

Representative Kay J. Christofferson proposes the following substitute bill:

TRANSPORTATION REVISIONS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: David G. Buxton

House Sponsor: Kay J. Christofferson

LONG TITLE

General Description:

This bill amends provisions related to transportation funding and the authority to construct, encroach on, or access a state highway right-of-way.

Highlighted Provisions:

This bill:

- ▶ amends the distribution of the local option highway construction and transportation corridor preservation fee in a county of the first class;
- ▶ requires a highway authority to get permission from the Department of Transportation before any construction, encroachment, or access on a state highway right-of-way;
- ▶ provides construction standards for certain repairs;
- ▶ amends the distribution of revenue and repayment requirements in the County of the First Class State Highway Projects Fund; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **41-1a-1222**, as last amended by Laws of Utah 2017, Chapter 240

29 **72-2-121**, as last amended by Laws of Utah 2017, Chapter 436

30 **72-3-109**, as last amended by Laws of Utah 2011, Chapter 303

31 **72-7-102**, as last amended by Laws of Utah 2012, Chapter 289



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

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

35 **41-1a-1222. Local option highway construction and transportation corridor**
36 **preservation fee -- Exemptions -- Deposit -- Transfer -- County ordinance -- Notice.**

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

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

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

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

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

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

52 (ii) a commercial vehicle with an apportioned registration under Section **41-1a-301**;
53 and

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

56 (2) (a) Except as provided in Subsection (2)(b), the revenue generated under this

57 section shall be:

58 (i) deposited in the Local Highway and Transportation Corridor Preservation Fund
59 created in Section [72-2-117.5](#);

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

61 (iii) used and distributed in accordance with Section [72-2-117.5](#).

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

64 (i) ~~[50%]~~ 70% of the revenue shall be:

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

67 (B) used in accordance with Section [72-2-121](#); and

68 ~~[(ii) 20% of the revenue shall be:]~~

69 ~~[(A) transferred to the legislative body of a city of the first class:]~~

70 ~~[(F) located in a county of the first class; and]~~

71 ~~[(H) that has:]~~

72 ~~[(Aa) an international airport within its boundaries; and]~~

73 ~~[(Bb) a United States customs office on the premises of the international airport
74 described in Subsection (2)(b)(ii)(A)(H)(Aa); and]~~

75 ~~[(B) used by the city described in Subsection (2)(b)(ii)(A) for highway construction,
76 reconstruction, or maintenance projects; and]~~

77 ~~[(iii)]~~ (ii) 30% of the revenue shall be deposited, credited, and used as provided in
78 Subsection (2)(a).

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

81 (a) approving the fee;

82 (b) setting the amount of the fee; and

83 (c) providing an effective date for the fee as provided in Subsection (4).

84 (4) (a) If a county legislative body enacts, changes, or repeals a fee under this section,
85 the enactment, change, or repeal shall take effect on July 1 if the commission receives notice
86 meeting the requirements of Subsection (4)(b) from the county prior to April 1.

87 (b) The notice described in Subsection (4)(a) shall:

- 88 (i) state that the county will enact, change, or repeal a fee under this part;
- 89 (ii) include a copy of the ordinance imposing the fee; and
- 90 (iii) if the county enacts or changes the fee under this section, state the amount of the
- 91 fee.

92 Section 2. Section **72-2-121** is amended to read:

93 **72-2-121. County of the First Class Highway Projects Fund.**

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

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

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

99 (b) the portion of the sales and use tax described in Subsection [59-12-2214\(3\)\(b\)](#)
100 deposited in or transferred to the fund;

101 (c) the portion of the sales and use tax described in Subsection [59-12-2217\(2\)\(b\)](#) and
102 required by Subsection [59-12-2217\(8\)\(b\)](#) to be deposited in or transferred to the fund; and

103 (d) a portion of the local option highway construction and transportation corridor
104 preservation fee imposed in a county of the first class under Section [41-1a-1222](#) deposited in or
105 transferred to the fund.

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

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

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

109 (a) to pay debt service and bond issuance costs for bonds issued under Sections
110 [63B-16-102](#), [63B-18-402](#), and [63B-27-102](#);

111 (b) for right-of-way acquisition, new construction, major renovations, and
112 improvements to highways within a county of the first class and to pay any debt service and
113 bond issuance costs related to those projects, including improvements to a highway located
114 within a municipality in a county of the first class where the municipality is located within the
115 boundaries of more than a single county;

116 (c) for the construction, acquisition, use, maintenance, or operation of:

117 (i) an active transportation facility for nonmotorized vehicles;

118 (ii) multimodal transportation that connects an origin with a destination; or

- 119 (iii) a facility that may include a:
- 120 (A) pedestrian or nonmotorized vehicle trail;
- 121 (B) nonmotorized vehicle storage facility;
- 122 (C) pedestrian or vehicle bridge; or
- 123 (D) vehicle parking lot or parking structure;
- 124 (d) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or
- 125 county to pay for a portion of right-of-way acquisition, construction, reconstruction,
- 126 renovations, and improvements to highways described in Subsections 72-2-121.4(7), (8), and
- 127 (9);
- 128 (e) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
- 129 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
- 130 transferred in accordance with Subsection 72-2-124(4)(a)(iv);
- 131 (f) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
- 132 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects
- 133 described in Subsection 63B-18-401(4)(a);
- 134 (g) for a fiscal year beginning on or after July 1, 2013, and after the department has
- 135 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to
- 136 transfer an amount equal to 50% of the revenue generated by the local option highway
- 137 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
- 138 a county of the first class:
- 139 (i) to the legislative body of a county of the first class; and
- 140 (ii) to be used by a county of the first class for:
- 141 (A) highway construction, reconstruction, or maintenance projects; or
- 142 (B) the enforcement of state motor vehicle and traffic laws;
- 143 (h) for fiscal year 2015 only, and after the department has verified that the amount
- 144 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
- 145 Subsection (4)(f) has been made, to transfer an amount equal to the remainder of the revenue
- 146 available in the fund for the 2015 fiscal year:
- 147 (i) to the legislative body of a county of the first class; and
- 148 (ii) to be used by a county of the first class for:
- 149 (A) highway construction, reconstruction, or maintenance projects; or

150 (B) the enforcement of state motor vehicle and traffic laws;

151 (i) for fiscal year 2015-16 only, and after the department has verified that the amount

152 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under

153 Subsection (4)(f) has been made, to transfer an amount equal to \$25,000,000:

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

155 (ii) to be used by the county for the purposes described in this section;

156 (j) for a fiscal year beginning on or after July 1, 2015, after the department has verified

157 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the

158 transfer under Subsection (4)(f) has been made, to annually transfer an amount equal to up to

159 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into

160 the fund in accordance with Subsection 59-12-2214(3)(b) to:

161 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under

162 Section 63B-27-102; and

163 (ii) the Transportation [~~Investment Fund of 2005~~] Fund created in Section [~~72-2-124~~]

164 72-2-102 until \$28,079,000 has been deposited into the Transportation [~~Investment Fund of~~

165 ~~2005; and~~] Fund;

166 (k) for a fiscal year beginning on or after July 1, 2018, after the department has verified

167 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, after the

168 transfer under Subsection (4)(f) has been made, and after the transfers under Subsections

169 (4)(j)(i) and (ii) have been made, to annually transfer 20% of the amount deposited into the

170 fund under Subsection (2)(b) to a public transit district in a county of the first class to fund a

171 system for public transit; and

172 [~~(k)~~] (l) for a fiscal year beginning after the amount described in Subsection (4)(j) has

173 been repaid to the Transportation [~~Investment Fund of 2005~~] Fund until fiscal year 2030, or

174 sooner if the amount described in Subsection (4)(j)(ii) has been repaid, after the department has

175 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund

176 and the transfer under Subsection (4)(f) has been made, and after the bonds under Section

177 63B-27-102 have been repaid, to annually transfer an amount equal to up to 42.5% of the sales

178 and use tax revenue imposed in a county of the first class and deposited into the fund in

179 accordance with Subsection 59-12-2214(3)(b):

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

181 (ii) to be used by the county for the purposes described in this section.

182 (5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in the
183 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and
184 63B-27-102 are considered a local matching contribution for the purposes described under
185 Section 72-2-123.

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

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

191 (8) (a) For a fiscal year beginning on or after July 1, 2018, at the end of each fiscal
192 year, after all programmed payments and transfers authorized or required under this section
193 have been made, on July 30 the department shall transfer the remainder of the money in the
194 fund to the Transportation Fund to reduce the amount owed to the Transportation Fund under
195 Subsection (4)(j)(ii).

196 (b) The department shall provide notice to a county of the first class of the amount
197 transferred in accordance with this Subsection (8).

198 Section 3. Section 72-3-109 is amended to read:

199 **72-3-109. Division of responsibility with respect to state highways in cities and**
200 **towns.**

201 (1) Except as provided in Subsection (3), the jurisdiction and responsibility of the
202 department and the municipalities for state highways within municipalities is as follows:

203 (a) The department has jurisdiction over and is responsible for the construction and
204 maintenance of:

205 (i) the portion of the state highway located between the back of the curb on either side
206 of the state highway; or

207 (ii) if there is no curb, the traveled way, its contiguous shoulders, and appurtenances.

208 (b) The department may widen or improve state highways within municipalities.

209 (c) (i) A municipality has jurisdiction over all other portions of the right-of-way and is
210 responsible for construction and maintenance of the right-of-way.

211 (ii) If a municipality grants permission for the installation of any pole, pipeline,

212 conduit, sewer, ditch, culvert, billboard, advertising sign, or any other structure or object of any
213 kind or character within the portion of the right-of-way under its jurisdiction:

214 (A) the permission shall contain the condition that any installation will be removed
215 from the right-of-way at the request of the municipality; and

216 (B) the municipality shall cause any installation to be removed at the request of the
217 department when the department finds the removal necessary:

218 (I) to eliminate a hazard to traffic safety;

219 (II) for the construction and maintenance of the state highway; or

220 (III) to meet the requirements of federal regulations.

221 (iii) Except as provided in Subsection (1)(h), a municipality may not install or grant
222 permission for the installation of any pole, pipeline, conduit, sewer, ditch, culvert, billboard,
223 advertising sign, or any other structure or object of any kind or character within the portion of
224 the state highway right-of-way under its jurisdiction without the prior written approval of the
225 department.

226 (iv) The department may, by written agreement with a municipality, waive the
227 requirement of its approval under Subsection (1)(c)(iii) for certain types and categories of
228 installations.

229 (d) If it is necessary that a utility, as defined in Section 72-6-116, be relocated,
230 reimbursement shall be made for the relocation as provided for in Section 72-6-116.

231 (e) (i) The department shall construct curbs, gutters, and sidewalks on the state
232 highways if necessary for the proper control of traffic, driveway entrances, or drainage.

233 (ii) If a state highway is widened or altered and existing curbs, gutters, or sidewalks are
234 removed, the department shall replace the curbs, gutters, or sidewalks.

235 (f) The department may furnish and install street lighting systems for state highways,
236 but their operation and maintenance is the responsibility of the municipality.

237 (g) If new storm sewer facilities are necessary in the construction and maintenance of
238 the state highways, the cost of the storm sewer facilities shall be borne by the state and the
239 municipality in a proportion mutually agreed upon between the department and the
240 municipality.

241 (h) (i) For a portion of a state highway right-of-way for which a municipality has
242 jurisdiction, and upon request of the municipality, the department shall grant permission for the

243 municipality to issue permits within the state highway right-of-way, provided that:

244 (A) the municipality gives the department seven calendar days to review and provide
245 comments on the permit; and

246 (B) upon the request of the department, the municipality incorporates changes to the
247 permit as jointly agreed upon by the municipality and the department.

248 (ii) If the department fails to provide a response as described in Subsection (1)(h)(i)
249 within seven calendar days, the municipality may issue the permit.

250 (2) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
251 the department shall make rules governing the location and construction of approach roads and
252 driveways entering the state highway. The rules shall:

253 (i) include criteria for the design, location, and spacing of approach roads and
254 driveways based on the functional classification of the adjacent highway, including the urban
255 or rural nature of the area;

256 (ii) be consistent with the "Manual on Uniform Traffic Control Devices" and the model
257 access management policy or ordinance developed by the department under Subsection
258 [72-2-117\(8\)](#);

259 (iii) include procedures for:

260 (A) the application and review of a permit for approach roads and driveways including
261 review of related site plans that have been recommended according to local ordinances; and

262 (B) approving, modifying, denying, or appealing the modification or denial of a permit
263 for approach roads and driveways within 45 days of receipt of the application; and

264 (iv) require written justifications for modifying or denying a permit.

265 (b) The department may delegate the administration of the rules to the highway
266 authorities of a municipality.

267 (c) In accordance with this section and Section [72-7-104](#), an approach road or driveway
268 may not be constructed on a state highway without a permit issued under this section.

269 (3) The department has jurisdiction and control over the entire right-of-way of
270 interstate highways within municipalities and is responsible for the construction, maintenance,
271 and regulation of the interstate highways within municipalities.

272 Section 4. Section [72-7-102](#) is amended to read:

273 **[72-7-102. Excavations, structures, or objects prohibited within right-of-way](#)**

274 **except in accordance with law -- Permit and fee requirements -- Rulemaking -- Penalty**
275 **for violation.**

276 (1) As used in this section, "management costs" means the reasonable, direct, and
277 actual costs a highway authority incurs in exercising authority over the highways under its
278 jurisdiction.

279 (2) Except as provided in Subsection (3) and Section 54-4-15, a person may not:

280 (a) dig or excavate, within the right-of-way of any state highway, county road, or city
281 street; or

282 (b) place, construct, or maintain any approach road, driveway, pole, pipeline, conduit,
283 sewer, ditch, culvert, billboard, advertising sign, or any other structure or object of any kind or
284 character within the right-of-way.

285 (3) (a) (i) A highway authority having jurisdiction over the right-of-way may allow
286 excavating, installation of utilities and other facilities or access under rules made by the
287 highway authority and in compliance with federal, state, and local law as applicable.

288 (ii) Notwithstanding Subsection (3)(a)(i), a highway authority may not allow
289 excavating, installation of utilities and other facilities, or access to any portion of a state
290 highway, including portions thereof within a municipality, without the prior written approval of
291 the department. The department may, by written agreement with a municipality, waive the
292 requirement of its approval for certain types and categories of excavations, installations, and
293 access.

294 (b) (i) The rules may require a permit for any excavation or installation and may
295 require a surety bond or other security.

296 (ii) The application for a permit for excavation or installation on a state highway shall
297 be accompanied by a fee established under Subsection (4)(f).

298 (iii) The permit may be revoked and the surety bond or other security may be forfeited
299 for cause.

300 (iv) Any portion of the right-of-way disturbed by a project permitted under this section
301 shall be repaired using construction standards established by the highway authority with
302 jurisdiction over the disturbed portion of the right-of-way.

303 (c) (i) For a portion of a state highway right-of-way for which a municipality has
304 jurisdiction, and upon request of the municipality, the department shall grant permission for the

305 municipality to issue permits within the state highway right-of-way, provided that:

306 (A) the municipality gives the department seven calendar days to review and provide
307 comments on the permit; and

308 (B) upon the request of the department, the municipality incorporates changes to the
309 permit as jointly agreed upon by the municipality and the department.

310 (ii) If the department fails to provide a response as described in Subsection (3)(c)(i)
311 within seven calendar days, the municipality may issue the permit.

312 (4) (a) Except as provided in Section 72-7-108 with respect to the department
313 concerning the interstate highway system, a highway authority may require compensation from
314 a utility service provider for access to the right-of-way of a highway only as provided in this
315 section.

316 (b) A highway authority may recover from a utility service provider, only those
317 management costs caused by the utility service provider's activities in the right-of-way of a
318 highway under the jurisdiction of the highway authority.

319 (c) (i) A fee or other compensation under this Subsection (4) shall be imposed on a
320 competitively neutral basis.

321 (ii) If a highway authority's management costs cannot be attributed to only one entity,
322 the management costs shall be allocated among all privately owned and government agencies
323 using the highway right-of-way for utility service purposes, including the highway authority
324 itself. The allocation shall reflect proportionately the management costs incurred by the
325 highway authority as a result of the various utility uses of the highway.

326 (d) A highway authority may not use the compensation authority granted under this
327 Subsection (4) as a basis for generating revenue for the highway authority that is in addition to
328 its management costs.

329 (e) (i) A utility service provider that is assessed management costs or a franchise fee by
330 a highway authority is entitled to recover those management costs.

331 (ii) If the highway authority that assesses the management costs or franchise fees is a
332 political subdivision of the state and the utility service provider serves customers within the
333 boundaries of that highway authority, the management costs may be recovered from those
334 customers.

335 (f) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

336 department shall adopt a schedule of fees to be assessed for management costs incurred in
337 connection with issuing and administering a permit on a state highway under this section.

338 (g) In addition to the requirements of this Subsection (4), a telecommunications tax or
339 fee imposed by a municipality on a telecommunications provider, as defined in Section
340 10-1-402, is subject to Section 10-1-406.

341 (5) Permit fees collected by the department under this section shall be deposited with
342 the state treasurer and credited to the Transportation Fund.

343 (6) Nothing in this section shall affect the authority of a municipality under:

344 (a) Section 10-1-203 or 10-1-203.5;

345 (b) Section 11-26-1;

346 (c) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act; or

347 (d) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act.

348 (7) A person who violates the provisions of Subsection (2) is guilty of a class B
349 misdemeanor.

350 Section 5. **Effective date.**

351 (1) Except as provided in Subsection (2), this bill takes effect on May 8, 2018.

352 (2) The amendments to the following sections take effect on July 1, 2018:

353 (a) Section 41-1a-1222; and

354 (b) Section 72-2-121.