

Representative Michael E. Noel proposes the following substitute bill:

CLASS B AND CLASS C ROAD FUNDS AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Michael E. Noel

Senate Sponsor: Evan J. Vickers

LONG TITLE

General Description:

This bill amends provisions relating to class B and class C road funds.

Highlighted Provisions:

This bill:

- ▶ amends provisions related to the calculation of amounts allocated to political subdivisions for class B and class C roads;
- ▶ amends provisions related to class B and class C road funds to allow a portion of those funds for:
 - maintenance and development of class D roads to be added to the class B and C road inventory; and
 - administering, managing, and planning the class B, class C, and class D road networks and adjacent lands; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:



26 AMENDS:

27 [63I-2-272](#), as last amended by Laws of Utah 2017, Chapter 427

28 [72-2-108](#), as last amended by Laws of Utah 2017, Chapter 144

29 [72-2-110](#), as last amended by Laws of Utah 2017, Chapter 144

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

32 Section 1. Section [63I-2-272](#) is amended to read:

33 **[63I-2-272](#). Repeal dates -- Title 72.**

34 (1) On July 1, 2018:

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36 Subsection [~~(10)~~] (9)" is repealed;

37 (b) in Subsection [72-2-108](#)(4)[~~(c)~~](ii)(A)](b)(i), the language that states ", excluding any
38 amounts appropriated as additional support for class B and class C roads under Subsection
39 [~~(10)~~] (9)," is repealed; and

40 (c) Subsection [72-2-108](#)[~~(10)~~](9) is repealed.

41 (2) Section [72-3-113](#) is repealed January 1, 2020.

42 (3) Section [72-15-101](#) is repealed on March 31, 2018.

43 Section 2. Section [72-2-108](#) is amended to read:

44 **[72-2-108](#). Apportionment of funds available for use on class B and class C roads
45 -- Bonds.**

46 (1) For purposes of this section:

47 (a) "Eligible county" means a county of the fifth class, as described in Section
48 [17-50-501](#), that received a distribution for fiscal year 2015:

49 (i) that was reapportioned to include money in addition to the amount calculated under
50 Subsection (2); and

51 (ii) the portion of the distribution derived from the calculation under Subsection (2)
52 was less than 60% of the total distribution.

53 [~~(a)~~] (b) "Graveled road" means a road:

54 (i) that is:

55 (A) graded; and

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

57 by surface water;

58 (ii) that has an improved surface; and

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

60 (A) gravel;

61 (B) broken stone;

62 (C) slag;

63 (D) iron ore;

64 (E) shale; or

65 (F) other material that is:

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

67 (II) coarser than sand.

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

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

70 (i) the width of the road; or

71 (ii) the number of lanes into which the road is divided.

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

73 (i) paved road miles multiplied by five; and

74 (ii) all other road type road miles multiplied by two.

75 (2) Subject to the provisions of Subsections (3) through ~~(8)~~ (7) and except as

76 provided in Subsection ~~(10)~~ (9), funds appropriated for class B and class C roads shall be

77 apportioned among counties and municipalities in the following manner:

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

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

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

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

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

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

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

94 (A) 14%; and

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

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

99 (4) If an apportionment under Subsection (2) made in the current fiscal year to a county
100 or municipality with a population of less than 14,000 is less than 120% of the amount
101 apportioned to the county or municipality for class B and class C roads in fiscal year 1996-97,
102 or if the county is an eligible county, the department shall reapportion the funds under
103 Subsection (2) to ensure that the county or municipality receives, for a fiscal year beginning on
104 or after July 1, 2017, an amount equal to the greater of:

105 [~~(a) subject to the requirement in Subsection (5) and for fiscal year 2016 only, an~~
106 ~~amount equal to:~~]

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

109 [~~(ii) an amount equal to the amount apportioned to the county or municipality in fiscal~~
110 ~~year 2015 multiplied by the percentage increase or decrease in the total funds available for~~
111 ~~class B and class C roads between fiscal year 2015 and fiscal year 2016;]~~

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

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

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

117 [~~(B) the amount calculated as described in Subsection (7); or]~~

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

119 of:]

120 [(†)] (a) the amount apportioned to the county or municipality for class B and class C
121 roads in the current fiscal year under Subsection (2); or

122 [~~(†)~~(A)] (b) (i) the amount apportioned to the county or municipality for class B and
123 class C roads through the apportionment formula under Subsection (2) or this Subsection (4),
124 excluding any amounts appropriated as additional support for class B and class C roads under
125 Subsection [~~(†)~~](9), in the prior fiscal year; plus

126 [(B)] (ii) the amount calculated as described in Subsection [(7)] (6).

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

131 [(6)] (5) (a) The department shall decrease proportionately as provided in Subsection
132 (6)(b) the apportionments to counties and municipalities for which the reapportionment under
133 Subsection (4)[(a), (b)(ii), or (c)(ii)] does not apply.

134 (b) The aggregate amount of the funds that the department shall decrease
135 proportionately from the apportionments under Subsection (6)(a) is an amount equal to the
136 aggregate amount reapportioned to counties and municipalities under Subsection (4)[(a),
137 (b)(ii), or (c)(ii)].

138 [(7)] (6) (a) In addition to the apportionment adjustments made under Subsection (4), a
139 county or municipality that qualifies for reapportioned money under Subsection (4)[(b)(ii) or
140 (c)(ii)] shall receive an amount equal to the amount apportioned to the eligible county or
141 municipality under Subsection (4)[(b)(ii) or (c)(ii)] for class B and class C roads in the prior
142 fiscal year multiplied by the percentage increase or decrease in the total funds available for
143 class B and class C roads between the prior fiscal year and the fiscal year that immediately
144 preceded the prior fiscal year.

145 (b) The adjustment under Subsection [(7)] (6)(a) shall be made in the same way as
146 provided in Subsections [(6)] (5)(a) and (b).

147 [(8)] (7) (a) If a county or municipality does not qualify for a reapportionment under
148 Subsection (4)[(e)] in the current fiscal year but previously qualified for a reapportionment
149 under Subsection (4)[(e)] on or after July 1, 2017, the county or municipality shall receive an

150 amount equal to the greater of:

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

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

155 (b) The adjustment under Subsection [~~(8)~~] (7)(a) shall be made in the same way as
156 provided in Subsections [~~(6)~~] (5)(a) and (b).

157 [~~(9)~~] (8) The governing body of any municipality or county may issue bonds
158 redeemable up to a period of 10 years under Title 11, Chapter 14, Local Government Bonding
159 Act, to pay the costs of constructing, repairing, and maintaining class B or class C roads and
160 may pledge class B or class C road funds received pursuant to this section to pay principal,
161 interest, premiums, and reserves for the bonds.

162 [~~(10)~~] (9) (a) For fiscal year 2017 only, the department shall distribute \$5,000,000 of
163 the funds appropriated for additional support for class B and class C roads among the counties
164 and municipalities that qualified for reapportioned funds under Subsection (4) before May 1,
165 2016.

166 (b) The department shall distribute an amount to each county or municipality described
167 in Subsection [~~(10)~~] (9)(a) considering the projected amount of revenue that each county or
168 municipality would have received under the reapportionment formula in effect before May 1,
169 2016.

170 (c) The department may consult with local government entities to determine the
171 distribution amounts under Subsection [~~(10)~~] (9)(b).

172 (d) Before making the distributions required under this section, the department shall
173 report to the Executive Appropriations Committee of the Legislature by no later than December
174 31, 2016, the amount of funds the department will distribute to each county or municipality that
175 qualifies for a distribution under this Subsection [~~(10)~~] (9).

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

179 Section 3. Section **72-2-110** is amended to read:

180 **72-2-110. Funds allocated to class B and class C roads -- Matching federal funds**

181 -- R.S. 2477 rights.

182 A county or municipality may:

183 (1) use funds which are allocated to class B and class C roads for matching federal
184 funds for the construction of secondary roads now available or which may later become
185 available in accordance with the provisions of law; and

186 (2) use up to 30% of the class B and class C road funds allocated to the county or
187 municipality to:

188 (a) pay the costs of asserting, defending, or litigating local government rights under
189 R.S. 2477 on class B, class C, or class D roads[;];

190 (b) maintain or develop class D roads to be added to the class B or class C inventory;

191 or

192 (c) administer, manage, and plan the class B, class C, and class D road networks and
193 lands adjacent thereto.

194 Section 4. **Retrospective operation.**

195 The amendments to Section [72-2-108](#) in this bill have retrospective operation to July 1,
196 2017.