

1                   **CLASS B AND CLASS C ROAD FUND AMENDMENTS**

2                                   2016 FOURTH SPECIAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Johnny Anderson**

5                                   Senate Sponsor: Wayne A. Harper

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7 **LONG TITLE**

8 **Committee Note:**

9                   The Executive Appropriations Committee recommended this bill.

10 **General Description:**

11                   This bill modifies provisions relating to funding for class B and class C roads.

12 **Highlighted Provisions:**

13                   This bill:

- 14                   ▶ amends the apportionment formula for funds available for use on class B and class  
15 C roads; and  
16                   ▶ makes technical changes.

17 **Money Appropriated in this Bill:**

18                   This bill appropriates in fiscal year 2017:

- 19                   ▶ to Transportation - B and C Roads Additional Support, as a one-time appropriation:  
20                   • from the General Fund, \$3,000,000; and  
21                   • from the Transportation Fund, \$2,000,000; and  
22                   ▶ to Transportation - B and C Roads, as a one-time appropriation:  
23                   • from the Transportation Fund, \$5,678,000.

24 **Other Special Clauses:**

25                   This bill provides a special effective date.

26                   This bill provides retrospective operation.

27 **Utah Code Sections Affected:**



28 AMENDS:

29 **63I-2-272**, as renumbered and amended by Laws of Utah 2008, Chapter 382

30 **72-2-108**, as last amended by Laws of Utah 2016, Chapter 1

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

33 Section 1. Section **63I-2-272** is amended to read:

34 **63I-2-272. Repeal dates -- Title 72.**

35 (1) Subsection **72-2-108**(9) is repealed July 1, 2018.

36 (2) Section **72-3-113** is repealed January 1, 2020.

37 Section 2. Section **72-2-108** is amended to read:

38 **72-2-108. Apportionment of funds available for use on class B and class C roads**

39 **-- Bonds.**

40 (1) For purposes of this section:

41 (a) "Graveled road" means a road:

42 (i) that is:

43 (A) graded; and

44 (B) drained by transverse drainage systems to prevent serious impairment of the road  
45 by surface water;

46 (ii) that has an improved surface; and

47 (iii) that has a wearing surface made of:

48 (A) gravel;

49 (B) broken stone;

50 (C) slag;

51 (D) iron ore;

52 (E) shale; or

53 (F) other material that is:

54 (I) similar to a material described in Subsection (1)(a)(iii)(A) through (E); and

55 (II) coarser than sand.

56 (b) "Paved road" includes a gravelled road with a chip seal surface.

57 (c) "Road mile" means a one-mile length of road, regardless of:

58 (i) the width of the road; or

- 59 (ii) the number of lanes into which the road is divided.
- 60 (d) "Weighted mileage" means the sum of the following:
- 61 (i) paved road miles multiplied by five; and
- 62 (ii) all other road type road miles multiplied by two.
- 63 (2) Subject to the provisions of Subsections (3) through ~~[(5)]~~ (7) and except as
- 64 provided in Subsection (9), funds in the class B and class C roads account shall be apportioned
- 65 among counties and municipalities in the following manner:
- 66 (a) 50% in the ratio that the class B roads weighted mileage within each county and
- 67 class C roads weighted mileage within each municipality bear to the total class B and class C
- 68 roads weighted mileage within the state; and
- 69 (b) 50% in the ratio that the population of a county or municipality bears to the total
- 70 population of the state as of the last official federal census or the United States Bureau of
- 71 Census estimate, whichever is most recent, except that if population estimates are not available
- 72 from the United States Bureau of Census, population figures shall be derived from the estimate
- 73 from the Utah Population Estimates Committee.
- 74 (3) For purposes of Subsection (2)(b), "the population of a county" means:
- 75 (a) the population of a county outside the corporate limits of municipalities in that
- 76 county, if the population of the county outside the corporate limits of municipalities in that
- 77 county is not less than 14% of the total population of that county, including municipalities; and
- 78 (b) if the population of a county outside the corporate limits of municipalities in the
- 79 county is less than 14% of the total population:
- 80 (i) the aggregate percentage of the population apportioned to municipalities in that
- 81 county shall be reduced by an amount equal to the difference between:
- 82 (A) 14%; and
- 83 (B) the actual percentage of population outside the corporate limits of municipalities in
- 84 that county; and
- 85 (ii) the population apportioned to the county shall be 14% of the total population of
- 86 that county, including incorporated municipalities.
- 87 (4) ~~[(a)]~~ If an apportionment under Subsection (2) made in the current fiscal year
- 88 ~~[2013-14]~~ to a county or municipality with a population of less than 14,000 is less than 120%
- 89 of the amount apportioned to the county or municipality from the class B and class C roads

90 account in fiscal year 1996-97, the department shall~~[(+)]~~ reapportion the funds under  
91 Subsection (2) to ensure that the county or municipality receives ~~[an amount equal to]:~~

92 ~~[(A) the amount apportioned to the county or municipality from the class B and class C~~  
93 ~~roads account in fiscal year 1996-97; plus]~~

94 ~~[(B) the amount apportioned to the county or municipality from the class B and class C~~  
95 ~~roads account in fiscal year 1996-97 multiplied by the percentage increase in the class B and~~  
96 ~~class C roads account from fiscal year 1996-97 to the most recently completed fiscal year; and]~~

97 (a) for money collected in fiscal year 2016 only, but not yet distributed:

98 (i) the amount apportioned to the county or municipality for class B and class C roads  
99 in fiscal year 2015 multiplied by 120%; plus

100 (ii) the amount calculated as described in Subsection (6); minus

101 (iii) the payments previously made to a county or municipality for money collected in  
102 fiscal year 2016 for class B and class C roads;

103 (b) for fiscal year 2017 only, an amount equal to the greater of:

104 (i) the amount apportioned to the county or municipality for class B and class C roads  
105 in the current fiscal year under Subsection (2); or

106 (ii) (A) the amount apportioned to the county for class B and class C roads in fiscal  
107 year 2015 multiplied by 120%; plus

108 (B) the amount calculated as described in Subsection (6); or

109 (c) for a fiscal year beginning on or after July 1, 2017, an amount equal to the greater  
110 of:

111 (i) the amount apportioned to the county or municipality for class B and class C roads  
112 in the current fiscal year under Subsection (2); or

113 (ii) (A) the amount apportioned to the county or municipality for class B and class C  
114 roads through the apportionment formula under Subsection (2) or this Subsection (4),  
115 excluding any amounts appropriated as additional support for class B and class C roads under  
116 Subsection (9), in the prior fiscal year; plus

117 (B) the amount calculated as described in Subsection (6).

118 ~~[(+)]~~ (5) (a) The department shall decrease proportionately as provided in Subsection  
119 ~~[(+)]~~ (5)(b) the apportionments to counties and municipalities for which the reapportionment  
120 under Subsection (4)(a)~~[(+)]~~, (b)(ii), or (c)(ii) does not apply.

121 (b) The aggregate amount of the funds that the department shall decrease  
122 proportionately from the apportionments under Subsection ~~[(4)]~~ (5)(a)~~[(ii)]~~ is an amount equal  
123 to the aggregate amount reapportioned to counties and municipalities under Subsection  
124 (4)(a)~~[(i)]~~, (b)(ii), or (c)(ii).

125 ~~[(5)]~~ (6) (a) In addition to the apportionment adjustments made under Subsection (4), a  
126 county or municipality that qualifies for reapportioned money under Subsection (4)(a)~~[(i)]~~,  
127 (b)(ii), or (c)(ii) shall receive ~~[the percentage change in the class B and class C roads account~~  
128 ~~compounded annually beginning in fiscal year 2006-07.]~~ an amount equal to the amount  
129 apportioned to the county or municipality under Subsection (4)(a), (b)(ii), or (c)(ii) for class B  
130 and class C roads in the prior fiscal year multiplied by the percentage increase or decrease in  
131 the total funds available for class B and class C roads from the prior fiscal year and the fiscal  
132 year that immediately preceded the prior fiscal year.

133 (b) The adjustment under Subsection ~~[(5)]~~ (6)(a) shall be made in the same way as  
134 provided in ~~[Subsection (4)(a)(ii)]~~ Subsections (5)(a) and (b).

135 (7) (a) If a county or municipality does not qualify for a reapportionment under  
136 Subsection (4)(c) in the current fiscal year but previously qualified for a reapportionment under  
137 Subsection (4)(c) on or after July 1, 2017, the county or municipality shall receive an amount  
138 equal to the greater of:

139 (i) the amount apportioned to the county or municipality for class B and class C roads  
140 in the current fiscal year under Subsection (2); or

141 (ii) the amount apportioned to the county or municipality for class B and class C roads  
142 in the prior fiscal year.

143 (b) The adjustment under Subsection (7)(a) shall be made in the same way as provided  
144 in Subsections (5)(a) and (b).

145 ~~[(6)]~~ (8) The governing body of any municipality or county may issue bonds  
146 redeemable up to a period of 10 years under Title 11, Chapter 14, Local Government Bonding  
147 Act, to pay the costs of constructing, repairing, and maintaining class B or class C roads and  
148 may pledge class B or class C road funds received pursuant to this section to pay principal,  
149 interest, premiums, and reserves for the bonds.

150 (9) (a) For fiscal year 2017 only, the department shall distribute \$5,000,000 of the  
151 funds appropriated for additional support for class B and class C roads among the counties and

152 municipalities that qualified for reapportioned funds under Subsection (4) before May 1, 2016.

153 (b) The department shall distribute an amount to each county or municipality described  
154 in Subsection (9)(a) considering the projected amount of revenue that each county or  
155 municipality would have received under the reapportionment formula in effect before May 1,  
156 2016.

157 (c) The department may consult with local government entities to determine the  
158 distribution amounts under Subsection (9)(b).

159 (d) Before making the distributions required under this section, the department shall  
160 report to the Executive Appropriations Committee of the Legislature by no later than December  
161 31, 2016, the amount of funds the department will distribute to each county or municipality that  
162 qualifies for a distribution under this Subsection (9).

163 (e) The Executive Appropriations Committee of the Legislature shall review and  
164 comment on the amount of funds proposed to be distributed to each county or municipality that  
165 qualifies for a distribution under this Subsection (9).

166 **Section 3. Appropriation.**

167 The following sums of money are appropriated for the fiscal year beginning July 1,  
168 2016, and ending June 30, 2017. These are additions to amounts previously appropriated for  
169 fiscal year 2017. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
170 Act, the Legislature appropriates the following sums of money from the funds or accounts  
171 indicated for the use and support of the government of the state of Utah.

172 ITEM 1

173 To Transportation - B and C Roads Additional Support

174 From General Fund, One-time \$3,000,000

175 From Transportation Fund, One-time \$2,000,000

176 Schedule of Programs:

177 B and C Roads Additional Support \$5,000,000

178 ITEM 2

179 To Transportation - B and C Roads

180 From Transportation Fund, One-time \$5,678,000

181 Schedule of Programs:

182 B and C Roads \$5,678,000

183           The Legislature intends that the \$2,000,000 appropriation in ITEM 1 and the  
184 \$5,678,000 appropriation in ITEM 2 represent the portion of the fiscal year 2016  
185 Transportation Fund revenue surplus apportioned for class B and class C roads under the  
186 formula described in Subsection [72-2-107\(1\)](#).

187           Section 4. **Effective date.**

188           If approved by two-thirds of all the members elected to each house, this bill takes effect  
189 upon approval by the governor, or the day following the constitutional time limit of Utah  
190 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,  
191 the date of veto override.

192           Section 5. **Retrospective operation.**

193           The amendments to Section [72-2-108](#) in this bill have retrospective operation to May 1,  
194 2016.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**