's council of governments in accordance with Subsection (7);

226 and

227 (B) approved by the county legislative body in accordance with Subsection (7);

228 (b) corridor preservation for a project or service described in Subsection (2)(a) as  
229 provided in Subsection (8); or

230 (c) debt service or bond issuance costs related to a project or service described in  
231 Subsection (2)(a)(i) or (ii).

232 (3) If a project or service described in Subsection (2) is for:

233 (a) a principal arterial highway or a minor arterial highway in a county of the first or  
234 second class or a collector road in a county of the second class, that project or service shall be  
235 part of the:

236 (i) county and municipal master plan; and

237 (ii) (A) statewide long-range plan; or

238 (B) regional transportation plan of the area metropolitan planning organization if a  
239 metropolitan planning organization exists for the area; or

240 (b) a fixed guideway or an airport, that project or service shall be part of the regional  
241 transportation plan of the area metropolitan planning organization if a metropolitan planning  
242 organization exists for the area.



243 (4) In a county of the first or second class, a regionally significant transportation  
244 facility project or service described in Subsection (2)(a)(i) shall have a funded year priority  
245 designation on a Statewide Transportation Improvement Program and Transportation  
246 Improvement Program if the project or service described in Subsection (2)(a)(i) is:

- 247 (a) a principal arterial highway;
- 248 (b) a minor arterial highway;
- 249 (c) a collector road in a county of the second class; or
- 250 (d) a major collector highway in a rural area.

251 (5) Of the revenues collected from a sales and use tax imposed under this section  
252 within a county of the first or second class, 25% or more shall be expended for the purpose  
253 described in Subsection (2)(b).

254 (6) (a) As provided in this Subsection (6), a council of governments shall:

255 (i) develop a written prioritization process for the prioritization of projects to be funded  
256 by revenues collected from a sales and use tax under this section;

257 (ii) create a priority list of regionally significant transportation facility projects or  
258 services described in Subsection (2)(a)(i) in accordance with Subsection (7); and

259 (iii) present the priority list to the county legislative body for approval in accordance  
260 with Subsection (7).

261 (b) The written prioritization process described in Subsection (6)(a)(i) shall include:

262 (i) a definition of the type of projects to which the written prioritization process  
263 applies;

264 (ii) subject to Subsection (6)(c), the specification of a weighted criteria system that the  
265 council of governments will use to rank proposed projects and how that weighted criteria  
266 system will be used to determine which proposed projects will be prioritized;

267 (iii) the specification of data that is necessary to apply the weighted criteria system;

268 (iv) application procedures for a project to be considered for prioritization by the  
269 council of governments; and

270 (v) any other provision the council of governments considers appropriate.

271 (c) The weighted criteria system described in Subsection (6)(b)(ii) shall include the  
272 following:

273 (i) the cost effectiveness of a project;

- 274 (ii) the degree to which a project will mitigate regional congestion;
- 275 (iii) the compliance requirements of applicable federal laws or regulations;
- 276 (iv) the economic impact of a project;
- 277 (v) the degree to which a project will require tax revenues to fund maintenance and
- 278 operation expenses; and
- 279 (vi) any other provision the council of governments considers appropriate.

280 (d) A council of governments of a county of the first or second class shall submit the  
281 written prioritization process described in Subsection (6)(a)(i) to the Executive Appropriations  
282 Committee for approval prior to taking final action on:

- 283 (i) the written prioritization process; or
- 284 (ii) any proposed amendment to the written prioritization process.

285 (7) (a) A council of governments shall use the weighted criteria system adopted in the  
286 written prioritization process developed in accordance with Subsection (6) to create a priority  
287 list of regionally significant transportation facility projects or services for which revenues  
288 collected from a sales and use tax under this section may be expended.

289 (b) Before a council of governments may finalize a priority list or the funding level of a  
290 project, the council of governments shall conduct a public meeting on:

- 291 (i) the written prioritization process; and
- 292 (ii) the merits of the projects that are prioritized as part of the written prioritization  
293 process.

294 (c) A council of governments shall make the weighted criteria system ranking for each  
295 project prioritized as part of the written prioritization process publicly available before the  
296 public meeting required by Subsection (7)(b) is held.

297 (d) If a council of governments prioritizes a project over another project with a higher  
298 rank under the weighted criteria system, the council of governments shall:

- 299 (i) identify the reasons for prioritizing the project over another project with a higher  
300 rank under the weighted criteria system at the public meeting required by Subsection (7)(b);  
301 and

- 302 (ii) make the reasons described in Subsection (7)(d)(i) publicly available.

303 (e) Subject to Subsections (7)(f) and (g), after a council of governments finalizes a  
304 priority list in accordance with this Subsection (7), the council of governments shall:

- 305 (i) submit the priority list to the county legislative body for approval; and  
306 (ii) obtain approval of the priority list from a majority of the members of the county  
307 legislative body.
- 308 (f) A council of governments may only submit one priority list per calendar year to the  
309 county legislative body.
- 310 (g) A county legislative body may only consider and approve one priority list submitted  
311 under Subsection (7)(e) per calendar year.
- 312 (8) (a) Except as provided in Subsection (8)(b), revenues collected from a sales and use  
313 tax under this section that a county allocates for a purpose described in Subsection (2)(b) shall  
314 be:
- 315 (i) deposited in or transferred to the Local Transportation Corridor Preservation Fund  
316 created by Section 72-2-117.5; and  
317 (ii) expended as provided in Section 72-2-117.5.
- 318 (b) In a county of the first class, revenues collected from a sales and use tax under this  
319 section that a county allocates for a purpose described in Subsection (2)(b) shall be:
- 320 (i) deposited in or transferred to the County of the First Class [State] Highway Projects  
321 Fund created by Section 72-2-121; and  
322 (ii) expended as provided in Section 72-2-121.
- 323 Section 5. Section 72-2-121 is amended to read:
- 324 **72-2-121. County of the First Class Highway Projects Fund.**
- 325 (1) There is created a special revenue fund within the Transportation Fund known as  
326 the "County of the First Class [State] Highway Projects Fund."
- 327 (2) The fund consists of money generated from the following revenue sources:
- 328 (a) any voluntary contributions received for new construction, major renovations, and  
329 improvements to [state] highways within a county of the first class;
- 330 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)  
331 deposited in or transferred to the fund;
- 332 (c) the portion of the sales and use tax described in Subsection 59-12-2217(2)(b) and  
333 required by Subsection 59-12-2217(8)(b) to be deposited in or transferred to the fund; and  
334 (d) a portion of the local option highway construction and transportation corridor  
335 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited in or

336 transferred to the fund.

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

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

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

340 (a) to pay debt service and bond issuance costs for bonds issued under Sections  
341 [63B-16-102](#) and [63B-18-402](#);

342 (b) for right-of-way acquisition, new construction, major renovations, and  
343 improvements to ~~[state]~~ highways within a county of the first class and to pay any debt service  
344 and bond issuance costs related to those projects, including improvements to a highway located  
345 within a municipality in a county of the first class where the municipality is located within the  
346 boundaries of more than a single county;

347 (c) for the construction, maintenance, or operation of an active transportation facility  
348 that is for nonmotorized vehicles and multimodal transportation and connects an origin with a  
349 destination;

350 ~~[(e)]~~ (d) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or  
351 county to pay for a portion of right-of-way acquisition, construction, reconstruction,  
352 renovations, and improvements to highways described in Subsections [72-2-121.4](#)(7), (8), and  
353 (9);

354 ~~[(d)]~~ (e) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created  
355 by Section [72-2-121.3](#) the amount required in Subsection [72-2-121.3](#)(4)(c) minus the amounts  
356 transferred in accordance with Subsection [72-2-124](#)(4)(a)(iv);

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

360 ~~[(f)]~~ (g) for a fiscal year beginning on or after July 1, 2013, and after the department  
361 has verified that the amount required under Subsection [72-2-121.3](#)(4)(c) is available in the  
362 fund, to transfer an amount equal to 50% of the revenue generated by the local option highway  
363 construction and transportation corridor preservation fee imposed under Section [41-1a-1222](#) in  
364 a county of the first class:

365 (i) to the legislative body of a county of the first class; and

366 (ii) to be used by a county of the first class for:

367 (A) highway construction, reconstruction, or maintenance projects; or  
 368 (B) the enforcement of state motor vehicle and traffic laws[-];  
 369 (h) for fiscal year 2015 only, and after the department has verified that the amount  
 370 required under Subsection 72-2-121.3(4)(c) is available in the fund, to transfer an amount equal  
 371 to the remainder of the revenue available in the fund for the 2015 fiscal year:

372 (i) to the legislative body of a county of the first class; and  
 373 (ii) to be used by a county of the first class for:  
 374 (A) highway construction, reconstruction, or maintenance projects; or  
 375 (B) the enforcement of state motor vehicle and traffic laws; and  
 376 (i) for a fiscal year beginning on or after July 1, 2015, until fiscal year 2030, and after  
 377 the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is  
 378 available in the fund, to transfer an amount equal to up to 42.5% of the sales and use tax  
 379 revenue imposed in a county of the first class and deposited into the fund in accordance with  
 380 Subsection 59-12-2214(3)(b):

381 (i) to the legislative body of a county of the first class; and  
 382 (ii) to be used by the county for the purposes described in this section.  
 383 (5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in the  
 384 fund and bond proceeds from bonds issued under Sections 63B-16-102 and 63B-18-402 are  
 385 considered a local matching contribution for the purposes described under Section 72-2-123.

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

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

391 Section 6. Section 72-2-121.3 is amended to read:

392 **72-2-121.3. Special revenue fund -- 2010 Salt Lake County Revenue Bond**

393 **Sinking Fund.**

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

396 (2) The fund consists of:

397 (a) money transferred into the fund from the County of the First Class [State] Highway

398 Projects Fund in accordance with Subsection [72-2-121\(4\)\(~~d~~\)\(e\)](#); and

399 (b) for a fiscal year beginning on or after July 1, 2013, money transferred into the fund  
400 from the Transportation Investment Fund of 2005 in accordance with Subsection  
401 [72-2-124\(4\)\(a\)\(iv\)](#).

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

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

404 (4) (a) The director of the Division of Finance may use fund money only as provided in  
405 this section.

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

410 (c) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake  
411 County as provided in the interlocal agreement required by Section [72-2-121.4](#) are paid off, on  
412 July 1 of each year beginning July 1, 2011, the director of the Division of Finance shall transfer  
413 from the County of the First Class [State] Highway Projects Fund and the Transportation  
414 Investment Fund of 2005 to the 2010 Salt Lake County Revenue Bond Sinking Fund the  
415 amount certified by Salt Lake County that is necessary to pay:

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

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

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

425 (i) the debt service on the revenue bonds issued by Salt Lake County as provided in the  
426 interlocal agreement required by Section [72-2-121.4](#); and

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

429 (5) Any money remaining in the 2010 Salt Lake County Revenue Bond Sinking Fund  
430 at the end of the fiscal year lapses to the County of the First Class [State] Highway Projects  
431 Fund.

432 Section 7. Section 72-2-121.4 is amended to read:

433 **72-2-121.4. 2010 interlocal agreement governing state highway projects in Salt**  
434 **Lake County.**

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

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

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

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

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

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

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

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

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

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

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

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

458 (ii) Bangerter Highway at SR-201;

459 (iii) 12300 South at State Street;

- 460 (iv) Bangerter Highway at 6200 South;
- 461 (v) Bangerter Highway at 7000 South;
- 462 (vi) Bangerter Highway at 3100 South;
- 463 (vii) 5400 South -- 4000 West to past 4800 West;
- 464 (viii) 9400 South and Wasatch Boulevard; and
- 465 (ix) I-215 West Interchange -- 3500 South to 3800 South and ramp work;
- 466 (b) widen and improve US-89 between 7200 South and 9000 South with available
- 467 highway funding identified by the commission; and
- 468 (c) transfer to Salt Lake County or its designee from the 2010 Salt Lake County
- 469 Revenue Bond Sinking Fund the amount certified by Salt Lake County as necessary to pay:
- 470 (i) the debt service on the revenue bonds issued by Salt Lake County; and
- 471 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,
- 472 and fund any debt service reserve requirements.
- 473 (4) The costs under Subsections (2)(c) and (3)(a) may include the cost of acquiring
- 474 land, interests in land, easements and rights-of-way, improving sites, and making all
- 475 improvements necessary, incidental, or convenient to the facilities and all related engineering,
- 476 architectural, and legal fees.
- 477 (5) In preparing the agreement required by this section, the attorney general and Salt
- 478 Lake County shall:
- 479 (a) review each existing interlocal agreement with Salt Lake County concerning Salt
- 480 Lake County revenues received by the state for state highway projects within Salt Lake County;
- 481 and
- 482 (b) as necessary, modify those agreements or draft a new interlocal agreement
- 483 encompassing all of the provisions necessary to reflect the state of Utah's and Salt Lake
- 484 County's obligations for those revenues and projects.
- 485 (6) If project savings are identified by the Department of Transportation from the funds
- 486 provided to the Department of Transportation as described in Subsection (2)(b) and if the use
- 487 of funds is not in violation of any agreement, the Department of Transportation shall provide
- 488 \$1,000,000 of the funds described in Subsection (2)(b) to Draper City to pay for highway
- 489 improvements to 13490 South.
- 490 (7) If project savings are identified from the funds provided to the Department of



491 Transportation as described in Subsection (2)(b) and if the use of funds is not in violation of  
492 any agreement, the Department of Transportation shall provide \$3,000,000 of the funds  
493 described in Subsection (2)(b) and from funds in the County of the First Class [State] Highway  
494 Projects Fund created by Section 72-2-121 to fund the following highway projects:

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

498 (b) \$1,000,000 to West Valley City for improvements to SR-201 Frontage Road at  
499 7200 West.

500 (8) If project savings are identified by the Department of Transportation from the funds  
501 provided to the Department of Transportation as described in Subsection (2)(b) and if the use  
502 of funds is not in violation of any agreement, the Department of Transportation shall provide  
503 \$1,100,000 of the funds described in Subsection (2)(b) and from funds in the County of the  
504 First Class [State] Highway Projects Fund created by Section 72-2-121 to West Jordan City for  
505 highway improvements on 4000 West from 7800 South to Old Bingham Highway.

506 (9) If project savings are identified by the Department of Transportation from the funds  
507 provided to the Department of Transportation as described in Subsection (2)(b) and if the use  
508 of funds is not in violation of any agreement, the Department of Transportation shall provide  
509 \$1,000,000 of the funds described in Subsection (2)(b) and from funds in the County of the  
510 First Class [State] Highway Projects Fund created by Section 72-2-121 to Midvale City to fund  
511 the following highway projects:

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

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

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

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

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

522 (ii) Except as provided in Subsection (10)(b), by January 1 of each year, the  
523 municipality or county receiving funds described in Subsections (7), (8), and (9) shall submit to  
524 the Department of Transportation a statement of cash flow for the current fiscal year detailing  
525 the funds necessary to pay project costs for the projects described in Subsections (7), (8), and  
526 (9).

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

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

535 (b) For calendar year 2012 only:

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

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

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

543 Section 8. Section **72-2-124** is amended to read:

544 **72-2-124. Transportation Investment Fund of 2005.**

545 (1) There is created a capital projects fund entitled the Transportation Investment Fund  
546 of 2005.

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

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

550 (b) appropriations made to the fund by the Legislature;

551 (c) the sales and use tax revenues deposited into the fund in accordance with Section  
552 [59-12-103](#); and

- 553 (d) registration fees designated under Section 41-1a-1201.
- 554 (3) (a) The fund shall earn interest.
- 555 (b) All interest earned on fund money shall be deposited into the fund.
- 556 (4) (a) Except as provided in Subsection (4)(b), the executive director may use fund  
557 money only to pay:
- 558 (i) the costs of maintenance, construction, reconstruction, or renovation to state and  
559 federal highways prioritized by the Transportation Commission through the prioritization  
560 process for new transportation capacity projects adopted under Section 72-1-304;
- 561 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway  
562 projects described in Subsections 63B-18-401(2), (3), and (4);
- 563 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401  
564 minus the costs paid from the County of the First Class [State] Highway Projects Fund in  
565 accordance with Subsection 72-2-121(4)(~~e~~)(f); [and]
- 566 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
567 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified  
568 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the  
569 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
- 570 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101  
571 for projects prioritized in accordance with Section 72-2-125;
- 572 (vi) all highway general obligation bonds that are intended to be paid from revenues in  
573 the Centennial Highway Fund created by Section 72-2-118; and
- 574 (vii) for fiscal year 2013-14 only, to transfer up to \$13,250,000 to the County of the  
575 First Class [State] Highway Projects Fund created in Section 72-2-121 to be used for the  
576 purposes described in Section 72-2-121.
- 577 (b) The executive director may use fund money to exchange for an equal or greater  
578 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 579 (5) (a) Before bonds authorized by Section 63B-18-401 may be issued in any fiscal  
580 year, the department and the commission shall appear before the Executive Appropriations  
581 Committee of the Legislature and present the amount of bond proceeds that the department  
582 needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4)  
583 for the next fiscal year.

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

586 (6) The Division of Finance shall, from money deposited into the fund, transfer the  
587 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
588 Section [63B-18-401](#) in the current fiscal year to the appropriate debt service or sinking fund.

589 (7) (a) The commission shall develop prior to June 30, 2015, a funding plan and  
590 identify a highway construction program using the prioritization process for new transportation  
591 capacity projects adopted under Section [72-1-304](#) that meets long-term transportation needs  
592 beyond the normal four year programming horizon.

593 (b) The commission shall report the plan and program established under Subsection  
594 (7)(a) to the Transportation Interim Committee of the Legislature by no later than September  
595 30, 2015.