

Representative Mike Schultz proposes the following substitute bill:

TRANSPORTATION GOVERNANCE AMENDMENTS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Mike Schultz

LONG TITLE

General Description:

This bill modifies governance of certain public transit districts, amends provisions related to registration fees, modifies taxes related to transportation, modifies the governance of the Department of Transportation, and makes other changes.

Highlighted Provisions:

This bill:

- ▶ amends and enacts provisions to allow local jurisdictions to share property tax revenue for transportation capital development projects;
- ▶ defines "large public transit district" and "small public transit district";
- ▶ vests in the Legislature the authority to name a large public transit district;
- ▶ modifies the makeup of the board of trustees of a large public transit district by:
 - reducing membership from 16 to three;
 - vesting nomination responsibilities in executives of local governments and appointment responsibilities in the governor; and
 - defining responsibilities of the members of the board of trustees;
- ▶ requires a large public transit district to have legal counsel from the Utah attorney general, and provides for a transition for an existing large public transit district;
- ▶ creates a local advisory board for a large public transit district and defines the



- 26 membership and duties of a local advisory board;
- 27 ▶ requires a large public transit district to transition retirement benefits to fall under
- 28 the provisions and oversight provided in the Utah State Retirement and Insurance
- 29 Benefit Act;
- 30 ▶ exempts certain meetings of members of the board of trustees of a large public
- 31 transit district from the Open and Public Meetings Act;
- 32 ▶ defines "alternative fuel vehicle," "diesel fuel," "electric motor vehicle," "hybrid
- 33 electric motor vehicle," "motor fuel," "natural gas," and "plug-in hybrid electric
- 34 motor vehicle";
- 35 ▶ modifies provisions imposing registration fees on motor vehicles;
- 36 ▶ reduces funds allocated from the General Fund into the Transportation Investment
- 37 Fund of 2005 and deposits funds from the General Fund into the Transit
- 38 Transportation Investment Fund;
- 39 ▶ allocates revenue from increased vehicle registration fees to the Transportation
- 40 Investment Fund of 2005;
- 41 ▶ creates the "Transit Transportation Investment Fund" within the Transportation
- 42 Investment Fund of 2005;
- 43 ▶ imposes a deadline for certain local governments to impose certain local option
- 44 sales and use taxes;
- 45 ▶ allows a county, city, or town to impose certain local option sales and use taxes
- 46 without submitting the question to the county's, city's, or town's registered voters;
- 47 ▶ allows a city to impose certain local option sales and use taxes not imposed by the
- 48 county;
- 49 ▶ amends provisions related to the expenditure of certain local option sales and use
- 50 taxes;
- 51 ▶ modifies certain responsibilities of the Department of Transportation and the
- 52 executive director of the Department of Transportation related to supervision and
- 53 oversight of certain projects and cooperation with other entities involved in a
- 54 project;
- 55 ▶ modifies governance of the Department of Transportation, including:
- 56 • requiring a second deputy director;

- 57 • describing the qualifications for each deputy; and
- 58 • describing the responsibilities of each deputy director;
- 59 ▶ creates the Planning and Investment Division within the Department of
- 60 Transportation;
- 61 ▶ modifies requirements for the Department of Transportation to develop statewide
- 62 strategic initiatives for coordinating and planning multimodal transportation;
- 63 ▶ requires the Department of Transportation to study a road user charge and
- 64 implement a demonstration program;
- 65 ▶ requires the Transportation Commission to consider public transit projects in the
- 66 prioritization process to allocate funds;
- 67 ▶ modifies criteria for the Transportation Commission to consider while prioritizing
- 68 transportation and public transit projects;
- 69 ▶ allows corridor preservation funds to be used for public transit district corridors;
- 70 and
- 71 ▶ requires the Department of Transportation to assume responsibilities for review and
- 72 approval of projects under the requirements of the National Environmental Policy
- 73 Act of 1969.

74 **Money Appropriated in this Bill:**

75 None

76 **Other Special Clauses:**

77 This bill provides a special effective date.

78 **Utah Code Sections Affected:**

79 AMENDS:

80 **11-13-103**, as last amended by Laws of Utah 2016, Chapter 382

81 **11-13-202**, as last amended by Laws of Utah 2009, Chapter 218

82 **11-13-206**, as last amended by Laws of Utah 2015, Chapter 265

83 **11-13-207**, as last amended by Laws of Utah 2015, Chapter 265

84 **17B-1-301**, as last amended by Laws of Utah 2014, Chapter 362

85 **17B-1-702**, as renumbered and amended by Laws of Utah 2007, Chapter 329

86 **17B-1-703**, as renumbered and amended by Laws of Utah 2007, Chapter 329

87 **17B-2a-802**, as last amended by Laws of Utah 2016, Chapter 387

- 88 [17B-2a-804](#), as last amended by Laws of Utah 2017, Chapters 181 and 427
- 89 [17B-2a-807](#), as last amended by Laws of Utah 2017, Chapter 70
- 90 [17B-2a-808](#), as last amended by Laws of Utah 2010, Chapter 281
- 91 [17B-2a-810](#), as last amended by Laws of Utah 2016, Chapter 56
- 92 [17B-2a-811](#), as last amended by Laws of Utah 2010, Chapter 281
- 93 [17B-2a-826](#), as enacted by Laws of Utah 2017, Chapter 427
- 94 [41-1a-102](#), as last amended by Laws of Utah 2016, Chapter 40
- 95 [41-1a-1201](#), as last amended by Laws of Utah 2017, Chapters 261 and 406
- 96 [41-1a-1206](#), as last amended by Laws of Utah 2017, Chapters 261, 406 and last
- 97 amended by Coordination Clause, Laws of Utah 2017, Chapter 261
- 98 [41-1a-1221](#), as last amended by Laws of Utah 2012, Chapter 397
- 99 [52-4-103](#), as last amended by Laws of Utah 2017, Chapters 196, 277, and 441
- 100 [59-12-103](#), as last amended by Laws of Utah 2017, Chapters 234, 421, and 422
- 101 [59-12-2202](#), as enacted by Laws of Utah 2010, Chapter 263
- 102 [59-12-2217](#), as last amended by Laws of Utah 2017, Chapter 240
- 103 [59-12-2218](#), as last amended by Laws of Utah 2017, Chapter 240
- 104 [59-12-2219](#), as last amended by Laws of Utah 2016, Chapter 373
- 105 [63G-6a-1402](#), as last amended by Laws of Utah 2017, Chapter 348
- 106 [67-5-3](#), as last amended by Laws of Utah 2015, Chapter 258
- 107 [72-1-102](#), as last amended by Laws of Utah 2001, Chapter 372
- 108 [72-1-202](#), as last amended by Laws of Utah 2013, Chapter 78
- 109 [72-1-203](#), as last amended by Laws of Utah 2006, Chapter 139
- 110 [72-1-204](#), as last amended by Laws of Utah 2017, Chapter 97
- 111 [72-1-208](#), as last amended by Laws of Utah 2016, Chapter 350
- 112 [72-1-211](#), as last amended by Laws of Utah 2008, Chapter 382
- 113 [72-1-213](#), as enacted by Laws of Utah 2015, Chapter 275
- 114 [72-1-214](#), as enacted by Laws of Utah 2017, Chapter 160
- 115 [72-1-303](#), as last amended by Laws of Utah 2011, Chapter 256
- 116 [72-1-304](#), as last amended by Laws of Utah 2008, Chapter 382
- 117 [72-1-305](#), as last amended by Laws of Utah 2009, Chapter 364
- 118 [72-2-117.5](#), as last amended by Laws of Utah 2017, Chapter 240

119 72-2-121, as last amended by Laws of Utah 2017, Chapter 436

120 72-2-124, as last amended by Laws of Utah 2017, Chapter 436

121 72-5-401, as last amended by Laws of Utah 2005, Chapter 254

122 72-6-120, as last amended by Laws of Utah 2015, Chapter 144

123 ENACTS:

124 11-13-227, Utah Code Annotated 1953

125 17B-2a-803.1, Utah Code Annotated 1953

126 17B-2a-807.1, Utah Code Annotated 1953

127 17B-2a-808.1, Utah Code Annotated 1953

128 17B-2a-808.2, Utah Code Annotated 1953

129 17B-2a-810.1, Utah Code Annotated 1953

130 17B-2a-811.1, Utah Code Annotated 1953

131 REPEALS:

132 17B-2a-807.5, as enacted by Laws of Utah 2009, Chapter 364



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

135 Section 1. Section 11-13-103 is amended to read:

136 **11-13-103. Definitions.**

137 As used in this chapter:

138 (1) (a) "Additional project capacity" means electric generating capacity provided by a
139 generating unit that first produces electricity on or after May 6, 2002, and that is constructed or
140 installed at or adjacent to the site of a project that first produced electricity before May 6, 2002,
141 regardless of whether:

142 (i) the owners of the new generating unit are the same as or different from the owner of
143 the project; and

144 (ii) the purchasers of electricity from the new generating unit are the same as or
145 different from the purchasers of electricity from the project.

146 (b) "Additional project capacity" does not mean or include replacement project
147 capacity.

148 (2) "Board" means the Permanent Community Impact Fund Board created by Section
149 35A-8-304, and its successors.

- 150 (3) "Candidate" means one or more of:
- 151 (a) the state;
- 152 (b) a county, municipality, school district, local district, special service district, or other
153 political subdivision of the state; and
- 154 (c) a prosecution district.
- 155 (4) "Commercial project entity" means a project entity, defined in Subsection (18),
156 that:
- 157 (a) has no taxing authority; and
- 158 (b) is not supported in whole or in part by and does not expend or disburse tax
159 revenues.
- 160 (5) "Direct impacts" means an increase in the need for public facilities or services that
161 is attributable to the project or facilities providing additional project capacity, except impacts
162 resulting from the construction or operation of a facility that is:
- 163 (a) owned by an owner other than the owner of the project or of the facilities providing
164 additional project capacity; and
- 165 (b) used to furnish fuel, construction, or operation materials for use in the project.
- 166 (6) "Electric interlocal entity" means an interlocal entity described in Subsection
167 11-13-203(3).
- 168 (7) "Energy services interlocal entity" means an interlocal entity that is described in
169 Subsection 11-13-203(4).
- 170 (8) (a) "Estimated electric requirements," when used with respect to a qualified energy
171 services interlocal entity, includes any of the following that meets the requirements of
172 Subsection (8)(b):
- 173 (i) generation capacity;
- 174 (ii) generation output; or
- 175 (iii) an electric energy production facility.
- 176 (b) An item listed in Subsection (8)(a) is included in "estimated electric requirements"
177 if it is needed by the qualified energy services interlocal entity to perform the qualified energy
178 services interlocal entity's contractual or legal obligations to any of its members.
- 179 (9) (a) "Facilities providing replacement project capacity" means facilities that have
180 been, are being, or are proposed to be constructed, reconstructed, converted, repowered,

181 acquired, leased, used, or installed to provide replacement project capacity.

182 (b) "Facilities providing replacement project capacity" includes facilities that have
183 been, are being, or are proposed to be constructed, reconstructed, converted, repowered,
184 acquired, leased, used, or installed:

185 (i) to support and facilitate the construction, reconstruction, conversion, repowering,
186 installation, financing, operation, management, or use of replacement project capacity; or

187 (ii) for the distribution of power generated from existing capacity or replacement
188 project capacity to facilities located on real property in which the project entity that owns the
189 project has an ownership, leasehold, right-of-way, or permitted interest.

190 (10) "Governing authority" means a governing board or joint administrator.

191 (11) (a) "Governing board" means the body established in reliance on the authority
192 provided under Subsection 11-13-206(1)(b) to govern an interlocal entity.

193 (b) "Governing board" includes a board of directors described in an agreement, as
194 amended, that creates a project entity.

195 (c) "Governing board" does not include a board as defined in Subsection (2).

196 (12) "Interlocal entity" means:

197 (a) a Utah interlocal entity, an electric interlocal entity, or an energy services interlocal
198 entity; or

199 (b) a separate legal or administrative entity created under Section 11-13-205.

200 (13) "Joint administrator" means an administrator or joint board described in Section
201 11-13-207 to administer a joint or cooperative undertaking.

202 (14) "Joint or cooperative undertaking" means an undertaking described in Section
203 11-13-207 that is not conducted by an interlocal entity.

204 (15) "Member" means a public agency that, with another public agency, creates an
205 interlocal entity under Section 11-13-203.

206 (16) "Out-of-state public agency" means a public agency as defined in Subsection
207 (19)(c), (d), or (e).

208 (17) (a) "Project":

209 (i) means an electric generation and transmission facility owned by a Utah interlocal
210 entity or an electric interlocal entity; and

211 (ii) includes fuel or fuel transportation facilities and water facilities owned by that Utah

212 interlocal entity or electric interlocal entity and required for the generation and transmission
213 facility.

214 (b) "Project" includes a project entity's ownership interest in:

215 (i) facilities that provide additional project capacity;

216 (ii) facilities providing replacement project capacity; and

217 (iii) additional generating, transmission, fuel, fuel transportation, water, or other
218 facilities added to a project.

219 (18) "Project entity" means a Utah interlocal entity or an electric interlocal entity that
220 owns a project as defined in this section.

221 (19) "Public agency" means:

222 (a) a city, town, county, school district, local district, special service district, an
223 interlocal entity, or other political subdivision of the state;

224 (b) the state or any department, division, or agency of the state;

225 (c) any agency of the United States;

226 (d) any political subdivision or agency of another state or the District of Columbia
227 including any interlocal cooperation or joint powers agency formed under the authority of the
228 law of the other state or the District of Columbia; or

229 (e) any Indian tribe, band, nation, or other organized group or community which is
230 recognized as eligible for the special programs and services provided by the United States to
231 Indians because of their status as Indians.

232 (20) "Qualified energy services interlocal entity" means an energy services interlocal
233 entity that at the time that the energy services interlocal entity acquires its interest in facilities
234 providing additional project capacity has at least five members that are Utah public agencies.

235 (21) "Replacement project capacity" means electric generating capacity or transmission
236 capacity that:

237 (a) replaces all or a portion of the existing electric generating or transmission capacity
238 of a project; and

239 (b) is provided by a facility that is on, adjacent to, in proximity to, or interconnected
240 with the site of a project, regardless of whether:

241 (i) the capacity replacing existing capacity is less than or exceeds the generating or
242 transmission capacity of the project existing before installation of the capacity replacing

243 existing capacity;

244 (ii) the capacity replacing existing capacity is owned by the project entity that is the
245 owner of the project, a segment established by the project entity, or a person with whom the
246 project entity or a segment established by the project entity has contracted; or

247 (iii) the facility that provides the capacity replacing existing capacity is constructed,
248 reconstructed, converted, repowered, acquired, leased, used, or installed before or after any
249 actual or anticipated reduction or modification to existing capacity of the project.

250 (22) "Transportation reinvestment zone" means an area created by two or more public
251 agencies by interlocal agreement to capture increased property or sales tax revenue generated
252 by a transportation infrastructure project as described in Section 11-13-227.

253 [~~22~~] (23) "Utah interlocal entity":

254 (a) means an interlocal entity described in Subsection 11-13-203(2); and

255 (b) includes a separate legal or administrative entity created under Laws of Utah 1977,
256 Chapter 47, Section 3, as amended.

257 [~~23~~] (24) "Utah public agency" means a public agency under Subsection (19)(a) or
258 (b).

259 Section 2. Section 11-13-202 is amended to read:

260 **11-13-202. Agreements for joint or cooperative undertaking, for providing or**
261 **exchanging services, or for law enforcement services -- Effective date of agreement --**
262 **Public agencies may restrict their authority or exempt each other regarding permits and**
263 **fees.**

264 (1) Any two or more public agencies may enter into an agreement with one another
265 under this chapter:

266 (a) for joint or cooperative action;

267 (b) to provide services that they are each authorized by statute to provide;

268 (c) to exchange services that they are each authorized by statute to provide;

269 (d) for a public agency to provide law enforcement services to one or more other public
270 agencies, if the public agency providing law enforcement services under the interlocal
271 agreement is authorized by law to provide those services, or to provide joint or cooperative law
272 enforcement services between or among public agencies that are each authorized by law to
273 provide those services; [~~or~~]

274 (e) to create a transportation reinvestment zone as defined in Section 11-13-103; or
275 ~~[(e)]~~ (f) to do anything else that they are each authorized by statute to do.

276 (2) An agreement under Subsection (1) does not take effect until it has been approved,
277 as provided in Section 11-13-202.5, by each public agency that is a party to it.

278 (3) (a) In an agreement under Subsection (1), a public agency that is a party to the
279 agreement may agree:

280 (i) to restrict its authority to issue permits to or assess fees from another public agency
281 that is a party to the agreement; and

282 (ii) to exempt another public agency that is a party to the agreement from permit or fee
283 requirements.

284 (b) A provision in an agreement under Subsection (1) whereby the parties agree as
285 provided in Subsection (3)(a) is subject to all remedies provided by law and in the agreement,
286 including injunction, mandamus, abatement, or other remedy to prevent, enjoin, abate, or
287 enforce the provision.

288 (4) An interlocal agreement between a county and one or more municipalities for law
289 enforcement service within an area that includes some or all of the unincorporated area of the
290 county shall require the law enforcement service provided under the agreement to be provided
291 by or under the direction of the county sheriff.

292 Section 3. Section 11-13-206 is amended to read:

293 **11-13-206. Requirements for agreements for joint or cooperative action.**

294 (1) Each agreement under Section 11-13-202, 11-13-203, ~~[or] 11-13-205,~~ or 11-13-227
295 shall specify:

296 (a) its duration;

297 (b) if the agreement creates an interlocal entity:

298 (i) the precise organization, composition, and nature of the interlocal entity;

299 (ii) the powers delegated to the interlocal entity;

300 (iii) the manner in which the interlocal entity is to be governed; and

301 (iv) subject to Subsection (2), the manner in which the members of its governing board
302 are to be appointed or selected;

303 (c) its purpose or purposes;

304 (d) the manner of financing the joint or cooperative action and of establishing and

305 maintaining a budget for it;

306 (e) the permissible method or methods to be employed in accomplishing the partial or
307 complete termination of the agreement and for disposing of property upon such partial or
308 complete termination;

309 (f) the process, conditions, and terms for withdrawal of a participating public agency
310 from the interlocal entity or the joint or cooperative undertaking;

311 (g) (i) whether voting is based upon one vote per member or weighted; and

312 (ii) if weighted voting is allowed, the basis upon which the vote weight will be
313 determined; and

314 (h) any other necessary and proper matters.

315 (2) Each agreement under Section 11-13-203 or 11-13-205 that creates an interlocal
316 entity shall require that Utah public agencies that are parties to the agreement have the right to
317 appoint or select members of the interlocal entity's governing board with a majority of the
318 voting power.

319 Section 4. Section 11-13-207 is amended to read:

320 **11-13-207. Additional requirements for agreement not establishing interlocal**
321 **entity.**

322 (1) If an agreement under Section 11-13-202 or 11-13-227 does not establish an
323 interlocal entity to conduct the joint or cooperative undertaking, the agreement shall, in
324 addition to the items specified in Section 11-13-206, provide for:

325 (a) the joint or cooperative undertaking to be administered by:

326 (i) an administrator; or

327 (ii) a joint board with representation from the public agencies that are parties to the
328 agreement;

329 (b) the manner of acquiring, holding, and disposing of real and personal property used
330 in the joint or cooperative undertaking;

331 (c) the functions to be performed by the joint or cooperative undertaking; and

332 (d) the powers of the joint administrator.

333 (2) The creation, operation, governance, and fiscal procedures of a joint or cooperative
334 undertaking are governed by this chapter.

335 Section 5. Section 11-13-227 is enacted to read:

336 11-13-227. Transportation reinvestment zones.

337 (1) Subject to the provisions of this part, any two or more public agencies may enter
338 into an agreement with one another to create a transportation reinvestment zone as described in
339 this section.

340 (2) To create a transportation reinvestment zone, two or more public agencies, at least
341 one of which has land use authority over the transportation reinvestment zone area, shall:

342 (a) define the transportation infrastructure need and proposed improvement;

343 (b) define the boundaries of the zone;

344 (c) establish terms for sharing sales tax revenue among the members of the agreement;

345 (d) establish a base year to calculate the increase of property tax revenue within the
346 zone;

347 (e) establish terms for sharing any increase in property tax revenue within the zone;

348 and

349 (f) before an agreement is approved as required in Section 11-13-202.5, hold a public
350 hearing regarding the details of the proposed transportation reinvestment zone.

351 (3) Any agreement to establish a transportation reinvestment zone is subject to the
352 requirements of Sections 11-13-202, 11-13-202.5, 11-13-206, and 11-13-207.

353 (4) (a) Each public agency that is party to an agreement under this section shall
354 annually publish a report including a statement of the increased tax revenue and the
355 expenditures made in accordance with the agreement.

356 (b) Each public agency that is party to an agreement under this section shall transmit a
357 copy of the report described in Subsection (4)(a) to the state auditor.

358 (5) If any surplus revenue remains in a tax revenue account created as part of a
359 transportation reinvestment zone agreement, the parties may use the surplus for other purposes
360 as determined by agreement of the parties.

361 Section 6. Section 17B-1-301 is amended to read:

362 **17B-1-301. Board of trustees duties and powers.**

363 (1) (a) Each local district shall be governed by a board of trustees which shall manage
364 and conduct the business and affairs of the district and shall determine all questions of district
365 policy.

366 (b) All powers of a local district are exercised through the board of trustees.

- 367 (2) The board of trustees may:
- 368 (a) fix the location of the local district's principal place of business and the location of
369 all offices and departments, if any;
- 370 (b) fix the times of meetings of the board of trustees;
- 371 (c) select and use an official district seal;
- 372 (d) subject to Subsections (3) and (4), employ employees and agents, or delegate to
373 district officers power to employ employees and agents, for the operation of the local district
374 and its properties and prescribe or delegate to district officers the power to prescribe the duties,
375 compensation, and terms and conditions of employment of those employees and agents;
- 376 (e) require district officers and employees charged with the handling of district funds to
377 provide surety bonds in an amount set by the board or provide a blanket surety bond to cover
378 officers and employees;
- 379 (f) contract for or employ professionals to perform work or services for the local
380 district that cannot satisfactorily be performed by the officers or employees of the district;
- 381 (g) through counsel, prosecute on behalf of or defend the local district in all court
382 actions or other proceedings in which the district is a party or is otherwise involved;
- 383 (h) adopt bylaws for the orderly functioning of the board;
- 384 (i) adopt and enforce rules and regulations for the orderly operation of the local district
385 or for carrying out the district's purposes;
- 386 (j) prescribe a system of civil service for district employees;
- 387 (k) on behalf of the local district, enter into contracts that the board considers to be for
388 the benefit of the district;
- 389 (l) acquire, construct or cause to be constructed, operate, occupy, control, and use
390 buildings, works, or other facilities for carrying out the purposes of the local district;
- 391 (m) on behalf of the local district, acquire, use, hold, manage, occupy, and possess
392 property necessary to carry out the purposes of the district, dispose of property when the board
393 considers it appropriate, and institute and maintain in the name of the district any action or
394 proceeding to enforce, maintain, protect, or preserve rights or privileges associated with district
395 property;
- 396 (n) delegate to a district officer the exercise of a district duty; and
- 397 (o) exercise all powers and perform all functions in the operation of the local district

398 and its properties as are ordinarily exercised by the governing body of a political subdivision of
399 the state and as are necessary to accomplish the purposes of the district.

400 (3) (a) As used in this Subsection (3), "interim vacancy period" means:

401 (i) if any member of the local district board is elected, the period of time that:

402 (A) begins on the day on which an election is held to elect a local district board
403 member; and

404 (B) ends on the day on which the local district board member-elect begins the
405 member's term; or

406 (ii) if any member of the local district board is appointed, the period of time that:

407 (A) begins on the day on which an appointing authority posts a notice of vacancy in
408 accordance with Section 17B-1-304; and

409 (B) ends on the day on which the person who is appointed by the local district board to
410 fill the vacancy begins the person's term.

411 (b) (i) The local district may not hire during an interim vacancy period a manager, a
412 chief executive officer, a chief administrative officer, an executive director, or a similar
413 position to perform executive and administrative duties or functions.

414 (ii) Notwithstanding Subsection (3)(b)(i):

415 (A) the local district may hire an interim manager, a chief executive officer, a chief
416 administrative officer, an executive director, or a similar position during an interim vacancy
417 period; and

418 (B) the interim manager's, chief executive officer's, chief administrative officer's, or
419 similar position's employment shall terminate once a new manager, chief executive officer,
420 chief administrative officer, or similar position is hired by the new local district board after the
421 interim vacancy period has ended.

422 (c) Subsection (3)(b) does not apply if:

423 (i) all the elected local district board members who held office on the day of the
424 election for the local district board members, whose term of office was vacant for the election
425 are re-elected to the local district board; and

426 (ii) all the appointed local district board members who were appointed whose term of
427 appointment was expiring are re-appointed to the local district board.

428 (4) A local district board that hires an interim manager, a chief executive officer, a

429 chief administrative officer, an executive director, or a similar position in accordance with this
430 section may not, on or after May 10, 2011, enter into an employment contract that contains an
431 automatic renewal provision with the interim manager, chief executive officer, chief
432 administrative officer, executive director, or similar position.

433 Section 7. Section **17B-1-702** is amended to read:

434 **17B-1-702. Local districts to submit budgets.**

435 (1) (a) Except as provided in Subsection (1)(b), within 30 days after it is approved by
436 the board, and at least 30 days before the board adopts a final budget, the board of each local
437 district with an annual budget of \$50,000 or more shall send a copy of its tentative budget and
438 notice of the time and place for its budget hearing to:

439 (i) each of its constituent entities that has in writing requested a copy; and

440 (ii) to each of its customer agencies that has in writing requested a copy.

441 (b) Within 30 days after it is approved by the board, and at least 30 days before the
442 board adopts a final budget, the board of trustees of a large public transit district [~~servicing a~~
443 ~~population of more than 200,000 people~~] as defined in Section 17B-2a-802 shall send a copy of
444 its tentative budget and notice of the time and place for its budget hearing to:

445 (i) each of its constituent entities;

446 (ii) each of its customer agencies that has in writing requested a copy;

447 (iii) the governor; and

448 (iv) the Legislature.

449 (c) The local district shall include with the tentative budget a signature sheet that
450 includes:

451 (i) language that the constituent entity or customer agency received the tentative budget
452 and has no objection to it; and

453 (ii) a place for the chairperson or other designee of the constituent entity or customer
454 agency to sign.

455 (2) Each constituent entity and each customer agency that receives the tentative budget
456 shall review the tentative budget submitted by the district and either:

457 (a) sign the signature sheet and return it to the district; or

458 (b) attend the budget hearing or other meeting scheduled by the district to discuss the
459 objections to the proposed budget.

460 (3) (a) If any constituent entity or customer agency that received the tentative budget
461 has not returned the signature sheet to the local district within 15 calendar days after the
462 tentative budget was mailed, the local district shall send a written notice of the budget hearing
463 to each constituent entity or customer agency that did not return a signature sheet and invite
464 them to attend that hearing.

465 (b) If requested to do so by any constituent entity or customer agency, the local district
466 shall schedule a meeting to discuss the budget with the constituent entities and customer
467 agencies.

468 (c) At the budget hearing, the local district board shall:

469 (i) explain its budget and answer any questions about it;

470 (ii) specifically address any questions or objections raised by the constituent entity,
471 customer agency, or those attending the meeting; and

472 (iii) seek to resolve the objections.

473 (4) Nothing in this part prevents a local district board from approving or implementing
474 a budget over any or all constituent entity's or customer agency's protests, objections, or failure
475 to respond.

476 Section 8. Section **17B-1-703** is amended to read:

477 **17B-1-703. Local districts to submit audit reports.**

478 (1) (a) Except as provided in Subsection (1)(b), within 30 days after it is presented to
479 the board, the board of each local district with an annual budget of \$50,000 or more shall send
480 a copy of any audit report to:

481 (i) each of its constituent entities that has in writing requested a copy; and

482 (ii) each of its customer agencies that has in writing requested a copy.

483 (b) Within 30 days after it is presented to the board, the board of a large public transit
484 district [~~serving a population of more than 200,000 people~~] as defined in Section 17B-2a-802
485 shall send a copy of its annual audit report to:

486 (i) each of its constituent entities; and

487 (ii) each of its customer agencies that has in writing requested a copy.

488 (2) Each constituent entity and each customer agency that received the audit report
489 shall review the audit report submitted by the district and, if necessary, request a meeting with
490 the district board to discuss the audit report.

491 (3) At the meeting, the local district board shall:

492 (a) answer any questions about the audit report; and

493 (b) discuss their plans to implement suggestions made by the auditor.

494 Section 9. Section **17B-2a-802** is amended to read:

495 **17B-2a-802. Definitions.**

496 As used in this part:

497 (1) "Affordable housing" means housing occupied or reserved for occupancy by
498 households that meet certain gross household income requirements based on the area median
499 income for households of the same size.

500 (a) "Affordable housing" may include housing occupied or reserved for occupancy by
501 households that meet specific area median income targets or ranges of area median income
502 targets.

503 (b) "Affordable housing" does not include housing occupied or reserved for occupancy
504 by households with gross household incomes that are more than 60% of the area median
505 income for households of the same size.

506 (2) "Appointing entity" means the person, county, unincorporated area of a county, or
507 municipality appointing a member to a public transit district board of trustees.

508 (3) (a) "Chief executive officer" means a person appointed by the board of trustees of a
509 small public transit district to serve as chief executive officer.

510 (b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities
511 defined in Sections **17B-2a-810** and **17B-2a-811** and includes all rights, duties, and
512 responsibilities assigned to the general manager but prescribed by the board of trustees to be
513 fulfilled by the chief executive officer.

514 (4) "Council of governments" means a decision-making body in each county composed
515 of membership including the county governing body and the mayors of each municipality in the
516 county.

517 [~~4~~] (5) "Department" means the Department of Transportation created in Section
518 **72-1-201**.

519 (6) "Executive director" means a person appointed by the board of trustees of a large
520 public transit district to serve as executive director.

521 [~~5~~] (7) (a) "General manager" means a person appointed by the board of trustees of a

522 small public transit district to serve as general manager.

523 (b) "General manager" shall enjoy all the rights, duties, and responsibilities defined in
524 Sections [17B-2a-810](#) and [17B-2a-811](#) prescribed by the board of trustees of a small public
525 transit district.

526 (8) "Large public transit district" means a public transit district that provides public
527 transit to an area that includes:

528 (a) more than 65% of the population of the state based on the most recent official
529 census or census estimate of the United States Census Bureau; and

530 (b) two or more counties.

531 [~~(7)~~] (9) (a) "Locally elected public official" means a person who holds an elected
532 position with a county or municipality.

533 (b) "Locally elected public official" does not include a person who holds an elected
534 position if the elected position is not with a county or municipality.

535 [~~(7)~~] (10) "Metropolitan planning organization" means the same as that term is defined
536 in Section [72-1-208.5](#).

537 [~~(8)~~] (11) "Multicounty district" means a public transit district located in more than one
538 county.

539 [~~(9)~~] (12) "Operator" means a public entity or other person engaged in the
540 transportation of passengers for hire.

541 [~~(10)~~] (13) "Public transit" means the transportation of passengers only and their
542 incidental baggage by means other than:

543 (a) chartered bus;

544 (b) sightseeing bus; or

545 (c) taxi.

546 (14) "Public transit district" means a local district that provides public transit services.

547 (15) "Small public transit district" means any public transit district that is not a large
548 public transit district.

549 [~~(H)~~] (16) "Transit facility" means a transit vehicle, transit station, depot, passenger
550 loading or unloading zone, parking lot, or other facility:

551 (a) leased by or operated by or on behalf of a public transit district; and

552 (b) related to the public transit services provided by the district, including:

- 553 (i) railway or other right-of-way;
- 554 (ii) railway line; and
- 555 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by
- 556 a transit vehicle.

557 [~~(14)~~] (17) "Transit vehicle" means a passenger bus, coach, railcar, van, or other
 558 vehicle operated as public transportation by a public transit district.

559 [~~(12)~~] (18) "Transit-oriented development" means a mixed use residential or
 560 commercial area that is designed to maximize access to public transit and includes the
 561 development of land owned by a public transit district that serves a county of the first class.

562 [~~(13)~~] (19) "Transit-supportive development" means a mixed use residential or
 563 commercial area that is designed to maximize access to public transit and does not include the
 564 development of land owned by a public transit district.

565 Section 10. Section **17B-2a-803.1** is enacted to read:

566 **17B-2a-803.1. Authority to name a large public transit district.**

567 (1) The authority to name any large public transit district is vested in the Legislature
 568 and the name shall be codified in this section.

569 (2) (a) For the large public transit district in existence and with a portion of the district
 570 within a county of the first class as of May 8, 2018, and beginning on May 8, 2018, the large
 571 public transit district shall be called Transit District of Utah.

572 (b) The board of trustees of the large public transit district described in Subsection
 573 (2)(a) shall implement the name change over time and as resources permit.

574 Section 11. Section **17B-2a-804** is amended to read:

575 **17B-2a-804. Additional public transit district powers.**

576 (1) In addition to the powers conferred on a public transit district under Section
 577 **17B-1-103**, a public transit district may:

578 (a) provide a public transit system for the transportation of passengers and their
 579 incidental baggage;

580 (b) notwithstanding Subsection **17B-1-103(2)(g)** and subject to Section **17B-2a-817**,
 581 levy and collect property taxes only for the purpose of paying:

- 582 (i) principal and interest of bonded indebtedness of the public transit district; or
- 583 (ii) a final judgment against the public transit district if:

- 584 (A) the amount of the judgment exceeds the amount of any collectable insurance or
585 indemnity policy; and
- 586 (B) the district is required by a final court order to levy a tax to pay the judgment;
- 587 (c) insure against:
- 588 (i) loss of revenues from damage to or destruction of some or all of a public transit
589 system from any cause;
- 590 (ii) public liability;
- 591 (iii) property damage; or
- 592 (iv) any other type of event, act, or omission;
- 593 (d) acquire, contract for, lease, construct, own, operate, control, or use:
- 594 (i) a right-of-way, rail line, monorail, bus line, station, platform, switchyard, terminal,
595 parking lot, or any other facility necessary or convenient for public transit service; or
- 596 (ii) any structure necessary for access by persons and vehicles;
- 597 (e) (i) hire, lease, or contract for the supplying or management of a facility, operation,
598 equipment, service, employee, or management staff of an operator; and
- 599 (ii) provide for a sublease or subcontract by the operator upon terms that are in the
600 public interest;
- 601 (f) operate feeder bus lines and other feeder or ridesharing services as necessary;
- 602 (g) accept a grant, contribution, or loan, directly through the sale of securities or
603 equipment trust certificates or otherwise, from the United States, or from a department,
604 instrumentality, or agency of the United States;
- 605 (h) study and plan transit facilities in accordance with any legislation passed by
606 Congress;
- 607 (i) cooperate with and enter into an agreement with the state or an agency of the state
608 or otherwise contract to finance to establish transit facilities and equipment or to study or plan
609 transit facilities;
- 610 (j) subject to Subsection 17B-2a-808.1(5), issue bonds as provided in and subject to
611 Chapter 1, Part 11, Local District Bonds, to carry out the purposes of the district;
- 612 (k) from bond proceeds or any other available funds, reimburse the state or an agency
613 of the state for an advance or contribution from the state or state agency;
- 614 (l) do anything necessary to avail itself of any aid, assistance, or cooperation available

615 under federal law, including complying with labor standards and making arrangements for
616 employees required by the United States or a department, instrumentality, or agency of the
617 United States;

618 (m) sell or lease property;

619 (n) except as provided in Subsection (2)(b), assist in or operate transit-oriented or
620 transit-supportive developments;

621 (o) establish, finance, participate as a limited partner or member in a development with
622 limited liabilities in accordance with Subsection (1)(p), construct, improve, maintain, or
623 operate transit facilities, equipment, and, in accordance with Subsection (3), transit-oriented
624 developments or transit-supportive developments; and

625 (p) subject to the restrictions and requirements in Subsections (2) and (3), assist in a
626 transit-oriented development or a transit-supportive development in connection with project
627 area development as defined in Section 17C-1-102 by:

628 (i) investing in a project as a limited partner or a member, with limited liabilities; or

629 (ii) subordinating an ownership interest in real property owned by the public transit
630 district.

631 (2) (a) A public transit district may only assist in the development of areas under
632 Subsection (1)(p):

633 (i) in the manner described in Subsection (1)(p)(i) or (ii); and

634 (ii) on no more than eight transit-oriented developments or transit-supportive
635 developments selected by the board of trustees.

636 (b) A public transit district may not invest in a transit-oriented development or
637 transit-supportive development as a limited partner or other limited liability entity under the
638 provisions of Subsection (1)(p)(i), unless the partners, developer, or other investor in the entity,
639 makes an equity contribution equal to no less than 25% of the appraised value of the property
640 to be contributed by the public transit district.

641 (c) (i) For transit-oriented development projects, a public transit district shall adopt
642 transit-oriented development policies and guidelines that include provisions on affordable
643 housing.

644 (ii) For transit-supportive development projects, a public transit district shall work with
645 the metropolitan planning organization and city and county governments where the project is

646 located to collaboratively seek to create joint plans for the areas within one-half mile of transit
647 stations, including plans for affordable housing.

648 (d) A current board member of a public transit district to which the board member is
649 appointed may not have any interest in the transactions engaged in by the public transit district
650 pursuant to Subsection (1)(p)(i) or (ii), except as may be required by the board member's
651 fiduciary duty as a board member.

652 (3) For any transit-oriented development or transit-supportive development authorized
653 in this section, the public transit district shall:

654 (a) perform a cost-benefit analysis of the monetary investment and expenditures of the
655 development, including effect on:

- 656 (i) service and ridership;
- 657 (ii) regional plans made by the metropolitan planning agency;
- 658 (iii) the local economy;
- 659 (iv) the environment and air quality;
- 660 (v) affordable housing; and
- 661 (vi) integration with other modes of transportation; and

662 (b) provide evidence to the public of a quantifiable positive return on investment,
663 including improvements to public transit service.

664 (4) A public transit district may be funded from any combination of federal, state,
665 local, or private funds.

666 (5) A public transit district may not acquire property by eminent domain.

667 Section 12. Section **17B-2a-807** is amended to read:

668 **17B-2a-807. Small public transit district board of trustees -- Appointment --**
669 **Apportionment -- Qualifications -- Quorum -- Compensation -- Terms.**

670 (1) (a) [~~If 200,000 people or fewer reside within the boundaries of a~~] For a small public
671 transit district, the board of trustees shall consist of members appointed by the legislative
672 bodies of each municipality, county, or unincorporated area within any county on the basis of
673 one member for each full unit of regularly scheduled passenger routes proposed to be served by
674 the district in each municipality or unincorporated area within any county in the following
675 calendar year.

676 (b) For purposes of determining membership under Subsection (1)(a), the number of

677 service miles comprising a unit shall be determined jointly by the legislative bodies of the
678 municipalities or counties comprising the district.

679 (c) The board of trustees of a public transit district under this ~~[Subsection (1)]~~ section
680 may include a member that is a commissioner on the Transportation Commission created in
681 Section 72-1-301 and appointed as provided in Subsection ~~[(1)]~~ (8), who shall serve as a
682 nonvoting, ex officio member.

683 (d) Members appointed under this ~~[Subsection (1)]~~ section shall be appointed and
684 added to the board or omitted from the board at the time scheduled routes are changed, or as
685 municipalities, counties, or unincorporated areas of counties annex to or withdraw from the
686 district using the same appointment procedures.

687 (e) For purposes of appointing members under this ~~[Subsection (1)]~~ section,
688 municipalities, counties, and unincorporated areas of counties in which regularly scheduled
689 passenger routes proposed to be served by the district in the following calendar year is less than
690 a full unit, as defined in Subsection (1)(b), may combine with any other similarly situated
691 municipality or unincorporated area to form a whole unit and may appoint one member for
692 each whole unit formed.

693 ~~[(2) (a) Subject to Section 17B-2a-807.5, if more than 200,000 people reside within the~~
694 ~~boundaries of a public transit district, the board of trustees shall consist of:]~~

695 ~~[(i) 11 members:]~~

696 ~~[(A) appointed as described under this Subsection (2); or]~~

697 ~~[(B) retained in accordance with Section 17B-2a-807.5;]~~

698 ~~[(ii) three members appointed as described in Subsection (4);]~~

699 ~~[(iii) one voting member appointed as provided in Subsection (11); and]~~

700 ~~[(iv) one nonvoting member appointed as provided in Subsection (12).]~~

701 ~~[(b) Except as provided in Subsections (2)(c) and (d), the board shall apportion voting~~
702 ~~members to each county within the district using an average of:]~~

703 ~~[(i) the proportion of population included in the district and residing within each~~
704 ~~county, rounded to the nearest 1/11 of the total transit district population; and]~~

705 ~~[(ii) the cumulative proportion of transit sales and use tax collected from areas~~
706 ~~included in the district and within each county, rounded to the nearest 1/11 of the total~~
707 ~~cumulative transit sales and use tax collected for the transit district.]~~

708 ~~[(c) The board shall join an entire or partial county not apportioned a voting member~~
709 ~~under this Subsection (2) with an adjacent county for representation. The combined~~
710 ~~apportionment basis included in the district of both counties shall be used for the~~
711 ~~apportionment.]~~

712 ~~[(d) (i) If rounding to the nearest 1/11 of the total public transit district apportionment~~
713 ~~basis under Subsection (2)(b) results in an apportionment of more than 11 members, the county~~
714 ~~or combination of counties with the smallest additional fraction of a whole member proportion~~
715 ~~shall have one less member apportioned to it.]~~

716 ~~[(ii) If rounding to the nearest 1/11 of the total public transit district apportionment~~
717 ~~basis under Subsection (2)(b) results in an apportionment of less than 11 members, the county~~
718 ~~or combination of counties with the largest additional fraction of a whole member proportion~~
719 ~~shall have one more member apportioned to it.]~~

720 ~~[(e) If the population of a county is at least 750,000, the county executive, with the~~
721 ~~advice and consent of the county legislative body, shall appoint one voting member to~~
722 ~~represent the population of the county.]~~

723 ~~[(f) If a municipality's population is at least 160,000, the chief municipal executive,~~
724 ~~with the advice and consent of the municipal legislative body, shall appoint one voting member~~
725 ~~to represent the population within a municipality.]~~

726 ~~[(g) (i) The number of voting members appointed from a county and municipalities~~
727 ~~within a county under Subsections (2)(e) and (f) shall be subtracted from the county's total~~
728 ~~voting member apportionment under this Subsection (2).]~~

729 ~~[(ii) Notwithstanding Subsections (2)(l) and (10), no more than one voting member~~
730 ~~appointed by an appointing entity may be a locally elected public official.]~~

731 ~~[(h) If the entire county is within the district, the remaining voting members for the~~
732 ~~county shall represent the county or combination of counties, if Subsection (2)(c) applies, or~~
733 ~~the municipalities within the county.]~~

734 ~~[(i) If the entire county is not within the district, and the county is not joined with~~
735 ~~another county under Subsection (2)(c), the remaining voting members for the county shall~~
736 ~~represent a municipality or combination of municipalities.]~~

737 ~~[(j) (i) Except as provided under Subsections (2)(e) and (f), voting members~~
738 ~~representing counties, combinations of counties if Subsection (2)(c) applies, or municipalities~~

739 ~~within the county shall be designated and appointed by a simple majority of the chief~~
740 ~~executives of the municipalities within the county or combinations of counties if Subsection~~
741 ~~(2)(c) applies.]~~

742 ~~[(ii) The appointments shall be made by joint written agreement of the appointing~~
743 ~~municipalities, with the consent and approval of the county legislative body of the county that~~
744 ~~has at least 1/11 of the district's apportionment basis.]~~

745 ~~[(k) Voting members representing a municipality or combination of municipalities~~
746 ~~shall be designated and appointed by the chief executive officer of the municipality or simple~~
747 ~~majority of chief executive officers of municipalities with the consent of the legislative body of~~
748 ~~the municipality or municipalities.]~~

749 ~~[(l) The appointment of members shall be made without regard to partisan political~~
750 ~~affiliation from among citizens in the community.]~~

751 ~~[(m) Each member shall be a bona fide resident of the municipality, county, or~~
752 ~~unincorporated area or areas which the member is to represent for at least six months before the~~
753 ~~date of appointment, and shall continue in that residency to remain qualified to serve as a~~
754 ~~member.]~~

755 ~~[(n) (i) All population figures used under this section shall be derived from the most~~
756 ~~recent official census or census estimate of the United States Bureau of the Census.]~~

757 ~~[(ii) If population estimates are not available from the United States Bureau of Census,~~
758 ~~population figures shall be derived from the estimate from the Utah Population Estimates~~
759 ~~Committee.]~~

760 ~~[(iii) All transit sales and use tax totals shall be obtained from the State Tax~~
761 ~~Commission.]~~

762 ~~[(o) (i) The board shall be apportioned as provided under this section in conjunction~~
763 ~~with the decennial United States Census Bureau report every 10 years.]~~

764 ~~[(ii) Within 120 days following the receipt of the population estimates under this~~
765 ~~Subsection (2)(o), the district shall reapportion representation on the board of trustees in~~
766 ~~accordance with this section.]~~

767 ~~[(iii) The board shall adopt by resolution a schedule reflecting the current and proposed~~
768 ~~apportionment.]~~

769 ~~[(iv) Upon adoption of the resolution, the board shall forward a copy of the resolution~~

770 to each of its constituent entities as defined under Section ~~17B-1-701.~~]

771 [~~(v) The appointing entities gaining a new board member shall appoint a new member~~
772 ~~within 30 days following receipt of the resolution.]~~

773 [~~(vi) The appointing entities losing a board member shall inform the board of which~~
774 ~~member currently serving on the board will step down:]~~

775 [~~(A) upon appointment of a new member under Subsection (2)(o)(v); or]~~

776 [~~(B) in accordance with Section 17B-2a-807.5.]~~

777 [~~(3)~~] (2) Upon the completion of an annexation to a public transit district under
778 Chapter 1, Part 4, Annexation, the annexed area shall have a representative on the board of
779 trustees on the same basis as if the area had been included in the district as originally
780 organized.

781 [~~(4) In addition to the voting members appointed in accordance with Subsection (2);~~
782 ~~the board shall consist of three voting members appointed as follows:]~~

783 [~~(a) one member appointed by the speaker of the House of Representatives;]~~

784 [~~(b) one member appointed by the president of the Senate; and]~~

785 [~~(c) one member appointed by the governor.]~~

786 [~~(5) Except as provided in Section 17B-2a-807.5, the terms of office of the members of~~
787 ~~the board shall be four years or until a successor is appointed, qualified, seated, and has taken~~
788 ~~the oath of office.]~~

789 [~~(6)~~] (3) (a) Vacancies for members shall be filled by the official appointing the
790 member creating the vacancy for the unexpired term, unless the official fails to fill the vacancy
791 within 90 days.

792 (b) If the appointing official under Subsection (1) does not fill the vacancy within 90
793 days, the board of trustees of the authority shall fill the vacancy.

794 [~~(c) If the appointing official under Subsection (2) does not fill the vacancy within 90~~
795 ~~days, the governor, with the advice and consent of the Senate, shall fill the vacancy.]~~

796 [~~(7)~~] (4) (a) Each voting member may cast one vote on all questions, orders,
797 resolutions, and ordinances coming before the board of trustees.

798 (b) A majority of all voting members of the board of trustees are a quorum for the
799 transaction of business.

800 (c) The affirmative vote of a majority of all voting members present at any meeting at

801 which a quorum was initially present shall be necessary and, except as otherwise provided, is
802 sufficient to carry any order, resolution, ordinance, or proposition before the board of trustees.

803 ~~[(8)]~~ (5) Each public transit district shall pay to each member per diem and travel
804 expenses for meetings actually attended, in accordance with Section 11-55-103.

805 ~~[(9)]~~ (6) (a) Members of the initial board of trustees shall convene at the time and place
806 fixed by the chief executive officer of the entity initiating the proceedings.

807 (b) The board of trustees shall elect from its voting membership a chair, vice chair, and
808 secretary.

809 (c) The members elected under Subsection ~~[(9)]~~ (6)(b) shall serve for a period of two
810 years or until their successors shall be elected and qualified.

811 (d) On or after January 1, 2011, a locally elected public official is not eligible to serve
812 as the chair, vice chair, or secretary of the board of trustees.

813 ~~[(10)]~~ (7) (a) Except as otherwise authorized under ~~[Subsections (2)(g) and (10)(b) and~~
814 ~~Section 17B-2a-807.5]~~ Subsection (7)(b), at the time of a member's appointment or during a
815 member's tenure in office, a member may not hold any employment, except as an independent
816 contractor or locally elected public official, with a county or municipality within the district.

817 (b) A member appointed by a county or municipality may hold employment with the
818 county or municipality if the employment is disclosed in writing and the public transit district
819 board of trustees ratifies the appointment.

820 ~~[(11)]~~ (8) The Transportation Commission created in Section 72-1-301~~[(a) for a~~
821 ~~public transit district serving a population of 200,000 people or fewer,]~~ may appoint a
822 commissioner of the Transportation Commission to serve on the board of trustees of a small
823 public transit district as a nonvoting, ex officio member~~[-and].~~

824 ~~[(b) for a public transit district serving a population of more than 200,000 people, shall~~
825 ~~appoint a commissioner of the Transportation Commission to serve on the board of trustees as~~
826 ~~a voting member.]~~

827 ~~[(12) (a) The board of trustees of a public transit district serving a population of more~~
828 ~~than 200,000 people shall include a nonvoting member who represents all municipalities and~~
829 ~~unincorporated areas within the district that are located within a county that is not annexed into~~
830 ~~the public transit district.]~~

831 ~~[(b) The nonvoting member representing the combination of municipalities and~~

832 ~~unincorporated areas described in Subsection (12)(a) shall be designated and appointed by a~~
 833 ~~weighted vote of the majority of the chief executive officers of the municipalities described in~~
 834 ~~Subsection (12)(a).]~~

835 ~~[(c) Each municipality's vote under Subsection (12)(b) shall be weighted using the~~
 836 ~~proportion of the public transit district population that resides within that municipality and the~~
 837 ~~adjacent unincorporated areas within the same county.]~~

838 ~~[(13)]~~ (9) (a) (i) Each member of the board of trustees of a public transit district is
 839 subject to recall at any time by the legislative body of the county or municipality from which
 840 the member is appointed.

841 (ii) Each recall of a board of trustees member shall be made in the same manner as the
 842 original appointment.

843 (iii) The legislative body recalling a board of trustees member shall provide written
 844 notice to the member being recalled.

845 (b) Upon providing written notice to the board of trustees, a member of the board may
 846 resign from the board of trustees.

847 (c) ~~[Except as provided in Section 17B-2a-807.5, if]~~ If a board member is recalled or
 848 resigns under this Subsection ~~[(13)]~~ (9), the vacancy shall be filled as provided in Subsection
 849 ~~[(6)]~~ (3).

850 Section 13. Section ~~17B-2a-807.1~~ is enacted to read:

851 **17B-2a-807.1. Large public transit district board of trustees -- Appointment -- --**
 852 **Quorum -- Compensation -- Terms.**

853 (1) (a) For a large public transit district, the board of trustees shall consist of three
 854 members appointed as described in Subsection (1)(b).

855 (b) (i) The governor, with advice and consent of the Senate, shall appoint the members
 856 of the board of trustees, making:

857 (A) one appointment from the nominees described in Subsection (1)(b)(ii);

858 (B) one appointment from the nominees described in Subsection (1)(b)(iii); and

859 (C) one appointment from the nominees described in Subsection (1)(b)(iv).

860 (ii) The chief executive officer of a county of the first class within a large public transit
 861 district, with approval of the legislative body of the county, shall nominate two or more
 862 individuals to the governor for appointment to the board of trustees.

863 (iii) (A) Subject to Subsection (1)(b)(iii)(B), the executive governing individuals or
864 bodies of a county or counties of the second class, with a population over 500,000, within a
865 large public transit district, shall nominate two or more individuals to the governor for
866 appointment to the board of trustees.

867 (B) To select individuals for nomination, the executive governing individuals or bodies
868 described in Subsection (1)(b)(iii)(A) shall consult with the executive governing individual or
869 body of a county of the third or smaller class within the large public transit district.

870 (iv) (A) Subject to Subsection (1)(b)(iv)(B), the executive governing individuals or
871 bodies of any county or counties of the second class, with a population of 500,000 or less,
872 within a large public transit district, shall jointly nominate two or more individuals to the
873 governor for appointment to the board of trustees.

874 (B) To select individuals for nomination, the executive governing individuals or bodies
875 described in Subsection (1)(b)(iv)(A) shall consult with the executive governing individual or
876 body of a county of the third or smaller class within the large public transit district different
877 from a third or smaller class county consulting with the county or counties described in
878 Subsection (1)(b)(iii).

879 (c) Each nominee shall be a qualified executive with technical and administrative
880 experience and training appropriate for the position.

881 (d) The board of trustees of a large public transit district shall be full-time employees
882 of the public transit district.

883 (e) The compensation package for the board of trustees shall be determined by the local
884 advisory board as described in Section [17B-2a-808.2](#).

885 (2) (a) Subject to Subsections (3) and (4), each member of the board of trustees of a
886 large public transit district shall serve for a term of three years.

887 (b) A member of the board of trustees may serve an unlimited number of terms.

888 (3) Each member of the board of trustees of a large public transit district shall serve at
889 the pleasure of the governor.

890 (4) The first time the board of trustees is appointed under this section, the governor
891 shall stagger the initial term of each of the members of the board of trustees as follows:

892 (a) one member of the board of trustees shall serve an initial term of two years;

893 (b) one member of the board of trustees shall serve an initial term of three years; and

894 (c) one member of the board of trustees shall serve an initial term of four years.

895 (5) The governor shall designate one member of the board of trustees as chair of the
896 board of trustees.

897 (6) (a) If a vacancy occurs, the nomination and appointment procedures to replace the
898 individual shall occur in the same manner described in Subsection (1) for the member creating
899 the vacancy.

900 (b) A replacement board member shall serve for the remainder of the unexpired term,
901 but may serve an unlimited number of terms as provided in Subsection (2)(b).

902 (c) If the nominating officials under Subsection (1) do not nominate to fill the vacancy
903 within 60 days, the governor shall appoint an individual to fill the vacancy.

904 (7) For any large public transit district in existence as of May 8, 2018:

905 (a) the individuals or bodies providing nominations as described in this section shall
906 provide the nominations to the governor as described in this section before July 31, 2018;

907 (b) the governor shall appoint the members of the board of trustees before August 31,
908 2018; and

909 (c) the new board shall assume control of the large public transit district on or before
910 November 1, 2018.

911 Section 14. Section **17B-2a-808** is amended to read:

912 **17B-2a-808. Small public transit district board of trustees powers and duties --**
913 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**

914 (1) The powers and duties of a board of trustees of a small public transit district stated
915 in this section are in addition to the powers and duties stated in Section **17B-1-301**.

916 (2) The board of trustees of each small public transit district shall:

917 (a) appoint and fix the salary of a general manager, a chief executive officer, or both, as
918 provided in Section **17B-2a-811**;

919 (b) determine the transit facilities that the district should acquire or construct;

920 (c) supervise and regulate each transit facility that the district owns and operates,
921 including:

922 (i) fixing rates, fares, rentals, and charges and any classifications of rates, fares, rentals,
923 and charges; and

924 (ii) making and enforcing rules, regulations, contracts, practices, and schedules for or

925 in connection with a transit facility that the district owns or controls;

926 (d) control the investment of all funds assigned to the district for investment, including

927 funds:

928 (i) held as part of a district's retirement system; and

929 (ii) invested in accordance with the participating employees' designation or direction

930 pursuant to an employee deferred compensation plan established and operated in compliance

931 with Section 457 of the Internal Revenue Code;

932 (e) invest all funds according to the procedures and requirements of Title 51, Chapter

933 7, State Money Management Act;

934 (f) if a custodian is appointed under Subsection (3)(d), pay the fees for the custodian's

935 services from the interest earnings of the investment fund for which the custodian is appointed;

936 (g) (i) cause an annual audit of all district books and accounts to be made by an

937 independent certified public accountant;

938 (ii) as soon as practicable after the close of each fiscal year, submit to the chief

939 administrative officer and legislative body of each county and municipality with territory

940 within the district a financial report showing:

941 (A) the result of district operations during the preceding fiscal year; and

942 (B) the district's financial status on the final day of the fiscal year; and

943 (iii) supply copies of the report under Subsection (2)(g)(ii) to the general public upon

944 request in a quantity that the board considers appropriate;

945 (h) report at least annually to the Transportation Commission created in Section

946 72-1-301 the district's short-term and long-range public transit plans, including the transit

947 portions of applicable regional transportation plans adopted by a metropolitan planning

948 organization established under 23 U.S.C. Sec. 134;

949 (i) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits

950 that the board of trustees determines to be the most critical to the success of the organization;

951 and

952 (j) hear audit reports for audits conducted in accordance with Subsection (2)(i).

953 (3) A board of trustees of a public transit district may:

954 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that

955 are:

956 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
957 provisions of this part; and
958 (ii) necessary for:
959 (A) the government and management of the affairs of the district;
960 (B) the execution of district powers; and
961 (C) carrying into effect the provisions of this part;
962 (b) provide by resolution, under terms and conditions the board considers fit, for the
963 payment of demands against the district without prior specific approval by the board, if the
964 payment is:
965 (i) for a purpose for which the expenditure has been previously approved by the board;
966 (ii) in an amount no greater than the amount authorized; and
967 (iii) approved by the general manager or other officer or deputy as the board prescribes;
968 (c) (i) hold public hearings and subpoena witnesses; and
969 (ii) appoint district officers to conduct a hearing and require the officers to make
970 findings and conclusions and report them to the board; and
971 (d) appoint a custodian for the funds and securities under its control, subject to
972 Subsection (2)(f).
973 (4) A member of the board of trustees of a public transit district or a hearing officer
974 designated by the board may administer oaths and affirmations in a district investigation or
975 proceeding.
976 (5) (a) The vote of the board of trustees on each ordinance shall be by roll call vote
977 with each affirmative and negative vote recorded.
978 (b) (i) Subject to Subsection (5)(b)(ii), the board of trustees may adopt a resolution or
979 order by voice vote.
980 (ii) The vote of the board of trustees on a resolution or order shall be by roll call vote if
981 a member of the board so demands.
982 (c) (i) Except as provided in Subsection (5)(c)(ii), the board of trustees of a public
983 transit district may not adopt an ordinance unless it is:
984 (A) introduced at least a day before the board of trustees adopts it; or
985 (B) mailed by registered mail, postage prepaid, to each member of the board of trustees
986 at least five days before the day upon which the ordinance is presented for adoption.

987 (ii) Subsection (5)(c)(i) does not apply if the ordinance is adopted by a unanimous vote
988 of all board members present at a meeting at which at least 3/4 of all board members are
989 present.

990 (d) Each ordinance adopted by a public transit district's board of trustees shall take
991 effect upon adoption, unless the ordinance provides otherwise.

992 Section 15. Section **17B-2a-808.1** is enacted to read:

993 **17B-2a-808.1. Large public transit district board of trustees powers and duties --**
994 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**

995 (1) The powers and duties of a board of trustees of a large public transit district stated
996 in this section are in addition to the powers and duties stated in Section [17B-1-301](#).

997 (2) The board of trustees of each large public transit district shall:

998 (a) hold public meetings and receive public comment;

999 (b) ensure that the policies, procedures, and management practices established by the
1000 public transit district meet state and federal regulatory requirements and federal grantee
1001 eligibility;

1002 (c) subject to Subsection (8), create and approve an annual budget, including the
1003 issuance of bonds and other financial instruments, after consultation with the local advisory
1004 board;

1005 (d) approve any interlocal agreement with a local jurisdiction;

1006 (e) in consultation with the local advisory board, approve contracts and overall
1007 property acquisitions and dispositions for transit-oriented development;

1008 (f) in consultation with constituent counties, municipalities, metropolitan planning
1009 organizations, and the local advisory board:

1010 (i) develop and approve a strategic plan for development and operations on at least a
1011 four-year basis; and

1012 (ii) create and pursue funding opportunities for transit capital and service initiatives to
1013 meet anticipated growth within the public transit district;

1014 (g) annually report the public transit district's long-term financial plan to the State
1015 Bonding Commission;

1016 (h) annually report the public transit district's progress and expenditures related to state
1017 resources to the Executive Appropriations Committee and the Infrastructure and General

1018 Government Appropriations Subcommittee;
1019 (i) (i) in partnership with the Department of Transportation, study and evaluate the
1020 feasibility of a strategic transition of a large public transit district into a state entity; and
1021 (ii) in partnership with the Department of Transportation, before November 30 of each
1022 year, report on the progress of the study to the Transportation Interim Committee and the
1023 Infrastructure and General Government Appropriations Subcommittee;
1024 (j) hire, set salaries, and develop performance targets and evaluations for:
1025 (i) the executive director;
1026 (ii) the chief internal auditor;
1027 (iii) the chief people officer;
1028 (iv) any vice president level officer; and
1029 (v) the chief safety, security, and technology officer;
1030 (k) supervise and regulate each transit facility that the public transit district owns and
1031 operates, including:
1032 (i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and
1033 charges; and
1034 (ii) make and enforce rules, regulations, contracts, practices, and schedules for or in
1035 connection with a transit facility that the district owns or controls;
1036 (l) subject to Subsection (4), control the investment of all funds assigned to the district
1037 for investment, including funds:
1038 (i) held as part of a district's retirement system; and
1039 (ii) invested in accordance with the participating employees' designation or direction
1040 pursuant to an employee deferred compensation plan established and operated in compliance
1041 with Section 457 of the Internal Revenue Code;
1042 (m) in consultation with the local advisory board created under Section [17B-2a-808.2](#),
1043 invest all funds according to the procedures and requirements of Title 51, Chapter 7, State
1044 Money Management Act;
1045 (n) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4),
1046 pay the fees for the custodian's services from the interest earnings of the investment fund for
1047 which the custodian is appointed;
1048 (o) (i) cause an annual audit of all public transit district books and accounts to be made

1049 by an independent certified public accountant;
1050 (ii) as soon as practicable after the close of each fiscal year, submit to each of the
1051 councils of governments within the public transit district a financial report showing:
1052 (A) the result of district operations during the preceding fiscal year;
1053 (B) an accounting of the expenditures of all local sales tax revenues generated under
1054 Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act;
1055 (C) the district's financial status on the final day of the fiscal year; and
1056 (D) the district's progress and efforts to improve efficiency relative to the previous
1057 fiscal year; and
1058 (iii) supply copies of the report under Subsection (2)(o)(ii) to the general public upon
1059 request;
1060 (p) report at least annually to the Transportation Commission created in Section
1061 72-1-301, which report shall include:
1062 (i) the district's short-term and long-range public transit plans, including the portions of
1063 applicable regional transportation plans adopted by a metropolitan planning organization
1064 established under 23 U.S.C. Sec. 134; and
1065 (ii) any transit capital development projects that the board of trustees would like the
1066 Transportation Commission to consider;
1067 (q) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits
1068 that the board of trustees determines, in consultation with the local advisory board created in
1069 Section 17B-2a-808.2, to be the most critical to the success of the organization;
1070 (r) together with the local advisory board created in Section 17B-2a-808.2, hear audit
1071 reports for audits conducted in accordance with Subsection (2)(o);
1072 (s) review and approve all contracts pertaining to reduced fares, and evaluate existing
1073 contracts, including review of:
1074 (i) how negotiations occurred;
1075 (ii) the rationale for providing a reduced fare; and
1076 (iii) identification and evaluation of cost shifts to offset operational costs incurred and
1077 impacted by each contract offering a reduced fare;
1078 (t) in consultation with the local advisory board, develop and approve other board
1079 policies, ordinances, and bylaws; and

1080 (u) review and approve any:
1081 (i) contract or expense exceeding \$200,000; or
1082 (ii) proposed change order to an existing contract if the value of the change order
1083 exceeds:
1084 (A) 15% of the total contract; or
1085 (B) \$200,000.
1086 (3) A board of trustees of a large public transit district may:
1087 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that
1088 are:
1089 (i) not repugnant to the United States Constitution, the Utah Constitution, or the
1090 provisions of this part; and
1091 (ii) necessary for:
1092 (A) the governance and management of the affairs of the district;
1093 (B) the execution of district powers; and
1094 (C) carrying into effect the provisions of this part;
1095 (b) provide by resolution, under terms and conditions the board considers fit, for the
1096 payment of demands against the district without prior specific approval by the board, if the
1097 payment is:
1098 (i) for a purpose for which the expenditure has been previously approved by the board;
1099 (ii) in an amount no greater than the amount authorized; and
1100 (iii) approved by the executive director or other officer or deputy as the board
1101 prescribes;
1102 (c) in consultation with the local advisory board created in Section [17B-2a-808.2](#);
1103 (i) hold public hearings and subpoena witnesses; and
1104 (ii) appoint district officers to conduct a hearing and require the officers to make
1105 findings and conclusions and report them to the board; and
1106 (d) appoint a custodian for the funds and securities under its control, subject to
1107 Subsection (2)(n).
1108 (4) For a large public transit district in existence as of May 8, 2018, on or before
1109 September 30, 2019, the board of trustees of a large public transit district shall present a report
1110 to the Transportation Interim Committee regarding retirement benefits of the district, including:

1111 (a) the feasibility of becoming a participating employer and having retirement benefits
1112 of eligible employees and officials covered in applicable systems and plans administered under
1113 Title 49, Utah State Retirement and Insurance Benefit Act;

1114 (b) any legal or contractual restrictions on any employees that are party to a collectively
1115 bargained retirement plan; and

1116 (c) a comparison of retirement plans offered by the large public transit district and
1117 similarly situated public employees, including the costs of each plan and the value of the
1118 benefit offered.

1119 (5) The board of trustees may not issue a bond unless the board of trustees has
1120 consulted and received approval from the State Bonding Commission created in Section
1121 [63B-1-201](#).

1122 (6) A member of the board of trustees of a large public transit district or a hearing
1123 officer designated by the board may administer oaths and affirmations in a district investigation
1124 or proceeding.

1125 (7) (a) The vote of the board of trustees on each ordinance or resolution shall be by roll
1126 call vote with each affirmative and negative vote recorded.

1127 (b) The board of trustees of a large public transit district may not adopt an ordinance
1128 unless it is introduced at least 24 hours before the board of trustees adopts it.

1129 (c) Each ordinance adopted by a large public transit district's board of trustees shall
1130 take effect upon adoption, unless the ordinance provides otherwise.

1131 (8) (a) For a large public transit district in existence on May 8, 2018, for the budget for
1132 calendar year 2019, the board in place on May 8, 2018, shall create the tentative annual budget.

1133 (b) The budget described in Subsection (8)(a) shall include setting the salary of each of
1134 the members of the board of trustees that will assume control on or before November 1, 2018,
1135 which salary may not exceed \$150,000, plus additional retirement and other standard benefits.

1136 (c) For a large public transit district in existence on May 8, 2018, the board of trustees
1137 that assumes control of the large public transit district on or before November 2, 2018, shall
1138 approve the calendar year 2019 budget on or before December 31, 2018.

1139 Section 16. Section **17B-2a-808.2** is enacted to read:

1140 **17B-2a-808.2. Large public transit district local advisory board -- Powers and**
1141 **duties.**

1142 (1) A large public transit district shall create and consult with a local advisory board.

1143 (2) (a) The local advisory board shall have membership selected as described in

1144 Subsection (2)(b) on or before November 1, 2018.

1145 (b) (i) The council of governments of a county of the first class within a large public
1146 transit district shall appoint three members to the local advisory board.

1147 (ii) The chief executive officer of a city that is the county seat within a county of the
1148 first class within a large public transit district shall appoint one member to the local advisory
1149 board.

1150 (iii) The council of governments of a county of the second class with a population of
1151 500,000 or more within a large public transit district shall appoint two members to the local
1152 advisory board.

1153 (iv) The council of governments of a county of the second class with a population
1154 under 500,000 within a large public transit district shall each appoint one member to the local
1155 advisory board.

1156 (v) The councils of governments of any counties of the third or smaller class or smaller
1157 within a large public transit district shall jointly appoint one member to the local advisory
1158 board.

1159 (c) The population numbers used to apportion appointment powers described in
1160 Subsection (2)(b) shall be based on the most recent official census or census estimate of the
1161 United States Census Bureau.

1162 (3) The local advisory board shall meet at least quarterly in a meeting open to the
1163 public for comment to discuss the service, operations, and any concerns with the public transit
1164 district operations and functionality.

1165 (4) The duties of the local advisory board shall include:

1166 (a) setting the compensation packages of the board of trustees;

1167 (b) reviewing, approving, and recommending final adoption by the board of trustees of
1168 the large public transit district service plans at least every two and one-half years;

1169 (c) reviewing, approving, and recommending final adoption by the board of trustees of
1170 project development plans, including funding, of all new capital development projects;

1171 (d) reviewing, approving, and recommending final adoption by the board of trustees of
1172 any plan for a transit-oriented development where a large public transit district is involved;

1173 (e) at least annually, engaging with the safety and security team of the large public
 1174 transit district to ensure coordination with local municipalities and counties;

1175 (f) assisting with coordinated mobility and constituent services provided by the public
 1176 transit district;

1177 (g) representing and advocating the concerns of citizens within the public transit
 1178 district to the board of trustees; and

1179 (h) other duties described in Section [17B-2a-808.1](#).

1180 (5) The local advisory board shall meet at least quarterly with and consult with the
 1181 board of trustees and advise regarding the operation and management of the public transit
 1182 district.

1183 Section 17. Section **17B-2a-810** is amended to read:

1184 **17B-2a-810. Officers of a public transit district.**

1185 (1) (a) The officers of a public transit district shall consist of:

1186 (i) the members of the board of trustees;

1187 (ii) for a small public transit district, a chair and vice chair, appointed by the board of
 1188 trustees, subject to Subsection (1)(c);

1189 (iii) a secretary, appointed by the board of trustees;

1190 (iv) (A) for a small public transit district, a general manager, appointed by the board of
 1191 trustees as provided in Section [17B-2a-811](#), whose duties may be allocated by the board of
 1192 trustees, at the board of trustees' discretion, to a chief executive officer, or both; or

1193 (B) for a large public transit district, an executive director appointed by the board of
 1194 trustees as provided in Section [17B-2a-811.1](#);

1195 (v) for a small public transit district, a chief executive officer appointed by the board of
 1196 trustees, as provided in Section [17B-2a-811](#);

1197 (vi) for a small public transit district, a general counsel, appointed by the board of
 1198 trustees, subject to Subsection (1)(d);

1199 (vii) a treasurer, appointed as provided in Section [17B-1-633](#);

1200 (viii) a comptroller, appointed by the board of trustees, subject to Subsection (1)(e);

1201 (ix) for a [~~public transit district with more than 200,000 people residing within the~~
 1202 ~~boundaries of the~~] large public transit district, an internal auditor, appointed by the board of
 1203 trustees, subject to Subsection (1)(f); and

1204 (x) other officers, assistants, and deputies that the board of trustees considers
1205 necessary.

1206 (b) The board of trustees of a small public transit district may, at its discretion, appoint
1207 a president, who shall also be considered an officer of a public transit district.

1208 (c) The district chair and vice chair of a small public transit district shall be members
1209 of the board of trustees.

1210 (d) The person appointed as general counsel for a small public transit district shall:

1211 (i) be admitted to practice law in the state; and

1212 (ii) have been actively engaged in the practice of law for at least seven years next
1213 preceding the appointment.

1214 (e) The person appointed as comptroller shall have been actively engaged in the
1215 practice of accounting for at least seven years next preceding the appointment.

1216 (f) The person appointed as internal auditor shall be a licensed certified internal auditor
1217 or certified public accountant with at least five years experience in the auditing or public
1218 accounting profession, or the equivalent, prior to appointment.

1219 (2) (a) [~~The~~] For a small public transit district, the district's general manager or chief
1220 executive officer, as the board prescribes, or for a large public transit district, the executive
1221 director, shall appoint all officers and employees not specified in Subsection (1).

1222 (b) Each officer and employee appointed by the district's general manager or chief
1223 executive officer of a small public transit district, or the executive director of a large public
1224 transit district, serves at the pleasure of the appointing general manager [~~or~~], chief executive
1225 officer, or executive director.

1226 (3) The board of trustees shall by ordinance or resolution fix the compensation of all
1227 district officers and employees, except as otherwise provided in this part.

1228 (4) (a) Each officer appointed by the board of trustees or by the district's general
1229 manager [~~or~~], chief executive officer, or executive director shall take the oath of office
1230 specified in Utah Constitution, Article IV, Section 10.

1231 (b) Each oath under Subsection (4)(a) shall be subscribed and filed with the district
1232 secretary no later than 15 days after the commencement of the officer's term of office.

1233 Section 18. Section **17B-2a-810.1** is enacted to read:

1234 **17B-2a-810.1. Attorney general as legal counsel for a large public transit district**

1235 -- **Large public transit district may sue and be sued.**

1236 (1) Subject to Subsection (2), in accordance with Title 67, Chapter 5, Attorney
1237 General, the Utah attorney general shall serve as legal counsel for a large public transit district.

1238 (2) (a) For any large public transit district in existence as of May 8, 2018, the transition
1239 to legal representation by the Utah attorney general shall occur as described in this Subsection
1240 (2), but no later than July 1, 2019.

1241 (b) (i) For any large public transit district in existence as of May 8, 2018, in partnership
1242 with the Utah attorney general, the board of trustees of the large public transit district shall
1243 study and develop a strategy to transition legal representation from a general counsel to the
1244 Utah attorney general.

1245 (ii) In partnership with the Utah attorney general, the board of trustees of the large
1246 public transit district shall present a report to the Transportation Interim Committee before
1247 November 30, 2018, to:

1248 (A) outline the transition strategy; and

1249 (B) request any legislation that might be required for the transition.

1250 (3) Sections 67-5-6 through 13, Attorney General Career Service Act, apply to
1251 representation of a large public transit district by the Utah attorney general.

1252 (4) A large public transit district may sue, and it may be sued only on written contracts
1253 made by it or under its authority.

1254 (5) In all matters requiring legal advice in the performance of the attorney general's
1255 duties and in the prosecution or defense of any action growing out of the performance of the
1256 attorney general's duties, the attorney general is the legal adviser of a large public transit district
1257 and shall perform any and all legal services required by the large public transit district.

1258 (6) The attorney general shall aid in any investigation, hearing, or trial under the
1259 provisions of this part and institute and prosecute actions or proceedings for the enforcement of
1260 the provisions of the Constitution and statutes of this state or any rule or ordinance of the large
1261 public transit district affecting and related to public transit, persons, and property.

1262 Section 19. Section **17B-2a-811** is amended to read:

1263 **17B-2a-811. General manager or chief executive officer of a small public transit**
1264 **district.**

1265 (1) (a) The board of trustees of a small public transit district shall appoint a person as a

1266 general manager.

1267 (b) The board of trustees of a small public transit district may, at its discretion, appoint
1268 a person as a chief executive officer.

1269 (c) The board of trustees of a small public transit district shall allocate the
1270 responsibilities defined in Subsection (2) between the general manager and the chief executive
1271 officer, if the board of trustees appoints a chief executive officer.

1272 (d) The chief executive officer shall have the same rights allocated to the general
1273 manager under Subsections (3) and (4).

1274 (e) The appointment of a general manager, chief executive officer, or both, shall be by
1275 the affirmative vote of a majority of all members of the board of trustees.

1276 (f) The board's appointment of a person as general manager, chief executive officer, or
1277 both, shall be based on the person's qualifications, with special reference to the person's actual
1278 experience in or knowledge of accepted practices with respect to the duties of the office.

1279 (g) A person appointed as general manager or chief executive officer of a small public
1280 transit district is not required to be a resident of the state at the time of appointment.

1281 (2) A general manager or chief executive officer of a small public transit district shall
1282 have the following responsibilities as allocated by the board of trustees:

1283 (a) be a full-time officer and devote full time to the district's business;

1284 (b) ensure that all district ordinances are enforced;

1285 (c) prepare and submit to the board of trustees, as soon as practical but not less than 45
1286 days after the end of each fiscal year, a complete report on the district's finances and
1287 administrative activities for the preceding year;

1288 (d) keep the board of trustees advised as to the district's needs;

1289 (e) prepare or cause to be prepared all plans and specifications for the construction of
1290 district works;

1291 (f) cause to be installed and maintained a system of auditing and accounting that
1292 completely shows the district's financial condition at all times; and

1293 (g) attend meetings of the board of trustees.

1294 (3) A general manager of a small public transit district:

1295 (a) serves at the pleasure of the board of trustees;

1296 (b) holds office for an indefinite term;

1297 (c) may be removed by the board of trustees upon the adoption of a resolution by the
1298 affirmative vote of a majority of all members of the board, subject to Subsection (5);

1299 (d) has full charge of:

1300 (i) the acquisition, construction, maintenance, and operation of district facilities; and

1301 (ii) the administration of the district's business affairs;

1302 (e) is entitled to participate in the deliberations of the board of trustees as to any matter
1303 before the board; and

1304 (f) may not vote at a meeting of the board of trustees.

1305 (4) The board of trustees may not reduce the general manager's salary below the
1306 amount fixed at the time of original appointment unless:

1307 (a) the board adopts a resolution by a vote of a majority of all members; and

1308 (b) if the general manager demands in writing, the board gives the general manager the
1309 opportunity to be publicly heard at a meeting of the board before the final vote on the
1310 resolution reducing the general manager's salary.

1311 (5) (a) Before adopting a resolution providing for a general manager's removal as
1312 provided in Subsection (3)(c), the board shall, if the manager makes a written demand:

1313 (i) give the general manager a written statement of the reasons alleged for the general
1314 manager's removal; and

1315 (ii) allow the general manager to be publicly heard at a meeting of the board of
1316 trustees.

1317 (b) Notwithstanding Subsection (5)(a), the board of trustees of a public transit district
1318 may suspend a general manager from office pending and during a hearing under Subsection
1319 (5)(a)(ii).

1320 (6) The action of a board of trustees suspending or removing a general manager or
1321 reducing the general manager's salary is final.

1322 Section 20. Section **17B-2a-811.1** is enacted to read:

1323 **17B-2a-811.1. Executive director of a large public transit district.**

1324 (1) (a) The board of trustees of a large public transit district shall appoint a person as
1325 an executive director.

1326 (b) The appointment of an executive director shall be by the affirmative vote of a
1327 majority of the board of trustees.

1328 (c) The board's appointment of a person as executive director shall be based on the
1329 person's qualifications, with special reference to the person's actual experience in or knowledge
1330 of accepted practices with respect to the duties of the office.

1331 (d) A person appointed as executive director of a large public transit district is not
1332 required to be a resident of the state at the time of appointment.

1333 (2) An executive director of a large public transit district shall:

1334 (a) be a full-time officer and devote full time to the district's business;

1335 (b) serve at the pleasure of the board of trustees;

1336 (c) hold office for an indefinite term;

1337 (d) ensure that all district ordinances are enforced;

1338 (e) prepare and submit to the board of trustees, as soon as practical but not less than 45
1339 days after the end of each fiscal year, a complete report on the district's finances and

1340 administrative activities for the preceding year;

1341 (f) advise the board of trustees regarding the needs of the district;

1342 (g) in consultation with the board of trustees, prepare or cause to be prepared all plans
1343 and specifications for the construction of district works;

1344 (h) cause to be installed and maintained a system of auditing and accounting that
1345 completely shows the district's financial condition at all times;

1346 (i) attend meetings of the board of trustees;

1347 (j) in consultation with the board of trustees, have charge of:

1348 (i) the acquisition, construction, maintenance, and operation of district facilities; and

1349 (ii) the administration of the district's business affairs; and

1350 (k) be entitled to participate in the deliberations of the board of trustees as to any
1351 matter before the board.

1352 (3) The board of trustees may not remove the executive director or reduce the
1353 executive director's salary below the amount fixed at the time of original appointment unless:

1354 (a) the board adopts a resolution by a vote of a majority of all members; and

1355 (b) if the executive director demands in writing, the board gives the executive director
1356 the opportunity to be publicly heard at a meeting of the board before the final vote on the
1357 resolution removing the executive director or reducing the executive director's salary.

1358 (4) (a) Before adopting a resolution providing for the removal of the executive director

1359 or a reduction in the executive director's salary as provided in Subsection (3), the board shall, if
1360 the executive director makes a written demand:

1361 (i) give the executive director a written statement of the reasons alleged for the removal
1362 or reduction in salary; and

1363 (ii) allow the executive director to be publicly heard at a meeting of the board of
1364 trustees.

1365 (b) Notwithstanding Subsection (4)(a), the board of trustees of a public transit district
1366 may suspend an executive director from office pending and during a hearing under Subsection
1367 (4)(a)(ii).

1368 (5) The action of a board of trustees suspending or removing an executive director or
1369 reducing the executive director's salary is final.

1370 Section 21. Section **17B-2a-826** is amended to read:

1371 **17B-2a-826. Public transit district office of constituent services and office of**
1372 **coordinated mobility.**

1373 (1) (a) The board of trustees of a large public transit district [~~servicing a population over~~
1374 ~~200,000 people~~] shall create and employ an office of constituent services.

1375 (b) The duties of the office of constituent services described in Subsection (1)(a) shall
1376 include:

1377 (i) establishing a central call number to hear and respond to complaints, requests,
1378 comments, concerns, and other communications from customers and citizens within the
1379 district;

1380 (ii) keeping a log of the complaints, comments, concerns, and other communications
1381 from customers and citizens within the district; and

1382 (iii) reporting complaints, comments, concerns, and other communications to
1383 management and to the [~~citizens'~~] local advisory board created in [~~Subsection (2)~~] Section
1384 17B-2a-808.2.

1385 [~~(2) (a) A public transit district serving a population over 200,000 people shall create~~
1386 ~~and oversee a citizens' advisory board.~~]

1387 [~~(b) (i) The board of trustees of the public transit district shall select up to 12 members~~
1388 ~~for the public transit district citizens' advisory board with membership representing the~~
1389 ~~diversity of the public transit district area.~~]

1390 ~~[(ii) The board of trustees shall ensure that each member of the citizens' advisory board~~
1391 ~~regularly uses the public transit district services.]~~

1392 ~~[(c) The public transit district citizens' advisory board shall meet as needed or quarterly~~
1393 ~~in a meeting open to the public for comment, to discuss the service, operations, and any~~
1394 ~~concerns with the public transit district operations and functionality.]~~

1395 ~~[(d) The public transit district management shall meet at least quarterly with and~~
1396 ~~consult with the citizens' advisory board and take into consideration the input of the citizens'~~
1397 ~~advisory board in managing and operating the public transit district.]~~

1398 ~~[(3)]~~ (2) (a) A large public transit district [~~serving a population over 200,000 people~~]
1399 shall create and employ an office of coordinated mobility.

1400 (b) The duties of the office of coordinated mobility shall include:

1401 (i) establishing a central call number to facilitate human services transportation;

1402 (ii) coordinating all human services transportation needs within the public transit
1403 district;

1404 (iii) receiving requests and other communications regarding human services
1405 transportation;

1406 (iv) receiving requests and other communications regarding vans, buses, and other
1407 vehicles available for use from the public transit district to maximize the utility of and
1408 investment in those vehicles; and

1409 (v) supporting local efforts and applications for additional funding.

1410 Section 22. Section **41-1a-102** is amended to read:

1411 **41-1a-102. Definitions.**

1412 As used in this chapter:

1413 (1) "Actual miles" means the actual distance a vehicle has traveled while in operation.

1414 (2) "Actual weight" means the actual unladen weight of a vehicle or combination of
1415 vehicles as operated and certified to by a weighmaster.

1416 (3) "All-terrain type I vehicle" [~~has the same meaning provided~~] means the same as that
1417 term is defined in Section 41-22-2.

1418 (4) "All-terrain type II vehicle" [~~has the same meaning provided~~] means the same as
1419 that term is defined in Section 41-22-2.

1420 (5) "Alternative fuel vehicle" means:

- 1421 (a) an electric vehicle;
- 1422 (b) a hybrid electric vehicle;
- 1423 (c) a plug-in hybrid electric vehicle; or
- 1424 (d) a motor vehicle powered by a fuel other than:
 - 1425 (i) motor fuel;
 - 1426 (ii) diesel fuel;
 - 1427 (iii) natural gas; or
 - 1428 (iv) propane.

1429 ~~[(5)]~~ (6) "Amateur radio operator" means any person licensed by the Federal
1430 Communications Commission to engage in private and experimental two-way radio operation
1431 on the amateur band radio frequencies.

1432 ~~[(6)]~~ (7) "Autocycle" means the same as that term is defined in Section [53-3-102](#).

1433 ~~[(7)]~~ (8) "Branded title" means a title certificate that is labeled:

- 1434 (a) rebuilt and restored to operation;
- 1435 (b) flooded and restored to operation; or
- 1436 (c) not restored to operation.

1437 ~~[(8)]~~ (9) "Camper" means any structure designed, used, and maintained primarily to be
1438 mounted on or affixed to a motor vehicle that contains a floor and is designed to provide a
1439 mobile dwelling, sleeping place, commercial space, or facilities for human habitation or for
1440 camping.

1441 ~~[(9)]~~ (10) "Certificate of title" means a document issued by a jurisdiction to establish a
1442 record of ownership between an identified owner and the described vehicle, vessel, or outboard
1443 motor.

1444 ~~[(10)]~~ (11) "Certified scale weigh ticket" means a weigh ticket that has been issued by
1445 a weighmaster.

1446 ~~[(11)]~~ (12) "Commercial vehicle" means a motor vehicle, trailer, or semitrailer used or
1447 maintained for the transportation of persons or property that operates:

- 1448 (a) as a carrier for hire, compensation, or profit; or
- 1449 (b) as a carrier to transport the vehicle owner's goods or property in furtherance of the
1450 owner's commercial enterprise.

1451 ~~[(12)]~~ (13) "Commission" means the State Tax Commission.

1452 (14) "Consumer price index" means the same as that term is defined in Section
1453 59-13-102.

1454 [~~(13)~~] (15) "Dealer" means a person engaged or licensed to engage in the business of
1455 buying, selling, or exchanging new or used vehicles, vessels, or outboard motors either outright
1456 or on conditional sale, bailment, lease, chattel mortgage, or otherwise or who has an
1457 established place of business for the sale, lease, trade, or display of vehicles, vessels, or
1458 outboard motors.

1459 (16) "Diesel fuel" means the same as that term is defined in Section 59-13-102.

1460 [~~(14)~~] (17) "Division" means the Motor Vehicle Division of the commission, created in
1461 Section 41-1a-106.

1462 (18) "Electric motor vehicle" means a motor vehicle that is powered solely by an
1463 electric motor drawing current from a rechargeable energy storage system.

1464 [~~(15)~~] (19) "Essential parts" means all integral and body parts of a vehicle of a type
1465 required to be registered in this state, the removal, alteration, or substitution of which would
1466 tend to conceal the identity of the vehicle or substantially alter its appearance, model, type, or
1467 mode of operation.

1468 [~~(16)~~] (20) "Farm tractor" means every motor vehicle designed and used primarily as a
1469 farm implement for drawing plows, mowing machines, and other implements of husbandry.

1470 [~~(17)~~] (21) (a) "Farm truck" means a truck used by the owner or operator of a farm
1471 solely for his own use in the transportation of:

1472 (i) farm products, including livestock and its products, poultry and its products,
1473 floricultural and horticultural products;

1474 (ii) farm supplies, including tile, fence, and every other thing or commodity used in
1475 agricultural, floricultural, horticultural, livestock, and poultry production; and

1476 (iii) livestock, poultry, and other animals and things used for breeding, feeding, or
1477 other purposes connected with the operation of a farm.

1478 (b) "Farm truck" does not include the operation of trucks by commercial processors of
1479 agricultural products.

1480 [~~(18)~~] (22) "Fleet" means one or more commercial vehicles.

1481 [~~(19)~~] (23) "Foreign vehicle" means a vehicle of a type required to be registered,
1482 brought into this state from another state, territory, or country other than in the ordinary course

1483 of business by or through a manufacturer or dealer, and not registered in this state.

1484 ~~[(20)]~~ (24) "Gross laden weight" means the actual weight of a vehicle or combination
1485 of vehicles, equipped for operation, to which shall be added the maximum load to be carried.

1486 ~~[(21)]~~ (25) "Highway" or "street" means the entire width between property lines of
1487 every way or place of whatever nature when any part of it is open to the public, as a matter of
1488 right, for purposes of vehicular traffic.

1489 (26) "Hybrid electric motor vehicle" means a motor vehicle that draws propulsion
1490 energy from onboard sources of stored energy that are both:

1491 (a) an internal combustion engine or heat engine using consumable fuel; and

1492 (b) a rechargeable energy storage system where energy for the storage system comes
1493 solely from sources onboard the vehicle.

1494 ~~[(22)]~~ (27) (a) "Identification number" means the identifying number assigned by the
1495 manufacturer or by the division for the purpose of identifying the vehicle, vessel, or outboard
1496 motor.

1497 (b) "Identification number" includes a vehicle identification number, state assigned
1498 identification number, hull identification number, and motor serial number.

1499 ~~[(23)]~~ (28) "Implement of husbandry" means every vehicle designed or adapted and
1500 used exclusively for an agricultural operation and only incidentally operated or moved upon the
1501 highways.

1502 ~~[(24)]~~ (29) (a) "In-state miles" means the total number of miles operated in this state
1503 during the preceding year by fleet power units.

1504 (b) If fleets are composed entirely of trailers or semitrailers, "in-state miles" means the
1505 total number of miles that those vehicles were towed on Utah highways during the preceding
1506 year.

1507 ~~[(25)]~~ (30) "Interstate vehicle" means any commercial vehicle operated in more than
1508 one state, province, territory, or possession of the United States or foreign country.

1509 ~~[(26)]~~ (31) "Jurisdiction" means a state, district, province, political subdivision,
1510 territory, or possession of the United States or any foreign country.

1511 ~~[(27)]~~ (32) "Lienholder" means a person with a security interest in particular property.

1512 ~~[(28)]~~ (33) "Manufactured home" means a transportable factory built housing unit
1513 constructed on or after June 15, 1976, according to the Federal Home Construction and Safety

1514 Standards Act of 1974 (HUD Code), in one or more sections, which, in the traveling mode, is
1515 eight body feet or more in width or 40 body feet or more in length, or when erected on site, is
1516 400 or more square feet, and which is built on a permanent chassis and designed to be used as a
1517 dwelling with or without a permanent foundation when connected to the required utilities, and
1518 includes the plumbing, heating, air-conditioning, and electrical systems.

1519 ~~[(29)]~~ (34) "Manufacturer" means a person engaged in the business of constructing,
1520 manufacturing, assembling, producing, or importing new or unused vehicles, vessels, or
1521 outboard motors for the purpose of sale or trade.

1522 ~~[(30)]~~ (35) "Mobile home" means a transportable factory built housing unit built prior
1523 to June 15, 1976, in accordance with a state mobile home code which existed prior to the
1524 Federal Manufactured Housing and Safety Standards Act (HUD Code).

1525 (36) "Motor fuel" means the same as that term is defined in Section [59-13-102](#).

1526 ~~[(33)]~~ (37) (a) "Motor vehicle" means a self-propelled vehicle intended primarily for
1527 use and operation on the highways.

1528 (b) "Motor vehicle" does not include an off-highway vehicle.

1529 ~~[(31)]~~ (38) "Motorboat" ~~[has the same meaning as provided]~~ means the same as that
1530 term is defined in Section [73-18-2](#).

1531 ~~[(32)]~~ (39) "Motorcycle" means:

1532 (a) a motor vehicle having a saddle for the use of the rider and designed to travel on not
1533 more than three wheels in contact with the ground; or

1534 (b) an auticycle.

1535 (40) "Natural gas" means a fuel of which the primary constituent is methane.

1536 ~~[(34)]~~ (41) (a) "Nonresident" means a person who is not a resident of this state as
1537 defined by Section [41-1a-202](#), and who does not engage in intrastate business within this state
1538 and does not operate in that business any motor vehicle, trailer, or semitrailer within this state.

1539 (b) A person who engages in intrastate business within this state and operates in that
1540 business any motor vehicle, trailer, or semitrailer in this state or who, even though engaging in
1541 interstate commerce, maintains any vehicle in this state as the home station of that vehicle is
1542 considered a resident of this state, insofar as that vehicle is concerned in administering this
1543 chapter.

1544 ~~[(35)]~~ (42) "Odometer" means a device for measuring and recording the actual distance

1545 a vehicle travels while in operation, but does not include any auxiliary odometer designed to be
1546 periodically reset.

1547 ~~[(36)]~~ (43) "Off-highway implement of husbandry" ~~[has the same meaning as~~
1548 ~~provided]~~ means the same as that term is defined in Section 41-22-2.

1549 ~~[(37)]~~ (44) "Off-highway vehicle" ~~[has the same meaning as provided]~~ means the same
1550 as that term is defined in Section 41-22-2.

1551 ~~[(38)]~~ (45) "Operate" means to drive or be in actual physical control of a vehicle or to
1552 navigate a vessel.

1553 ~~[(39)]~~ (46) "Outboard motor" means a detachable self-contained propulsion unit,
1554 excluding fuel supply, used to propel a vessel.

1555 ~~[(40)]~~ (47) (a) "Owner" means a person, other than a lienholder, holding title to a
1556 vehicle, vessel, or outboard motor whether or not the vehicle, vessel, or outboard motor is
1557 subject to a security interest.

1558 (b) If a vehicle is the subject of an agreement for the conditional sale or installment
1559 sale or mortgage of the vehicle with the right of purchase upon performance of the conditions
1560 stated in the agreement and with an immediate right of possession vested in the conditional
1561 vendee or mortgagor, or if the vehicle is the subject of a security agreement, then the
1562 conditional vendee, mortgagor, or debtor is considered the owner for the purposes of this
1563 chapter.

1564 (c) If a vehicle is the subject of an agreement to lease, the lessor is considered the
1565 owner until the lessee exercises his option to purchase the vehicle.

1566 ~~[(41)]~~ (48) "Park model recreational vehicle" means a unit that:

1567 (a) is designed and marketed as temporary living quarters for recreational, camping,
1568 travel, or seasonal use;

1569 (b) is not permanently affixed to real property for use as a permanent dwelling;

1570 (c) requires a special highway movement permit for transit; and

1571 (d) is built on a single chassis mounted on wheels with a gross trailer area not
1572 exceeding 400 square feet in the setup mode.

1573 ~~[(42)]~~ (49) "Personalized license plate" means a license plate that has displayed on it a
1574 combination of letters, numbers, or both as requested by the owner of the vehicle and assigned
1575 to the vehicle by the division.

1576 [(43)] (50) (a) "Pickup truck" means a two-axle motor vehicle with motive power
1577 manufactured, remanufactured, or materially altered to provide an open cargo area.

1578 (b) "Pickup truck" includes motor vehicles with the open cargo area covered with a
1579 camper, camper shell, tarp, removable top, or similar structure.

1580 (51) "Plug-in hybrid electric motor vehicle" means a hybrid electric motor vehicle that
1581 has the capability to charge the battery or batteries used for vehicle propulsion from an
1582 off-vehicle electric source, such that the off-vehicle source cannot be connected to the vehicle
1583 while the vehicle is in motion.

1584 [(44)] (52) "Pneumatic tire" means every tire in which compressed air is designed to
1585 support the load.

1586 [(45)] (53) "Preceding year" means a period of 12 consecutive months fixed by the
1587 division that is within 16 months immediately preceding the commencement of the registration
1588 or license year in which proportional registration is sought. The division in fixing the period
1589 shall conform it to the terms, conditions, and requirements of any applicable agreement or
1590 arrangement for the proportional registration of vehicles.

1591 [(46)] (54) "Public garage" means every building or other place where vehicles or
1592 vessels are kept and stored and where a charge is made for the storage and keeping of vehicles
1593 and vessels.

1594 [(47)] (55) "Receipt of surrender of ownership documents" means the receipt of
1595 surrender of ownership documents described in Section [41-1a-503](#).

1596 [(48)] (56) "Reconstructed vehicle" means every vehicle of a type required to be
1597 registered in this state that is materially altered from its original construction by the removal,
1598 addition, or substitution of essential parts, new or used.

1599 [(49)] (57) "Recreational vehicle" [~~has the same meaning as provided~~] means the same
1600 as that term is defined in Section [13-14-102](#).

1601 [(50)] (58) "Registration" means a document issued by a jurisdiction that allows
1602 operation of a vehicle or vessel on the highways or waters of this state for the time period for
1603 which the registration is valid and that is evidence of compliance with the registration
1604 requirements of the jurisdiction.

1605 [(51)] (59) (a) "Registration year" means a 12 consecutive month period commencing
1606 with the completion of all applicable registration criteria.

1607 (b) For administration of a multistate agreement for proportional registration the
1608 division may prescribe a different 12-month period.

1609 [~~(52)~~] (60) "Repair or replacement" means the restoration of vehicles, vessels, or
1610 outboard motors to a sound working condition by substituting any inoperative part of the
1611 vehicle, vessel, or outboard motor, or by correcting the inoperative part.

1612 [~~(53)~~] (61) "Replica vehicle" means:

1613 (a) a street rod that meets the requirements under Subsection 41-21-1(3)(a)(i)(B); or

1614 (b) a custom vehicle that meets the requirements under Subsection

1615 41-6a-1507(1)(a)(i)(B).

1616 [~~(54)~~] (62) "Road tractor" means every motor vehicle designed and used for drawing
1617 other vehicles and constructed so it does not carry any load either independently or any part of
1618 the weight of a vehicle or load that is drawn.

1619 [~~(55)~~] (63) "Sailboat" means the same as that term is defined in Section 73-18-2.

1620 [~~(56)~~] (64) "Security interest" means an interest that is reserved or created by a security
1621 agreement to secure the payment or performance of an obligation and that is valid against third
1622 parties.

1623 [~~(57)~~] (65) "Semitrailer" means every vehicle without motive power designed for
1624 carrying persons or property and for being drawn by a motor vehicle and constructed so that
1625 some part of its weight and its load rests or is carried by another vehicle.

1626 [~~(58)~~] (66) "Special group license plate" means a type of license plate designed for a
1627 particular group of people or a license plate authorized and issued by the division in accordance
1628 with Section 41-1a-418.

1629 [~~(59)~~] (67) (a) "Special interest vehicle" means a vehicle used for general
1630 transportation purposes and that is:

1631 (i) 20 years or older from the current year; or

1632 (ii) a make or model of motor vehicle recognized by the division director as having
1633 unique interest or historic value.

1634 (b) In making a determination under Subsection [~~(59)~~] (67)(a), the division director
1635 shall give special consideration to:

1636 (i) a make of motor vehicle that is no longer manufactured;

1637 (ii) a make or model of motor vehicle produced in limited or token quantities;

1638 (iii) a make or model of motor vehicle produced as an experimental vehicle or one
1639 designed exclusively for educational purposes or museum display; or

1640 (iv) a motor vehicle of any age or make that has not been substantially altered or
1641 modified from original specifications of the manufacturer and because of its significance is
1642 being collected, preserved, restored, maintained, or operated by a collector or hobbyist as a
1643 leisure pursuit.

1644 [~~(60)~~] (68) (a) "Special mobile equipment" means every vehicle:

1645 (i) not designed or used primarily for the transportation of persons or property;

1646 (ii) not designed to operate in traffic; and

1647 (iii) only incidentally operated or moved over the highways.

1648 (b) "Special mobile equipment" includes:

1649 (i) farm tractors;

1650 (ii) off-road motorized construction or maintenance equipment including backhoes,
1651 bulldozers, compactors, graders, loaders, road rollers, tractors, and trenchers; and

1652 (iii) ditch-digging apparatus.

1653 (c) "Special mobile equipment" does not include a commercial vehicle as defined
1654 under Section [72-9-102](#).

1655 [~~(61)~~] (69) "Specially constructed vehicle" means every vehicle of a type required to be
1656 registered in this state, not originally constructed under a distinctive name, make, model, or
1657 type by a generally recognized manufacturer of vehicles, and not materially altered from its
1658 original construction.

1659 [~~(62)~~] (70) "Title" means the right to or ownership of a vehicle, vessel, or outboard
1660 motor.

1661 [~~(63)~~] (71) (a) "Total fleet miles" means the total number of miles operated in all
1662 jurisdictions during the preceding year by power units.

1663 (b) If fleets are composed entirely of trailers or semitrailers, "total fleet miles" means
1664 the number of miles that those vehicles were towed on the highways of all jurisdictions during
1665 the preceding year.

1666 [~~(64)~~] (72) "Trailer" means a vehicle without motive power designed for carrying
1667 persons or property and for being drawn by a motor vehicle and constructed so that no part of
1668 its weight rests upon the towing vehicle.

1669 [~~(65)~~] (73) "Transferee" means a person to whom the ownership of property is
1670 conveyed by sale, gift, or any other means except by the creation of a security interest.

1671 [~~(66)~~] (74) "Transferor" means a person who transfers his ownership in property by
1672 sale, gift, or any other means except by creation of a security interest.

1673 [~~(67)~~] (75) "Travel trailer," "camping trailer," or "fifth wheel trailer" means a portable
1674 vehicle without motive power, designed as a temporary dwelling for travel, recreational, or
1675 vacation use that does not require a special highway movement permit when drawn by a
1676 self-propelled motor vehicle.

1677 [~~(68)~~] (76) "Truck tractor" means a motor vehicle designed and used primarily for
1678 drawing other vehicles and not constructed to carry a load other than a part of the weight of the
1679 vehicle and load that is drawn.

1680 [~~(69)~~] (77) "Vehicle" includes a motor vehicle, trailer, semitrailer, off-highway vehicle,
1681 camper, park model recreational vehicle, manufactured home, and mobile home.

1682 [~~(70)~~] (78) "Vessel" means the same as that term is defined in Section 73-18-2.

1683 [~~(71)~~] (79) "Vintage vehicle" means the same as that term is defined in Section
1684 41-21-1.

1685 [~~(72)~~] (80) "Waters of this state" means the same as that term is defined in Section
1686 73-18-2.

1687 [~~(73)~~] (81) "Weighmaster" means a person, association of persons, or corporation
1688 permitted to weigh vehicles under this chapter.

1689 Section 23. Section **41-1a-1201** is amended to read:

1690 **41-1a-1201. Disposition of fees.**

1691 (1) All fees received and collected under this part shall be transmitted daily to the state
1692 treasurer.

1693 (2) Except as provided in Subsections (3), (6), (7), (8), and (9) and Sections 41-1a-422,
1694 41-1a-1220, 41-1a-1221, and 41-1a-1223 all fees collected under this part shall be deposited in
1695 the Transportation Fund.

1696 (3) Funds generated under Subsections 41-1a-1211(1)(b)(ii), (6)(b)(ii), and (7) and
1697 Section 41-1a-1212 may be used by the commission to cover the costs incurred in issuing
1698 license plates under Part 4, License Plates and Registration Indicia.

1699 (4) In accordance with Section 63J-1-602.2, all funds available to the commission for

1700 the purchase and distribution of license plates and decals are nonlapsing.

1701 (5) (a) Except as provided in Subsections (3) and (5)(b) and Section 41-1a-1205, the
1702 expenses of the commission in enforcing and administering this part shall be provided for by
1703 legislative appropriation from the revenues of the Transportation Fund.

1704 (b) Three dollars of the registration fees imposed under Subsections 41-1a-1206(2)(a)
1705 and (b) for each vehicle registered for a six-month registration period under Section
1706 41-1a-215.5 may be used by the commission to cover the costs incurred in enforcing and
1707 administering this part.

1708 (6) (a) The following portions of the registration fees imposed under Section
1709 41-1a-1206 for each vehicle shall be deposited in the Transportation Investment Fund of 2005
1710 created under Section 72-2-124:

1711 (i) \$30 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b),
1712 (1)(f), [~~(3)~~, and ~~(6)~~] (4), and (7);

1713 (ii) \$21 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i) and
1714 (1)(c)(ii);

1715 (iii) \$2.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

1716 (iv) \$23 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i);

1717 (v) \$24.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i); and

1718 (vi) \$1 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(ii).

1719 (b) The following portions of the registration fees collected for each vehicle registered
1720 for a six-month registration period under Section 41-1a-215.5 shall be deposited in the
1721 Transportation Investment Fund of 2005 created by Section 72-2-124:

1722 (i) \$23.25 of each registration fee collected under Subsection 41-1a-1206(2)(a)(i); and

1723 (ii) \$23 of each registration fee collected under Subsection 41-1a-1206(2)[~~(b)~~](a)(ii).

1724 (7) (a) Ninety-four cents of each registration fee imposed under Subsections
1725 41-1a-1206(1)(a) and (b) for each vehicle shall be deposited in the Public Safety Restricted
1726 Account created in Section 53-3-106.

1727 (b) Seventy-one cents of each registration fee imposed under Subsections
1728 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under
1729 Section 41-1a-215.5 shall be deposited in the Public Safety Restricted Account created in
1730 Section 53-3-106.

1731 (8) (a) One dollar of each registration fee imposed under Subsections 41-1a-1206(1)(a)
1732 and (b) for each vehicle shall be deposited into the Motor Vehicle Safety Impact Restricted
1733 Account created in Section 53-8-214.

1734 (b) One dollar of each registration fee imposed under Subsections 41-1a-1206(2)(a)
1735 and (b) for each vehicle registered for a six-month registration period under Section
1736 41-1a-215.5 shall be deposited into the Motor Vehicle Safety Impact Restricted Account
1737 created in Section 53-8-214.

1738 (9) Fifty cents of each registration fee imposed under Subsection 41-1a-1206(1)(a) for
1739 each motorcycle shall be deposited in the Spinal Cord and Brain Injury Rehabilitation Fund
1740 created in Section 26-54-102.

1741 Section 24. Section 41-1a-1206 is amended to read:

1742 **41-1a-1206. Registration fees -- Fees by gross laden weight.**

1743 (1) Except as provided in Subsections (2) and (3), at the time application is made for
1744 registration or renewal of registration of a vehicle or combination of vehicles under this
1745 chapter, a registration fee shall be paid to the division as follows:

1746 (a) \$46.00 for each motorcycle;

1747 (b) \$44 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding
1748 motorcycles;

1749 (c) unless the semitrailer or trailer is exempt from registration under Section 41-1a-202
1750 or is registered under Section 41-1a-301:

1751 (i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or

1752 (ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or less
1753 gross unladen weight;

1754 (d) (i) \$53 for each farm truck over 12,000 pounds, but not exceeding 14,000 pounds
1755 gross laden weight; plus

1756 (ii) \$9 for each 2,000 pounds over 14,000 pounds gross laden weight;

1757 (e) (i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding farm
1758 trucks, over 12,000 pounds, but not exceeding 14,000 pounds gross laden weight; plus

1759 (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight;

1760 (f) (i) \$69.50 for each park model recreational vehicle over 12,000 pounds, but not
1761 exceeding 14,000 pounds gross laden weight; plus

- 1762 (ii) \$19 for each 2,000 pounds over 14,000 pounds gross laden weight; [~~and~~]
- 1763 (g) \$45 for each vintage vehicle that is less than 40 years old[-]; and
- 1764 (h) in addition to the fee described in Subsection (1)(b):
- 1765 (i) for each electric motor vehicle:
- 1766 (A) \$60 during calendar year 2019;
- 1767 (B) \$90 during calendar year 2020; and
- 1768 (C) \$120 beginning January 1, 2021, and thereafter;
- 1769 (ii) for each hybrid electric motor vehicle:
- 1770 (A) \$10 during calendar year 2019;
- 1771 (B) \$15 during calendar year 2020; and
- 1772 (C) \$20 beginning January 1, 2021, and thereafter;
- 1773 (iii) for each plug-in hybrid electric motor vehicle:
- 1774 (A) \$26 during calendar year 2019;
- 1775 (B) \$39 during calendar year 2020; and
- 1776 (C) \$52 beginning January 1, 2021, and thereafter; and
- 1777 (iv) for any motor vehicle not described in Subsections (1)(h)(i) through (iii) that is
- 1778 fueled by a source other than motor fuel, diesel fuel, natural gas, or propane:
- 1779 (A) \$60 during calendar year 2019;
- 1780 (B) \$90 during calendar year 2020; and
- 1781 (C) \$120 beginning January 1, 2021, and thereafter.

1782 (2) (a) At the time application is made for registration or renewal of registration of a
1783 vehicle under this chapter for a six-month registration period under Section 41-1a-215.5, a
1784 registration fee shall be paid to the division as follows:

- 1785 [~~(a)~~] (i) \$34.50 for each motorcycle; and
- 1786 [~~(b)~~] (ii) \$33.50 for each motor vehicle of 12,000 pounds or less gross laden weight,
1787 excluding motorcycles.

1788 (b) In addition to the fee described in Subsection (2)(a), for registration or renewal of
1789 registration of a vehicle under this chapter for a six-month registration period under Section
1790 41-1a-215.5 a registration fee shall be paid to the division as follows:

- 1791 (i) for each electric motor vehicle:
- 1792 (A) \$46.50 during calendar year 2019;

1793 (B) \$69.75 during calendar year 2020; and
1794 (C) \$93 beginning January 1, 2021, and thereafter;
1795 (ii) for each hybrid electric motor vehicle:
1796 (A) \$7.50 during calendar year 2019;
1797 (B) \$11.25 during calendar year 2020; and
1798 (C) \$15 beginning January 1, 2021, and thereafter;
1799 (iii) for each plug-in hybrid electric motor vehicle:
1800 (A) \$20 during calendar year 2019;
1801 (B) \$30 during calendar year 2020; and
1802 (C) \$40 beginning January 1, 2021, and thereafter; and
1803 (iv) for each motor vehicle not described in Subsections (2)(b)(i) through (iii) that is
1804 fueled by a source other than motor fuel, diesel fuel, natural gas, or propane:
1805 (A) \$46.50 during calendar year 2019;
1806 (B) \$69.75 during calendar year 2020; and
1807 (C) \$93 beginning January 1, 2021, and thereafter.
1808 (3) (a) (i) Beginning on January 1, 2019, the commission shall, on January 1, annually
1809 adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii), (1)(d)(i),
1810 (1)(e)(i), (1)(f)(i), (1)(g), (2)(a), (4)(a), and (7), by taking the registration fee rate for the
1811 previous year and adding an amount equal to the greater of:
1812 (A) an amount calculated by multiplying the registration fee of the previous year by the
1813 actual percentage change during the previous fiscal year in the Consumer Price Index; and
1814 (B) 0.
1815 (ii) Beginning on January 1, 2022, the commission shall, on January 1, annually adjust
1816 the registration fees described in Subsections (1)(h)(i)(C), (1)(h)(ii)(C), (1)(h)(iii)(C),
1817 (1)(h)(iv)(C), (2)(b)(i)(C), (2)(b)(ii)(C), (2)(b)(iii)(C), and (2)(b)(iv)(C) by taking the
1818 registration fee rate for the previous year and adding an amount equal to the greater of:
1819 (A) an amount calculated by multiplying the registration fee of the previous year by the
1820 actual percentage change during the previous fiscal year in the Consumer Price Index; and
1821 (B) 0.
1822 (b) The amounts calculated as described in Subsection (3)(a) shall be rounded up to the
1823 nearest 25 cents.

1824 ~~[(3)]~~ (4) (a) The initial registration fee for a vintage vehicle that is 40 years old or older
1825 is \$40.

1826 (b) A vintage vehicle that is 40 years old or older is exempt from the renewal of
1827 registration fees under Subsection (1).

1828 (c) A vehicle with a Purple Heart special group license plate issued in accordance with
1829 Section [41-1a-421](#) is exempt from the registration fees under Subsection (1).

1830 (d) A camper is exempt from the registration fees under Subsection (1).

1831 ~~[(4)]~~ (5) If a motor vehicle is operated in combination with a semitrailer or trailer, each
1832 motor vehicle shall register for the total gross laden weight of all units of the combination if the
1833 total gross laden weight of the combination exceeds 12,000 pounds.

1834 ~~[(5)]~~ (6) (a) Registration fee categories under this section are based on the gross laden
1835 weight declared in the licensee's application for registration.

1836 (b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part
1837 of 2,000 pounds is a full unit.

1838 ~~[(6)]~~ (7) The owner of a commercial trailer or commercial semitrailer may, as an
1839 alternative to registering under Subsection (1)(c), apply for and obtain a special registration and
1840 license plate for a fee of \$130.

1841 ~~[(7)]~~ (8) Except as provided in Section [41-6a-1642](#), a truck may not be registered as a
1842 farm truck unless:

1843 (a) the truck meets the definition of a farm truck under Section [41-1a-102](#); and

1844 (b) (i) the truck has a gross vehicle weight rating of more than 12,000 pounds; or

1845 (ii) the truck has a gross vehicle weight rating of 12,000 pounds or less and the owner
1846 submits to the division a certificate of emissions inspection or a waiver in compliance with
1847 Section [41-6a-1642](#).

1848 ~~[(8)]~~ (9) A violation of Subsection ~~[(7)]~~ (8) is an infraction that shall be punished by a
1849 fine of not less than \$200.

1850 ~~[(9)]~~ (10) Trucks used exclusively to pump cement, bore wells, or perform crane
1851 services with a crane lift capacity of five or more tons, are exempt from 50% of the amount of
1852 the fees required for those vehicles under this section.

1853 Section 25. Section [41-1a-1221](#) is amended to read:

1854 **[41-1a-1221](#). Fees to cover the cost of electronic payments.**

1855 (1) As used in this section:

1856 (a) "Electronic payment" means use of any form of payment processed through
1857 electronic means, including credit cards, debit cards, and automatic clearinghouse transactions.

1858 (b) "Electronic payment fee" means the fee assessed to defray:

1859 (i) the charge, discount fee, or processing fee charged by credit card companies or
1860 processing agents to process an electronic payment; or

1861 (ii) costs associated with the purchase of equipment necessary for processing electronic
1862 payments.

1863 (2) (a) The Motor Vehicle Division may collect an electronic payment fee on all
1864 registrations and renewals of registration under Subsections 41-1a-1206(1)(a), (1)(b), (2)(a),
1865 (2)(b), and [~~3~~] (4).

1866 (b) The fee described in Subsection (2)(a):

1867 (i) shall be imposed regardless of the method of payment for a particular transaction;
1868 and

1869 (ii) need not be separately identified from the fees imposed for registration and
1870 renewals of registration under Subsections 41-1a-1206(1)(a), (1)(b), (2)(a), (2)(b), and [~~3~~] (4).

1871 (3) The division shall establish the fee according to the procedures and requirements of
1872 Section 63J-1-504.

1873 (4) A fee imposed under this section:

1874 (a) shall be deposited in the Electronic Payment Fee Restricted Account created by
1875 Section 41-1a-121; and

1876 (b) is not subject to Subsection 63J-2-202(2).

1877 Section 26. Section 52-4-103 is amended to read:

1878 **52-4-103. Definitions.**

1879 As used in this chapter:

1880 (1) "Anchor location" means the physical location from which:

1881 (a) an electronic meeting originates; or

1882 (b) the participants are connected.

1883 (2) "Capitol hill complex" means the grounds and buildings within the area bounded by
1884 300 North Street, Columbus Street, 500 North Street, and East Capitol Boulevard in Salt Lake
1885 City.

1886 (3) (a) "Convening" means the calling together of a public body by a person authorized
1887 to do so for the express purpose of discussing or acting upon a subject over which that public
1888 body has jurisdiction or advisory power.

1889 (b) "Convening" does not include the initiation of a routine conversation between
1890 members of a board of trustees of a large public transit district if the members involved in the
1891 conversation do not, during the conversation, take a tentative or final vote on the matter that is
1892 the subject of the conversation.

1893 (4) "Electronic meeting" means a public meeting convened or conducted by means of a
1894 conference using electronic communications.

1895 (5) "Electronic message" means a communication transmitted electronically, including:

1896 (a) electronic mail;

1897 (b) instant messaging;

1898 (c) electronic chat;

1899 (d) text messaging as defined in Section 76-4-401; or

1900 (e) any other method that conveys a message or facilitates communication

1901 electronically.

1902 (6) (a) "Meeting" means the convening of a public body or a specified body, with a
1903 quorum present, including a workshop or an executive session, whether in person or by means
1904 of electronic communications, for the purpose of discussing, receiving comments from the
1905 public about, or acting upon a matter over which the public body or specific body has
1906 jurisdiction or advisory power.

1907 (b) "Meeting" does not mean:

1908 (i) a chance gathering or social gathering; [or]

1909 (ii) a convening of the State Tax Commission to consider a confidential tax matter in
1910 accordance with Section 59-1-405[-]; or

1911 (iii) a convening of a three-member board of trustees of a large public transit district as
1912 defined in Section 17B-2a-802 if:

1913 (A) the board members do not, during the conversation, take a tentative or final vote on
1914 the matter that is the subject of the conversation; or

1915 (B) the conversation pertains only to day-to-day management and operation of the
1916 public transit district.

1917 (c) "Meeting" does not mean the convening of a public body that has both legislative
1918 and executive responsibilities if:

1919 (i) no public funds are appropriated for expenditure during the time the public body is
1920 convened; and

1921 (ii) the public body is convened solely for the discussion or implementation of
1922 administrative or operational matters:

1923 (A) for which no formal action by the public body is required; or

1924 (B) that would not come before the public body for discussion or action.

1925 (7) "Monitor" means to hear or observe, live, by audio or video equipment, all of the
1926 public statements of each member of the public body who is participating in a meeting.

1927 (8) "Participate" means the ability to communicate with all of the members of a public
1928 body, either verbally or electronically, so that each member of the public body can hear or
1929 observe the communication.

1930 (9) (a) "Public body" means:

1931 (i) any administrative, advisory, executive, or legislative body of the state or its
1932 political subdivisions that:

1933 (A) is created by the Utah Constitution, statute, rule, ordinance, or resolution;

1934 (B) consists of two or more persons;

1935 (C) expends, disburses, or is supported in whole or in part by tax revenue; and

1936 (D) is vested with the authority to make decisions regarding the public's business; or

1937 (ii) any administrative, advisory, executive, or policymaking body of an association, as
1938 defined in Section [53A-1-1601](#), that:

1939 (A) consists of two or more persons;

1940 (B) expends, disburses, or is supported in whole or in part by dues paid by a public
1941 school or whose employees participate in a benefit or program described in Title 49, Utah State
1942 Retirement and Insurance Benefit Act; and

1943 (C) is vested with authority to make decisions regarding the participation of a public
1944 school or student in an interscholastic activity as defined in Section [53A-1-1601](#).

1945 (b) "Public body" includes:

1946 (i) as defined in Section [11-13-103](#), an interlocal entity or joint or cooperative
1947 undertaking; and

- 1948 (ii) as defined in Section 11-13a-102, a governmental nonprofit corporation.
- 1949 (c) "Public body" does not include:
- 1950 (i) a political party, a political group, or a political caucus;
- 1951 (ii) a conference committee, a rules committee, or a sifting committee of the
- 1952 Legislature;
- 1953 (iii) a school community council or charter trust land council as defined in Section
- 1954 53A-1a-108.1; or
- 1955 (iv) the Economic Development Legislative Liaison Committee created in Section
- 1956 36-30-201.
- 1957 (10) "Public statement" means a statement made in the ordinary course of business of
- 1958 the public body with the intent that all other members of the public body receive it.
- 1959 (11) (a) "Quorum" means a simple majority of the membership of a public body, unless
- 1960 otherwise defined by applicable law.
- 1961 (b) "Quorum" does not include a meeting of two elected officials by themselves when
- 1962 no action, either formal or informal, is taken on a subject over which these elected officials
- 1963 have advisory power.
- 1964 (12) "Recording" means an audio, or an audio and video, record of the proceedings of a
- 1965 meeting that can be used to review the proceedings of the meeting.
- 1966 (13) "Specified body":
- 1967 (a) means an administrative, advisory, executive, or legislative body that:
- 1968 (i) is not a public body;
- 1969 (ii) consists of three or more members; and
- 1970 (iii) includes at least one member who is:
- 1971 (A) a legislator; and
- 1972 (B) officially appointed to the body by the president of the Senate, speaker of the
- 1973 House of Representatives, or governor; and
- 1974 (b) does not include a body listed in Subsection (9)(c)(ii).
- 1975 (14) "Transmit" means to send, convey, or communicate an electronic message by
- 1976 electronic means.
- 1977 Section 27. Section 59-12-103 is amended to read:
- 1978 **59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use**

1979 **tax revenues.**

1980 (1) A tax is imposed on the purchaser as provided in this part on the purchase price or
1981 sales price for amounts paid or charged for the following transactions:

1982 (a) retail sales of tangible personal property made within the state;

1983 (b) amounts paid for:

1984 (i) telecommunications service, other than mobile telecommunications service, that
1985 originates and terminates within the boundaries of this state;

1986 (ii) mobile telecommunications service that originates and terminates within the
1987 boundaries of one state only to the extent permitted by the Mobile Telecommunications
1988 Sourcing Act, 4 U.S.C. Sec. 116 et seq.; or

1989 (iii) an ancillary service associated with a:

1990 (A) telecommunications service described in Subsection (1)(b)(i); or

1991 (B) mobile telecommunications service described in Subsection (1)(b)(ii);

1992 (c) sales of the following for commercial use:

1993 (i) gas;

1994 (ii) electricity;

1995 (iii) heat;

1996 (iv) coal;

1997 (v) fuel oil; or

1998 (vi) other fuels;

1999 (d) sales of the following for residential use:

2000 (i) gas;

2001 (ii) electricity;

2002 (iii) heat;

2003 (iv) coal;

2004 (v) fuel oil; or

2005 (vi) other fuels;

2006 (e) sales of prepared food;

2007 (f) except as provided in Section [59-12-104](#), amounts paid or charged as admission or
2008 user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature,
2009 exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries,

2010 fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit
2011 television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf
2012 driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails,
2013 tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises,
2014 horseback rides, sports activities, or any other amusement, entertainment, recreation,
2015 exhibition, cultural, or athletic activity;

2016 (g) amounts paid or charged for services for repairs or renovations of tangible personal
2017 property, unless Section 59-12-104 provides for an exemption from sales and use tax for:

2018 (i) the tangible personal property; and

2019 (ii) parts used in the repairs or renovations of the tangible personal property described
2020 in Subsection (1)(g)(i), regardless of whether:

2021 (A) any parts are actually used in the repairs or renovations of that tangible personal
2022 property; or

2023 (B) the particular parts used in the repairs or renovations of that tangible personal
2024 property are exempt from a tax under this chapter;

2025 (h) except as provided in Subsection 59-12-104(7), amounts paid or charged for
2026 assisted cleaning or washing of tangible personal property;

2027 (i) amounts paid or charged for tourist home, hotel, motel, or trailer court
2028 accommodations and services that are regularly rented for less than 30 consecutive days;

2029 (j) amounts paid or charged for laundry or dry cleaning services;

2030 (k) amounts paid or charged for leases or rentals of tangible personal property if within
2031 this state the tangible personal property is:

2032 (i) stored;

2033 (ii) used; or

2034 (iii) otherwise consumed;

2035 (l) amounts paid or charged for tangible personal property if within this state the
2036 tangible personal property is:

2037 (i) stored;

2038 (ii) used; or

2039 (iii) consumed; and

2040 (m) amounts paid or charged for a sale:

- 2041 (i) (A) of a product transferred electronically; or
- 2042 (B) of a repair or renovation of a product transferred electronically; and
- 2043 (ii) regardless of whether the sale provides:
- 2044 (A) a right of permanent use of the product; or
- 2045 (B) a right to use the product that is less than a permanent use, including a right:
- 2046 (I) for a definite or specified length of time; and
- 2047 (II) that terminates upon the occurrence of a condition.
- 2048 (2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax
- 2049 is imposed on a transaction described in Subsection (1) equal to the sum of:
- 2050 (i) a state tax imposed on the transaction at a tax rate equal to the sum of:
- 2051 (A) 4.70%; and
- 2052 (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales
- 2053 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 2054 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional
- 2055 State Sales and Use Tax Act; and
- 2056 (II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales
- 2057 and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211
- 2058 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state
- 2059 imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and
- 2060 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 2061 transaction under this chapter other than this part.
- 2062 (b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 2063 on a transaction described in Subsection (1)(d) equal to the sum of:
- 2064 (i) a state tax imposed on the transaction at a tax rate of 2%; and
- 2065 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the
- 2066 transaction under this chapter other than this part.
- 2067 (c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed
- 2068 on amounts paid or charged for food and food ingredients equal to the sum of:
- 2069 (i) a state tax imposed on the amounts paid or charged for food and food ingredients at
- 2070 a tax rate of 1.75%; and
- 2071 (ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the

2072 amounts paid or charged for food and food ingredients under this chapter other than this part.

2073 (d) (i) For a bundled transaction that is attributable to food and food ingredients and
2074 tangible personal property other than food and food ingredients, a state tax and a local tax is
2075 imposed on the entire bundled transaction equal to the sum of:

2076 (A) a state tax imposed on the entire bundled transaction equal to the sum of:

2077 (I) the tax rate described in Subsection (2)(a)(i)(A); and

2078 (II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State

2079 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2080 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18,

2081 Additional State Sales and Use Tax Act; and

2082 (Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State

2083 Sales and Use Tax Act, if the location of the transaction as determined under Sections

2084 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which

2085 the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

2086 (B) a local tax imposed on the entire bundled transaction at the sum of the tax rates
2087 described in Subsection (2)(a)(ii).

2088 (ii) If an optional computer software maintenance contract is a bundled transaction that
2089 consists of taxable and nontaxable products that are not separately itemized on an invoice or
2090 similar billing document, the purchase of the optional computer software maintenance contract
2091 is 40% taxable under this chapter and 60% nontaxable under this chapter.

2092 (iii) Subject to Subsection (2)(d)(iv), for a bundled transaction other than a bundled
2093 transaction described in Subsection (2)(d)(i) or (ii):

2094 (A) if the sales price of the bundled transaction is attributable to tangible personal
2095 property, a product, or a service that is subject to taxation under this chapter and tangible
2096 personal property, a product, or service that is not subject to taxation under this chapter, the
2097 entire bundled transaction is subject to taxation under this chapter unless:

2098 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2099 personal property, product, or service that is not subject to taxation under this chapter from the
2100 books and records the seller keeps in the seller's regular course of business; or

2101 (II) state or federal law provides otherwise; or

2102 (B) if the sales price of a bundled transaction is attributable to two or more items of

2103 tangible personal property, products, or services that are subject to taxation under this chapter
2104 at different rates, the entire bundled transaction is subject to taxation under this chapter at the
2105 higher tax rate unless:

2106 (I) the seller is able to identify by reasonable and verifiable standards the tangible
2107 personal property, product, or service that is subject to taxation under this chapter at the lower
2108 tax rate from the books and records the seller keeps in the seller's regular course of business; or

2109 (II) state or federal law provides otherwise.

2110 (iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the
2111 seller's regular course of business includes books and records the seller keeps in the regular
2112 course of business for nontax purposes.

2113 (e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii)
2114 and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a
2115 product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental
2116 of tangible personal property, other property, a product, or a service that is not subject to
2117 taxation under this chapter, the entire transaction is subject to taxation under this chapter unless
2118 the seller, at the time of the transaction:

2119 (A) separately states the portion of the transaction that is not subject to taxation under
2120 this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

2121 (B) is able to identify by reasonable and verifiable standards, from the books and
2122 records the seller keeps in the seller's regular course of business, the portion of the transaction
2123 that is not subject to taxation under this chapter.

2124 (ii) A purchaser and a seller may correct the taxability of a transaction if:

2125 (A) after the transaction occurs, the purchaser and the seller discover that the portion of
2126 the transaction that is not subject to taxation under this chapter was not separately stated on an
2127 invoice, bill of sale, or similar document provided to the purchaser because of an error or
2128 ignorance of the law; and

2129 (B) the seller is able to identify by reasonable and verifiable standards, from the books
2130 and records the seller keeps in the seller's regular course of business, the portion of the
2131 transaction that is not subject to taxation under this chapter.

2132 (iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps
2133 in the seller's regular course of business includes books and records the seller keeps in the

2134 regular course of business for nontax purposes.

2135 (f) (i) If the sales price of a transaction is attributable to two or more items of tangible
2136 personal property, products, or services that are subject to taxation under this chapter at
2137 different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate
2138 unless the seller, at the time of the transaction:

2139 (A) separately states the items subject to taxation under this chapter at each of the
2140 different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

2141 (B) is able to identify by reasonable and verifiable standards the tangible personal
2142 property, product, or service that is subject to taxation under this chapter at the lower tax rate
2143 from the books and records the seller keeps in the seller's regular course of business.

2144 (ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the
2145 seller's regular course of business includes books and records the seller keeps in the regular
2146 course of business for nontax purposes.

2147 (g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax
2148 rate imposed under the following shall take effect on the first day of a calendar quarter:

2149 (i) Subsection (2)(a)(i)(A);

2150 (ii) Subsection (2)(b)(i);

2151 (iii) Subsection (2)(c)(i); or

2152 (iv) Subsection (2)(d)(i)(A)(I).

2153 (h) (i) A tax rate increase takes effect on the first day of the first billing period that
2154 begins on or after the effective date of the tax rate increase if the billing period for the
2155 transaction begins before the effective date of a tax rate increase imposed under:

2156 (A) Subsection (2)(a)(i)(A);

2157 (B) Subsection (2)(b)(i);

2158 (C) Subsection (2)(c)(i); or

2159 (D) Subsection (2)(d)(i)(A)(I).

2160 (ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing
2161 statement for the billing period is rendered on or after the effective date of the repeal of the tax
2162 or the tax rate decrease imposed under:

2163 (A) Subsection (2)(a)(i)(A);

2164 (B) Subsection (2)(b)(i);

- 2165 (C) Subsection (2)(c)(i); or
- 2166 (D) Subsection (2)(d)(i)(A)(I).
- 2167 (i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is
- 2168 computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or
- 2169 change in a tax rate takes effect:
- 2170 (A) on the first day of a calendar quarter; and
- 2171 (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.
- 2172 (ii) Subsection (2)(i)(i) applies to the tax rates described in the following:
- 2173 (A) Subsection (2)(a)(i)(A);
- 2174 (B) Subsection (2)(b)(i);
- 2175 (C) Subsection (2)(c)(i); or
- 2176 (D) Subsection (2)(d)(i)(A)(I).
- 2177 (iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 2178 the commission may by rule define the term "catalogue sale."
- 2179 (3) (a) The following state taxes shall be deposited into the General Fund:
- 2180 (i) the tax imposed by Subsection (2)(a)(i)(A);
- 2181 (ii) the tax imposed by Subsection (2)(b)(i);
- 2182 (iii) the tax imposed by Subsection (2)(c)(i); or
- 2183 (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).
- 2184 (b) The following local taxes shall be distributed to a county, city, or town as provided
- 2185 in this chapter:
- 2186 (i) the tax imposed by Subsection (2)(a)(ii);
- 2187 (ii) the tax imposed by Subsection (2)(b)(ii);
- 2188 (iii) the tax imposed by Subsection (2)(c)(ii); and
- 2189 (iv) the tax imposed by Subsection (2)(d)(i)(B).
- 2190 (4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
- 2191 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b)
- 2192 through (g):
- 2193 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
- 2194 (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
- 2195 (B) for the fiscal year; or

2196 (ii) \$17,500,000.

2197 (b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount

2198 described in Subsection (4)(a) shall be transferred each year as dedicated credits to the

2199 Department of Natural Resources to:

2200 (A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to

2201 protect sensitive plant and animal species; or

2202 (B) award grants, up to the amount authorized by the Legislature in an appropriations

2203 act, to political subdivisions of the state to implement the measures described in Subsections

2204 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

2205 (ii) Money transferred to the Department of Natural Resources under Subsection

2206 (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other

2207 person to list or attempt to have listed a species as threatened or endangered under the

2208 Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

2209 (iii) At the end of each fiscal year:

2210 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

2211 Conservation and Development Fund created in Section 73-10-24;

2212 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

2213 Program Subaccount created in Section 73-10c-5; and

2214 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

2215 Program Subaccount created in Section 73-10c-5.

2216 (c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in

2217 Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund

2218 created in Section 4-18-106.

2219 (d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described

2220 in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water

2221 Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of

2222 water rights.

2223 (ii) At the end of each fiscal year:

2224 (A) 50% of any unexpended dedicated credits shall lapse to the Water Resources

2225 Conservation and Development Fund created in Section 73-10-24;

2226 (B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan

2227 Program Subaccount created in Section 73-10c-5; and
2228 (C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan
2229 Program Subaccount created in Section 73-10c-5.

2230 (e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described
2231 in Subsection (4)(a) shall be deposited into the Water Resources Conservation and
2232 Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

2233 (ii) In addition to the uses allowed of the Water Resources Conservation and
2234 Development Fund under Section 73-10-24, the Water Resources Conservation and
2235 Development Fund may also be used to:

2236 (A) conduct hydrologic and geotechnical investigations by the Division of Water
2237 Resources in a cooperative effort with other state, federal, or local entities, for the purpose of
2238 quantifying surface and ground water resources and describing the hydrologic systems of an
2239 area in sufficient detail so as to enable local and state resource managers to plan for and
2240 accommodate growth in water use without jeopardizing the resource;

2241 (B) fund state required dam safety improvements; and

2242 (C) protect the state's interest in interstate water compact allocations, including the
2243 hiring of technical and legal staff.

2244 (f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2245 in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount
2246 created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

2247 (g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described
2248 in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount
2249 created in Section 73-10c-5 for use by the Division of Drinking Water to:

2250 (i) provide for the installation and repair of collection, treatment, storage, and
2251 distribution facilities for any public water system, as defined in Section 19-4-102;

2252 (ii) develop underground sources of water, including springs and wells; and

2253 (iii) develop surface water sources.

2254 (5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1,
2255 2006, the difference between the following amounts shall be expended as provided in this
2256 Subsection (5), if that difference is greater than \$1:

2257 (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the

2258 fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and
2259 (ii) \$17,500,000.
2260 (b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:
2261 (A) transferred each fiscal year to the Department of Natural Resources as dedicated
2262 credits; and
2263 (B) expended by the Department of Natural Resources for watershed rehabilitation or
2264 restoration.
2265 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2266 in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund
2267 created in Section 73-10-24.
2268 (c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the
2269 remaining difference described in Subsection (5)(a) shall be:
2270 (A) transferred each fiscal year to the Division of Water Resources as dedicated
2271 credits; and
2272 (B) expended by the Division of Water Resources for cloud-seeding projects
2273 authorized by Title 73, Chapter 15, Modification of Weather.
2274 (ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described
2275 in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund
2276 created in Section 73-10-24.
2277 (d) After making the transfers required by Subsections (5)(b) and (c), 85% of the
2278 remaining difference described in Subsection (5)(a) shall be deposited into the Water
2279 Resources Conservation and Development Fund created in Section 73-10-24 for use by the
2280 Division of Water Resources for:
2281 (i) preconstruction costs:
2282 (A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter
2283 26, Bear River Development Act; and
2284 (B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project
2285 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;
2286 (ii) the cost of employing a civil engineer to oversee any project authorized by Title 73,
2287 Chapter 26, Bear River Development Act;
2288 (iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project

2289 authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

2290 (iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and
2291 Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

2292 (e) After making the transfers required by Subsections (5)(b) and (c) and subject to
2293 Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be
2294 transferred each year as dedicated credits to the Division of Water Rights to cover the costs
2295 incurred for employing additional technical staff for the administration of water rights.

2296 (f) At the end of each fiscal year, any unexpended dedicated credits described in
2297 Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development
2298 Fund created in Section 73-10-24.

2299 (6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the
2300 amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection
2301 (1) for the fiscal year shall be deposited as follows:

2302 (a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6)
2303 shall be deposited into the Transportation Investment Fund of 2005 created by Section
2304 72-2-124;

2305 (b) for fiscal year 2017-18 only:

2306 (i) 80% of the revenue described in this Subsection (6) shall be deposited into the
2307 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2308 (ii) 20% of the revenue described in this Subsection (6) shall be deposited into the
2309 Water Infrastructure Restricted Account created by Section 73-10g-103;

2310 (c) for fiscal year 2018-19 only:

2311 (i) 60% of the revenue described in this Subsection (6) shall be deposited into the
2312 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2313 (ii) 40% of the revenue described in this Subsection (6) shall be deposited into the
2314 Water Infrastructure Restricted Account created by Section 73-10g-103;

2315 (d) for fiscal year 2019-20 only:

2316 (i) 40% of the revenue described in this Subsection (6) shall be deposited into the
2317 Transportation Investment Fund of 2005 created by Section 72-2-124; and

2318 (ii) 60% of the revenue described in this Subsection (6) shall be deposited into the
2319 Water Infrastructure Restricted Account created by Section 73-10g-103;

2320 (e) for fiscal year 2020-21 only:
2321 (i) 20% of the revenue described in this Subsection (6) shall be deposited into the
2322 Transportation Investment Fund of 2005 created by Section 72-2-124; and
2323 (ii) 80% of the revenue described in this Subsection (6) shall be deposited into the
2324 Water Infrastructure Restricted Account created by Section 73-10g-103; and
2325 (f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described
2326 in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account
2327 created by Section 73-10g-103.

2328 (7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in
2329 Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1,
2330 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005
2331 created by Section 72-2-124:

2332 (i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of
2333 the revenues collected from the following taxes, which represents a portion of the
2334 approximately 17% of sales and use tax revenues generated annually by the sales and use tax
2335 on vehicles and vehicle-related products:

- 2336 (A) the tax imposed by Subsection (2)(a)(i)(A);
- 2337 (B) the tax imposed by Subsection (2)(b)(i);
- 2338 (C) the tax imposed by Subsection (2)(c)(i); and
- 2339 (D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

2340 (ii) an amount equal to 30% of the growth in the amount of revenues collected in the
2341 current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through
2342 (D) that exceeds the amount collected from the sales and use taxes described in Subsections
2343 (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

2344 (b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of
2345 the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total
2346 lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D)
2347 generated in the current fiscal year than the total percentage of sales and use taxes deposited in
2348 the previous fiscal year, the Division of Finance shall deposit an amount under Subsection
2349 (7)(a) equal to the product of:

- 2350 (A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the

2351 previous fiscal year; and

2352 (B) the total sales and use tax revenue generated by the taxes described in Subsections
2353 (7)(a)(i)(A) through (D) in the current fiscal year.

2354 (ii) In any fiscal year in which the portion of the sales and use taxes deposited under
2355 Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes
2356 described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of
2357 Finance shall deposit 17% of the revenues collected from the sales and use taxes described in
2358 Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

2359 (iii) In all subsequent fiscal years after a year in which 17% of the revenues collected
2360 from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited
2361 under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues
2362 collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the
2363 current fiscal year under Subsection (7)(a).

2364 (8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited
2365 under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall
2366 deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into
2367 the Transportation Investment Fund of 2005 created by Section [72-2-124](#).

2368 (b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under
2369 Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit
2370 \$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the
2371 Transportation Investment Fund of 2005 created by Section [72-2-124](#).

2372 (c) ~~[(†)]~~ Notwithstanding Subsection (3)(a), in addition to the amounts deposited under
2373 Subsections (6) and (7), ~~[and subject to Subsection (8)(c)(ii), for a fiscal year]~~ beginning on or
2374 after July 1, 2018, the commission shall annually deposit into the Transportation Investment
2375 Fund of 2005 created by Section [72-2-124](#) a portion of the taxes listed under Subsection (3)(a)
2376 in an amount equal to 3.68% of the revenues collected from the following taxes:

2377 (A) the tax imposed by Subsection (2)(a)(i)(A);

2378 (B) the tax imposed by Subsection (2)(b)(i);

2379 (C) the tax imposed by Subsection (2)(c)(i); and

2380 (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

2381 ~~[(ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually~~

2382 ~~reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i)~~
2383 ~~by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year~~
2384 ~~by the portion of the tax imposed on motor and special fuel that is sold, used, or received for~~
2385 ~~sale or use in this state that exceeds 29.4 cents per gallon.]~~

2386 (9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year
2387 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund
2388 created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

2389 (10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c),
2390 in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17
2391 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund
2392 of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on
2393 the transactions described in Subsection (1).

2394 (b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in
2395 addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance
2396 shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the
2397 amount of revenue described as follows:

2398 (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%
2399 tax rate on the transactions described in Subsection (1);

2400 (ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05%
2401 tax rate on the transactions described in Subsection (1);

2402 (iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05%
2403 tax rate on the transactions described in Subsection (1);

2404 (iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a
2405 .05% tax rate on the transactions described in Subsection (1); and

2406 (v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05%
2407 tax rate on the transactions described in Subsection (1).

2408 (c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not
2409 deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts
2410 paid or charged for food and food ingredients, except for tax revenue generated by a bundled
2411 transaction attributable to food and food ingredients and tangible personal property other than
2412 food and food ingredients described in Subsection (2)(d).

2413 (11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the
 2414 fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that
 2415 construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of
 2416 Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue
 2417 generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund,
 2418 created in Section 63N-2-512.

2419 (12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the
 2420 Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed
 2421 under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

2422 (b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of
 2423 Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under
 2424 Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

2425 (13) Notwithstanding Subsections (4) through (12), an amount required to be expended
 2426 or deposited in accordance with Subsections (4) through (12) may not include an amount the
 2427 Division of Finance deposits in accordance with Section 59-12-103.2.

2428 Section 28. Section 59-12-2202 is amended to read:

2429 **59-12-2202. Definitions.**

2430 As used in this part:

2431 (1) "Airline" [~~is as~~] means the same as that term is defined in Section 59-2-102.

2432 (2) "Airport facility" [~~is as~~] means the same as that term is defined in Section
 2433 59-12-602.

2434 (3) "Airport of regional significance" means an airport identified by the Federal
 2435 Aviation Administration in the most current National Plan of Integrated Airport Systems or an
 2436 update to the National Plan of Integrated Airport Systems.

2437 (4) "Annexation" means an annexation to:

2438 (a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or

2439 (b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

2440 (5) "Annexing area" means an area that is annexed into a county, city, or town.

2441 (6) "Council of governments" [~~is as~~] means the same as that term is defined in Section
 2442 72-2-117.5.

2443 (7) "Fixed guideway" [~~is as~~] means the same as that term is defined in Section

2444 59-12-102.

2445 (8) "Large public transit district" means the same as that term is defined in Section
2446 17B-2a-802.

2447 ~~[(8)]~~ (9) "Major collector highway" ~~[is as]~~ means the same as that term is defined in
2448 Section 72-4-102.5.

2449 ~~[(9)]~~ (10) "Metropolitan planning organization" ~~[is as]~~ means the same as that term is
2450 defined in Section 72-1-208.5.

2451 ~~[(10)]~~ (11) "Minor arterial highway" ~~[is as]~~ means the same as that term is defined in
2452 Section 72-4-102.5.

2453 ~~[(11)]~~ (12) "Minor collector road" ~~[is as]~~ means the same as that term is defined in
2454 Section 72-4-102.5.

2455 ~~[(12)]~~ (13) "Principal arterial highway" ~~[is as]~~ means the same as that term is defined
2456 in Section 72-4-102.5.

2457 ~~[(13)]~~ (14) "Regionally significant transportation facility" means:

2458 (a) in a county of the first or second class:

2459 (i) a principal arterial highway;

2460 (ii) a minor arterial highway;

2461 (iii) a fixed guideway that:

2462 (A) extends across two or more cities or unincorporated areas; or

2463 (B) is an extension to an existing fixed guideway; or

2464 (iv) an airport of regional significance; or

2465 (b) in a county of the third, fourth, fifth, or sixth class:

2466 (i) a principal arterial highway;

2467 (ii) a minor arterial highway;

2468 (iii) a major collector highway;

2469 (iv) a minor collector road; or

2470 (v) an airport of regional significance.

2471 ~~[(14)]~~ (15) "State highway" means a highway designated as a state highway under Title
2472 72, Chapter 4, Designation of State Highways Act.

2473 ~~[(15)]~~ (16) (a) Subject to Subsection ~~[(15)]~~ (16)(b), "system for public transit" ~~[has the~~
2474 ~~same meaning as]~~ means the same as the term "public transit" [as] is defined in Section

2475 17B-2a-802.

2476 (b) "System for public transit" includes:

2477 (i) the following costs related to public transit:

2478 (A) maintenance costs; or

2479 (B) operating costs;

2480 (ii) a fixed guideway;

2481 (iii) a park and ride facility;

2482 (iv) a passenger station or passenger terminal;

2483 (v) a right-of-way for public transit; or

2484 (vi) the following that serve a public transit facility:

2485 (A) a maintenance facility;

2486 (B) a platform;

2487 (C) a repair facility;

2488 (D) a roadway;

2489 (E) a storage facility;

2490 (F) a utility line; or

2491 (G) a facility or item similar to Subsections [~~(15)~~] (16)(b)(vi)(A) through (F).

2492 Section 29. Section 59-12-2217 is amended to read:

2493 **59-12-2217. County option sales and use tax for transportation -- Base -- Rate --**
2494 **Written prioritization process -- Approval by county legislative body.**

2495 (1) Subject to the other provisions of this part, and subject to Subsection (10), a county
2496 legislative body may impose a sales and use tax of up to .25% on the transactions described in
2497 Subsection 59-12-103(1) within the county, including the cities and towns within the county.

2498 (2) Subject to Subsections (3) through (8) and Section 59-12-2207, the revenues
2499 collected from a sales and use tax under this section may only be expended for:

2500 (a) a project or service:

2501 (i) relating to a regionally significant transportation facility for the portion of the
2502 project or service that is performed within the county;

2503 (ii) for new capacity or congestion mitigation if the project or service is performed
2504 within a county:

2505 (A) of the first or second class; or

2506 (B) if that county is part of an area metropolitan planning organization; and
2507 (iii) that is on a priority list:
2508 (A) created by the county's council of governments in accordance with Subsection (7);
2509 and
2510 (B) approved by the county legislative body in accordance with Subsection (7);
2511 (b) corridor preservation for a project or service described in Subsection (2)(a) [as
2512 ~~provided in Subsection (8)~~]; or
2513 (c) debt service or bond issuance costs related to a project or service described in
2514 Subsection (2)(a)(i) or (ii).
2515 (3) If a project or service described in Subsection (2) is for:
2516 (a) a principal arterial highway or a minor arterial highway in a county of the first or
2517 second class or a collector road in a county of the second class, that project or service shall be
2518 part of the:
2519 (i) county and municipal master plan; and
2520 (ii) (A) statewide long-range plan; or
2521 (B) regional transportation plan of the area metropolitan planning organization if a
2522 metropolitan planning organization exists for the area; or
2523 (b) a fixed guideway or an airport, that project or service shall be part of the regional
2524 transportation plan of the area metropolitan planning organization if a metropolitan planning
2525 organization exists for the area.
2526 (4) In a county of the first or second class, a regionally significant transportation
2527 facility project or service described in Subsection (2)(a)(i) shall have a funded year priority
2528 designation on a Statewide Transportation Improvement Program and Transportation
2529 Improvement Program if the project or service described in Subsection (2)(a)(i) is:
2530 (a) a principal arterial highway;
2531 (b) a minor arterial highway;
2532 (c) a collector road in a county of the second class; or
2533 (d) a major collector highway in a rural area.
2534 (5) Of the revenues collected from a sales and use tax imposed under this section
2535 within a county of the first [~~or second~~] class, 25% or more shall be expended for the purpose
2536 described in Subsection (2)(b).

2537 (6) (a) As provided in this Subsection (6), a council of governments shall:
2538 (i) develop a written prioritization process for the prioritization of projects to be funded
2539 by revenues collected from a sales and use tax under this section;
2540 (ii) create a priority list of regionally significant transportation facility projects or
2541 services described in Subsection (2)(a)(i) in accordance with Subsection (7); and
2542 (iii) present the priority list to the county legislative body for approval in accordance
2543 with Subsection (7).
2544 (b) The written prioritization process described in Subsection (6)(a)(i) shall include:
2545 (i) a definition of the type of projects to which the written prioritization process
2546 applies;
2547 (ii) subject to Subsection (6)(c), the specification of a weighted criteria system that the
2548 council of governments will use to rank proposed projects and how that weighted criteria
2549 system will be used to determine which proposed projects will be prioritized;
2550 (iii) the specification of data that is necessary to apply the weighted criteria system;
2551 (iv) application procedures for a project to be considered for prioritization by the
2552 council of governments; and
2553 (v) any other provision the council of governments considers appropriate.
2554 (c) The weighted criteria system described in Subsection (6)(b)(ii) shall include the
2555 following:
2556 (i) the cost effectiveness of a project;
2557 (ii) the degree to which a project will mitigate regional congestion;
2558 (iii) the compliance requirements of applicable federal laws or regulations;
2559 (iv) the economic impact of a project;
2560 (v) the degree to which a project will require tax revenues to fund maintenance and
2561 operation expenses; and
2562 (vi) any other provision the council of governments considers appropriate.
2563 (d) A council of governments of a county of the first or second class shall submit the
2564 written prioritization process described in Subsection (6)(a)(i) to the Executive Appropriations
2565 Committee for approval prior to taking final action on:
2566 (i) the written prioritization process; or
2567 (ii) any proposed amendment to the written prioritization process.

2568 (7) (a) A council of governments shall use the weighted criteria system adopted in the
2569 written prioritization process developed in accordance with Subsection (6) to create a priority
2570 list of regionally significant transportation facility projects or services for which revenues
2571 collected from a sales and use tax under this section may be expended.

2572 (b) Before a council of governments may finalize a priority list or the funding level of a
2573 project, the council of governments shall conduct a public meeting on:

2574 (i) the written prioritization process; and

2575 (ii) the merits of the projects that are prioritized as part of the written prioritization
2576 process.

2577 (c) A council of governments shall make the weighted criteria system ranking for each
2578 project prioritized as part of the written prioritization process publicly available before the
2579 public meeting required by Subsection (7)(b) is held.

2580 (d) If a council of governments prioritizes a project over another project with a higher
2581 rank under the weighted criteria system, the council of governments shall:

2582 (i) identify the reasons for prioritizing the project over another project with a higher
2583 rank under the weighted criteria system at the public meeting required by Subsection (7)(b);
2584 and

2585 (ii) make the reasons described in Subsection (7)(d)(i) publicly available.

2586 (e) Subject to Subsections (7)(f) and (g), after a council of governments finalizes a
2587 priority list in accordance with this Subsection (7), the council of governments shall:

2588 (i) submit the priority list to the county legislative body for approval; and

2589 (ii) obtain approval of the priority list from a majority of the members of the county
2590 legislative body.

2591 (f) A council of governments may only submit one priority list per calendar year to the
2592 county legislative body.

2593 (g) A county legislative body may only consider and approve one priority list submitted
2594 under Subsection (7)(e) per calendar year.

2595 ~~[(8) (a) Except as provided in Subsection (8)(b), revenues collected from a sales and~~
2596 ~~use tax under this section that a county allocates for a purpose described in Subsection (2)(b)~~
2597 ~~shall be:]~~

2598 ~~[(i) deposited in or transferred to the Local Highway and Transportation Corridor~~

2599 Preservation Fund created by Section ~~72-2-117.5~~; and]

2600 [~~(ii)~~ expended as provided in Section ~~72-2-117.5~~.]

2601 ~~[(b)]~~ (8) In a county of the first class, revenues collected from a sales and use tax under
2602 this section that a county allocates for a purpose described in Subsection (2)(b) shall be:

2603 ~~[(i)]~~ (a) deposited in or transferred to the County of the First Class Highway Projects
2604 Fund created by Section ~~72-2-121~~; and

2605 ~~[(ii)]~~ (b) expended as provided in Section ~~72-2-121~~.

2606 (9) Notwithstanding Section ~~59-12-2208~~, a county legislative body may, but is not
2607 required to, submit an opinion question to the county's registered voters in accordance with
2608 Section ~~59-12-2208~~ to impose a sales and use tax under this section.

2609 (10) (a) (i) Notwithstanding any other provision in this section, if the entire boundary
2610 of a county is annexed into a large public transit district, to impose a sales and use tax under
2611 this section, the county legislative body shall pass the ordinance to impose a sales and use tax
2612 under this section on or before June 30, 2022.

2613 (ii) If the entire boundary of a county is annexed into a large public transit district, the
2614 county legislative body may not pass an ordinance to impose a sales and use tax under this
2615 section on or after July 1, 2022.

2616 (b) Notwithstanding the deadline described in Subsection (10)(a), any sales and use tax
2617 imposed under this section on or before June 30, 2022, may remain in effect.

2618 Section 30. Section ~~59-12-2218~~ is amended to read:

2619 **~~59-12-2218. County, city, or town option sales and use tax for airports, highways,~~**
2620 **~~and systems for public transit -- Base -- Rate -- Administration of sales and use tax --~~**
2621 **~~Voter approval exception.~~**

2622 (1) Subject to the other provisions of this part, and subject to Subsection (11), the
2623 following may impose a sales and use tax under this section:

2624 (a) if, on April 1, 2009, a county legislative body of a county of the second class
2625 imposes a sales and use tax under this section, the county legislative body of the county of the
2626 second class may impose the sales and use tax on the transactions:

2627 (i) described in Subsection ~~59-12-103~~(1); and

2628 (ii) within the county, including the cities and towns within the county; or

2629 (b) if, on April 1, 2009, a county legislative body of a county of the second class does

2630 not impose a sales and use tax under this section:

2631 (i) a city legislative body of a city within the county of the second class may impose a
2632 sales and use tax under this section on the transactions described in Subsection 59-12-103(1)
2633 within that city;

2634 (ii) a town legislative body of a town within the county of the second class may impose
2635 a sales and use tax under this section on the transactions described in Subsection 59-12-103(1)
2636 within that town; and

2637 (iii) the county legislative body of the county of the second class may impose a sales
2638 and use tax on the transactions described in Subsection 59-12-103(1):

2639 (A) within the county, including the cities and towns within the county, if on the date
2640 the county legislative body provides the notice described in Section 59-12-2209 to the
2641 commission stating that the county will enact a sales and use tax under this section, no city or
2642 town within that county imposes a sales and use tax under this section or has provided the
2643 notice described in Section 59-12-2209 to the commission stating that the city or town will
2644 enact a sales and use tax under this section; or

2645 (B) within the county, except for within a city or town within that county, if, on the
2646 date the county legislative body provides the notice described in Section 59-12-2209 to the
2647 commission stating that the county will enact a sales and use tax under this section, that city or
2648 town imposes a sales and use tax under this section or has provided the notice described in
2649 Section 59-12-2209 to the commission stating that the city or town will enact a sales and use
2650 tax under this section.

2651 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
2652 county, city, or town legislative body that imposes a sales and use tax under this section may
2653 impose the tax at a rate of:

2654 (a) .10%; or

2655 (b) .25%.

2656 (3) A sales and use tax imposed at a rate described in Subsection (2)(a) shall be
2657 expended as determined by the county, city, or town legislative body as follows:

2658 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
2659 State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in
2660 Section 72-2-121.2;

2661 (b) expended for a project or service relating to an airport facility for the portion of the
2662 project or service that is performed within the county, city, or town within which the tax is
2663 imposed:

2664 (i) for a county legislative body that imposes the sales and use tax, if that airport
2665 facility is part of the regional transportation plan of the area metropolitan planning organization
2666 if a metropolitan planning organization exists for the area; or

2667 (ii) for a city or town legislative body that imposes the sales and use tax, if:

2668 (A) that city or town owns or operates the airport facility; and

2669 (B) an airline is headquartered in that city or town; or

2670 (c) deposited or expended for a combination of Subsections (3)(a) and (b).

2671 (4) Subject to Subsections (5) through (7), a sales and use tax imposed at a rate
2672 described in Subsection (2)(b) shall be expended as determined by the county, city, or town
2673 legislative body as follows:

2674 (a) deposited as provided in Subsection (9)(b) into the County of the Second Class
2675 State Highway Projects Fund created by Section [72-2-121.2](#) and expended as provided in
2676 Section [72-2-121.2](#);

2677 (b) expended for:

2678 (i) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;

2679 (ii) a local highway that is a principal arterial highway, minor arterial highway, major
2680 collector highway, or minor collector road; or

2681 (iii) a combination of Subsections (4)(b)(i) and (ii);

2682 (c) expended for a project or service relating to a system for public transit for the
2683 portion of the project or service that is performed within the county, city, or town within which
2684 the sales and use tax is imposed;

2685 (d) expended for a project or service relating to an airport facility for the portion of the
2686 project or service that is performed within the county, city, or town within which the sales and
2687 use tax is imposed:

2688 (i) for a county legislative body that imposes the sales and use tax, if that airport
2689 facility is part of the regional transportation plan of the area metropolitan planning organization
2690 if a metropolitan planning organization exists for the area; or

2691 (ii) for a city or town legislative body that imposes the sales and use tax, if:

- 2692 (A) that city or town owns or operates the airport facility; and
- 2693 (B) an airline is headquartered in that city or town;
- 2694 (e) expended for:
 - 2695 (i) a class B road, as defined in Section 72-3-103;
 - 2696 (ii) a class C road, as defined in Section 72-3-104; or
 - 2697 (iii) a combination of Subsections (4)(e)(i) and (ii);
- 2698 (f) expended for traffic and pedestrian safety, including:
 - 2699 (i) for a class B road, as defined in Section 72-3-103, or class C road, as defined in
 - 2700 Section 72-3-104, for:
 - 2701 (A) a sidewalk;
 - 2702 (B) curb and gutter;
 - 2703 (C) a safety feature;
 - 2704 (D) a traffic sign;
 - 2705 (E) a traffic signal;
 - 2706 (F) street lighting; or
 - 2707 (G) a combination of Subsections (4)(f)(i)(A) through (F);
 - 2708 (ii) the construction of an active transportation facility that:
 - 2709 (A) is for nonmotorized vehicles and multimodal transportation; and
 - 2710 (B) connects an origin with a destination; or
 - 2711 (iii) a combination of Subsections (4)(f)(i) and (ii); or
 - 2712 (g) deposited or expended for a combination of Subsections (4)(a) through (f).
- 2713 (5) A county, city, or town legislative body may not expend revenue collected within a
- 2714 county, city, or town from a tax under this section for a purpose described in Subsections (4)(b)
- 2715 through (f) unless the purpose is recommended by:
 - 2716 (a) for a county that is part of a metropolitan planning organization, the metropolitan
 - 2717 planning organization of which the county is a part; or
 - 2718 (b) for a county that is not part of a metropolitan planning organization, the council of
 - 2719 governments of which the county is a part.
- 2720 (6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes
- 2721 a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax rate of .05%
- 2722 as provided in Subsection (9)(b)(i) into the Local Highway and Transportation Corridor

2723 Preservation Fund created by Section 72-2-117.5.

2724 (ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and
2725 distributed in accordance with Section 72-2-117.5.

2726 (b) A county, city, or town is not required to make the deposit required by Subsection
2727 (6)(a)(i) if the county, city, or town:

2728 (i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or

2729 (ii) has continuously imposed a tax described in Subsection (2)(b):

2730 (A) beginning after July 1, 2010; and

2731 (B) for a five-year period.

2732 (7) (a) Subject to the other provisions of this Subsection (7), a city or town within
2733 which a sales and use tax is imposed at the tax rate described in Subsection (2)(b) may:

2734 (i) expend the revenues in accordance with Subsection (4); or

2735 (ii) expend the revenues in accordance with Subsections (7)(b) through (d) if:

2736 (A) that city or town owns or operates an airport facility; and

2737 (B) an airline is headquartered in that city or town.

2738 (b) (i) A city or town legislative body of a city or town within which a sales and use tax
2739 is imposed at the tax rate described in Subsection (2)(b) may expend the revenues collected
2740 from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of
2741 .25% for a purpose described in Subsection (7)(b)(ii) if:

2742 (A) that city or town owns or operates an airport facility; and

2743 (B) an airline is headquartered in that city or town.

2744 (ii) A city or town described in Subsection (7)(b)(i) may expend the revenues collected
2745 from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of
2746 .25% for:

2747 (A) a project or service relating to the airport facility; and

2748 (B) the portion of the project or service that is performed within the city or town
2749 imposing the sales and use tax.

2750 (c) If a city or town legislative body described in Subsection (7)(b)(i) determines to
2751 expend the revenues collected from a tax rate of greater than .10% but not to exceed the
2752 revenues collected from a tax rate of .25% for a project or service relating to an airport facility
2753 as allowed by Subsection (7)(b), any remaining revenue that is collected from the sales and use

2754 tax imposed at the tax rate described in Subsection (2)(b) that is not expended for the project or
2755 service relating to an airport facility as allowed by Subsection (7)(b) shall be expended as
2756 follows:

2757 (i) 75% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
2758 into the County of the Second Class State Highway Projects Fund created by Section
2759 72-2-121.2 and expended as provided in Section 72-2-121.2; and

2760 (ii) 25% of the remaining revenues shall be deposited as provided in Subsection (9)(c)
2761 into the Local Highway and Transportation Corridor Preservation Fund created by Section
2762 72-2-117.5 and expended and distributed in accordance with Section 72-2-117.5.

2763 (d) A city or town legislative body that expends the revenues collected from a sales and
2764 use tax imposed at the tax rate described in Subsection (2)(b) in accordance with Subsections
2765 (7)(b) and (c):

2766 (i) shall, on or before the date the city or town legislative body provides the notice
2767 described in Section 59-12-2209 to the commission stating that the city or town will enact a
2768 sales and use tax under this section:

2769 (A) determine the tax rate, the percentage of which is greater than .10% but does not
2770 exceed .25%, the collections from which the city or town legislative body will expend for a
2771 project or service relating to an airport facility as allowed by Subsection (7)(b); and

2772 (B) notify the commission in writing of the tax rate the city or town legislative body
2773 determines in accordance with Subsection (7)(d)(i)(A);

2774 (ii) shall, on or before the April 1 immediately following the date the city or town
2775 legislative body provides the notice described in Subsection (7)(d)(i) to the commission:

2776 (A) determine the tax rate, the percentage of which is greater than .10% but does not
2777 exceed .25%, the collections from which the city or town legislative body will expend for a
2778 project or service relating to an airport facility as allowed by Subsection (7)(b); and

2779 (B) notify the commission in writing of the tax rate the city or town legislative body
2780 determines in accordance with Subsection (7)(d)(ii)(A);

2781 (iii) shall, on or before April 1 of each year after the April 1 described in Subsection
2782 (7)(d)(ii):

2783 (A) determine the tax rate, the percentage of which is greater than .10% but does not
2784 exceed .25%, the collections from which the city or town legislative body will expend for a

2785 project or service relating to an airport facility as allowed by Subsection (7)(b); and

2786 (B) notify the commission in writing of the tax rate the city or town legislative body
2787 determines in accordance with Subsection (7)(d)(iii)(A); and

2788 (iv) may not change the tax rate the city or town legislative body determines in
2789 accordance with Subsections (7)(d)(i) through (iii) more frequently than as prescribed by
2790 Subsections (7)(d)(i) through (iii).

2791 (8) Before a city or town legislative body may impose a sales and use tax under this
2792 section, the city or town legislative body shall provide a copy of the notice described in Section
2793 [59-12-2209](#) that the city or town legislative body provides to the commission:

2794 (a) to the county legislative body within which the city or town is located; and

2795 (b) at the same time as the city or town legislative body provides the notice to the
2796 commission.

2797 (9) (a) Subject to Subsections (9)(b) through (e) and Section [59-12-2207](#), the
2798 commission shall transmit revenues collected within a county, city, or town from a tax under
2799 this part that will be expended for a purpose described in Subsection (3)(b) or Subsections
2800 (4)(b) through (f) to the county, city, or town legislative body in accordance with Section
2801 [59-12-2206](#).

2802 (b) Except as provided in Subsection (9)(c) and subject to Section [59-12-2207](#), the
2803 commission shall deposit revenues collected within a county, city, or town from a sales and use
2804 tax under this section that:

2805 (i) are required to be expended for a purpose described in Subsection (6)(a) into the
2806 Local Transportation Corridor Preservation Fund created by Section [72-2-117.5](#); or

2807 (ii) a county, city, or town legislative body determines to expend for a purpose
2808 described in Subsection (3)(a) or (4)(a) into the County of the Second Class State Highway
2809 Projects Fund created by Section [72-2-121.2](#) if the county, city, or town legislative body
2810 provides written notice to the commission requesting the deposit.

2811 (c) Subject to Subsection (9)(d) or (e), if a city or town legislative body provides notice
2812 to the commission in accordance with Subsection (7)(d), the commission shall:

2813 (i) transmit the revenues collected from the tax rate stated on the notice to the city or
2814 town legislative body monthly by electronic funds transfer; and

2815 (ii) deposit any remaining revenues described in Subsection (7)(c) in accordance with

2816 Subsection (7)(c).

2817 (d) (i) If a city or town legislative body provides the notice described in Subsection
2818 (7)(d)(i) to the commission, the commission shall transmit or deposit the revenues collected
2819 from the sales and use tax:

2820 (A) in accordance with Subsection (9)(c);

2821 (B) beginning on the date the city or town legislative body enacts the sales and use tax;
2822 and

2823 (C) ending on the earlier of the June 30 immediately following the date the city or town
2824 legislative body provides the notice described in Subsection (7)(d)(ii) to the commission or the
2825 date the city or town legislative body repeals the sales and use tax.

2826 (ii) If a city or town legislative body provides the notice described in Subsection
2827 (7)(d)(ii) or (iii) to the commission, the commission shall transmit or deposit the revenues
2828 collected from the sales and use tax:

2829 (A) in accordance with Subsection (9)(c);

2830 (B) beginning on the July 1 immediately following the date the city or town legislative
2831 body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission; and

2832 (C) ending on the earlier of the June 30 of the year after the date the city or town
2833 legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission
2834 or the date the city or town legislative body repeals the sales and use tax.

2835 (e) (i) If a city or town legislative body that is required to provide the notice described
2836 in Subsection (7)(d)(i) does not provide the notice described in Subsection (7)(d)(i) to the
2837 commission on or before the date required by Subsection (7)(d) for providing the notice, the
2838 commission shall transmit, transfer, or deposit the revenues collected from the sales and use
2839 tax within the city or town in accordance with Subsections (9)(a) and (b).

2840 (ii) If a city or town legislative body that is required to provide the notice described in
2841 Subsection (7)(d)(ii) or (iii) does not provide the notice described in Subsection (7)(d)(ii) or
2842 (iii) to the commission on or before the date required by Subsection (7)(d) for providing the
2843 notice, the commission shall transmit or deposit the revenues collected from the sales and use
2844 tax within the city or town in accordance with:

2845 (A) Subsection (9)(c); and

2846 (B) the most recent notice the commission received from the city or town legislative

2847 body under Subsection (7)(d).

2848 (10) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may,
2849 but is not required to, submit an opinion question to the county's, city's, or town's registered
2850 voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

2851 (11) (a) (i) Notwithstanding any other provision in this section, if the entire boundary
2852 of a county, city, or town is annexed into a large public transit district, to impose a sales and
2853 use tax under this section, the county, city, or town legislative body shall pass the ordinance to
2854 impose a sales and use tax under this section on or before June 30, 2022.

2855 (ii) If the entire boundary of a county, city, or town is annexed into a large public
2856 transit district, the county, city, or town legislative body may not pass the ordinance to impose
2857 a sales and use tax under this section on or after July 1, 2022.

2858 (b) Notwithstanding the deadline described in Subsection (11)(a), any sales and use tax
2859 imposed under this section on or before June 30, 2022, may remain in effect.

2860 Section 31. Section 59-12-2219 is amended to read:

2861 **59-12-2219. County, city, and town option sales and use tax for highways and**
2862 **public transit -- Base -- Rate -- Distribution and expenditure of revenue -- Revenue may**
2863 **not supplant existing budgeted transportation revenue.**

2864 (1) As used in this section:

2865 (a) "Class B road" means the same as that term is defined in Section 72-3-103.

2866 (b) "Class C road" means the same as that term is defined in Section 72-3-104.

2867 (c) "Eligible political subdivision" means a political subdivision that:

2868 (i) (A) on May 12, 2015, provides public transit services; or

2869 (B) after May 12, 2015, provides written notice to the commission in accordance with
2870 Subsection (10)(b) that it intends to provide public transit service within a county;

2871 (ii) is not a public transit district; and

2872 (iii) is not annexed into a public transit district.

2873 (d) "Public transit district" means a public transit district organized under Title 17B,
2874 Chapter 2a, Part 8, Public Transit District Act.

2875 (2) Subject to the other provisions of this part, and subject to Subsection (17), a county
2876 legislative body may impose a sales and use tax of .25% on the transactions described in
2877 Subsection 59-12-103(1) within the county, including the cities and towns within the county.

2878 (3) ~~[The]~~ Subject to Subsections (11) and (12), the commission shall distribute sales
2879 and use tax revenue collected under this section as provided in Subsections (4) through (10).

2880 (4) If the entire boundary of a county that imposes a sales and use tax under this section
2881 is annexed into a single public transit district, the commission shall distribute the sales and use
2882 tax revenue collected within the county as follows:

2883 (a) .10% shall be transferred to the public transit district in accordance with Section
2884 [59-12-2206](#);

2885 (b) .10% shall be distributed as provided in Subsection (8); and

2886 (c) .05% shall be distributed to the county legislative body.

2887 (5) If the entire boundary of a county that imposes a sales and use tax under this section
2888 is not annexed into a single public transit district, but a city or town within the county is
2889 annexed into a single public transit district that also has a county of the first class annexed into
2890 the same public transit district, the commission shall distribute the sales and use tax revenue
2891 collected within the county as follows:

2892 (a) for a city or town within the county that is annexed into a single public transit
2893 district, the commission shall distribute the sales and use tax revenue collected within that city
2894 or town as follows:

2895 (i) .10% shall be transferred to the public transit district in accordance with Section
2896 [59-12-2206](#);

2897 (ii) .10% shall be distributed as provided in Subsection (8); and

2898 (iii) .05% shall be distributed to the county legislative body;

2899 (b) for an eligible political subdivision within the county, the commission shall
2900 distribute the sales and use tax revenue collected within that eligible political subdivision as
2901 follows:

2902 (i) .10% shall be transferred to the eligible political subdivision in accordance with
2903 Section [59-12-2206](#);

2904 (ii) .10% shall be distributed as provided in Subsection (8); and

2905 (iii) .05% shall be distributed to the county legislative body; and

2906 (c) the commission shall distribute the sales and use tax revenue, except for the sales
2907 and use tax revenue described in Subsections (5)(a) and (b), as follows:

2908 (i) .10% shall be distributed as provided in Subsection (8); and

2909 (ii) .15% shall be distributed to the county legislative body.

2910 (6) For a county not described in Subsection (4) or (5), if the entire boundary of a
2911 county of the first or second class that imposes a sales and use tax under this section is not
2912 annexed into a single public transit district, or if there is not a public transit district within the
2913 county, the commission shall distribute the sales and use tax revenue collected within the
2914 county as follows:

2915 (a) for a city or town within the county that is annexed into a single public transit
2916 district, the commission shall distribute the sales and use tax revenue collected within that city
2917 or town as follows:

2918 (i) .10% shall be transferred to the public transit district in accordance with Section
2919 [59-12-2206](#);

2920 (ii) .10% shall be distributed as provided in Subsection (8); and

2921 (iii) .05% shall be distributed to the county legislative body;

2922 (b) for an eligible political subdivision within the county, the commission shall
2923 distribute the sales and use tax revenue collected within that eligible political subdivision as
2924 follows:

2925 (i) .10% shall be transferred to the eligible political subdivision in accordance with
2926 Section [59-12-2206](#);

2927 (ii) .10% shall be distributed as provided in Subsection (8); and

2928 (iii) .05% shall be distributed to the county legislative body; and

2929 (c) the commission shall distribute the sales and use tax revenue, except for the sales
2930 and use tax revenue described in Subsections (6)(a) and (b), as follows:

2931 (i) .10% shall be distributed as provided in Subsection (8); and

2932 (ii) .15% shall be distributed to the county legislative body.

2933 (7) For a county not described in Subsection (4) or (5), if the entire boundary of a
2934 county of the third, fourth, fifth, or sixth class that imposes a sales and use tax under this
2935 section is not annexed into a single public transit district, or if there is not a public transit
2936 district within the county, the commission shall distribute the sales and use tax revenue
2937 collected within the county as follows:

2938 (a) for a city or town within the county that is annexed into a single public transit

2939 district, the commission shall distribute the sales and use tax revenue collected within that city

2940 or town as follows:

2941 (i) .10% shall be distributed as provided in Subsection (8);

2942 (ii) .10% shall be distributed as provided in Subsection (9); and

2943 (iii) .05% shall be distributed to the county legislative body;

2944 (b) for an eligible political subdivision within the county, the commission shall

2945 distribute the sales and use tax revenue collected within that eligible political subdivision as

2946 follows:

2947 (i) .10% shall be distributed as provided in Subsection (8);

2948 (ii) .10% shall be distributed as provided in Subsection (9); and

2949 (iii) .05% shall be distributed to the county legislative body; and

2950 (c) the commission shall distribute the sales and use tax revenue, except for the sales

2951 and use tax revenue described in Subsections (7)(a) and (b), as follows:

2952 (i) .10% shall be distributed as provided in Subsection (8); and

2953 (ii) .15% shall be distributed to the county legislative body.

2954 (8) (a) Subject to Subsection (8)(b), the commission shall make the distributions

2955 required by Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i),

2956 (7)(a)(i), (7)(b)(i), (7)(c)(i), ~~and~~ (9)(d)(ii)(A), and (12)(c)(i) as follows:

2957 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),

2958 (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), ~~and~~ (9)(d)(ii)(A), and

2959 (12)(c)(i) within the counties and cities that impose a tax under this section shall be distributed

2960 to the unincorporated areas, cities, and towns within those counties and cities on the basis of

2961 the percentage that the population of each unincorporated area, city, or town bears to the total

2962 population of all of the counties and cities that impose a tax under this section; and

2963 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii),

2964 (5)(c)(i), (6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), ~~and~~ (9)(d)(ii)(A), and

2965 (12)(c)(i) within the counties and cities that impose a tax under this section shall be distributed

2966 to the unincorporated areas, cities, and towns within those counties and cities on the basis of

2967 the location of the transaction as determined under Sections 59-12-211 through 59-12-215.

2968 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis

2969 of the most recent official census or census estimate of the United States Census Bureau.

2970 (ii) If a needed population estimate is not available from the United States Census

2971 Bureau, population figures shall be derived from an estimate from the Utah Population
2972 Estimates Committee created by executive order of the governor.

2973 (9) (a) (i) Subject to the requirements in Subsections (9)(b) and (c), a county legislative
2974 body:

2975 (A) for a county that obtained approval from a majority of the county's registered
2976 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,
2977 may, in consultation with any cities, towns, or eligible political subdivisions within the county,
2978 and in compliance with the requirements for changing an allocation under Subsection (9)(e),
2979 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
2980 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
2981 public transit district or an eligible political subdivision; or

2982 (B) for a county that obtains approval from a majority of the county's registered voters
2983 voting on the imposition of a sales and use tax under this section on or after May 10, 2016,
2984 shall, in consultation with any cities, towns, or eligible political subdivisions within the county,
2985 allocate the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) by adopting a resolution specifying
2986 the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a
2987 public transit district or an eligible political subdivision.

2988 (ii) If a county described in Subsection (9)(a)(i)(A) does not allocate the revenue under
2989 Subsection (7)(a)(ii) or (7)(b)(ii) in accordance with Subsection (9)(a)(i)(A), the commission
2990 shall distribute 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to:

2991 (A) a public transit district for a city or town within the county that is annexed into a
2992 single public transit district; or

2993 (B) an eligible political subdivision within the county.

2994 (b) If a county legislative body allocates the revenue as described in Subsection
2995 (9)(a)(i), the county legislative body shall allocate not less than 25% of the revenue under
2996 Subsection (7)(a)(ii) or (7)(b)(ii) to:

2997 (i) a public transit district for a city or town within the county that is annexed into a
2998 single public transit district; or

2999 (ii) an eligible political subdivision within the county.

3000 (c) Notwithstanding Section 59-12-2208, the opinion question required by Section
3001 59-12-2208 shall state the allocations the county legislative body makes in accordance with this

3002 Subsection (9).

3003 (d) The commission shall make the distributions required by Subsection (7)(a)(ii) or
3004 (7)(b)(ii) as follows:

3005 (i) the percentage specified by a county legislative body shall be distributed in
3006 accordance with a resolution adopted by a county legislative body under Subsection (9)(a) to an
3007 eligible political subdivision or a public transit district within the county; and

3008 (ii) except as provided in Subsection (9)(a)(ii), if a county legislative body allocates
3009 less than 100% of the revenue under Subsection (7)(a)(ii) or (7)(b)(ii) to a public transit district
3010 or an eligible political subdivision, the remainder of the revenue under Subsection (7)(a)(ii) or
3011 (7)(b)(ii) not allocated by a county legislative body through a resolution under Subsection
3012 (9)(a) shall be distributed as follows:

3013 (A) 50% of the revenue as provided in Subsection (8); and

3014 (B) 50% of the revenue to the county legislative body.

3015 (e) If a county legislative body seeks to change an allocation specified in a resolution
3016 under Subsection (9)(a), the county legislative body may change the allocation by:

3017 (i) adopting a resolution in accordance with Subsection (9)(a) specifying the percentage
3018 of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be allocated to a public transit
3019 district or an eligible political subdivision;

3020 (ii) obtaining approval to change the allocation of the sales and use tax by a majority of
3021 all the members of the county legislative body; and

3022 (iii) subject to Subsection (9)(f):

3023 (A) in accordance with Section [59-12-2208](#), submitting an opinion question to the
3024 county's registered voters voting on changing the allocation so that each registered voter has the
3025 opportunity to express the registered voter's opinion on whether the allocation should be
3026 changed; and

3027 (B) in accordance with Section [59-12-2208](#), obtaining approval to change the
3028 allocation from a majority of the county's registered voters voting on changing the allocation.

3029 (f) Notwithstanding Section [59-12-2208](#), the opinion question required by Subsection
3030 (9)(e)(iii)(A) shall state the allocations specified in the resolution adopted in accordance with
3031 Subsection (9)(e) and approved by the county legislative body in accordance with Subsection
3032 (9)(e)(ii).

3033 (g) (i) If a county makes an allocation by adopting a resolution under Subsection (9)(a)
3034 or changes an allocation by adopting a resolution under Subsection (9)(e), the allocation shall
3035 take effect on the first distribution the commission makes under this section after a 90-day
3036 period that begins on the date the commission receives written notice meeting the requirements
3037 of Subsection (9)(g)(ii) from the county.

3038 (ii) The notice described in Subsection (9)(g)(i) shall state:

3039 (A) that the county will make or change the percentage of an allocation under
3040 Subsection (9)(a) or (e); and

3041 (B) the percentage of revenue under Subsection (7)(a)(ii) or (7)(b)(ii) that will be
3042 allocated to a public transit district or an eligible political subdivision.

3043 (10) (a) If a public transit district is organized after the date a county legislative body
3044 first imposes a tax under this section, a change in a distribution required by this section may
3045 not take effect until the first distribution the commission makes under this section after a
3046 90-day period that begins on the date the commission receives written notice from the public
3047 transit district of the organization of the public transit district.

3048 (b) If an eligible political subdivision intends to provide public transit service within a
3049 county after the date a county legislative body first imposes a tax under this section, a change
3050 in a distribution required by this section may not take effect until the first distribution the
3051 commission makes under this section after a 90-day period that begins on the date the
3052 commission receives written notice from the eligible political subdivision stating that the
3053 eligible political subdivision intends to provide public transit service within the county.

3054 (11) (a) (i) Notwithstanding Subsections (4) through (10), for a county that has not
3055 imposed a sales and use tax under this section before May 8, 2018, and if the county imposes a
3056 sales and use tax under this section before June 30, 2019, the commission shall distribute all of
3057 the sales and use tax revenue collected by the county before June 30, 2019, to the county for
3058 the purposes described in Subsection (11)(a)(ii).

3059 (ii) For any revenue collected by a county pursuant to Subsection (11)(a)(i) before June
3060 30, 2019, the county may expend that revenue for:

3061 (A) reducing transportation related debt;

3062 (B) a regionally significant transportation facility; or

3063 (C) a public transit project of regional significance.

3064 (b) For a county that has not imposed a sales and use tax under this section before May
3065 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019,
3066 the commission shall distribute the sales and use tax revenue collected by the county on or after
3067 July 1, 2019, as described in Subsections (4) through (10).

3068 (c) Subject to Subsection (12), for a county that has not imposed a sales and use tax
3069 under this section before June 30, 2019, if the entire boundary of that county is annexed into a
3070 large public transit district, and if the county imposes a sales and use tax under this section on
3071 or after July 1, 2019, the commission shall distribute the sales and use tax revenue collected by
3072 the county as described in Subsections (4) through (10).

3073 (12) (a) Beginning on July 1, 2020, if a county has not imposed a sales and use tax
3074 under this section, subject to the provisions of this part, the legislative body of a city or town
3075 described in Subsection (12)(b) may impose a .25% sales and use tax on the transactions
3076 described in Subsection 59-12-103(1) within the city or town.

3077 (b) The following cities or towns may impose the sales and use tax as described in
3078 Subsection (12)(a):

3079 (i) in a county of the first, second, or third class, a city or town that:

3080 (A) has been annexed into a public transit district; or

3081 (B) is an eligible political subdivision; or

3082 (ii) a city or town that:

3083 (A) is in a county of the third or smaller class; and

3084 (B) has been annexed into a large public transit district.

3085 (c) If a city or town imposes a sales and use tax as provided in this section, the
3086 commission shall distribute the sales and use tax revenue collected by the city or town as
3087 follows:

3088 (i) .125% to the city or town that imposed the sales and use tax, to be distributed as
3089 provided in Subsection (8); and

3090 (ii) .125%, as applicable, to:

3091 (A) the large public transit district in which the city or town is annexed; or

3092 (B) the eligible political subdivision for public transit services.

3093 (d) If a city or town imposes a sales and use tax under this section and the county
3094 subsequently imposes a sales and use tax under this section, the commission shall distribute the

3095 sales and use tax revenue collected within the city or town as described in Subsection (12)(c).

3096 ~~[(11)]~~ (13) A county, city, or town may expend revenue collected from a tax under this
 3097 section, except for revenue the commission distributes in accordance with Subsection (4)(a),
 3098 (5)(a)(i), (5)(b)(i), or (9)(d)(i) for:

3099 (a) a class B road;

3100 (b) a class C road;

3101 (c) traffic and pedestrian safety, including for a class B road or class C road, for:

3102 (i) a sidewalk;

3103 (ii) curb and gutter;

3104 (iii) a safety feature;

3105 (iv) a traffic sign;

3106 (v) a traffic signal;

3107 (vi) street lighting; or

3108 (vii) a combination of Subsections ~~[(11)]~~ (13)(c)(i) through (vi);

3109 (d) the construction, maintenance, or operation of an active transportation facility that
 3110 is for nonmotorized vehicles and multimodal transportation and connects an origin with a
 3111 destination;

3112 (e) public transit system services; or

3113 (f) a combination of Subsections ~~[(11)]~~ (13)(a) through (e).

3114 ~~[(12)]~~ (14) A public transit district or an eligible political subdivision may expend
 3115 revenue the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), (5)(b)(i), or
 3116 (9)(d)(i) for capital expenses and service delivery expenses of the public transit district or
 3117 eligible political subdivision.

3118 ~~[(13)]~~ (15) (a) Revenue collected from a sales and use tax under this section may not be
 3119 used to supplant existing general fund appropriations that a county, city, or town has budgeted
 3120 for transportation as of the date the tax becomes effective for a county, city, or town.

3121 (b) The limitation under Subsection ~~[(13)]~~ (15)(a) does not apply to a designated
 3122 transportation capital or reserve account a county, city, or town may have established prior to
 3123 the date the tax becomes effective.

3124 (16) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may,
 3125 but is not required to, submit an opinion question to the county's, city's, or town's registered

3126 voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under this section.

3127 (17) (a) (i) (A) Notwithstanding any other provision in this section, to impose a sales
3128 and use tax under this section, the city or town legislative body shall pass the ordinance to
3129 impose a sales and use tax under this section on or before June 30, 2022.

3130 (B) A city legislative body may not pass an ordinance to impose a sales and use tax
3131 under this section on or after July 1, 2022.

3132 (ii) (A) Notwithstanding any other provision in this section, if the entire boundary of a
3133 county is annexed into a large public transit district, to impose a sales and use tax under this
3134 section, the county legislative body shall pass the ordinance to impose a sales and use tax under
3135 this section on or before June 30, 2022.

3136 (B) If the entire boundary of a county is annexed into a large public transit district, the
3137 county legislative body may not pass an ordinance to impose a sales and use tax under this
3138 section on or after July 1, 2022.

3139 (b) Notwithstanding the deadline described in Subsection (17)(a), any sales and use tax
3140 imposed under this section on or before June 30, 2022, may remain in effect.

3141 Section 32. Section **63G-6a-1402** is amended to read:

3142 **63G-6a-1402. Procurement of design-build transportation project contracts.**

3143 (1) As used in this section:

3144 (a) "Design-build transportation project contract" means the procurement of both the
3145 design and construction of a transportation project in a single contract with a company or
3146 combination of companies capable of providing the necessary engineering services and
3147 construction.

3148 (b) "Transportation agency" means:

3149 (i) the Department of Transportation;

3150 (ii) a county of the first or second class, as defined in Section [17-50-501](#);

3151 (iii) a municipality of the first class, as defined in Section [10-2-301](#);

3152 (iv) a large public transit district [~~that has more than 200,000 people residing within its~~
3153 ~~boundaries~~] as defined in Section [17B-2a-802](#); and

3154 (v) a public airport authority.

3155 (2) Except as provided in Subsection (3), a transportation agency may award a
3156 design-build transportation project contract for any transportation project that has an estimated

3157 cost of at least \$50,000,000 by following the requirements of this section.

3158 (3) (a) The Department of Transportation:

3159 (i) may award a design-build transportation project contract for any transportation
3160 project by following the requirements of this section; and

3161 (ii) shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
3162 Rulemaking Act, establishing requirements for the procurement of its design-build
3163 transportation project contracts in addition to those required by this section.

3164 (b) A public transit district that has more than 200,000 people residing within its
3165 boundaries:

3166 (i) may award a design-build transportation project contract for any transportation
3167 project by following the requirements of this section; and

3168 (ii) shall pass ordinances or a resolution establishing requirements for the procurement
3169 of its design-build transportation project contracts in addition to those required by this section.

3170 (c) A design-build transportation project contract authorized under this Subsection (3)
3171 is not subject to the estimated cost threshold described in Subsection (2).

3172 (d) A design-build transportation project contract may include provision by the
3173 contractor of operations, maintenance, or financing.

3174 (4) (a) Before entering into a design-build transportation project contract, a
3175 transportation agency may issue a request for qualifications to prequalify potential contractors.

3176 (b) Public notice of the request for qualifications shall be given in accordance with
3177 board rules.

3178 (c) A transportation agency shall require, as part of the qualifications specified in the
3179 request for qualifications, that potential contractors at least demonstrate their:

3180 (i) construction experience;

3181 (ii) design experience;

3182 (iii) financial, manpower, and equipment resources available for the project; and

3183 (iv) experience in other design-build transportation projects with attributes similar to
3184 the project being procured.

3185 (d) The request for qualifications shall identify the number of eligible competing
3186 proposers that the transportation agency will select to submit a proposal, which may not be less
3187 than two.

- 3188 (5) The transportation agency shall:
- 3189 (a) evaluate the responses received from the request for qualifications;
- 3190 (b) select from their number those qualified to submit proposals; and
- 3191 (c) invite those respondents to submit proposals based upon the transportation agency's
- 3192 request for proposals.
- 3193 (6) If the transportation agency fails to receive at least two qualified eligible competing
- 3194 proposals, the transportation agency shall readvertise the project.
- 3195 (7) The transportation agency shall issue a request for proposals to those qualified
- 3196 respondents that:
- 3197 (a) includes a scope of work statement constituting an information for proposal that
- 3198 may include:
- 3199 (i) preliminary design concepts;
- 3200 (ii) design criteria, needs, and objectives;
- 3201 (iii) warranty and quality control requirements;
- 3202 (iv) applicable standards;
- 3203 (v) environmental documents;
- 3204 (vi) constraints;
- 3205 (vii) time expectations or limitations;
- 3206 (viii) incentives or disincentives; and
- 3207 (ix) other special considerations;
- 3208 (b) requires submitters to provide:
- 3209 (i) a sealed cost proposal;
- 3210 (ii) a critical path matrix schedule, including cash flow requirements;
- 3211 (iii) proposal security; and
- 3212 (iv) other items required by the department for the project; and
- 3213 (c) may include award of a stipulated fee to be paid to offerors who submit
- 3214 unsuccessful proposals.
- 3215 (8) The transportation agency shall:
- 3216 (a) evaluate the submissions received in response to the request for proposals from the
- 3217 prequalified offerors;
- 3218 (b) comply with rules relating to discussion of proposals, best and final offers, and

3219 evaluations of the proposals submitted; and

3220 (c) after considering price and other identified factors, award the contract to the
3221 responsible offeror whose responsive proposal is most advantageous to the transportation
3222 agency or the state.

3223 Section 33. Section **67-5-3** is amended to read:

3224 **67-5-3. "Agency" defined -- Performance of legal services for agencies -- Billing.**

3225 (1) As used in this act, "agency" means a department, division, agency, commission,
3226 board, council, committee, authority, institution, [or] other entity within the state government
3227 of Utah, or a large public transit district as defined in Section [17B-2a-802](#).

3228 (2) (a) The attorney general may assign a legal assistant to perform legal services for
3229 any agency of state government.

3230 (b) The attorney general shall bill that agency for the legal services performed, if:

3231 (i) the agency billed receives federal funds to pay for the legal services rendered; [or]

3232 (ii) the agency collects funds from any other source in the form of fees, costs, interest,
3233 fines, penalties, forfeitures, or other proceeds reserved or designated for the payment of legal
3234 fees sufficient to pay for all or a portion of the legal services rendered[.]; or

3235 (iii) the agency is a large public transit district as defined in Section [17B-2a-802](#).

3236 (c) An agency may deduct any unreimbursed costs and expenses incurred by the agency
3237 in connection with the legal services rendered.

3238 Section 34. Section **72-1-102** is amended to read:

3239 **72-1-102. Definitions.**

3240 As used in this title:

3241 (1) "Commission" means the Transportation Commission created under Section
3242 [72-1-301](#).

3243 (2) "Construction" means the construction, reconstruction, replacement, and
3244 improvement of the highways, including the acquisition of rights-of-way and material sites.

3245 (3) "Department" means the Department of Transportation created in Section [72-1-201](#).

3246 (4) "Executive director" means the executive director of the department appointed
3247 under Section [72-1-202](#).

3248 (5) "Farm tractor" has the meaning set forth in Section [41-1a-102](#).

3249 (6) "Federal aid primary highway" means that portion of connected main highways

3250 located within this state officially designated by the department and approved by the United
3251 States Secretary of Transportation under Title 23, Highways, U.S.C.

3252 (7) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel,
3253 culvert, bridge, or structure laid out or erected for public use, or dedicated or abandoned to the
3254 public, or made public in an action for the partition of real property, including the entire area
3255 within the right-of-way.

3256 (8) "Highway authority" means the department or the legislative, executive, or
3257 governing body of a county or municipality.

3258 (9) "Implement of husbandry" has the meaning set forth in Section [41-1a-102](#).

3259 (10) "Interstate system" means any highway officially designated by the department
3260 and included as part of the national interstate and defense highways, as provided in the Federal
3261 Aid Highway Act of 1956 and any supplemental acts or amendments.

3262 (11) "Limited-access facility" means a highway especially designated for through
3263 traffic, and over, from, or to which neither owners nor occupants of abutting lands nor other
3264 persons have any right or easement, or have only a limited right or easement of access, light,
3265 air, or view.

3266 (12) "Motor vehicle" has the same meaning set forth in Section [41-1a-102](#).

3267 (13) "Municipality" has the same meaning set forth in Section [10-1-104](#).

3268 (14) "National highway systems highways" means that portion of connected main
3269 highways located within this state officially designated by the department and approved by the
3270 United States Secretary of Transportation under Title 23, Highways, U.S.C.

3271 (15) (a) "Port-of-entry" means a fixed or temporary facility constructed, operated, and
3272 maintained by the department where drivers, vehicles, and vehicle loads are checked or
3273 inspected for compliance with state and federal laws as specified in Section [72-9-501](#).

3274 (b) "Port-of-entry" includes inspection and checking stations and weigh stations.

3275 (16) "Port-of-entry agent" means a person employed at a port-of-entry to perform the
3276 duties specified in Section [72-9-501](#).

3277 (17) "Public transit facility" means a transit vehicle, transit station, depot, passenger
3278 loading or unloading zone, parking lot, or other facility:

3279 (a) leased by or operated by or on behalf of a public transit district; and

3280 (b) related to the public transit services provided by the district, including:

3281 (i) railway or other right-of-way;
 3282 (ii) railway line; and
 3283 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by
 3284 a transit vehicle.

3285 [~~17~~] (18) "Right-of-way" means real property or an interest in real property, usually
 3286 in a strip, acquired for or devoted to a highway.

3287 [~~18~~] (19) "Sealed" does not preclude acceptance of electronically sealed and submitted
 3288 bids or proposals in addition to bids or proposals manually sealed and submitted.

3289 [~~19~~] (20) "Semitrailer" has the meaning set forth in Section 41-1a-102.

3290 [~~20~~] (21) "SR" means state route and has the same meaning as state highway as
 3291 defined in this section.

3292 [~~21~~] (22) "State highway" means those highways designated as state highways in
 3293 Title 72, Chapter 4, Designation of State Highways Act.

3294 [~~22~~] (23) "State highway purposes" has the meaning set forth in Section 72-5-102.

3295 [~~23~~] (24) "State transportation systems" means all streets, alleys, roads, highways,
 3296 and thoroughfares of any kind, including connected structures, airports, spaceports, public
 3297 transit facilities, and all other modes and forms of conveyance used by the public.

3298 [~~24~~] (25) "Trailer" has the meaning set forth in Section 41-1a-102.

3299 [~~25~~] (26) "Truck tractor" has the meaning set forth in Section 41-1a-102.

3300 [~~26~~] (27) "UDOT" means the Utah Department of Transportation.

3301 [~~27~~] (28) "Vehicle" has the same meaning set forth in Section 41-1a-102.

3302 Section 35. Section 72-1-202 is amended to read:

3303 **72-1-202. Executive director of department -- Appointment -- Qualifications --**
 3304 **Term -- Responsibility -- Power to bring suits -- Salary.**

3305 (1) (a) The governor, after consultation with the commission and with the consent of
 3306 the Senate, shall appoint an executive director to be the chief executive officer of the
 3307 department.

3308 (b) The executive director shall be a qualified executive with technical and
 3309 administrative experience and training appropriate for the position.

3310 (c) The executive director shall remain in office until a successor is appointed.

3311 (d) The executive director may be removed by the governor.

3312 (2) In addition to the other functions, powers, duties, rights, and responsibilities
3313 prescribed in this chapter, the executive director shall:

3314 (a) have responsibility for the administrative supervision of the state transportation
3315 systems and the various operations of the department;

3316 (b) have the responsibility for the implementation of rules, priorities, and policies
3317 established by the department and the commission;

3318 (c) have the responsibility for the oversight and supervision of any transportation
3319 project for which state funds are expended;

3320 ~~[(c)]~~ (d) have full power to bring suit in courts of competent jurisdiction in the name of
3321 the department as the executive director considers reasonable and necessary for the proper
3322 attainment of the goals of this chapter;

3323 ~~[(d)]~~ (e) receive a salary, to be established by the governor within the salary range fixed
3324 by the Legislature in Title 67, Chapter 22, State Officer Compensation, together with actual
3325 traveling expenses while away from the executive director's office on official business; and

3326 ~~[(e)]~~ (f) purchase all necessary equipment and supplies for the department.

3327 Section 36. Section **72-1-203** is amended to read:

3328 **72-1-203. Deputy director -- Appointment -- Qualifications -- Other assistants**
3329 **and advisers -- Salaries.**

3330 (1) The executive director shall appoint ~~[a deputy director, who shall be a registered~~
3331 ~~professional engineer in the state and]~~ two deputy directors, who shall serve at the discretion of
3332 the executive director.

3333 (2) (a) The deputy director of engineering and operations shall be a registered
3334 professional engineer in the state and is the chief engineer of the department. The deputy
3335 director of engineering and operations shall assist the executive director ~~[and is responsible for]~~
3336 with areas of responsibility including:

3337 ~~[(a) program and project development; and]~~

3338 ~~[(b) operation and maintenance of the state transportation systems.]~~

3339 (i) project development;

3340 (ii) oversight of the management of the region offices described in Section [72-1-205](#);

3341 (iii) management of operations; and

3342 (iv) oversight of operations of motor carriers and ports.

3343 (b) The deputy director of planning and investment shall assist the executive director
3344 with areas of responsibility including:

3345 (i) oversight and coordination of planning, including:

3346 (A) development of statewide strategic initiatives for planning across all modes of
3347 transportation;

3348 (B) coordination with metropolitan planning organizations and local governments; and

3349 (C) corridor and area planning;

3350 (ii) asset management;

3351 (iii) programming and prioritization of transportation projects;

3352 (iv) fulfilling requirements for environmental studies and impact statements; and

3353 (v) resource investment, including identification and development of public-private
3354 partnership opportunities.

3355 (3) The executive director may also appoint assistants to administer the divisions of the
3356 department. These assistants shall serve at the discretion of the executive director.

3357 (4) In addition, the executive director may employ other assistants and advisers as the
3358 executive director finds necessary and fix salaries in accordance with the salary standards
3359 adopted by the Department of Human Resource Management.

3360 Section 37. Section **72-1-204** is amended to read:

3361 **72-1-204. Divisions enumerated -- Duties.**

3362 The divisions of the department are:

3363 (1) the Comptroller Division responsible for:

3364 (a) all financial aspects of the department, including budgeting, accounting, and
3365 contracting;

3366 (b) providing all material data and documentation necessary for effective fiscal
3367 planning and programming; and

3368 (c) procuring administrative supplies;

3369 (2) the Internal Audit Division responsible for:

3370 (a) conducting and verifying all internal audits and reviews within the department;

3371 (b) performing financial and compliance audits to determine the allowability and
3372 reasonableness of proposals, accounting records, and final costs of consultants, contractors,
3373 utility companies, and other entities used by the department; and

- 3374 (c) implementing audit procedures that meet or exceed generally accepted auditing
3375 standards relating to revenues, expenditures, and funding;
- 3376 (3) the Communications Division responsible for:
- 3377 (a) developing, managing, and implementing the department's public hearing processes
3378 and programs;
- 3379 (b) responding to public complaints, requests, and input;
- 3380 (c) assisting the divisions and regions in the department's public involvement
3381 programs;
- 3382 (d) developing and managing internal department communications; and
- 3383 (e) managing and overseeing department media relations;
- 3384 (4) the Program Development Division responsible for:
- 3385 (a) developing transportation plans for state transportation systems;
- 3386 (b) collecting, processing, and storing transportation data to support department's
3387 engineering functions;
- 3388 (c) maintaining and operating the asset management systems;
- 3389 (d) designating state transportation systems qualifications;
- 3390 (e) developing a statewide transportation improvement program for approval by the
3391 commission;
- 3392 (f) providing cartographic services to the department;
- 3393 (g) assisting local governments in participating in federal-aid transportation programs;
3394 and
- 3395 (h) providing research services associated with transportation programs;
- 3396 (5) the Project Development Division responsible for:
- 3397 (a) developing statewide standards for project design and construction;
- 3398 (b) providing support for project development in the areas of design environment,
3399 right-of-way, materials testing, structures, value engineering, and construction; and
- 3400 (c) designing specialty projects; [and]
- 3401 (6) the Operations Division responsible for:
- 3402 (a) maintaining the state transportation systems;
- 3403 (b) state transportation systems safety;
- 3404 (c) operating state ports-of-entry;

- 3405 (d) operating state motor carrier safety programs in accordance with this title and
- 3406 federal law;
- 3407 (e) aeronautical operations;
- 3408 (f) providing equipment for department engineering and maintenance functions; and
- 3409 (g) risk management[-]; and
- 3410 (7) the Planning and Investment Division responsible for:
- 3411 (a) creating and managing an intermodal terminal facility to promote economic
- 3412 development and investment;
- 3413 (b) promoting strategies to synergize development of an intermodal inland port; and
- 3414 (c) overseeing and coordinating public-private partnerships.

3415 Section 38. Section **72-1-208** is amended to read:

3416 **72-1-208. Cooperation with counties, cities, towns, the federal government, and**

3417 **all state departments -- Inspection of work done by a public transit district.**

3418 (1) The department shall cooperate with the counties, cities, towns, and community

3419 reinvestment agencies in the construction, maintenance, and use of the highways and in all

3420 related matters, and may provide services to the counties, cities, towns, and community

3421 reinvestment agencies on terms mutually agreed upon.

3422 (2) The department, with the approval of the governor, shall cooperate with the federal

3423 government in all federal-aid projects and with all state departments in all matters in

3424 connection with the use of the highways.

3425 (3) The department:

3426 (a) shall inspect all work done by a public transit district under Title 17B, Chapter 2a,

3427 Part 8, Public Transit District Act, relating to safety appliances and procedures; and

3428 (b) may make further additions or changes necessary for the purpose of safety to

3429 employees and the general public.

3430 (4) (a) The department may assume responsibility for any public transit project that

3431 traverses any portion of the state highway systems.

3432 (b) To determine whether the department will assume responsibility for a public transit

3433 project, the executive director and the public transit agency proposing the development shall

3434 jointly determine whether the department will assume responsibility.

3435 Section 39. Section **72-1-211** is amended to read:

3436 **72-1-211. Department to develop strategic initiatives -- Report -- Rulemaking.**

3437 (1) (a) The executive director shall develop statewide strategic initiatives [for the
3438 ~~department~~] across all modes of transportation.

3439 (b) To develop the strategic initiatives described in Subsection (1)(a), the executive
3440 director shall consult with the commission and relevant stakeholders, including:

3441 (i) metropolitan planning organizations;

3442 (ii) county and municipal governments;

3443 (iii) transit districts; and

3444 (iv) other transportation stakeholders.

3445 (c) To develop the strategic initiatives described in Subsection (1)(a), the executive
3446 director shall consider:

3447 (i) regional transportation plans developed by metropolitan planning organizations;

3448 (ii) local transportation plans developed by county and municipal governments;

3449 (iii) public transit plans developed by public transit districts; and

3450 (iv) other relevant transportation plans developed by other stakeholders.

3451 (d) To develop the strategic initiatives described in Subsection (1)(a), the executive
3452 director shall consider projected major centers of economic activity, population growth, and
3453 job centers.

3454 (2) (a) The strategic initiatives developed under Subsection (1) shall include
3455 consideration of the following factors:

3456 [~~(a)~~] (i) corridor preservation;

3457 (ii) congestion reduction;

3458 (iii) economic development and job creation;

3459 (iv) asset management;

3460 (v) sustainability;

3461 (vi) optimization of return on investment;

3462 [~~(b)~~] (vii) development of new transportation capacity projects;

3463 [~~(c)~~] (viii) long-term maintenance and operations of the transportation system;

3464 [~~(d)~~] (ix) safety;

3465 [~~(e)~~] (x) incident management; [and]

3466 [~~(f)~~] (xi) homeland security[-];

3467 (xii) mobility and access; and

3468 (xiii) transportation related air quality.

3469 (b) The strategic initiatives shall include an assessment of capacity needs and establish
3470 goals for corridors that meet all of the following:

3471 (i) high volume of travel and throughput;

3472 (ii) connection of projected major centers of economic activity, population growth, and
3473 future job centers;

3474 (iii) major freight corridors; and

3475 (iv) corridors accommodating multiple modes of travel.

3476 (3) (a) The executive director or the executive director's designee shall report the
3477 strategic initiatives of the department developed under Subsection (1) to the Transportation
3478 Commission and, before December 1 of each year, the Transportation Interim Committee.

3479 (b) The report required under Subsection (3)(a) shall include the measure that will be
3480 used to determine whether the strategic initiatives have been achieved.

3481 (4) After compliance with Subsection (3) and in accordance with Title 63G, Chapter 3,
3482 Utah Administrative Rulemaking Act, the department shall make rules establishing the
3483 strategic initiatives developed under this part.

3484 (5) The executive director shall ensure that the strategic initiatives developed under
3485 Subsection (1):

3486 (a) are reviewed and updated as needed, but no less frequent than every four years; and

3487 (b) cover at least a 20-year horizon.

3488 Section 40. Section **72-1-213** is amended to read:

3489 **72-1-213. Road usage charge study -- Recommendations.**

3490 (1) (a) The department shall[:-(1) continue to] study a road usage charge mileage-based
3491 revenue system, including a [potential] demonstration program, as an alternative to the motor
3492 and special tax[; and].

3493 [(2) make recommendations to the Legislature and other policymaking bodies on the
3494 potential use and future implementation of a road usage charge within the state.]

3495 (b) The demonstration program may consider:

3496 (i) the necessity of protecting all personally identifiable information used in reporting
3497 highway use;

- 3498 (ii) alternatives to recording and reporting highway use;
- 3499 (iii) alternatives to administration of a road usage charge program; and
- 3500 (iv) other factors as determined by the department.
- 3501 (2) (a) The department shall create a Road Usage Charge Advisory Committee to assist
- 3502 the department to conduct a road usage charge demonstration program.
- 3503 (b) The executive director shall appoint members of the committee, considering
- 3504 individuals with experience and expertise in the following areas:
- 3505 (i) telecommunications;
- 3506 (ii) data security and privacy;
- 3507 (iii) privacy rights advocacy organizations;
- 3508 (iv) transportation agencies with technical expertise;
- 3509 (v) national research;
- 3510 (vi) members of the Legislature;
- 3511 (vii) representatives from the State Tax Commission; and
- 3512 (viii) other relevant stakeholders as determined by the executive director.
- 3513 (c) The executive director or the executive director's designee shall serve as chair of the
- 3514 committee.
- 3515 (d) A member of the committee may not receive compensation or benefits for the
- 3516 member's service, but may receive per diem and travel expenses in accordance with:
- 3517 (i) Section [63A-3-106](#);
- 3518 (ii) Section [63A-3-107](#); and
- 3519 (iii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
- 3520 [63A-3-107](#).
- 3521 (e) The department shall provide staff support to the committee.
- 3522 (3) (a) Beginning in 2019, and no later than September 30 of each year, the department
- 3523 shall prepare and submit a report of its findings based on the results of the road usage charge
- 3524 demonstration program to the:
- 3525 (i) Road Usage Charge Advisory Committee created under Subsection (2);
- 3526 (ii) Transportation Commission;
- 3527 (iii) Transportation Interim Committee of the Legislature; and
- 3528 (iv) Revenue and Taxation Interim Committee of the Legislature.

- 3529 (b) The report shall review the following issues:
- 3530 (i) cost;
- 3531 (ii) privacy, including recommendations regarding public and private access, including
- 3532 by law enforcement, to data collected and stored for purposes of the road usage charge to
- 3533 ensure individual privacy rights are protected;
- 3534 (iii) jurisdictional issues;
- 3535 (iv) feasibility;
- 3536 (v) complexity;
- 3537 (vi) acceptance;
- 3538 (vii) use of revenues;
- 3539 (viii) security and compliance, including a discussion of processes and security
- 3540 measures necessary to minimize fraud and tax evasion rates;
- 3541 (ix) data collection technology, including a discussion of the advantages and
- 3542 disadvantages of various types of data collection equipment and the privacy implications and
- 3543 considerations of the equipment;
- 3544 (x) potential for additional driver services; and
- 3545 (xi) implementation issues.
- 3546 (c) The report may make recommendations to the Legislature and other policymaking
- 3547 bodies on the potential use and future implementation of a road usage charge within the state.
- 3548 (4) Upon full implementation of a road user charge program for alternative fuel
- 3549 vehicles, which shall occur no later than January 1, 2020, the department, in coordination with
- 3550 the Motor Vehicle Division, shall offer the option to an owner of an alternative fuel vehicle as
- 3551 defined in Section [41-1a-102](#) to:
- 3552 (a) pay an increased motor vehicle registration fee required in Subsection
- 3553 [41-1a-1206\(1\)\(h\)](#) or [\(2\)\(b\)](#); or
- 3554 (b) participate in a road user charge program.
- 3555 Section 41. Section **72-1-214** is amended to read:
- 3556 **72-1-214. Department designated as state safety oversight agency for rail fixed**
- 3557 **guideway public transportation safety -- Powers and duties -- Rulemaking.**
- 3558 (1) (a) Except as provided in Subsection (1)(b), as used in this section, "fixed
- 3559 guideway" means the same as that term is defined in Section [59-12-102](#).

3560 (b) For purposes of this section, "fixed guideway" does not include a rail system
3561 subject to regulation by the Federal Railroad Administration.

3562 (2) The department is designated as the state safety oversight agency for rail fixed
3563 guideway public transportation safety in accordance with 49 U.S.C. Sec. 5329(e)(4).

3564 (3) As the state safety oversight agency, the department may, to the extent necessary to
3565 fulfill the department's obligations under federal law:

3566 (a) enter into and inspect the property of a fixed guideway rail system receiving federal
3567 funds without prior notice to the operator;

3568 (b) audit an operator of a fixed guideway rail system receiving federal funds for
3569 compliance with:

3570 (i) federal and state laws regarding the safety of the fixed guideway rail system; and

3571 (ii) a public transportation agency safety plan adopted by a specific operator in
3572 accordance with 49 U.S.C. Sec. 5329(d);

3573 (c) direct the operator of a fixed guideway rail system to correct a safety hazard by a
3574 specified date and time;

3575 (d) prevent the operation of all or part of a fixed guideway rail system that the
3576 department has determined to be unsafe;

3577 (e) audit, review, approve, and oversee an operator of a fixed guideway rail system
3578 receiving federal funds for compliance with a plan adopted by the operator in compliance with
3579 49 U.S.C. Sec. 5329(d); and

3580 (f) enforce statutes, rules, regulations, and executive orders relating to the operation of
3581 a fixed guideway rail public transportation system in Utah.

3582 (4) The department shall, at least annually, provide a status report on the safety of the
3583 rail fixed guideway public transportation systems the department oversees to:

3584 (a) the Federal Transit Administration;

3585 (b) the governor; and

3586 (c) members of the board of any rail fixed guideway public transportation system that
3587 the department oversees in accordance with this section.

3588 (5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
3589 the department shall make rules necessary to administer and enforce this section[-], including
3590 rules providing for the legal and financial independence of state safety oversight agency

3591 activities and functions.

3592 (b) The rules made in accordance with Subsection (5)(a) shall conform to the
3593 requirements of and regulations enacted in accordance with 49 U.S.C. Sec. 5329.

3594 (6) (a) Notwithstanding any other agreement, a county, city, or town with fixed
3595 guideway rail transit service provided by a public transit district that is subject to safety
3596 oversight as provided in this section may request local option transit sales tax in accordance
3597 with Section 59-12-2206 and spend local option transit sales tax in the amount requested by the
3598 department to meet nonfederal match requirements for costs of safety oversight described in
3599 this section.

3600 (b) A county, city, or town that requests local option transit sales tax as described in
3601 Subsection (6)(a) shall transmit to the department all of the funds requested under Subsection
3602 (6)(a) and transmitted to the county, city, or town under Subsection 59-12-2206(5)(b).

3603 (c) A county, city, or town that requests local option transit sales tax as described in
3604 Subsection (6)(a) may not request more local option transit sales tax than is necessary to carry
3605 out the state safety oversight functions under this section and the amount shall only reflect a
3606 maximum of 20% nonfederal match requirement of eligible costs of state safety oversight.

3607 Section 42. Section 72-1-303 is amended to read:

3608 **72-1-303. Duties of commission.**

3609 (1) The commission has the following duties:

3610 (a) determining priorities and funding levels of projects in the state transportation
3611 systems and capital development of new public transit facilities for each fiscal year based on
3612 project lists compiled by the department and taking into consideration the strategic initiatives
3613 described in Section 72-1-211;

3614 (b) determining additions and deletions to state highways under Chapter 4, Designation
3615 of State Highways Act;

3616 (c) holding public hearings and otherwise providing for public input in transportation
3617 matters;

3618 (d) making policies and rules in accordance with Title 63G, Chapter 3, Utah
3619 Administrative Rulemaking Act, necessary to perform the commission's duties described under
3620 this section;

3621 (e) in accordance with Section 63G-4-301, reviewing orders issued by the executive

3622 director in adjudicative proceedings held in accordance with Title 63G, Chapter 4,
3623 Administrative Procedures Act;

3624 (f) advising the department in state transportation systems policy;

3625 (g) approving settlement agreements of condemnation cases subject to Section
3626 63G-10-401;

3627 (h) in accordance with Section 17B-2a-807, appointing a commissioner to serve as a
3628 nonvoting, ex officio member or a voting member on the board of trustees of a public transit
3629 district;

3630 (i) in accordance with Section 17B-2a-808, reviewing, at least annually, the short-term
3631 and long-range public transit plans; and

3632 (j) reviewing administrative rules made, amended, or repealed by the department.

3633 (2) (a) For projects prioritized with funding provided under Sections 72-2-124 and
3634 72-2-125, the commission shall annually report to a committee designated by the Legislative
3635 Management Committee:

3636 (i) a prioritized list of the new transportation capacity projects in the state
3637 transportation system and the funding levels available for those projects; and

3638 (ii) the unfunded highway construction and maintenance needs within the state.

3639 (b) The committee designated by the Legislative Management Committee under
3640 Subsection (2)(a) shall:

3641 (i) review the list reported by the Transportation Commission; and

3642 (ii) make a recommendation to the Legislature on:

3643 (A) the amount of additional funding to allocate to transportation; and

3644 (B) the source of revenue for the additional funding allocation under Subsection
3645 (2)(b)(ii)(A).

3646 (3) The commission shall review and may approve plans for the construction of a
3647 highway facility over sovereign lakebed lands in accordance with Chapter 6, Part 3, Approval
3648 of Highway Facilities on Sovereign Lands Act.

3649 Section 43. Section 72-1-304 is amended to read:

3650 **72-1-304. Written project prioritization process for new transportation capacity**
3651 **projects -- Rulemaking.**

3652 (1) (a) The Transportation Commission, in consultation with the department and the

3653 metropolitan planning organizations as defined in Section [72-1-208.5](#), shall develop a written
3654 prioritization process for the prioritization of new transportation capacity projects that are or
3655 will be part of the state highway system under Chapter 4, Part 1, State Highways, or public
3656 transit projects that add capacity to the public transit systems within the state.

3657 (b) (i) A local government or district may nominate a project for prioritization in
3658 accordance with the process established by the commission in rule.

3659 (ii) If a local government or district nominates a project for prioritization by the
3660 commission, the local government or district shall provide data and evidence to show that:

3661 (A) the project will advance the purposes and goals described in Section [72-1-211](#);

3662 (B) for a public transit project, the local government or district has an ongoing funding
3663 source for operations and maintenance of the proposed development; and

3664 (C) the local government or district will provide 40% of the funds for the project as
3665 required by Subsection [72-2-124\(7\)\(e\)](#).

3666 (2) The following shall be included in the written prioritization process under
3667 Subsection (1):

3668 (a) a description of how the strategic initiatives of the department adopted under
3669 Section [72-1-211](#) are advanced by the written prioritization process;

3670 (b) a definition of the type of projects to which the written prioritization process
3671 applies;

3672 (c) specification of a weighted criteria system that is used to rank proposed projects
3673 and how it will be used to determine which projects will be prioritized;

3674 (d) specification of the data that is necessary to apply the weighted ranking criteria; and

3675 (e) any other provisions the commission considers appropriate[-], which may include
3676 consideration of:

3677 (i) regional and statewide economic development impacts, including improved local
3678 access to:

3679 (A) employment;

3680 (B) recreation;

3681 (C) commerce; and

3682 (D) residential areas;

3683 (ii) the extent to which local land use plans relevant to a project support and

3684 accomplish the strategic initiatives adopted under Section 72-1-211; and

3685 (iii) any matching funds provided by a political subdivision or public transit district in
3686 addition to the 40% required by Subsection 72-2-124(7)(e).

3687 (3) In developing the written prioritization process, the commission:

3688 (a) shall seek and consider public comment by holding public meetings at locations
3689 throughout the state; and

3690 (b) may not consider local matching dollars as provided under Section 72-2-123 unless
3691 the state provides an equal opportunity to raise local matching dollars for state highway
3692 improvements within each county.

3693 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
3694 Transportation Commission, in consultation with the department, shall make rules establishing
3695 the written prioritization process under Subsection (1).

3696 (5) The commission shall submit the proposed rules under this section to a committee
3697 or task force designated by the Legislative Management Committee for review prior to taking
3698 final action on the proposed rules or any proposed amendment to the rules described in
3699 Subsection (4).

3700 Section 44. Section 72-1-305 is amended to read:

3701 **72-1-305. Project selection using the written prioritization process -- Public**
3702 **comment -- Report.**

3703 (1) Except as provided in Subsection (4), in determining priorities and funding levels
3704 of projects in the state transportation system under Subsection 72-1-303(1)(a) that are new
3705 transportation capacity projects, the commission shall use the weighted criteria system adopted
3706 in the written prioritization process under Section 72-1-304.

3707 (2) Prior to finalizing priorities and funding levels of projects in the state transportation
3708 system, the commission shall conduct public hearings at locations around the state and accept
3709 public comments on:

3710 (a) the written prioritization process;

3711 (b) the merits of new transportation capacity projects that will be prioritized under this
3712 section; and

3713 (c) the merits of new transportation capacity projects as recommended by a consensus
3714 of local elected officials participating in a metropolitan planning organization as defined in

3715 Section [72-1-208.5](#).

3716 (3) The commission shall make the weighted criteria system ranking for each project
3717 publicly available prior to the public hearings held under Subsection (2).

3718 (4) (a) If the commission prioritizes a project over another project with a higher rank
3719 under the weighted criteria system, the commission shall identify the change and accept public
3720 comment at a hearing held under this section on the merits of prioritizing the project above
3721 higher ranked projects.

3722 (b) The commission shall make the reasons for the prioritization under Subsection
3723 (4)(a) publicly available.

3724 (5) (a) The executive director or the executive director's designee shall report annually
3725 to the governor and a committee designated by the Legislative Management Committee no later
3726 than the last day of October:

3727 ~~[(a)]~~ (i) the projects prioritized under this section during the year prior to the report;
3728 and

3729 ~~[(b)]~~ (ii) the status and progress of all projects prioritized under this section.

3730 (b) Annually, before any funds are programmed and allocated from the Transit
3731 Transportation Investment Fund created in Section [72-2-124](#) for each fiscal year, the executive
3732 director or the executive director's designee, along with the executive director of a large public
3733 transit district as described in Section [17B-2a-802](#), shall report to the governor and a committee
3734 designated by the Legislative Management Committee no later than the last day of October:

3735 (i) the public transit projects prioritized under this section during the year prior to the
3736 report; and

3737 (ii) the status and progress of all public transit projects prioritized under this section.

3738 (6) (a) The department may not delay a new transportation capacity project that was
3739 funded by the Legislature in an appropriations act to a different fiscal year than programmed by
3740 the commission due to an unavoidable shortfall in revenues unless the project delays are
3741 prioritized and approved by the Transportation Commission.

3742 (b) The Transportation Commission shall prioritize and approve any new
3743 transportation capacity project delays for projects that were funded by the Legislature in an
3744 appropriations act due to an unavoidable shortfall in revenues.

3745 Section 45. Section [72-2-117.5](#) is amended to read:

3746 **72-2-117.5. Definitions -- Local Highway and Transportation Corridor**

3747 **Preservation Fund -- Disposition of fund money.**

3748 (1) As used in this section:

3749 (a) "Council of governments" means a decision-making body in each county composed
3750 of membership including the county governing body and the mayors of each municipality in the
3751 county.

3752 (b) "Metropolitan planning organization" has the same meaning as defined in Section
3753 [72-1-208.5](#).

3754 (2) There is created the Local Highway and Transportation Corridor Preservation Fund
3755 within the Transportation Fund.

3756 (3) The fund shall be funded from the following sources:

3757 (a) a local option highway construction and transportation corridor preservation fee
3758 imposed under Section [41-1a-1222](#);

3759 (b) appropriations made to the fund by the Legislature;

3760 (c) contributions from other public and private sources for deposit into the fund;

3761 (d) all money collected from rents and sales of real property acquired with fund money;

3762 (e) proceeds from general obligation bonds, revenue bonds, or other obligations issued
3763 as authorized by Title 63B, Bonds;

3764 (f) the portion of the sales and use tax described in Subsection [59-12-2217](#)~~[(2)(b) and~~
3765 ~~required by Subsection [59-12-2217](#)(8)(a) to be]~~ deposited into the fund; and

3766 (g) sales and use tax revenues deposited into the fund in accordance with Section
3767 [59-12-2218](#).

3768 (4) (a) The fund shall earn interest.

3769 (b) All interest earned on fund money shall be deposited into the fund.

3770 (c) The State Tax Commission shall allocate the revenues:

3771 (i) provided under Subsection (3)(a) to each county imposing a local option highway
3772 construction and transportation corridor preservation fee under Section [41-1a-1222](#);

3773 (ii) provided under Subsection [59-12-2217](#)(2)(b) to each county imposing a county
3774 option sales and use tax for transportation; and

3775 (iii) provided under Subsection (3)(g) to each county of the second class or city or town
3776 within a county of the second class that imposes the sales and use tax authorized by Section

3777 59-12-2218.

3778 (d) The department shall distribute the funds allocated to each county, city, or town
3779 under Subsection (4)(c) to each county, city, or town.

3780 (e) The money allocated and distributed under this Subsection (4):

3781 (i) shall be used for the purposes provided in this section for each county, city, or town;

3782 (ii) is allocated to each county, city, or town as provided in this section with the
3783 condition that the state will not be charged for any asset purchased with the money allocated
3784 and distributed under this Subsection (4), unless there is a written agreement in place with the
3785 department prior to the purchase of the asset stipulating a reimbursement by the state to the
3786 county, city, or town of no more than the original purchase price paid by the county, city, or
3787 town; and

3788 (iii) is considered a local matching contribution for the purposes described under
3789 Section 72-2-123 if used on a state highway.

3790 (f) Administrative costs of the department to implement this section shall be paid from
3791 the fund.

3792 (5) (a) A highway authority may acquire real property or any interests in real property
3793 for state, county, and municipal highway or public transit corridors subject to:

3794 (i) money available in the fund to each county under Subsection (4); and

3795 (ii) the provisions of this section.

3796 (b) Fund money may be used to pay interest on debts incurred in accordance with this
3797 section.

3798 (c) (i) (A) Fund money may be used to pay maintenance costs of properties acquired
3799 under this section but limited to a total of 5% of the purchase price of the property.

3800 (B) Any additional maintenance cost shall be paid from funds other than under this
3801 section.

3802 (C) Revenue generated by any property acquired under this section is excluded from
3803 the limitations under this Subsection (5)(c)(i).

3804 (ii) Fund money may be used to pay direct costs of acquisition of properties acquired
3805 under this section.

3806 (d) Fund money allocated and distributed under Subsection (4) may be used by a
3807 county highway authority for countywide transportation or public transit planning if:

- 3808 (i) the county's planning focus area is outside the boundaries of a metropolitan
3809 planning organization;
- 3810 (ii) the transportation planning is part of the county's continuing, cooperative, and
3811 comprehensive process for transportation or public transit planning, corridor preservation,
3812 right-of-way acquisition, and project programming;
- 3813 (iii) no more than four years allocation every 20 years to each county is used for
3814 transportation planning under this Subsection (5)(d); and
- 3815 (iv) the county otherwise qualifies to use the fund money as provided under this
3816 section.
- 3817 (e) (i) Subject to Subsection (11), fund money allocated and distributed under
3818 Subsection (4) may be used by a county highway authority for transportation or public transit
3819 corridor planning that is part of the corridor elements of an ongoing work program of
3820 transportation or public transit projects.
- 3821 (ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the
3822 direction of:
- 3823 (A) the metropolitan planning organization if the county is within the boundaries of a
3824 metropolitan planning organization; or
- 3825 (B) the department if the county is not within the boundaries of a metropolitan
3826 planning organization.
- 3827 (f) (i) A county, city, or town that imposes a local option highway construction and
3828 transportation corridor preservation fee under Section [41-1a-1222](#) may elect to administer the
3829 funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving
3830 loan fund.
- 3831 (ii) If a county, city, or town elects to administer the funds allocated and distributed to
3832 that county, city, or town under Subsection (4) as a revolving loan fund, a local highway
3833 authority shall repay the fund money authorized for the project to the fund.
- 3834 (iii) A county, city, or town that elects to administer the funds allocated and distributed
3835 to that county, city, or town under Subsection (4) as a revolving loan fund shall establish
3836 repayment conditions of the money to the fund from the specified project funds.
- 3837 (g) (i) Subject to the restrictions in Subsections (5)(g)(ii) and (iii), fund money may be
3838 used by a county of the third, fourth, fifth, or sixth class or by a city or town within a county of

3839 the third, fourth, fifth, or sixth class for:

3840 (A) the construction, operation, or maintenance of a class B road or class C road; or

3841 (B) the restoration or repair of survey monuments associated with transportation
3842 infrastructure.

3843 (ii) A county, city, or town may not use more than 50% of the current balance of fund
3844 money allocated to the county, city, or town for the purposes described in Subsection (5)(g)(i).

3845 (iii) A county, city, or town may not use more than 50% of the fund revenue collections
3846 allocated to a county, city, or town in the current fiscal year for the purposes described in
3847 Subsection (5)(g)(i).

3848 (6) (a) (i) The Local Highway and Transportation Corridor Preservation Fund shall be
3849 used to preserve highway and public transit corridors, promote long-term statewide
3850 transportation planning, save on acquisition costs, and promote the best interests of the state in
3851 a manner which minimizes impact on prime agricultural land.

3852 (ii) The Local Highway and Transportation Corridor Preservation Fund shall only be
3853 used to preserve a highway or public transit corridor that is right-of-way:

3854 (A) in a county of the first or second class for:

3855 (I) a state highway;

3856 (II) a principal arterial highway as defined in Section [72-4-102.5](#);

3857 (III) a minor arterial highway as defined in Section [72-4-102.5](#); [~~or~~]

3858 (IV) a collector highway in an urban area as defined in Section [72-4-102.5](#); or

3859 (V) a transit facility as defined in Section [17B-2a-802](#); or

3860 (B) in a county of the third, fourth, fifth, or sixth class for:

3861 (I) a state highway;

3862 (II) a principal arterial highway as defined in Section [72-4-102.5](#);

3863 (III) a minor arterial highway as defined in Section [72-4-102.5](#);

3864 (IV) a major collector highway as defined in Section [72-4-102.5](#); [~~or~~]

3865 (V) a minor collector road as defined in Section [72-4-102.5](#)[~~;~~]; or

3866 (VI) a transit facility as defined in Section [17B-2a-802](#).

3867 (iii) The Local Highway and Transportation Corridor Preservation Fund may not be
3868 used for a highway corridor that is primarily a recreational trail as defined under Section
3869 [79-5-102](#).

3870 (b) A highway authority shall authorize the expenditure of fund money after
3871 determining that the expenditure is being made in accordance with this section from
3872 applications that are:

- 3873 (i) endorsed by the council of governments; and
- 3874 (ii) for a right-of-way purchase for a highway or public transit corridor authorized
3875 under Subsection (6)(a)(ii).

3876 (7) (a) (i) A council of governments shall establish a council of governments
3877 endorsement process which includes prioritization and application procedures for use of the
3878 money allocated to each county under this section.

3879 (ii) The endorsement process under Subsection (7)(a)(i) may include review or
3880 endorsement of the preservation project by:

- 3881 (A) the metropolitan planning organization if the county is within the boundaries of a
3882 metropolitan planning organization; or
- 3883 (B) the department if the county is not within the boundaries of a metropolitan
3884 planning organization.

3885 (b) All fund money shall be prioritized by each highway authority and council of
3886 governments based on considerations, including:

- 3887 (i) areas with rapidly expanding population;
- 3888 (ii) the willingness of local governments to complete studies and impact statements
3889 that meet department standards;
- 3890 (iii) the preservation of corridors by the use of local planning and zoning processes;
- 3891 (iv) the availability of other public and private matching funds for a project;
- 3892 (v) the cost-effectiveness of the preservation projects;
- 3893 (vi) long and short-term maintenance costs for property acquired; and
- 3894 (vii) whether the transportation or public transit corridor is included as part of:
 - 3895 (A) the county and municipal master plan; and
 - 3896 (B) (I) the statewide long range plan; or
 - 3897 (II) the regional transportation plan of the area metropolitan planning organization if
3898 one exists for the area.

3899 (c) The council of governments shall:

- 3900 (i) establish a priority list of highway and public transit corridor preservation projects

3901 within the county;

3902 (ii) submit the list described in Subsection (7)(c)(i) to the county's legislative body for
3903 approval; and

3904 (iii) obtain approval of the list described in Subsection (7)(c)(i) from a majority of the
3905 members of the county legislative body.

3906 (d) A county's council of governments may only submit one priority list described in
3907 Subsection (7)(c)(i) per calendar year.

3908 (e) A county legislative body may only consider and approve one priority list described
3909 in Subsection (7)(c)(i) per calendar year.

3910 (8) (a) Unless otherwise provided by written agreement with another highway authority
3911 or public transit district, the highway authority that holds the deed to the property is responsible
3912 for maintenance of the property.

3913 (b) The transfer of ownership for property acquired under this section from one
3914 highway authority to another shall include a recorded deed for the property and a written
3915 agreement between the highway authorities or public transit district.

3916 (9) (a) The proceeds from any bonds or other obligations secured by revenues of the
3917 Local Highway and Transportation Corridor Preservation Fund shall be used for the purposes
3918 authorized for funds under this section.

3919 (b) The highway authority shall pledge the necessary part of the revenues of the Local
3920 Highway and Transportation Corridor Preservation Fund to the payment of principal and
3921 interest on the bonds or other obligations.

3922 (10) (a) A highway authority may not expend money under this section to purchase a
3923 right-of-way for a state highway unless the highway authority has:

3924 (i) a transportation corridor property acquisition policy or ordinance in effect that
3925 meets department requirements for the acquisition of real property or any interests in real
3926 property under this section; and

3927 (ii) an access management policy or ordinance in effect that meets the requirements
3928 under Subsection [72-2-117\(8\)](#).

3929 (b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a
3930 written agreement with the department for the department to acquire real property or any
3931 interests in real property on behalf of the local highway authority under this section.

3932 (11) The county shall ensure, to the extent possible, that the fund money allocated and
3933 distributed to a city or town in accordance with Subsection (4) is expended:

3934 (a) to fund a project or service as allowed by this section within the city or town to
3935 which the fund money is allocated;

3936 (b) to pay debt service, principal, or interest on a bond or other obligation as allowed
3937 by this section if that bond or other obligation is:

3938 (i) secured by money allocated to the city or town; and

3939 (ii) issued to finance a project or service as allowed by this section within the city or
3940 town to which the fund money is allocated;

3941 (c) to fund transportation planning as allowed by this section within the city or town to
3942 which the fund money is allocated; or

3943 (d) for another purpose allowed by this section within the city or town to which the
3944 fund money is allocated.

3945 (12) Notwithstanding any other provision in this section, any amounts within the fund
3946 allocated to a public transit district or for a public transit corridor may only be derived from the
3947 portion of the fund that does not include constitutionally restricted sources related to the
3948 operation of a motor vehicle on a public highway or proceeds from an excise tax on liquid
3949 motor fuel to propel a motor vehicle.

3950 Section 46. Section **72-2-121** is amended to read:

3951 **72-2-121. County of the First Class Highway Projects Fund.**

3952 (1) There is created a special revenue fund within the Transportation Fund known as
3953 the "County of the First Class Highway Projects Fund."

3954 (2) The fund consists of money generated from the following revenue sources:

3955 (a) any voluntary contributions received for new construction, major renovations, and
3956 improvements to highways within a county of the first class;

3957 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
3958 deposited in or transferred to the fund;

3959 (c) the portion of the sales and use tax described in Subsection 59-12-2217[(2)(b) and
3960 required by Subsection 59-12-2217(8)(b) to be] deposited in or transferred to the fund; and

3961 (d) a portion of the local option highway construction and transportation corridor
3962 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited in or

3963 transferred to the fund.

3964 (3) (a) The fund shall earn interest.

3965 (b) All interest earned on fund money shall be deposited into the fund.

3966 (4) The executive director shall use the fund money only:

3967 (a) to pay debt service and bond issuance costs for bonds issued under Sections

3968 [63B-16-102](#), [63B-18-402](#), and [63B-27-102](#);

3969 (b) for right-of-way acquisition, new construction, major renovations, and

3970 improvements to highways within a county of the first class and to pay any debt service and

3971 bond issuance costs related to those projects, including improvements to a highway located

3972 within a municipality in a county of the first class where the municipality is located within the

3973 boundaries of more than a single county;

3974 (c) for the construction, acquisition, use, maintenance, or operation of:

3975 (i) an active transportation facility for nonmotorized vehicles;

3976 (ii) multimodal transportation that connects an origin with a destination; or

3977 (iii) a facility that may include a:

3978 (A) pedestrian or nonmotorized vehicle trail;

3979 (B) nonmotorized vehicle storage facility;

3980 (C) pedestrian or vehicle bridge; or

3981 (D) vehicle parking lot or parking structure;

3982 (d) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or

3983 county to pay for a portion of right-of-way acquisition, construction, reconstruction,

3984 renovations, and improvements to highways described in Subsections [72-2-121.4\(7\)](#), (8), and

3985 (9);

3986 (e) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by

3987 Section [72-2-121.3](#) the amount required in Subsection [72-2-121.3\(4\)\(c\)](#) minus the amounts

3988 transferred in accordance with Subsection [72-2-124\(4\)\(a\)\(iv\)](#);

3989 (f) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond

3990 issuance costs for \$30,000,000 of the bonds issued under Section [63B-18-401](#) for the projects

3991 described in Subsection [63B-18-401\(4\)\(a\)](#);

3992 (g) for a fiscal year beginning on or after July 1, 2013, and after the department has

3993 verified that the amount required under Subsection [72-2-121.3\(4\)\(c\)](#) is available in the fund, to

3994 transfer an amount equal to 50% of the revenue generated by the local option highway
3995 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
3996 a county of the first class:

3997 (i) to the legislative body of a county of the first class; and

3998 (ii) to be used by a county of the first class for:

3999 (A) highway construction, reconstruction, or maintenance projects; or

4000 (B) the enforcement of state motor vehicle and traffic laws;

4001 (h) for fiscal year 2015 only, and after the department has verified that the amount

4002 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under

4003 Subsection (4)(f) has been made, to transfer an amount equal to the remainder of the revenue

4004 available in the fund for the 2015 fiscal year:

4005 (i) to the legislative body of a county of the first class; and

4006 (ii) to be used by a county of the first class for:

4007 (A) highway construction, reconstruction, or maintenance projects; or

4008 (B) the enforcement of state motor vehicle and traffic laws;

4009 (i) for fiscal year 2015-16 only, and after the department has verified that the amount

4010 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under

4011 Subsection (4)(f) has been made, to transfer an amount equal to \$25,000,000:

4012 (i) to the legislative body of a county of the first class; and

4013 (ii) to be used by the county for the purposes described in this section;

4014 (j) for a fiscal year beginning on or after July 1, 2015, after the department has verified

4015 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the

4016 transfer under Subsection (4)(f) has been made, to annually transfer an amount equal to up to

4017 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into

4018 the fund in accordance with Subsection 59-12-2214(3)(b) to:

4019 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under

4020 Section 63B-27-102; and

4021 (ii) the Transportation Investment Fund of 2005 created in Section 72-2-124 until

4022 \$28,079,000 has been deposited into the Transportation Investment Fund of 2005; and

4023 (k) for a fiscal year beginning after the amount described in Subsection (4)(j) has been

4024 repaid to the Transportation Investment Fund of 2005 until fiscal year 2030, after the

4025 department has verified that the amount required under Subsection 72-2-121.3(4)(c) is
 4026 available in the fund and the transfer under Subsection (4)(f) has been made, and after the
 4027 bonds under Section 63B-27-102 have been repaid, to annually transfer an amount equal to up
 4028 to 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited
 4029 into the fund in accordance with Subsection 59-12-2214(3)(b):

4030 (i) to the legislative body of a county of the first class; and

4031 (ii) to be used by the county for the purposes described in this section.

4032 (5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in the
 4033 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and
 4034 63B-27-102 are considered a local matching contribution for the purposes described under
 4035 Section 72-2-123.

4036 (6) The additional administrative costs of the department to administer this fund shall
 4037 be paid from money in the fund.

4038 (7) Notwithstanding any statutory or other restrictions on the use or expenditure of the
 4039 revenue sources deposited into this fund, the Department of Transportation may use the money
 4040 in this fund for any of the purposes detailed in Subsection (4).

4041 Section 47. Section 72-2-124 is amended to read:

4042 **72-2-124. Transportation Investment Fund of 2005.**

4043 (1) There is created a capital projects fund entitled the Transportation Investment Fund
 4044 of 2005.

4045 (2) The fund consists of money generated from the following sources:

4046 (a) any voluntary contributions received for the maintenance, construction,
 4047 reconstruction, or renovation of state and federal highways;

4048 (b) appropriations made to the fund by the Legislature;

4049 (c) registration fees designated under Section 41-1a-1201;

4050 ~~[(c)]~~ (d) the sales and use tax revenues deposited into the fund in accordance with

4051 Section 59-12-103; and

4052 ~~[(d) registration fees designated under Section 41-1a-1201; and]~~

4053 (e) revenues transferred to the fund in accordance with Section 72-2-106.

4054 (3) (a) The fund shall earn interest.

4055 (b) All interest earned on fund money shall be deposited into the fund.

4056 (4) (a) Except as provided in Subsection (4)(b), the executive director may use fund
4057 money only to pay:

4058 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
4059 federal highways prioritized by the Transportation Commission through the prioritization
4060 process for new transportation capacity projects adopted under Section 72-1-304;

4061 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
4062 projects described in Subsections 63B-18-401(2), (3), and (4);

4063 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
4064 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
4065 with Subsection 72-2-121(4)(f);

4066 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
4067 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified
4068 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the
4069 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

4070 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
4071 for projects prioritized in accordance with Section 72-2-125;

4072 (vi) all highway general obligation bonds that are intended to be paid from revenues in
4073 the Centennial Highway Fund created by Section 72-2-118; and

4074 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
4075 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
4076 in Section 72-2-121.

4077 (b) The executive director may use fund money to exchange for an equal or greater
4078 amount of federal transportation funds to be used as provided in Subsection (4)(a).

4079 (5) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued
4080 in any fiscal year, the department and the commission shall appear before the Executive
4081 Appropriations Committee of the Legislature and present the amount of bond proceeds that the
4082 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),
4083 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

4084 (b) The Executive Appropriations Committee of the Legislature shall review and
4085 comment on the amount of bond proceeds needed to fund the projects.

4086 (6) The Division of Finance shall, from money deposited into the fund, transfer the

4087 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
4088 Section [63B-18-401](#) or [63B-27-101](#) in the current fiscal year to the appropriate debt service or
4089 sinking fund.

4090 (7) (a) There is created in the Transportation Investment Fund of 2005 the Transit
4091 Transportation Investment Fund.

4092 (b) The fund shall be funded by:

4093 (i) contributions deposited into the fund in accordance with Section [59-12-103](#);

4094 (ii) appropriations into the account by the Legislature;

4095 (iii) private contributions; and

4096 (iv) donations or grants from public or private entities.

4097 (c) (i) The fund shall earn interest.

4098 (ii) All interest earned on fund money shall be deposited into the fund.

4099 (d) Subject to Subsection (7)(e), the Legislature may appropriate money from the fund
4100 for public transit capital development of new capacity projects to be used as prioritized by the
4101 commission.

4102 (e) (i) The Legislature may only appropriate money from the fund for a public transit
4103 capital development project if the public transit district or political subdivision provides funds
4104 of equal to or greater than 40% of the funds needed for the project.

4105 (ii) A public transit district or political subdivision may use money derived from a loan
4106 granted pursuant to Title 72, Chapter 2, Part 2, Transportation Infrastructure Loan Fund, to
4107 provide all or part of the 40% requirement described in Subsection (7)(e)(i) if:

4108 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
4109 Transportation Infrastructure Loan Fund; and

4110 (B) the proposed capital project has been prioritized by the commission pursuant to
4111 Section [72-1-303](#).

4112 Section 48. Section **72-5-401** is amended to read:

4113 **72-5-401. Definitions.**

4114 As used in this part:

4115 (1) "Corridor" means the path or proposed path of a transportation facility, including a
4116 public transit facility, that exists or that may exist in the future[~~—A corridor~~], and may include
4117 the land occupied or to be occupied by a transportation facility, and any other land that may be

4118 needed for expanding a transportation facility or for controlling access to it.

4119 (2) "Corridor preservation" means planning or acquisition processes intended to:

4120 (a) protect or enhance the capacity of existing corridors; and

4121 (b) protect the availability of proposed corridors in advance of the need for and the

4122 actual commencement of the transportation facility construction.

4123 (3) "Development" means:

4124 (a) the subdividing of land;

4125 (b) the construction of improvements, expansions, or additions; or

4126 (c) any other action that will appreciably increase the value of and the future

4127 acquisition cost of land.

4128 (4) "Official map" means a map, drawn by government authorities and recorded in

4129 county recording offices that:

4130 (a) shows actual and proposed rights-of-way, centerline alignments, and setbacks for

4131 highways and other transportation facilities;

4132 (b) provides a basis for restricting development in designated rights-of-way or between

4133 designated setbacks to allow the government authorities time to purchase or otherwise reserve

4134 the land; and

4135 (c) for counties and municipalities may be adopted as an element of the general plan,

4136 pursuant to Title 17, Chapter 27a, Part 4, General Plan, or Title 10, Chapter 9a, Part 4, General

4137 Plan.

4138 (5) "Taking" means an act or regulation, either by exercise of eminent domain or other

4139 police power, whereby government puts private property to public use or restrains use of

4140 private property for public purposes, and that requires compensation to be paid to private

4141 property owners.

4142 Section 49. Section **72-6-120** is amended to read:

4143 **72-6-120. Department authorized to participate in federal program assuming**

4144 **responsibility for environmental review of highway projects -- Rulemaking authority.**

4145 (1) The department may:

4146 (a) assume responsibilities under 23 U.S.C. Sec. 326 for:

4147 (i) determining whether state highway design and construction projects are

4148 categorically excluded from requirements for environmental assessments or environmental

4149 impact statements; and

4150 (ii) environmental review, consultation, or other actions required under federal law for
4151 categorically excluded projects;

4152 (b) assume responsibilities under 23 U.S.C. Sec. 327 with respect to one or more
4153 railroad, public transportation, highway [projects], or multimodal projects within the state
4154 under the National Environmental Policy Act of 1969 for environmental review, consultation,
4155 or other action required under any federal environmental law pertaining to the review or
4156 approval of a specific highway project;

4157 (c) enter one or more memoranda of understanding with the United States Department
4158 of Transportation related to federal highway programs as provided in 23 U.S.C. Secs. 326 and
4159 327 subject to the requirements of Subsection 72-1-207(5);

4160 (d) accept, receive, and administer grants, other money, or gifts from public and private
4161 agencies, including the federal government, for the purpose of carrying out the programs
4162 authorized under this section; and

4163 (e) cooperate with the federal government in implementing this section and any
4164 memorandum of understanding entered into under Subsection 72-1-207(5).

4165 (2) Notwithstanding any other provision of law, in implementing a program under this
4166 section that is approved by the United States Department of Transportation, the department is
4167 authorized to:

4168 (a) perform or conduct any of the activities described in a memorandum of
4169 understanding entered into under Subsection 72-1-207(5);

4170 (b) take actions necessary to implement the program; and

4171 (c) adopt relevant federal environmental standards as the standards for this state for
4172 categorically excluded projects.

4173 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
4174 department may makes rules to implement the provisions of this section.

4175 **Section 50. Repealer.**

4176 This bill repeals:

4177 Section **17B-2a-807.5, Public transit district board of trustees -- Transitional**
4178 **provisions.**

4179 Section 51. **Effective date.**

4180 This bill takes effect on May 8, 2018, except that the amendments to Sections
4181 41-1a-102, 41-1a-1201, 41-1a-1206, and 59-12-103 in this bill take effect on January 1, 2019.