

## HB4002S01 compared with HB4002

~~{deleted text}~~ shows text that was in HB4002 but was deleted in HB4002S01.

inserted text shows text that was not in HB4002 but was inserted into HB4002S01.

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Representative Johnny Anderson proposes the following substitute bill:

### CLASS B AND CLASS C ROAD FUND AMENDMENTS

2016 FOURTH SPECIAL SESSION

STATE OF UTAH

**Chief Sponsor: Johnny Anderson**

Senate Sponsor: Wayne A. Harper

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#### LONG TITLE

~~{Committee Note:~~

~~—The Executive Appropriations Committee recommended this bill.~~

~~{General Description:~~

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

#### Highlighted Provisions:

This bill:

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

#### Money Appropriated in this Bill:

This bill appropriates in fiscal year 2017:

- ▶ to Transportation - B and C Roads Additional Support, as a one-time appropriation:

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- from the General Fund, \$3,000,000; and
- from the Transportation Fund, \$2,000,000; and
- ▶ to Transportation - B and C Roads, as a one-time appropriation:
  - from the Transportation Fund, \$5,678,000.

### Other Special Clauses:

This bill provides a special effective date.

This bill provides retrospective operation.

### Utah Code Sections Affected:

AMENDS:

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

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

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

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

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

(1) On July 1, 2018:

(a) in Subsection 72-2-108(~~9~~2), the language that states "and except as provided in Subsection (10)" is repealed;

(b) in Subsection 72-2-108(4)(c)(ii)(A), the language that states ", excluding any amounts appropriated as additional support for class B and class C roads under Subsection (10)," is repealed; and

(c) Subsection 72-2-108(10) is repealed (~~July 1, 2018~~).

(2) Section 72-3-113 is repealed January 1, 2020.

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

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

(1) For purposes of this section:

(a) "Graveled road" means a road:

(i) that is:

(A) graded; and

(B) drained by transverse drainage systems to prevent serious impairment of the road

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by surface water;

- (ii) that has an improved surface; and
- (iii) that has a wearing surface made of:
  - (A) gravel;
  - (B) broken stone;
  - (C) slag;
  - (D) iron ore;
  - (E) shale; or
  - (F) other material that is:
    - (I) similar to a material described in Subsection (1)(a)(iii)(A) through (E); and
    - (II) coarser than sand.

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

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

- (i) the width of the road; or
- (ii) the number of lanes into which the road is divided.

(d) "Weighted mileage" means the sum of the following:

- (i) paved road miles multiplied by five; and
- (ii) all other road type road miles multiplied by two.

(2) Subject to the provisions of Subsections (3) through ~~(5)~~ (7)(8) and except as provided in Subsection (9)(10), funds in the class B and class C roads account shall be apportioned among counties and municipalities in the following manner:

(a) 50% in the ratio that the class B roads weighted mileage within each county and class C roads weighted mileage within each municipality bear to the total class B and class C roads weighted mileage within the state; and

(b) 50% in the ratio that the population of a county or municipality bears to the total population of the state as of the last official federal census or the United States Bureau of Census estimate, whichever is most recent, except that if population estimates are not available from the United States Bureau of Census, population figures shall be derived from the estimate from the Utah Population Estimates Committee.

(3) For purposes of Subsection (2)(b), "the population of a county" means:

- (a) the population of a county outside the corporate limits of municipalities in that

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county, if the population of the county outside the corporate limits of municipalities in that county is not less than 14% of the total population of that county, including municipalities; and

(b) if the population of a county outside the corporate limits of municipalities in the county is less than 14% of the total population:

(i) the aggregate percentage of the population apportioned to municipalities in that county shall be reduced by an amount equal to the difference between:

(A) 14%; and

(B) the actual percentage of population outside the corporate limits of municipalities in that county; and

(ii) the population apportioned to the county shall be 14% of the total population of that county, including incorporated municipalities.

(4) ~~[(a)]~~ If an apportionment under Subsection (2) made in the current fiscal year ~~[2013-14]~~ to a county or municipality with a population of less than 14,000 is less than 120% of the amount apportioned to the county or municipality from the class B and class C roads account in fiscal year 1996-97, the department shall ~~[:(i)]~~ reapportion the funds under Subsection (2) to ensure that the county or municipality receives ~~[an amount equal to]:~~

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

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

(a) subject to the requirement in Subsection (5) and for ~~{money collected in}~~ fiscal year 2016 only, ~~{but not yet distributed}~~ an amount equal to:

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

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

~~—— (iii) the payments previously made to a}~~ an amount equal to the amount apportioned to the county or municipality ~~{for money collected }~~ in fiscal year ~~{2016}~~ 2015 multiplied by the percentage increase or decrease in the total funds available for class B and class C roads between fiscal year 2015 and fiscal year 2016;

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

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

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

(B) the amount calculated as described in Subsection ~~(67)~~; or

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

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

(ii) (A) the amount apportioned to the county or municipality for class B and class C roads through the apportionment formula under Subsection (2) or this Subsection (4), excluding any amounts appropriated as additional support for class B and class C roads under Subsection ~~(9)~~ 10, in the prior fiscal year; plus

(B) the amount calculated as described in Subsection ~~(67)~~.

(5) For the purposes of calculating a final distribution of money collected in fiscal year 2016, the department shall subtract the payments previously made to a county or municipality for money collected in fiscal year 2016 for class B and class C roads from the fiscal year 2016 total calculated in Subsection (4)(a).

~~[(ii)] ~~(576)~~ (a) The department shall decrease proportionately as provided in Subsection [(4)] ~~(576)~~(b) the apportionments to counties and municipalities for which the reapportionment under Subsection (4)(a)[(i)], (b)(ii), or (c)(ii) does not apply.~~

~~(b) The aggregate amount of the funds that the department shall decrease proportionately from the apportionments under Subsection [(4)] ~~(576)~~(a)[(ii)] is an amount equal to the aggregate amount reapportioned to counties and municipalities under Subsection (4)(a)[(i)], (b)(ii), or (c)(ii).~~

~~[(5)] ~~(67)~~ (a) In addition to the apportionment adjustments made under Subsection (4), a county or municipality that qualifies for reapportioned money under Subsection (4)[(a) ~~(i)~~ ~~(b)(ii)~~ ~~(c)(ii)~~ shall receive [the percentage change in the class B and class C roads account compounded annually beginning in fiscal year 2006-07.] an amount equal to the amount apportioned to the county or municipality under Subsection (4)(~~a~~), ~~(b)(ii)~~ ~~(c)(ii)~~ or (c)(ii) for class B and class C roads in the prior fiscal year multiplied by the percentage increase~~

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or decrease in the total funds available for class B and class C roads ~~from~~ between the prior fiscal year and the fiscal year that immediately preceded the prior fiscal year.

(b) The adjustment under Subsection ~~[(5)]~~ ~~(67)~~(a) shall be made in the same way as provided in ~~[Subsection (4)(a)(ii)]~~ Subsections ~~(56)~~(a) and (b).

~~(78)~~ (a) If a county or municipality does not qualify for a reapportionment under Subsection (4)(c) in the current fiscal year but previously qualified for a reapportionment under Subsection (4)(c) on or after July 1, 2017, the county or municipality shall receive an amount equal to the greater of:

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

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

(b) The adjustment under Subsection ~~(78)~~(a) shall be made in the same way as provided in Subsections ~~(56)~~(a) and (b).

~~[(6)]~~ ~~(89)~~ The governing body of any municipality or county may issue bonds redeemable up to a period of 10 years under Title 11, Chapter 14, Local Government Bonding Act, to pay the costs of constructing, repairing, and maintaining class B or class C roads and may pledge class B or class C road funds received pursuant to this section to pay principal, interest, premiums, and reserves for the bonds.

~~(910)~~ (a) For fiscal year 2017 only, the department shall distribute \$5,000,000 of the funds appropriated for additional support for class B and class C roads among the counties and municipalities that qualified for reapportioned funds under Subsection (4) before May 1, 2016.

(b) The department shall distribute an amount to each county or municipality described in Subsection ~~(910)~~(a) considering the projected amount of revenue that each county or municipality would have received under the reapportionment formula in effect before May 1, 2016.

(c) The department may consult with local government entities to determine the distribution amounts under Subsection ~~(910)~~(b).

(d) Before making the distributions required under this section, the department shall report to the Executive Appropriations Committee of the Legislature by no later than December 31, 2016, the amount of funds the department will distribute to each county or municipality that

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qualifies for a distribution under this Subsection (~~9~~10).

(e) The Executive Appropriations Committee of the Legislature shall review and comment on the amount of funds proposed to be distributed to each county or municipality that qualifies for a distribution under this Subsection (~~9~~10).

### Section 3. **Appropriation.**

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

#### ITEM 1

##### To Transportation - B and C Roads Additional Support

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

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

##### Schedule of Programs:

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

#### ITEM 2

##### To Transportation - B and C Roads

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

##### Schedule of Programs:

B and C Roads \$5,678,000

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

### Section 4. **Effective date.**

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

### Section 5. **Retrospective operation.**

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The amendments to Section 72-2-108 in this bill have retrospective operation to May 1, 2016.

†

**Legislative Review Note**

**Office of Legislative Research and General Counsel†**