

SB0072S02 compared with SB0072S01

~~{deleted text}~~ shows text that was in SB0072S01 but was deleted in SB0072S02.

Inserted text shows text that was not in SB0072S01 but was inserted into SB0072S02.

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~~{Senator Wayne A. Harper}~~Representative Mike Schultz proposes the following substitute bill:

TRANSPORTATION GOVERNANCE AND FUNDING REVISIONS

2019 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Kay J. Christofferson

LONG TITLE

General Description:

This bill amends provisions related to transportation including transportation reinvestment zones, public transit districts, local option sales and use taxes, transportation governance, and a road usage charge program.

Highlighted Provisions:

This bill:

- ▶ amends provisions related to transportation reinvestment zones;
- ▶ amends provisions related to public transit district governance structure and responsibilities;

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- ▶ renames the local advisory board of a large public transit district as a "local advisory council";
- ▶ repeals a provision related to the name of a large public transit district;
- ▶ amends the procedure for appointment to the board of trustees of a large public transit district;
- ▶ requires two or more entities providing public transit services in adjacent or overlapping areas to integrate and coordinate services and fees with oversight by the Department of Transportation;
- ▶ allows a public transit district to exclude applicants for certain positions of employment based on results of a background check;
- ▶ amends definitions related to motor vehicles;
- ▶ amends provisions related to motor vehicle registration;
- ▶ amends allowable uses of certain local option sales and use tax revenue;
- ▶ makes technical changes regarding local option sales and use taxes;
- ▶ amends provisions related to the governance structure and duties of certain positions within the Department of Transportation;
- ▶ amends certain provisions related to transportation funding procedures;
- ▶ exempts the Transportation Commission from certain restrictions on setting rates for certain programs administered by the Department of Transportation;
- ▶ creates a road usage charge program, requires the Department of Transportation to administer the program, and grants rulemaking authority;
- ▶ amends provisions related to the State Infrastructure Bank;
- ▶ amends certain provisions pertaining to anonymized location data of certain connected vehicles; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

[This bill provides a coordination clause.](#)

Utah Code Sections Affected:

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AMENDS:

- 11-13-227**, as enacted by Laws of Utah 2018, Chapter 424
- 17B-1-311**, as last amended by Laws of Utah 2013, Chapter 448
- 17B-2a-802**, as last amended by Laws of Utah 2018, Chapter 424
- 17B-2a-807.1**, as enacted by Laws of Utah 2018, Chapter 424
- 17B-2a-808.1**, as enacted by Laws of Utah 2018, Chapter 424
- 17B-2a-808.2**, as enacted by Laws of Utah 2018, Chapter 424
- 17B-2a-826**, as last amended by Laws of Utah 2018, Chapter 424
- 34-52-201**, as enacted by Laws of Utah 2017, Chapter 242
- 41-1a-102**, as last amended by Laws of Utah 2018, Chapters 166 and 424
- 41-1a-203**, as last amended by Laws of Utah 2018, Chapter 269
- 41-1a-1206**, as last amended by Laws of Utah 2018, Chapter 424
- 51-2a-202**, as last amended by Laws of Utah 2016, Chapter 373
- 59-12-103**, as amended by Statewide Initiative -- Proposition 3, Nov. 6, 2018
- 59-12-2202**, as last amended by Laws of Utah 2018, Chapter 424
- 59-12-2203**, as last amended by Laws of Utah 2018, Chapter 424
- 59-12-2214**, as last amended by Laws of Utah 2015, Chapter 421
- 59-12-2215**, as enacted by Laws of Utah 2010, Chapter 263
- 59-12-2216**, as enacted by Laws of Utah 2010, Chapter 263
- 59-12-2217**, as last amended by Laws of Utah 2018, Chapter 424
- 59-12-2218**, as last amended by Laws of Utah 2018, Chapter 424
- 59-12-2219**, as last amended by Laws of Utah 2018, Chapters 330 and 424
- 59-12-2220**, as enacted by Laws of Utah 2018, Chapter 424
- 59-13-301**, as last amended by Laws of Utah 2018, Chapter 281
- 63B-1b-102**, as last amended by Laws of Utah 2017, Chapter 345
- 63B-18-401**, as last amended by Laws of Utah 2013, Chapter 389
- 63B-27-101**, as last amended by Laws of Utah 2018, Chapter 280
- 63I-1-259**, as last amended by Laws of Utah 2018, Chapter 281
- 72-1-102**, as last amended by Laws of Utah 2018, Chapter 424
- 72-1-202**, as last amended by Laws of Utah 2018, Chapter 424
- 72-1-203**, as last amended by Laws of Utah 2018, Chapter 424

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72-1-204, as last amended by Laws of Utah 2018, Chapter 424
72-1-205, as renumbered and amended by Laws of Utah 1998, Chapter 270
72-1-213, as last amended by Laws of Utah 2018, Chapter 424
72-1-301, as last amended by Laws of Utah 2011, Chapter 336
72-1-304, as last amended by Laws of Utah 2018, Chapter 424
72-2-107, as last amended by Laws of Utah 2017, Chapter 144
72-2-117.5, as last amended by Laws of Utah 2018, Chapter 424
72-2-121, as last amended by Laws of Utah 2018, Chapters 403 and 424
72-2-121.1, as last amended by Laws of Utah 2010, Chapters 263 and 278
72-2-121.2, as last amended by Laws of Utah 2011, Chapter 342
72-2-124, as last amended by Laws of Utah 2018, Chapter 424
72-2-201, as last amended by Laws of Utah 2017, Chapter 216
72-2-202, as last amended by Laws of Utah 2008, Chapter 382
72-2-203, as last amended by Laws of Utah 2008, Chapter 382
72-2-204, as last amended by Laws of Utah 2008, Chapter 382
72-5-111, as last amended by Laws of Utah 2017, Chapter 273
72-6-403, as enacted by Laws of Utah 2014, Chapter 132
72-10-102, as last amended by Laws of Utah 2008, Chapters 206 and 286
77-23c-101, as enacted by Laws of Utah 2014, Chapter 223
77-23c-102, as last amended by Laws of Utah 2016, Chapter 161

ENACTS:

17B-2a-807.2, Utah Code Annotated 1953
17B-2a-827, Utah Code Annotated 1953
59-12-2212.2, Utah Code Annotated 1953
72-1-213.1, Utah Code Annotated 1953

REPEALS:

17B-2a-803.1, as enacted by Laws of Utah 2018, Chapter 424

Utah Code Sections Affected by Coordination Clause:

77-23c-101, as enacted by Laws of Utah 2014, Chapter 223

77-23c-102, as last amended by Laws of Utah 2016, Chapter 161

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

Section 1. Section **11-13-227** is amended to read:

11-13-227. Transportation reinvestment zones.

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

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

- (a) define the transportation infrastructure need and proposed improvement;
- (b) define the boundaries of the zone;
- (c) establish terms for sharing sales tax revenue among the members of the agreement;
- (d) establish a base year to calculate the increase of property tax revenue within the

zone;

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

and

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

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

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

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

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

(6) (a) An action taken under this section is not subject to:

(i) Section 10-8-2;

(ii) Title 10, Chapter 9a, Municipal Land Use, Development, and Management Act;

(iii) Title 17, Chapter 27a, County Land Use, Development, and Management Act; or

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(iv) Section 17-50-312.

(b) An ordinance, resolution, or agreement adopted under this title is not a land use regulation as defined in Sections 10-9a-103 and 17-27a-103.

Section 2. Section **17B-1-311** is amended to read:

17B-1-311. Board member prohibited from district employment -- Exception.

(1) No elected or appointed member of the board of trustees of a local district may, while serving on the board, be employed by the district, whether as an employee or under a contract.

(2) No person employed by a local district, whether as an employee or under a contract, may serve on the board of that local district.

(3) A local district is not in violation of a prohibition described in Subsection (1) or (2) if the local district:

(a) treats a member of a board of trustees as an employee for income tax purposes; and

(b) complies with the compensation limits of Section 17B-1-307 for purposes of that member.

(4) This section does not apply to a local district if:

(a) fewer than 3,000 people live within 40 miles of the primary place of employment, measured over all weather public roads; and

(b) with respect to the employment of a board of trustees member under Subsection (1):

(i) the job opening has had reasonable public notice; and

(ii) the person employed is the best qualified candidate for the position.

(5) This section does not apply to a board of trustees of a large public transit district as described in Chapter 2a, Part 8, Public Transit District Act.

Section 3. Section **17B-2a-802** is amended to read:

17B-2a-802. Definitions.

As used in this part:

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

(a) "Affordable housing" may include housing occupied or reserved for occupancy by

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households that meet specific area median income targets or ranges of area median income targets.

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

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

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

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

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

(5) "Department" means the Department of Transportation created in Section 72-1-201.

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

(7) (a) "General manager" means a person appointed by the board of trustees of a small public transit district to serve as general manager.

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

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

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

(b) two or more counties.

(9) (a) "Locally elected public official" means a person who holds an elected position with a county or municipality.

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

(10) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.

(11) "Multicounty district" means a public transit district located in more than one county.

(12) "Operator" means a public entity or other person engaged in the transportation of passengers for hire.

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

~~[(a) chartered bus;]~~

~~[(b) sightseeing bus; or]~~

~~[(c) taxi.]~~

(13) (a) "Public transit" means regular, continuing, shared-ride, surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability, or low income.

(b) "Public transit" does not include transportation services provided by:

(i) chartered bus;

(ii) sightseeing bus;

(iii) taxi;

(iv) school bus service;

(v) courtesy shuttle service for patrons of one or more specific establishments; or

(vi) intra-terminal or intra-facility shuttle services.

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

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

(16) "Transit facility" means a transit vehicle, transit station, depot, passenger loading or unloading zone, parking lot, or other facility:

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

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

(i) railway or other right-of-way;

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(ii) railway line; and

(iii) a reasonable area immediately adjacent to a designated stop on a route traveled by a transit vehicle.

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

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

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

Section 4. Section **17B-2a-807.1** is amended to read:

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

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

(b) (i) The governor, with advice and consent of the Senate, shall appoint the members of the board of trustees, making[~~-~~] an appointment from nominations given from each region created in Subsection (1)(b)(ii).

~~[(A) one appointment from the nominees described in Subsection (1)(b)(ii);]~~

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

~~[(C) one appointment from the nominees described in Subsection (1)(b)(iv).]~~

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

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

~~[(B) To select individuals for nomination, the executive governing individuals or bodies described in Subsection (1)(b)(iii)(A) shall consult with the executive governing~~

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individual or body of a county of the third or smaller class within the large public transit district.]

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

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

(ii) (A) Before creation of a large public transit district, the political subdivision or subdivisions forming the large public transit district shall submit to the Legislature for approval a proposal for the creation of three regions for nominating members to the board of trustees of the large public transit district.

(B) For a large public transit district created after January 1, 2019, the Legislature, after receiving and considering the proposal described in Subsection (1)(b)(ii)(A), shall designate three regions for nominating members to the board of trustees of the large public transit district, and further describe the process for nomination for appointment to the board of trustees.

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

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

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

(f) (i) Subject to Subsection (1)(f)(iii), for a board of trustees of a large public transit district, "quorum" means at least two members of the board of trustees.

(ii) Action by a majority of a quorum constitutes an action of the board of trustees.

(iii) A meeting of a quorum of the board of trustees of a large public transit district is subject to Section 52-4-103 regarding convening of a three-member board of trustees and what

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constitutes a public meeting.

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

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

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

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

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

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

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

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

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

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

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

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

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

~~[(b) the governor shall appoint the members of the board of trustees before August 31, 2018; and]~~

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

Section 5. Section **17B-2a-807.2** is enacted to read:

17B-2a-807.2. Existing large public transit district board of trustees --

Appointment -- Quorum -- Compensation -- Terms.

(1) (a) (i) For a large public transit district created before January 1, 2019, and except

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as provided in Subsection (7), the board of trustees shall consist of three members appointed as described in Subsection (1)(b).

(ii) For purposes of a large public transit district created before January 1, 2019, the nominating regions are as follows:

(A) a central region that is Salt Lake County;

(B) a southern region that is comprised of Utah County and the portion of Tooele County that is part of the large public transit district; and

(C) a northern region that is comprised of Davis County, Weber County, and the portion of Box Elder County that is part of the large public transit district.

(iii) (A) If a large public transit district created before January 1, 2019, ~~has a change to the boundaries of~~ annexes an additional county into the large public transit district pursuant to Section 17B-1-402, following the issuance of the certificate of annexation by the lieutenant governor, the political subdivisions making up the large public transit district shall submit to the Legislature for approval a proposal for the creation of three regions for nominating members to the board of trustees of the large public transit district.

(B) If a large public transit district created before January 1, 2019, has a change to the boundaries of the large public transit district, the Legislature, after receiving and considering the proposal described in Subsection (1)(a)(iii)(A), shall designate the three regions for nominating members to the board of trustees of the large public transit district.

(b) (i) Except as provided in ~~{Subsections}~~ Subsection (5) and (6), the governor, with advice and consent of the Senate, shall appoint the members of the board of trustees, making:

(A) one appointment from individuals nominated from the central region as described in Subsection (2);

(B) one appointment from individuals nominated from the southern region described in Subsection (3); and

(C) one appointment from individuals nominated from the northern region described in Subsection (4).

~~{~~ (c) A board of trustees of a large public transit district that is in place as of February 1, 2019, may remain in place.

~~‡~~ (2) For the appointment from the central region, the governor shall appoint one

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individual selected from ~~four or more~~ five individuals nominated as follows:

(a) two individuals nominated by the ~~chief executive officer of Salt Lake County, with concurrence of the Salt Lake County council, after consultation with the~~ council of governments of Salt Lake County~~};~~ and

(b) three individuals nominated by the mayor of Salt Lake County, with approval of the Salt Lake County council;

(3) For the appointment from the southern region, the governor shall appoint one individual selected from ~~four or more~~ five individuals nominated as follows:

(a) two individuals nominated by the council of governments of Utah County;

(b) two individuals nominated by the county commission of Utah County~~}; after consultation with the council of governments of Utah County and the Tooele County commission~~; and

(c) one individual nominated by the county commission of Tooele County.

(4) For the appointment from the northern region, the governor shall appoint one individual selected from ~~four or more~~ five individuals ~~jointly~~ nominated as follows:

(a) one individual nominated by the council of governments of Davis County;

(b) one individual nominated by the council of governments of Weber County;

(c) one individual nominated by the county ~~commissions of Davis and Weber Counties, after consultation with the councils of governments of Davis and Weber Counties and~~ commission of Davis County;

(d) one individual nominated by the county commission of Weber County; and

(e) one individual nominated by the county commission of Box Elder County.

(5) ~~(a) The governor may request the nomination of individuals in addition to those described in Subsection (2), (3), or (4):~~

~~(b) (i) If the governor ~~requests additional nominations as described in Subsection (5)(a) for an appointment from the central region, the governor shall request names from:~~~~

~~(A) the county executive of Salt Lake County, with approval of the Salt Lake County council; and~~

~~(B) the council of governments of Salt Lake County.~~

~~(ii) If the governor requests additional names as described in Subsection (5)(a) for an appointment from the southern region, the governor shall request names from:~~

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~~— (A) the Utah County commission;~~

~~— (B) the council of governments of Utah County; and~~

~~— (C) the Tooele County commission.~~

~~— (iii) If the governor requests additional names as described in Subsection (5)(a) for an appointment from the northern region, the governor shall request names from:~~

~~— (A) the Davis and Weber County commissions;~~

~~— (B) the council of governments of Davis and Weber Counties; and~~

~~— (C) the Box Elder County commission.~~

~~— (6) If the governor rejects all} fails to appoint one of the individuals nominated as described in Subsection (2), (3), or (4), ~~{respectively, and Subsection (5), the governor may unilaterally}~~ as applicable, within 60 days of the nominations, the following appointment procedures apply:~~

(a) for an appointment for the central region, the Salt Lake County council shall appoint an individual{ to the board of trustees:

~~— (7), with confirmation by the Senate;~~

(b) for an appointment for the southern region, the Utah County commission shall appoint an individual, in consultation with the Tooele County commission, with confirmation by the Senate; and

(c) for an appointment for the northern region, the Davis County commission and the Weber County commission, collectively, and in consultation with the Box Elder County commission, shall appoint an individual, with confirmation by the Senate.

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

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

(c) The compensation package for the board of trustees shall be determined by the local advisory council as described in Section 17B-2a-808.2.

(d) (i) Subject to Subsection (~~{7}~~6)(d)(iii), for a board of trustees of a large public transit district, "quorum" means at least two members of the board of trustees.

(ii) Action by a majority of a quorum constitutes an action of the board of trustees.

(iii) A meeting of a quorum of a board of trustees of a large public transit district is

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subject to Section 52-4-103 regarding convening of a three-member board of trustees and what constitutes a public meeting.

~~(8)7~~ (a) Subject to ~~Subsections~~ Subsection (9) and (10)8, each member of the board of trustees of a large public transit district shall serve for a term of four years.

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

(c) Notwithstanding Subsection (2), (3), or (4), as applicable, at the expiration of a term of a member of the board of trustees, if the respective nominating entities and individuals for the respective region described in Subsection (2), (3), or (4), unanimously agree to retain the existing member of the board of trustees, the respective nominating individuals or bodies described in Subsection (2), (3), or (4) are not required to make nominations to the governor, and the governor may reappoint the existing member to the board of trustees.

~~(9)8~~ Each member of the board of trustees of a large public transit district shall serve at the pleasure of the governor.

~~(10)9~~ ~~The first time the~~ Subject to Subsections (7) and (8), a board of trustees ~~is~~ appointed under this section, the governor shall stagger the initial term of each of the members of the board of trustees as follows:

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

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

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

~~(11)~~ of a large public transit district that is in place as of February 1, 2019, may remain in place.

(10) The governor shall designate one member of the board of trustees as chair of the board of trustees.

~~(12)11~~ (a) If a vacancy occurs, the nomination and appointment procedures to replace the individual shall occur in the same manner described in Subsection (2), (3), or (4), and, if applicable, Subsection (5) ~~or (6)~~, for the respective member of the board of trustees creating the vacancy.

(b) If a vacancy occurs on the board of trustees of a large public transit district, the respective nominating region shall nominate individuals to the governor as described in this section within 60 days after the vacancy occurs.

(c) If the respective ~~nomination~~ nominating region does not nominate to fill the

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vacancy within 60 days, the governor shall appoint an individual to fill the vacancy.

(d) A replacement board member shall serve for the remainder of the unexpired term, but may serve an unlimited number of terms as provided in Subsection (~~(8)~~7)(b).

Section 6. Section **17B-2a-808.1** is amended to read:

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

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

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

(a) hold public meetings and receive public comment;

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

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

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

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

(f) in consultation with constituent counties, municipalities, metropolitan planning organizations, and the local advisory [~~board~~] council:

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

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

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

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

(i) annually report to the Transportation Interim Committee the public transit district's

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efforts to engage in public-private partnerships for public transit services:

~~(j)~~ (i) in partnership with the Department of Transportation, study and evaluate the feasibility of a strategic transition of a large public transit district into a state entity; and

(ii) in partnership with the Department of Transportation, before November 30 ~~[of each year]~~, 2019, report on the progress of the study to the Transportation Interim Committee and the Infrastructure and General Government Appropriations Subcommittee;

~~(k)~~ (k) hire, set salaries, and develop performance targets and evaluations for:

(i) the executive director; and

(ii) all chief level officers;

~~(ii) the chief internal auditor;~~

~~(iii) the chief people officer;~~

~~(iv) any vice president level officer; and]~~

~~(v) the chief safety, security, and technology officer;]~~

~~(l)~~ (l) supervise and regulate each transit facility that the public transit district owns and operates, including:

(i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and charges; and

(ii) make and enforce rules, regulations, contracts, practices, and schedules for or in connection with a transit facility that the district owns or controls;

~~(m)~~ (m) subject to Subsection (4), control the investment of all funds assigned to the district for investment, including funds:

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

(ii) invested in accordance with the participating employees' designation or direction pursuant to an employee deferred compensation plan established and operated in compliance with Section 457 of the Internal Revenue Code;

~~(n)~~ (n) in consultation with the local advisory ~~[board]~~ council created under Section 17B-2a-808.2, invest all funds according to the procedures and requirements of Title 51, Chapter 7, State Money Management Act;

~~(o)~~ (o) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4), pay the fees for the custodian's services from the interest earnings of the investment fund for which the custodian is appointed;

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~~(f)~~ (p) (i) cause an annual audit of all public transit district books and accounts to be made by an independent certified public accountant;

(ii) as soon as practicable after the close of each fiscal year, submit to each of the councils of governments within the public transit district a financial report showing:

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

(B) an accounting of the expenditures of all local sales and use tax revenues generated under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act;

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

(D) the district's progress and efforts to improve efficiency relative to the previous fiscal year; and

(iii) supply copies of the report under Subsection (2)~~(f)~~(p)(ii) to the general public upon request;

~~(r)~~ (q) report at least annually to the Transportation Commission created in Section 72-1-301, which report shall include:

(i) the district's short-term and long-range public transit plans, including the portions of applicable regional transportation plans adopted by a metropolitan planning organization established under 23 U.S.C. Sec. 134; and

(ii) any transit capital development projects that the board of trustees would like the Transportation Commission to consider;

~~(r)~~ (r) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits that the board of trustees determines, in consultation with the local advisory ~~[board]~~ council created in Section 17B-2a-808.2, to be the most critical to the success of the organization;

~~(r)~~ (s) together with the local advisory ~~[board]~~ council created in Section 17B-2a-808.2, hear audit reports for audits conducted in accordance with Subsection (2)~~(f)~~(p);

~~(s)~~ (t) review and approve all contracts pertaining to reduced fares, and evaluate existing contracts, including review of:

(i) how negotiations occurred;

(ii) the rationale for providing a reduced fare; and

(iii) identification and evaluation of cost shifts to offset operational costs incurred and

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impacted by each contract offering a reduced fare;

~~[(t)]~~ (u) in consultation with the local advisory [~~board~~] council, develop and approve other board policies, ordinances, and bylaws; and

~~[(tt)]~~ (v) review and approve any:

(i) contract or expense exceeding \$200,000; or

(ii) proposed change order to an existing contract if the value of the change order exceeds:

(A) 15% of the total contract; or

(B) \$200,000.

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

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

(i) not repugnant to the United States Constitution, the Utah Constitution, or the provisions of this part; and

(ii) necessary for:

(A) the governance and management of the affairs of the district;

(B) the execution of district powers; and

(C) carrying into effect the provisions of this part;

(b) provide by resolution, under terms and conditions the board considers fit, for the payment of demands against the district without prior specific approval by the board, if the payment is:

(i) for a purpose for which the expenditure has been previously approved by the board;

(ii) in an amount no greater than the amount authorized; and

(iii) approved by the executive director or other officer or deputy as the board

prescribes;

(c) in consultation with the local advisory [~~board~~] council created in Section 17B-2a-808.2:

(i) hold public hearings and subpoena witnesses; and

(ii) appoint district officers to conduct a hearing and require the officers to make findings and conclusions and report them to the board; and

(d) appoint a custodian for the funds and securities under its control, subject to

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Subsection (2)~~(tr)~~(o).

(4) For a large public transit district in existence as of May 8, 2018, on or before September 30, 2019, the board of trustees of a large public transit district shall present a report to the Transportation Interim Committee regarding retirement benefits of the district, including:

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

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

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

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

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

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

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

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

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

(b) The budget described in Subsection (8)(a) shall include setting the salary of each of the members of the board of trustees that will assume control on or before November 1, 2018, which salary may not exceed \$150,000, plus additional retirement and other standard benefits, as set by the local advisory council as described in Section 17B-2a-808.2.

(c) For a large public transit district in existence on May 8, 2018, the board of trustees

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that assumes control of the large public transit district on or before November 2, 2018, shall approve the calendar year 2019 budget on or before December 31, 2018.

Section 7. Section **17B-2a-808.2** is amended to read:

17B-2a-808.2. Large public transit district local advisory council -- Powers and duties.

(1) A large public transit district shall create and consult with a local advisory ~~[board]~~ council.

(2) (a) ~~[The]~~ (i) For a large public transit district in existence as of January 1, 2019, the local advisory ~~[board]~~ council shall have membership selected as described in Subsection (2)(b) [on or before November 1, 2018].

(ii) (A) For a large public transit district created after January 1, 2019, the political subdivision or subdivisions forming the large public transit district shall submit to the Legislature for approval a proposal for the appointments to the local advisory council of the large public transit district similar to the appointment process described in Subsection (2)(b).

(B) Upon approval of the Legislature, each nominating individual or body shall appoint individuals to the local advisory council.

(b) (i) The council of governments of ~~[a county of the first class within a large public transit district]~~ Salt Lake County shall appoint three members to the local advisory ~~[board]~~ council.

(ii) ~~[The chief executive officer of a city that is the county seat within a county of the first class within a large public transit district]~~ The mayor of Salt Lake City shall appoint one member to the local advisory ~~[board]~~ council.

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

(iv) The council of governments of ~~[a county of the second class with a population under 500,000 within a large public transit district]~~ Davis County and Weber County shall each appoint one member to the local advisory ~~[board]~~ council.

(v) The councils of governments of ~~[any counties of the third class or smaller within a large public transit district]~~ Box Elder County and Tooele County shall jointly appoint one member to the local advisory ~~[board]~~ council.

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

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

(4) The duties of the local advisory [~~board~~] council shall include:

(a) setting the compensation packages of the board of trustees, which salary may not exceed \$150,000, plus additional retirement and other standard benefits;

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

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

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

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

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

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

(h) other duties described in Section 17B-2a-808.1.

(5) The local advisory [~~board~~] council shall meet at least quarterly with and consult with the board of trustees and advise regarding the operation and management of the public transit district.

Section 8. Section **17B-2a-826** is amended to read:

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

(1) (a) The board of trustees of a large public transit district shall create and employ an office of constituent services.

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

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include:

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

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

(iii) reporting complaints, comments, concerns, and other communications to management and to the local advisory [board] council created in Section 17B-2a-808.2.

(2) (a) A large public transit district shall create and employ an office of coordinated mobility.

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

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

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

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

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

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

Section 9. Section **17B-2a-827** is enacted to read:

17B-2a-827. Integration of public transit services and facilities.

(1) If a public transit district provides public transit services in an area that is adjacent to or overlaps with an area in which public transit services are also provided by another public transit provider, including a public-private partnership entity, the public transit district and the public transit provider entity shall ensure that:

(a) any public transit facilities of one provider connect with the public transit facilities of the other provider;

(b) the schedules of all relevant public transit providers are coordinated as one public transit system; and

(c) (i) both public transit providers collect a fare directly from public transit

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passengers, an integrated and uniform fare system is implemented across the coordinated public transit system; and

(~~f~~^d~~d~~ⁱⁱ) the revenue generated from the uniform fare system is equitably divided among the public transit providers according to service provided and mileage covered.

(2) A public transit district and a public transit provider, including a public-private partnership entity, may negotiate the ability of one public transit provider to operate on the transit facilities of the other public transit provider.

(3) (a) The Department of Transportation shall oversee the negotiation, integration, and coordination described in Subsection (1).

(b) For the negotiation, integration, or coordination between a public transit district and a public-private partnership, the oversight described in Subsection (3)(a) applies only to fixed-route bus or rail services.

Section 10. Section **34-52-201** is amended to read:

34-52-201. Employer requirements.

(1) A public employer may not exclude an applicant from an initial interview because of a past criminal conviction.

(2) A public employer excludes an applicant from an initial interview if the public employer:

(a) requires an applicant to disclose, on an employment application, a criminal conviction;

(b) requires an applicant to disclose, before an initial interview, a criminal conviction;

or

(c) if no interview is conducted, requires an applicant to disclose, before making a conditional offer of employment, a criminal conviction.

(3) Subject to Subsections (1) and (2), nothing in this section prevents an employer from:

(a) asking an applicant for information about an applicant's criminal conviction history during an initial interview or after an initial interview; or

(b) considering an applicant's conviction history when making a hiring decision.

(4) Subsections (1) and (2) do not apply:

(a) if federal, state, or local law, including corresponding administrative rules, requires

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the consideration of an applicant's criminal conviction history;

- (b) to a public employer that is a law enforcement agency;
- (c) to a public employer that is part of the criminal or juvenile justice system;
- (d) to a public employer seeking a nonemployee volunteer;
- (e) to a public employer that works with children or vulnerable adults;
- (f) to the Department of Alcoholic Beverage Control created in Section 32B-2-203;
- (g) to the State Tax Commission; [~~and~~]
- (h) to a public employer whose primary purpose is performing financial or fiduciary

functions[-]; and

(i) to a public transit district hiring or promoting an individual for a safety sensitive position described in Section 17B-2a-825.

Section 11. Section **41-1a-102** is amended to read:

41-1a-102. Definitions.

As used in this chapter:

- (1) "Actual miles" means the actual distance a vehicle has traveled while in operation.
- (2) "Actual weight" means the actual unladen weight of a vehicle or combination of vehicles as operated and certified to by a weighmaster.
- (3) "All-terrain type I vehicle" means the same as that term is defined in Section 41-22-2.
- (4) "All-terrain type II vehicle" means the same as that term is defined in Section 41-22-2.
- (5) "All-terrain type III vehicle" means the same as that term is defined in Section 41-22-2.
- (6) "Alternative fuel vehicle" means:
 - (a) an electric motor vehicle;
 - (b) a hybrid electric motor vehicle;
 - (c) a plug-in hybrid electric motor vehicle; or
 - (d) a motor vehicle powered exclusively by a fuel other than:
 - (i) motor fuel;
 - (ii) diesel fuel;
 - (iii) natural gas; or

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(iv) propane.

(7) "Amateur radio operator" means any person licensed by the Federal Communications Commission to engage in private and experimental two-way radio operation on the amateur band radio frequencies.

(8) "Autocycle" means the same as that term is defined in Section 53-3-102.

(9) "Branded title" means a title certificate that is labeled:

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

(10) "Camper" means any structure designed, used, and maintained primarily to be mounted on or affixed to a motor vehicle that contains a floor and is designed to provide a mobile dwelling, sleeping place, commercial space, or facilities for human habitation or for camping.

(11) "Certificate of title" means a document issued by a jurisdiction to establish a record of ownership between an identified owner and the described vehicle, vessel, or outboard motor.

(12) "Certified scale weigh ticket" means a weigh ticket that has been issued by a weighmaster.

(13) "Commercial vehicle" means a motor vehicle, trailer, or semitrailer used or maintained for the transportation of persons or property that operates:

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

(14) "Commission" means the State Tax Commission.

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

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

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

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(18) "Division" means the Motor Vehicle Division of the commission, created in Section 41-1a-106.

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

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

(21) "Farm tractor" means every motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of husbandry.

(22) (a) "Farm truck" means a truck used by the owner or operator of a farm solely for the owner's or operator's own use in the transportation of:

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

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

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

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

(23) "Fleet" means one or more commercial vehicles.

(24) "Foreign vehicle" means a vehicle of a type required to be registered, brought into this state from another state, territory, or country other than in the ordinary course of business by or through a manufacturer or dealer, and not registered in this state.

(25) "Gross laden weight" means the actual weight of a vehicle or combination of vehicles, equipped for operation, to which shall be added the maximum load to be carried.

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

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

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

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

(28) (a) "Identification number" means the identifying number assigned by the manufacturer or by the division for the purpose of identifying the vehicle, vessel, or outboard motor.

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

(29) "Implement of husbandry" means every vehicle designed or adapted and used exclusively for an agricultural operation and only incidentally operated or moved upon the highways.

(30) (a) "In-state miles" means the total number of miles operated in this state during the preceding year by fleet power units.

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

(31) "Interstate vehicle" means any commercial vehicle operated in more than one state, province, territory, or possession of the United States or foreign country.

(32) "Jurisdiction" means a state, district, province, political subdivision, territory, or possession of the United States or any foreign country.

(33) "Lienholder" means a person with a security interest in particular property.

(34) "Manufactured home" means a transportable factory built housing unit constructed on or after June 15, 1976, according to the Federal Home Construction and Safety Standards Act of 1974 (HUD Code), in one or more sections, which, in the traveling mode, is eight body feet or more in width or 40 body feet or more in length, or when erected on site, is 400 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems.

(35) "Manufacturer" means a person engaged in the business of constructing, manufacturing, assembling, producing, or importing new or unused vehicles, vessels, or outboard motors for the purpose of sale or trade.

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

(37) "Motor fuel" means the same as that term is defined in Section 59-13-102.

(38) (a) "Motor vehicle" means a self-propelled vehicle intended primarily for use and operation on the highways.

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

(39) "Motorboat" means the same as that term is defined in Section 73-18-2.

(40) "Motorcycle" means:

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

(b) an auticycle.

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

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

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

(43) "Odometer" means a device for measuring and recording the actual distance a vehicle travels while in operation, but does not include any auxiliary odometer designed to be periodically reset.

(44) "Off-highway implement of husbandry" means the same as that term is defined in Section 41-22-2.

(45) "Off-highway vehicle" means the same as that term is defined in Section 41-22-2.

(46) "Operate" means to drive or be in actual physical control of a vehicle or to navigate a vessel.

(47) "Outboard motor" means a detachable self-contained propulsion unit, excluding fuel supply, used to propel a vessel.

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(48) (a) "Owner" means a person, other than a lienholder, holding title to a vehicle, vessel, or outboard motor whether or not the vehicle, vessel, or outboard motor is subject to a security interest.

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

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

(49) "Park model recreational vehicle" means a unit that:

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

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

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

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

(50) "Personalized license plate" means a license plate that has displayed on it a combination of letters, numbers, or both as requested by the owner of the vehicle and assigned to the vehicle by the division.

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

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

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

(53) "Pneumatic tire" means every tire in which compressed air is designed to support the load.

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

(55) "Public garage" means every building or other place where vehicles or vessels are kept and stored and where a charge is made for the storage and keeping of vehicles and vessels.

(56) "Receipt of surrender of ownership documents" means the receipt of surrender of ownership documents described in Section 41-1a-503.

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

(58) "Recreational vehicle" means the same as that term is defined in Section 13-14-102.

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

(60) (a) "Registration year" means a 12 consecutive month period commencing with the completion of all applicable registration criteria.

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

(61) "Repair or replacement" means the restoration of vehicles, vessels, or outboard motors to a sound working condition by substituting any inoperative part of the vehicle, vessel, or outboard motor, or by correcting the inoperative part.

(62) "Replica vehicle" means:

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

(b) a custom vehicle that meets the requirements under Subsection 41-6a-1507(1)(a)(i)(B).

(63) "Road tractor" means every motor vehicle designed and used for drawing other vehicles and constructed so it does not carry any load either independently or any part of the

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weight of a vehicle or load that is drawn.

(64) "Sailboat" means the same as that term is defined in Section 73-18-2.

(65) "Security interest" means an interest that is reserved or created by a security agreement to secure the payment or performance of an obligation and that is valid against third parties.

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

(67) "Special group license plate" means a type of license plate designed for a particular group of people or a license plate authorized and issued by the division in accordance with Section 41-1a-418.

(68) (a) "Special interest vehicle" means a vehicle used for general transportation purposes and that is:

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

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

(b) In making a determination under Subsection (68)(a), the division director shall give special consideration to:

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

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

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

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

(69) (a) "Special mobile equipment" means every vehicle:

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

(ii) not designed to operate in traffic; and

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

(b) "Special mobile equipment" includes:

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- (i) farm tractors;
 - (ii) off-road motorized construction or maintenance equipment including backhoes, bulldozers, compactors, graders, loaders, road rollers, tractors, and trenchers; and
 - (iii) ditch-digging apparatus.
- (c) "Special mobile equipment" does not include a commercial vehicle as defined under Section 72-9-102.

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

(71) "Title" means the right to or ownership of a vehicle, vessel, or outboard motor.

(72) (a) "Total fleet miles" means the total number of miles operated in all jurisdictions during the preceding year by power units.

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

(73) "Trailer" means a vehicle without motive power designed for carrying persons or property and for being drawn by a motor vehicle and constructed so that no part of its weight rests upon the towing vehicle.

(74) "Transferee" means a person to whom the ownership of property is conveyed by sale, gift, or any other means except by the creation of a security interest.

(75) "Transferor" means a person who transfers the person's ownership in property by sale, gift, or any other means except by creation of a security interest.

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

(77) "Truck tractor" means a motor vehicle designed and used primarily for drawing other vehicles and not constructed to carry a load other than a part of the weight of the vehicle and load that is drawn.

(78) "Vehicle" includes a motor vehicle, trailer, semitrailer, off-highway vehicle,

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camper, park model recreational vehicle, manufactured home, and mobile home.

(79) "Vessel" means the same as that term is defined in Section 73-18-2.

(80) "Vintage vehicle" means the same as that term is defined in Section 41-21-1.

(81) "Waters of this state" means the same as that term is defined in Section 73-18-2.

(82) "Weighmaster" means a person, association of persons, or corporation permitted to weigh vehicles under this chapter.

Section 12. Section **41-1a-203** is amended to read:

41-1a-203. Prerequisites for registration, transfer of ownership, or registration renewal.

(1) Except as otherwise provided, before registration of a vehicle, an owner shall:

(a) obtain an identification number inspection under Section 41-1a-204;

(b) obtain a certificate of emissions inspection, if required in the current year, as provided under Section 41-6a-1642;

(c) pay property taxes, the in lieu fee, or receive a property tax clearance under Section 41-1a-206 or 41-1a-207;

(d) pay the automobile driver education tax required by Section 41-1a-208;

(e) pay the applicable registration fee under Part 12, Fee and Tax Requirements;

(f) pay the uninsured motorist identification fee under Section 41-1a-1218, if applicable;

(g) pay the motor carrier fee under Section 41-1a-1219, if applicable;

(h) pay any applicable local emissions compliance fee under Section 41-1a-1223; and

(i) pay the taxes applicable under Title 59, Chapter 12, Sales and Use Tax Act.

(2) In addition to the requirements in Subsection (1), an owner of a vehicle that has not been previously registered or that is currently registered under a previous owner's name shall apply for a valid certificate of title in the owner's name before registration.

(3) The division may not issue a new registration, transfer of ownership, or registration renewal under Section 73-18-7 for a vessel or outboard motor that is subject to this chapter unless a certificate of title has been or is in the process of being issued in the same owner's name.

(4) The division may not issue a new registration, transfer of ownership, or registration renewal under Section 41-22-3 for an off-highway vehicle that is subject to this chapter unless

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a certificate of title has been or is in the process of being issued in the same owner's name.

(5) The division may not issue a registration renewal for a motor vehicle if the division has received a hold request [~~as described in Section 72-6-118 involving~~] for the motor vehicle for which a registration renewal has been requested[?] as described in:

(a) Section 72-1-213.1; or

(b) Section 72-6-118.

Section 13. Section **41-1a-1206** is amended to read:

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

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

(a) \$46.00 for each motorcycle;

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

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

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

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

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

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

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

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

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

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

(g) \$45 for each vintage vehicle that is less than 40 years old; and

(h) in addition to the fee described in Subsection (1)(b):

(i) for each electric motor vehicle:

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- (A) \$60 during calendar year 2019;
- (B) \$90 during calendar year 2020; and
- (C) \$120 beginning January 1, 2021, and thereafter;

(ii) for each hybrid electric motor vehicle:

- (A) \$10 during calendar year 2019;
- (B) \$15 during calendar year 2020; and
- (C) \$20 beginning January 1, 2021, and thereafter;

(iii) for each plug-in hybrid electric motor vehicle:

- (A) \$26 during calendar year 2019;
- (B) \$39 during calendar year 2020; and
- (C) \$52 beginning January 1, 2021, and thereafter; and

(iv) for any motor vehicle not described in Subsections (1)(h)(i) through (iii) that is fueled exclusively by a source other than motor fuel, diesel fuel, natural gas, or propane:

- (A) \$60 during calendar year 2019;
- (B) \$90 during calendar year 2020; and
- (C) \$120 beginning January 1, 2021, and thereafter.

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

- (i) \$34.50 for each motorcycle; and
- (ii) \$33.50 for each motor vehicle of 12,000 pounds or less gross laden weight, excluding motorcycles.

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

- (i) for each electric motor vehicle:
 - (A) \$46.50 during calendar year 2019;
 - (B) \$69.75 during calendar year 2020; and
 - (C) \$93 beginning January 1, 2021, and thereafter;
- (ii) for each hybrid electric motor vehicle:
 - (A) \$7.50 during calendar year 2019;

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(B) \$11.25 during calendar year 2020; and

(C) \$15 beginning January 1, 2021, and thereafter;

(iii) for each plug-in hybrid electric motor vehicle:

(A) \$20 during calendar year 2019;

(B) \$30 during calendar year 2020; and

(C) \$40 beginning January 1, 2021, and thereafter; and

(iv) for each motor vehicle not described in Subsections (2)(b)(i) through (iii) that is fueled by a source other than motor fuel, diesel fuel, natural gas, or propane:

(A) \$46.50 during calendar year 2019;

(B) \$69.75 during calendar year 2020; and

(C) \$93 beginning January 1, 2021, and thereafter.

(3) (a) (i) Beginning on January 1, 2019, the commission shall, on January 1, annually adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i), (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (2)(a), (4)(a), and (7), by taking the registration fee rate for the previous year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the registration fee of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(ii) Beginning on January 1, 2022, the commission shall, on January 1, annually adjust the registration fees described in Subsections (1)(h)(i)(C), (1)(h)(ii)(C), (1)(h)(iii)(C), (1)(h)(iv)(C), (2)(b)(i)(C), (2)(b)(ii)(C), (2)(b)(iii)(C), and (2)(b)(iv)(C) by taking the registration fee rate for the previous year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the registration fee of the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(b) The amounts calculated as described in Subsection (3)(a) shall be rounded up to the nearest 25 cents.

(4) (a) The initial registration fee for a vintage vehicle that is 40 years old or older is \$40.

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

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

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

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

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

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

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

(8) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm truck unless:

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

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

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

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

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

Section 14. Section **51-2a-202** is amended to read:

51-2a-202. Reporting requirements.

(1) The governing board of each entity required to have an audit, review, compilation, or fiscal report shall ensure that the audit, review, compilation, or fiscal report is:

(a) made at least annually; and

(b) filed with the state auditor within six months of the close of the fiscal year of the

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entity.

(2) If the political subdivision, interlocal organization, or other local entity receives federal funding, the audit, review, or compilation shall be performed in accordance with both federal and state auditing requirements.

(3) If a political subdivision receives revenue from a sales and use tax imposed under Section 59-12-2219, the political subdivision shall identify the amount of revenue the political subdivision budgets for transportation and verify compliance with Subsection 59-12-2219(13), regarding new revenue supplanting existing allocations, in the audit, review, compilation, or fiscal report.

Section 15. Section **59-12-103** is amended to read:

59-12-103. Sales and use tax base -- Rates -- Effective dates -- Use of sales and use tax revenues.

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

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

(b) amounts paid for:

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

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

(iii) an ancillary service associated with a:

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

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

(c) sales of the following for commercial use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

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(d) sales of the following for residential use:

(i) gas;

(ii) electricity;

(iii) heat;

(iv) coal;

(v) fuel oil; or

(vi) other fuels;

(e) sales of prepared food;

(f) except as provided in Section 59-12-104, amounts paid or charged as admission or user fees for theaters, movies, operas, museums, planetariums, shows of any type or nature, exhibitions, concerts, carnivals, amusement parks, amusement rides, circuses, menageries, fairs, races, contests, sporting events, dances, boxing matches, wrestling matches, closed circuit television broadcasts, billiard parlors, pool parlors, bowling lanes, golf, miniature golf, golf driving ranges, batting cages, skating rinks, ski lifts, ski runs, ski trails, snowmobile trails, tennis courts, swimming pools, water slides, river runs, jeep tours, boat tours, scenic cruises, horseback rides, sports activities, or any other amusement, entertainment, recreation, exhibition, cultural, or athletic activity;

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

(i) the tangible personal property; and

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

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

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

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

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

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

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

- (i) stored;
- (ii) used; or
- (iii) otherwise consumed;

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

- (i) stored;
- (ii) used; or
- (iii) consumed; and

(m) amounts paid or charged for a sale:

- (i) (A) of a product transferred electronically; or
- (B) of a repair or renovation of a product transferred electronically; and

(ii) regardless of whether the sale provides:

- (A) a right of permanent use of the product; or
- (B) a right to use the product that is less than a permanent use, including a right:
 - (I) for a definite or specified length of time; and
 - (II) that terminates upon the occurrence of a condition.

(2) (a) Except as provided in Subsections (2)(b) through (e), a state tax and a local tax is imposed on a transaction described in Subsection (1) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate equal to the sum of:

- (A) (I) through March 31, 2019, 4.70%; and
- (II) beginning on April 1, 2019, 4.70% plus the rate specified in Subsection (14)(a); and
- (B) (I) the tax rate the state imposes in accordance with Part 18, Additional State Sales

and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(II) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(b) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on a transaction described in Subsection (1)(d) equal to the sum of:

(i) a state tax imposed on the transaction at a tax rate of 2%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the transaction under this chapter other than this part.

(c) Except as provided in Subsection (2)(d) or (e), a state tax and a local tax is imposed on amounts paid or charged for food and food ingredients equal to the sum of:

(i) a state tax imposed on the amounts paid or charged for food and food ingredients at a tax rate of 1.75%; and

(ii) a local tax equal to the sum of the tax rates a county, city, or town imposes on the amounts paid or charged for food and food ingredients under this chapter other than this part.

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

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

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

(II) (Aa) the tax rate the state imposes in accordance with Part 18, Additional State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a county in which the state imposes the tax under Part 18, Additional State Sales and Use Tax Act; and

(Bb) the tax rate the state imposes in accordance with Part 20, Supplemental State Sales and Use Tax Act, if the location of the transaction as determined under Sections 59-12-211 through 59-12-215 is in a city, town, or the unincorporated area of a county in which the state imposes the tax under Part 20, Supplemental State Sales and Use Tax Act; and

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

(ii) If an optional computer software maintenance contract is a bundled transaction that consists of taxable and nontaxable products that are not separately itemized on an invoice or similar billing document, the purchase of the optional computer software maintenance contract

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is 40% taxable under this chapter and 60% nontaxable under this chapter.

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

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

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

(II) state or federal law provides otherwise; or

(B) if the sales price of a bundled transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire bundled transaction is subject to taxation under this chapter at the higher tax rate unless:

(I) the seller is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business; or

(II) state or federal law provides otherwise.

(iv) For purposes of Subsection (2)(d)(iii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(e) (i) Except as otherwise provided in this chapter and subject to Subsections (2)(e)(ii) and (iii), if a transaction consists of the sale, lease, or rental of tangible personal property, a product, or a service that is subject to taxation under this chapter, and the sale, lease, or rental of tangible personal property, other property, a product, or a service that is not subject to taxation under this chapter, the entire transaction is subject to taxation under this chapter unless the seller, at the time of the transaction:

(A) separately states the portion of the transaction that is not subject to taxation under this chapter on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards, from the books and

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records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(ii) A purchaser and a seller may correct the taxability of a transaction if:

(A) after the transaction occurs, the purchaser and the seller discover that the portion of the transaction that is not subject to taxation under this chapter was not separately stated on an invoice, bill of sale, or similar document provided to the purchaser because of an error or ignorance of the law; and

(B) the seller is able to identify by reasonable and verifiable standards, from the books and records the seller keeps in the seller's regular course of business, the portion of the transaction that is not subject to taxation under this chapter.

(iii) For purposes of Subsections (2)(e)(i) and (ii), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(f) (i) If the sales price of a transaction is attributable to two or more items of tangible personal property, products, or services that are subject to taxation under this chapter at different rates, the entire purchase is subject to taxation under this chapter at the higher tax rate unless the seller, at the time of the transaction:

(A) separately states the items subject to taxation under this chapter at each of the different rates on an invoice, bill of sale, or similar document provided to the purchaser; or

(B) is able to identify by reasonable and verifiable standards the tangible personal property, product, or service that is subject to taxation under this chapter at the lower tax rate from the books and records the seller keeps in the seller's regular course of business.

(ii) For purposes of Subsection (2)(f)(i), books and records that a seller keeps in the seller's regular course of business includes books and records the seller keeps in the regular course of business for nontax purposes.

(g) Subject to Subsections (2)(h) and (i), a tax rate repeal or tax rate change for a tax rate imposed under the following shall take effect on the first day of a calendar quarter:

(i) Subsection (2)(a)(i)(A);

(ii) Subsection (2)(b)(i);

(iii) Subsection (2)(c)(i); or

(iv) Subsection (2)(d)(i)(A)(I).

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(h) (i) A tax rate increase takes effect on the first day of the first billing period that begins on or after the effective date of the tax rate increase if the billing period for the transaction begins before the effective date of a tax rate increase imposed under:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(b)(i);
- (C) Subsection (2)(c)(i); or
- (D) Subsection (2)(d)(i)(A)(I).

(ii) The repeal of a tax or a tax rate decrease applies to a billing period if the billing statement for the billing period is rendered on or after the effective date of the repeal of the tax or the tax rate decrease imposed under:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(b)(i);
- (C) Subsection (2)(c)(i); or
- (D) Subsection (2)(d)(i)(A)(I).

(i) (i) For a tax rate described in Subsection (2)(i)(ii), if a tax due on a catalogue sale is computed on the basis of sales and use tax rates published in the catalogue, a tax rate repeal or change in a tax rate takes effect:

- (A) on the first day of a calendar quarter; and
- (B) beginning 60 days after the effective date of the tax rate repeal or tax rate change.

(ii) Subsection (2)(i)(i) applies to the tax rates described in the following:

- (A) Subsection (2)(a)(i)(A);
- (B) Subsection (2)(b)(i);
- (C) Subsection (2)(c)(i); or
- (D) Subsection (2)(d)(i)(A)(I).

(iii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may by rule define the term "catalogue sale."

(3) (a) The following state taxes shall be deposited into the General Fund:

- (i) the tax imposed by Subsection (2)(a)(i)(A);
- (ii) the tax imposed by Subsection (2)(b)(i);
- (iii) the tax imposed by Subsection (2)(c)(i); or
- (iv) the tax imposed by Subsection (2)(d)(i)(A)(I).

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(b) The following local taxes shall be distributed to a county, city, or town as provided in this chapter:

- (i) the tax imposed by Subsection (2)(a)(ii);
- (ii) the tax imposed by Subsection (2)(b)(ii);
- (iii) the tax imposed by Subsection (2)(c)(ii); and
- (iv) the tax imposed by Subsection (2)(d)(i)(B).

(4) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2003, the lesser of the following amounts shall be expended as provided in Subsections (4)(b) through (g):

- (i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated:
 - (A) by a 1/16% tax rate on the transactions described in Subsection (1); and
 - (B) for the fiscal year; or
- (ii) \$17,500,000.

(b) (i) For a fiscal year beginning on or after July 1, 2003, 14% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Department of Natural Resources to:

(A) implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species; or

(B) award grants, up to the amount authorized by the Legislature in an appropriations act, to political subdivisions of the state to implement the measures described in Subsections 79-2-303(3)(a) through (d) to protect sensitive plant and animal species.

(ii) Money transferred to the Department of Natural Resources under Subsection (4)(b)(i) may not be used to assist the United States Fish and Wildlife Service or any other person to list or attempt to have listed a species as threatened or endangered under the Endangered Species Act of 1973, 16 U.S.C. Sec. 1531 et seq.

(iii) At the end of each fiscal year:

(A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan

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Program Subaccount created in Section 73-10c-5.

(c) For a fiscal year beginning on or after July 1, 2003, 3% of the amount described in Subsection (4)(a) shall be deposited each year in the Agriculture Resource Development Fund created in Section 4-18-106.

(d) (i) For a fiscal year beginning on or after July 1, 2003, 1% of the amount described in Subsection (4)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred in hiring legal and technical staff for the adjudication of water rights.

(ii) At the end of each fiscal year:

(A) 50% of any unexpended dedicated credits shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24;

(B) 25% of any unexpended dedicated credits shall lapse to the Utah Wastewater Loan Program Subaccount created in Section 73-10c-5; and

(C) 25% of any unexpended dedicated credits shall lapse to the Drinking Water Loan Program Subaccount created in Section 73-10c-5.

(e) (i) For a fiscal year beginning on or after July 1, 2003, 41% of the amount described in Subsection (4)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources.

(ii) In addition to the uses allowed of the Water Resources Conservation and Development Fund under Section 73-10-24, the Water Resources Conservation and Development Fund may also be used to:

(A) conduct hydrologic and geotechnical investigations by the Division of Water Resources in a cooperative effort with other state, federal, or local entities, for the purpose of quantifying surface and ground water resources and describing the hydrologic systems of an area in sufficient detail so as to enable local and state resource managers to plan for and accommodate growth in water use without jeopardizing the resource;

(B) fund state required dam safety improvements; and

(C) protect the state's interest in interstate water compact allocations, including the hiring of technical and legal staff.

(f) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Utah Wastewater Loan Program Subaccount

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created in Section 73-10c-5 for use by the Water Quality Board to fund wastewater projects.

(g) For a fiscal year beginning on or after July 1, 2003, 20.5% of the amount described in Subsection (4)(a) shall be deposited into the Drinking Water Loan Program Subaccount created in Section 73-10c-5 for use by the Division of Drinking Water to:

(i) provide for the installation and repair of collection, treatment, storage, and distribution facilities for any public water system, as defined in Section 19-4-102;

(ii) develop underground sources of water, including springs and wells; and

(iii) develop surface water sources.

(5) (a) Notwithstanding Subsection (3)(a), for a fiscal year beginning on or after July 1, 2006, the difference between the following amounts shall be expended as provided in this Subsection (5), if that difference is greater than \$1:

(i) for taxes listed under Subsection (3)(a), the amount of tax revenue generated for the fiscal year by a 1/16% tax rate on the transactions described in Subsection (1); and

(ii) \$17,500,000.

(b) (i) The first \$500,000 of the difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Department of Natural Resources as dedicated credits; and

(B) expended by the Department of Natural Resources for watershed rehabilitation or restoration.

(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(b)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(c) (i) After making the transfer required by Subsection (5)(b)(i), \$150,000 of the remaining difference described in Subsection (5)(a) shall be:

(A) transferred each fiscal year to the Division of Water Resources as dedicated credits; and

(B) expended by the Division of Water Resources for cloud-seeding projects authorized by Title 73, Chapter 15, Modification of Weather.

(ii) At the end of each fiscal year, 100% of any unexpended dedicated credits described in Subsection (5)(c)(i) shall lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

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(d) After making the transfers required by Subsections (5)(b) and (c), 85% of the remaining difference described in Subsection (5)(a) shall be deposited into the Water Resources Conservation and Development Fund created in Section 73-10-24 for use by the Division of Water Resources for:

(i) preconstruction costs:

(A) as defined in Subsection 73-26-103(6) for projects authorized by Title 73, Chapter 26, Bear River Development Act; and

(B) as defined in Subsection 73-28-103(8) for the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act;

(ii) the cost of employing a civil engineer to oversee any project authorized by Title 73, Chapter 26, Bear River Development Act;

(iii) the cost of employing a civil engineer to oversee the Lake Powell Pipeline project authorized by Title 73, Chapter 28, Lake Powell Pipeline Development Act; and

(iv) other uses authorized under Sections 73-10-24, 73-10-25.1, and 73-10-30, and Subsection (4)(e)(ii) after funding the uses specified in Subsections (5)(d)(i) through (iii).

(e) After making the transfers required by Subsections (5)(b) and (c) and subject to Subsection (5)(f), 15% of the remaining difference described in Subsection (5)(a) shall be transferred each year as dedicated credits to the Division of Water Rights to cover the costs incurred for employing additional technical staff for the administration of water rights.

(f) At the end of each fiscal year, any unexpended dedicated credits described in Subsection (5)(e) over \$150,000 lapse to the Water Resources Conservation and Development Fund created in Section 73-10-24.

(6) Notwithstanding Subsection (3)(a) and for taxes listed under Subsection (3)(a), the amount of revenue generated by a 1/16% tax rate on the transactions described in Subsection (1) for the fiscal year shall be deposited as follows:

(a) for fiscal year 2016-17 only, 100% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124;

(b) for fiscal year 2017-18 only:

(i) 80% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

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(ii) 20% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;

(c) for fiscal year 2018-19 only:

(i) 60% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

(ii) 40% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;

(d) for fiscal year 2019-20 only:

(i) 40% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

(ii) 60% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103;

(e) for fiscal year 2020-21 only:

(i) 20% of the revenue described in this Subsection (6) shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124; and

(ii) 80% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103; and

(f) for a fiscal year beginning on or after July 1, 2021, 100% of the revenue described in this Subsection (6) shall be deposited into the Water Infrastructure Restricted Account created by Section 73-10g-103.

(7) (a) Notwithstanding Subsection (3)(a), in addition to the amounts deposited in Subsection (6), and subject to Subsection (7)(b), for a fiscal year beginning on or after July 1, 2012, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124:

(i) a portion of the taxes listed under Subsection (3)(a) in an amount equal to 8.3% of the revenues collected from the following taxes, which represents a portion of the approximately 17% of sales and use tax revenues generated annually by the sales and use tax on vehicles and vehicle-related products:

(A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;

(B) the tax imposed by Subsection (2)(b)(i);

(C) the tax imposed by Subsection (2)(c)(i); and

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(D) the tax imposed by Subsection (2)(d)(i)(A)(I); plus

(ii) an amount equal to 30% of the growth in the amount of revenues collected in the current fiscal year from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) that exceeds the amount collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the 2010-11 fiscal year.

(b) (i) Subject to Subsections (7)(b)(ii) and (iii), in any fiscal year that the portion of the sales and use taxes deposited under Subsection (7)(a) represents an amount that is a total lower percentage of the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) generated in the current fiscal year than the total percentage of sales and use taxes deposited in the previous fiscal year, the Division of Finance shall deposit an amount under Subsection (7)(a) equal to the product of:

(A) the total percentage of sales and use taxes deposited under Subsection (7)(a) in the previous fiscal year; and

(B) the total sales and use tax revenue generated by the taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year.

(ii) In any fiscal year in which the portion of the sales and use taxes deposited under Subsection (7)(a) would exceed 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year, the Division of Finance shall deposit 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) for the current fiscal year under Subsection (7)(a).

(iii) In all subsequent fiscal years after a year in which 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) was deposited under Subsection (7)(a), the Division of Finance shall annually deposit 17% of the revenues collected from the sales and use taxes described in Subsections (7)(a)(i)(A) through (D) in the current fiscal year under Subsection (7)(a).

(8) (a) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under Subsections (6) and (7), for the 2016-17 fiscal year only, the Division of Finance shall deposit \$64,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(b) Notwithstanding Subsection (3)(a), and in addition to the amounts deposited under Subsections (6) and (7), for the 2017-18 fiscal year only, the Division of Finance shall deposit

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\$63,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Transportation Investment Fund of 2005 created by Section 72-2-124.

(c) (i) Notwithstanding Subsection (3)(a), in addition to the amounts deposited under Subsections (6) and (7), and subject to Subsection (8)(c)(ii), for a fiscal year beginning on or after July 1, 2018, the commission shall annually deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 a portion of the taxes listed under Subsection (3)(a) in an amount equal to 3.68% of the revenues collected from the following taxes:

- (A) the tax imposed by Subsection (2)(a)(i)(A) at a 4.7% rate;
- (B) the tax imposed by Subsection (2)(b)(i);
- (C) the tax imposed by Subsection (2)(c)(i); and
- (D) the tax imposed by Subsection (2)(d)(i)(A)(I).

(ii) For a fiscal year beginning on or after July 1, 2019, the commission shall annually reduce the deposit into the Transportation Investment Fund of 2005 under Subsection (8)(c)(i) by an amount that is equal to 35% of the amount of revenue generated in the current fiscal year by the portion of the tax imposed on motor and special fuel that is sold, used, or received for sale or use in this state that exceeds 29.4 cents per gallon.

(iii) The commission shall annually deposit the amount described in Subsection (8)(c)(ii) into the Transit [~~and~~] Transportation Investment Fund created in Section 72-2-124.

(9) Notwithstanding Subsection (3)(a), for each fiscal year beginning with fiscal year 2009-10, \$533,750 shall be deposited into the Qualified Emergency Food Agencies Fund created by Section 35A-8-1009 and expended as provided in Section 35A-8-1009.

(10) (a) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), in addition to any amounts deposited under Subsections (6), (7), and (8), and for the 2016-17 fiscal year only, the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of tax revenue generated by a .05% tax rate on the transactions described in Subsection (1).

(b) Notwithstanding Subsection (3)(a), except as provided in Subsection (10)(c), and in addition to any amounts deposited under Subsections (6), (7), and (8), the Division of Finance shall deposit into the Transportation Investment Fund of 2005 created by Section 72-2-124 the amount of revenue described as follows:

- (i) for fiscal year 2017-18 only, 83.33% of the amount of revenue generated by a .05%

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tax rate on the transactions described in Subsection (1);

(ii) for fiscal year 2018-19 only, 66.67% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(iii) for fiscal year 2019-20 only, 50% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1);

(iv) for fiscal year 2020-21 only, 33.33% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1); and

(v) for fiscal year 2021-22 only, 16.67% of the amount of revenue generated by a .05% tax rate on the transactions described in Subsection (1).

(c) For purposes of Subsections (10)(a) and (b), the Division of Finance may not deposit into the Transportation Investment Fund of 2005 any tax revenue generated by amounts paid or charged for food and food ingredients, except for tax revenue generated by a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients described in Subsection (2)(d).

(11) Notwithstanding Subsection (3)(a), beginning the second fiscal year after the fiscal year during which the Division of Finance receives notice under Section 63N-2-510 that construction on a qualified hotel, as defined in Section 63N-2-502, has begun, the Division of Finance shall, for two consecutive fiscal years, annually deposit \$1,900,000 of the revenue generated by the taxes listed under Subsection (3)(a) into the Hotel Impact Mitigation Fund, created in Section 63N-2-512.

(12) (a) Notwithstanding Subsection (3)(a), for the 2016-17 fiscal year only, the Division of Finance shall deposit \$26,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

(b) Notwithstanding Subsection (3)(a), for the 2017-18 fiscal year only, the Division of Finance shall deposit \$27,000,000 of the revenues generated by the taxes listed under Subsection (3)(a) into the Throughput Infrastructure Fund created by Section 35A-8-308.

~~[(13) Notwithstanding Subsections (4) through (12) and (14), an amount required to be expended or deposited in accordance with Subsections (4) through (12) and (14) may not include an amount the Division of Finance deposits in accordance with Section 59-12-103.2.]~~

~~[(14)]~~ (13) (a) The rate specified in this subsection is 0.15%.

(b) Notwithstanding Subsection (3)(a), the Division of Finance shall:

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(i) on or before September 30, 2019, transfer the amount of revenue generated by a 0.15% tax rate imposed beginning on April 1, 2019, and ending on June 30, 2019, on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health Care Financing; and

(ii) for a fiscal year beginning on or after fiscal year 2019-20, annually transfer the amount of revenue generated by a 0.15% tax rate on the transactions that are subject to the sales and use tax under Subsection (2)(a)(i)(A) as dedicated credits to the Division of Health Care Financing.

(c) The revenue described in Subsection [~~(14)~~] (13)(b) that the Division of Finance transfers to the Division of Health Care Financing as dedicated credits shall be expended for the following uses:

(i) implementation of the Medicaid expansion described in Sections 26-18-3.1(4) and 26-18-3.9(2)(b);

(ii) if revenue remains after the use specified in Subsection [~~(14)~~] (13)(c)(i), other measures required by Section 26-18-3.9; and

(iii) if revenue remains after the uses specified in Subsections [~~(14)~~] (13)(c)(i) and (ii), other measures described in Title 26, Chapter 18, Medical Assistance Act.

Section 16. Section **59-12-2202** is amended to read:

59-12-2202. Definitions.

As used in this part:

(1) "Airline" means the same as that term is defined in Section 59-2-102.

(2) "Airport facility" means the same as that term is defined in Section 59-12-602.

(3) "Airport of regional significance" means an airport identified by the Federal Aviation Administration in the most current National Plan of Integrated Airport Systems or an update to the National Plan of Integrated Airport Systems.

(4) "Annexation" means an annexation to:

(a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or

(b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

(5) "Annexing area" means an area that is annexed into a county, city, or town.

(6) "Class A road" means the same as that term is described in Section 72-3-102.

(7) "Class B road" means the same as that term is described in Section 72-3-103.

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(8) "Class C road" means the same as that term is described in Section 72-3-104.

(9) "Class D road" means the same as that term is described in Section 72-3-105.

~~[(6)]~~ (10) "Council of governments" means the same as that term is defined in Section 72-2-117.5.

~~[(7)]~~ (11) "Fixed guideway" means the same as that term is defined in Section 59-12-102.

~~[(8)]~~ (12) "Large public transit district" means the same as that term is defined in Section 17B-2a-802.

~~[(9)]~~ (13) "Major collector highway" means the same as that term is defined in Section 72-4-102.5.

~~[(10)]~~ (14) "Metropolitan planning organization" means the same as that term is defined in Section 72-1-208.5.

~~[(11)]~~ (15) "Minor arterial highway" means the same as that term is defined in Section 72-4-102.5.

~~[(12)]~~ (16) "Minor collector road" means the same as that term is defined in Section 72-4-102.5.

~~[(13)]~~ (17) "Principal arterial highway" means the same as that term is defined in Section 72-4-102.5.

~~[(14)]~~ (18) "Regionally significant transportation facility" means:

(a) in a county of the first or second class:

(i) a principal arterial highway;

(ii) a minor arterial highway;

(iii) a fixed guideway that:

(A) extends across two or more cities or unincorporated areas; or

(B) is an extension to an existing fixed guideway; or

(iv) an airport of regional significance; or

(b) in a county of the second class that is not part of a large public transit district, or in a county of the third, fourth, fifth, or sixth class:

(i) a principal arterial highway;

(ii) a minor arterial highway;

(iii) a major collector highway;

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- (iv) a minor collector road; or
- (v) an airport of regional significance.

~~[(15)]~~ (19) "State highway" means a highway designated as a state highway under Title 72, Chapter 4, Designation of State Highways Act.

~~[(16)]~~ (20) (a) Subject to Subsection ~~[(16)]~~ (20)(b), "system for public transit" means the same as the term "public transit" is defined in Section 17B-2a-802.

(b) "System for public transit" includes:

(i) the following costs related to public transit:

- (A) maintenance costs; or
- (B) operating costs;

(ii) a fixed guideway;

(iii) a park and ride facility;

(iv) a passenger station or passenger terminal;

(v) a right-of-way for public transit; or

(vi) the following that serve a public transit facility:

(A) a maintenance facility;

(B) a platform;

(C) a repair facility;

(D) a roadway;

(E) a storage facility;

(F) a utility line; or

(G) a facility or item similar to those described in Subsections ~~[(16)]~~ (20)(b)(vi)(A)

through (F).

Section 17. Section **59-12-2203** is amended to read:

59-12-2203. Authority to impose a sales and use tax under this part.

(1) As provided in this Subsection (1), one of the following sales and use taxes may be imposed within the boundaries of a local taxing jurisdiction:

(a) a county, city, or town may impose the sales and use tax authorized by Section 59-12-2213 in accordance with Section 59-12-2213; or

(b) a city or town may impose the sales and use tax authorized by Section 59-12-2215 in accordance with Section 59-12-2215.

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(2) As provided in this Subsection (2), one of the following sales and use taxes may be imposed within the boundaries of a local taxing jurisdiction:

(a) a county, city, or town may impose the sales and use tax authorized by Section 59-12-2214 in accordance with Section 59-12-2214; or

(b) a county may impose the sales and use tax authorized by Section 59-12-2216 in accordance with Section 59-12-2216.

(3) As provided in this Subsection (3), one of the following sales and use taxes may be imposed within the boundaries of a local taxing jurisdiction:

(a) a county may impose the sales and use tax authorized by Section 59-12-2217 in accordance with Section 59-12-2217; or

(b) a county, city, or town may impose the sales and use tax authorized by Section 59-12-2218 in accordance with Section 59-12-2218.

(4) A county may impose the sales and use tax authorized by Section 59-12-2219 in accordance with Section 59-12-2219.

(5) A county[~~, city, or town~~] may impose the sales and use tax authorized by Section 59-12-2220 in accordance with Section 59-12-2220.

Section 18. Section **59-12-2212.2** is enacted to read:

59-12-2212.2. Allowable uses of local option sales and use tax revenue.

(1) Except as otherwise provided in this part, a county, city, or town that imposes a local option sales and use tax under this part may expend the revenue generated from the local option sales and use tax for the following purposes:

(a) the development, construction, maintenance, or operation of:

(i) a class A road;

(ii) a class B road;

(iii) a class C road;

(iv) a class D road;

(v) traffic and pedestrian safety infrastructure, including:

(A) a sidewalk;

(B) curb and gutter;

(C) a safety feature;

(D) a traffic sign;

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(E) a traffic signal; or

(F) street lighting;

(vi) streets, alleys, roads, highways, and thoroughfares of any kind, including connected structures;

(vii) an airport facility;

(viii) an active transportation facility that is for nonmotorized vehicles and multimodal transportation and connects an origin with a destination; or

(ix) an intelligent transportation system;

(b) a system for public transit;

(c) all other modes and forms of conveyance used by the public;

(d) debt service or bond issuance costs related to a project or facility described in

Subsections (1)(a) through (c); or

(e) corridor preservation related to a project or facility described in Subsections (1)(a) through (c).

(2) Any revenue subject to rights or obligations under a contract between a county, city, or town and a public transit district entered into before January 1, 2019, remains subject to existing contractual rights and obligations.

Section 19. Section **59-12-2214** is amended to read:

59-12-2214. County, city, or town option sales and use tax to fund a system for public transit, an airport facility, a water conservation project, or to be deposited into the County of the First Class Highway Projects Fund -- Base -- Rate.

(1) Subject to the other provisions of this part, a county, city, or town may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) located within the county, city, or town.

(2) ~~[Subject]~~ Notwithstanding Section 59-12-2212.2, and subject to Subsection (3), a county, city, or town that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax:

(a) to fund a system for public transit;

(b) to fund a project or service related to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed:

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(i) for a county that imposes the sales and use tax, if the airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(ii) for a city or town that imposes the sales and use tax, if:

(A) that city or town is located within a county of the second class;

(B) that city or town owns or operates the airport facility; and

(C) an airline is headquartered in that city or town; or

(c) for a combination of Subsections (2)(a) and (b).

(3) A county of the first class that imposes a sales and use tax under this section shall expend the revenues collected from the sales and use tax as follows:

(a) 80% of the revenues collected from the sales and use tax shall be expended to fund a system for public transit; and

(b) 20% of the revenues collected from the sales and use tax shall be deposited into the County of the First Class Highway Projects Fund created by Section 72-2-121.

~~[(4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not required to submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section if:]~~

~~[(a) the county, city, or town imposes the sales and use tax under this section on or after July 1, 2010, but on or before July 1, 2011;]~~

~~[(b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:]~~

~~[(i) Section 59-12-2213; or]~~

~~[(ii) Section 59-12-2215; and]~~

~~[(c) the county, city, or town obtained voter approval to impose the sales and use tax under:]~~

~~[(i) Section 59-12-2213; or]~~

~~[(ii) Section 59-12-2215.]~~

Section 20. Section **59-12-2215** is amended to read:

59-12-2215. City or town option sales and use tax for highways or to fund a system for public transit -- Base -- Rate.

(1) Subject to the other provisions of this part, a city or town may impose a sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1) located within

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the city or town.

~~[(2) A city or town imposing a sales and use tax under this section shall expend the revenues collected from the sales and use tax:]~~

~~[(a) for the construction and maintenance of highways under the jurisdiction of the city or town imposing the tax;]~~

~~[(b) to fund a system for public transit; or]~~

~~[(c) for a combination of Subsections (2)(a) and (b).]~~

(2) A city or town imposing a sales and use tax under this section shall expend the revenues collected from the sales and use tax as described in Section 59-12-2212.2.

Section 21. Section **59-12-2216** is amended to read:

59-12-2216. County option sales and use tax for a fixed guideway, to fund a system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of revenues.

(1) Subject to the other provisions of this part, a county legislative body may impose a sales and use tax of up to .30% on the transactions described in Subsection 59-12-103(1) within the county, including the cities and towns within the county.

~~[(2) Subject to Subsection (3), before obtaining voter approval in accordance with Section 59-12-2208, a county legislative body shall adopt a resolution specifying the percentage of revenues the county will receive from the sales and use tax under this section that will be allocated to fund one or more of the following:]~~

~~[(a) a project or service relating to a fixed guideway for the portion of the project or service that is performed within the county;]~~

~~[(b) a project or service relating to a system for public transit, except for a fixed guideway, for the portion of the project or service that is performed within the county;]~~

~~[(c) the following relating to a state highway within the county:]~~

~~[(i) a project within the county if the project:]~~

~~[(A) begins on or after the day on which a county legislative body imposes a tax under this section; and]~~

~~[(B) involves an environmental study, an improvement, new construction, or a renovation;]~~

~~[(ii) debt service on a project described in Subsection (2)(c)(i); or]~~

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~~[(iii) bond issuance costs related to a project described in Subsection (2)(c)(i); or]
[(d) a project, debt service, or bond issuance cost described in Subsection (2)(c)
relating to a highway that is:]~~

~~[(i) a principal arterial highway or minor arterial highway;]~~

~~[(ii) included in a metropolitan planning organization's regional transportation plan;
and]~~

~~[(iii) not a state highway.]~~

(2) Subject to Subsection (3), before obtaining voter approval in accordance with Section 59-12-2208, a county legislative body shall adopt a resolution specifying the percentage of revenues the county will receive from the sales and use tax under this section that will be allocated to fund uses described in Section 59-12-2212.2.

(3) A county legislative body shall in the resolution described in Subsection (2) allocate 100% of the revenues the county will receive from the sales and use tax under this section for one or more of the purposes described in ~~[Subsection (2)]~~ Section 59-12-2212.2.

(4) Notwithstanding Section 59-12-2208, the opinion question required by Section 59-12-2208 shall state the allocations the county legislative body makes in accordance with this section.

(5) The revenues collected from a sales and use tax under this section shall be:

(a) allocated in accordance with the allocations specified in the resolution under Subsection (2); and

(b) expended as provided in this section.

(6) If a county legislative body allocates revenues collected from a sales and use tax under this section for a state highway project ~~[described in Subsection (2)(c)(i)]~~, before beginning the state highway project within the county, the county legislative body shall:

(a) obtain approval from the Transportation Commission to complete the project; and

(b) enter into an interlocal agreement established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

(7) If after a county legislative body imposes a sales and use tax under this section the county legislative body seeks to change an allocation specified in the resolution under Subsection (2), the county legislative body may change the allocation by:

(a) adopting a resolution in accordance with Subsection (2) specifying the percentage

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of revenues the county will receive from the sales and use tax under this section that will be allocated to fund one or more of the items described in [~~Subsection (2)~~] Section 59-12-2212.2;

(b) obtaining approval to change the allocation of the sales and use tax by a majority of all of the members of the county legislative body; and

(c) subject to Subsection (8):

(i) in accordance with Section 59-12-2208, submitting an opinion question to the county's registered voters voting on changing the allocation so that each registered voter has the opportunity to express the registered voter's opinion on whether the allocation should be changed; and

(ii) in accordance with Section 59-12-2208, obtaining approval to change the allocation from a majority of the county's registered voters voting on changing the allocation.

(8) Notwithstanding Section 59-12-2208, the opinion question required by Subsection (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with Subsection (7)(a) and approved by the county legislative body in accordance with Subsection (7)(b).

(9) Revenues collected from a sales and use tax under this section that a county allocates for a [~~purpose described in Subsection (2)(c)~~] state highway within the county shall be:

(a) deposited into the Highway Projects Within Counties Fund created by Section 72-2-121.1; and

(b) expended as provided in Section 72-2-121.1.

(10) (a) Notwithstanding Section 59-12-2206 and subject to Subsection (10)(b), revenues collected from a sales and use tax under this section that a county allocates for a [~~purpose described in Subsection (2)(d)~~] project, debt service, or bond issuance cost relating to a highway that is a principal arterial highway or minor arterial highway that is included in a metropolitan planning organization's regional transportation plan, but is not a state highway, shall be transferred to the Department of Transportation if the transfer of the revenues is required under an interlocal agreement:

(i) entered into on or before January 1, 2010; and

(ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

(b) The Department of Transportation shall expend the revenues described in

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Subsection (10)(a) as provided in the interlocal agreement described in Subsection (10)(a).

Section 22. Section **59-12-2217** is amended to read:

**59-12-2217. County option sales and use tax for transportation -- Base -- Rate --
Written prioritization process -- Approval by county legislative body.**

(1) Subject to the other provisions of this part, and subject to Subsection ~~[(10)]~~ (8), a county legislative body may impose a sales and use tax of up to .25% on the transactions described in Subsection 59-12-103(1) within the county, including the cities and towns within the county.

~~[(2) Subject to Subsections (3) through (8) and Section 59-12-2207, the revenues collected from a sales and use tax under this section may only be expended for:]~~

~~[(a) a project or service:]~~

~~[(i) relating to a regionally significant transportation facility for the portion of the project or service that is performed within the county;]~~

~~[(ii) for new capacity or congestion mitigation if the project or service is performed within a county:]~~

~~[(A) of the first or second class; or]~~

~~[(B) if that county is part of an area metropolitan planning organization; and]~~

~~[(iii) that is on a priority list:]~~

~~[(A) created by the county's council of governments in accordance with Subsection (7); and]~~

~~[(B) approved by the county legislative body in accordance with Subsection (7);]~~

~~[(b) corridor preservation for a project or service described in Subsection (2)(a); or]~~

~~[(c) debt service or bond issuance costs related to a project or service described in Subsection (2)(a)(i) or (ii).]~~

~~[(3) If a project or service described in Subsection (2) is for: (a) a principal arterial highway or a minor arterial highway in a county of the first or second class or a collector road in a county of the second class, that project or service shall be part of the:]~~

~~[(i) county and municipal master plan; and]~~

~~[(ii) (A) statewide long-range plan; or]~~

~~[(B) regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or]~~

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~~[(b) a fixed guideway or an airport, that project or service shall be part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area.]~~

~~[(4) In a county of the first or second class, a regionally significant transportation facility project or service described in Subsection (2)(a)(i) shall have a funded year priority designation on a Statewide Transportation Improvement Program and Transportation Improvement Program if the project or service described in Subsection (2)(a)(i) is:]~~

~~[(a) a principal arterial highway;]~~

~~[(b) a minor arterial highway;]~~

~~[(c) a collector road in a county of the second class; or]~~

~~[(d) a major collector highway in a rural area.]~~

~~[(5) Of the revenues collected from a sales and use tax imposed under this section within a county of the first class, 25% or more shall be expended for the purpose described in Subsection (2)(b).]~~

(2) (a) Except as provided in Subsection (2)(b), and subject to Subsections (3) through (6) and Section 59-12-2207, the revenue collected from a sales and use tax under this section may only be expended as described in Section 59-12-2212.2.

(b) Subject to Subsections (3) through (6), in a county of the first or second class, or if a county is part of an area metropolitan planning organization, that portion of the county within the metropolitan planning organization, the revenue collected from a sales and use tax under this section may only be expended as described in Section 59-12-2212.2, and only if the expenditure is for:

(i) a project or service:

(A) relating to a regionally significant transportation facility for the portion of the project or service that is performed within the county;

(B) for new capacity or congestion mitigation, and not for operation or maintenance, if the project or service is performed within the county; and

(C) on a priority list created by the county's council of governments in accordance with Subsection (5) and approved by the county legislative body in accordance with Subsection (5);

(ii) corridor preservation for a project or service described in Subsection (2)(b)(i)(A) or (B); or

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(iii) debt service or bond issuance costs related to a project or service described in Subsection (2)(b)(i)(A) or (B).

(c) The restriction in Subsection (2)(b)(i)(B) from using revenue for operation or maintenance does not apply to any revenue subject to rights or obligations under a contract entered into before January 1, 2019, between a county and a public transit district.

(3) For revenue expended under this section for a project or service described in Subsection (2) that is on or part of a regionally significant transportation facility and that constructs or adds a new through lane or interchange, or provides new fixed guideway public transit service, the project shall be part of:

(a) the statewide long-range plan; or

(b) a regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization area exists for the area.

~~[(6)]~~ (4) (a) As provided in this Subsection ~~[(6)]~~ (4), a council of governments shall:

(i) develop a written prioritization process for the prioritization of projects to be funded by revenues collected from a sales and use tax under this section;

(ii) create a priority list of ~~[regionally significant]~~ transportation ~~[facility]~~ projects or services described in ~~[Subsection (2)(a)(i)]~~ Section 59-12-2212.2 in accordance with Subsection ~~[(7)]~~ (5); and

(iii) present the priority list to the county legislative body for approval in accordance with Subsection ~~[(7)]~~ (5).

(b) The written prioritization process described in Subsection ~~[(6)]~~ (4)(a)(i) shall include:

(i) a definition of the type of projects to which the written prioritization process applies;

(ii) subject to Subsection ~~[(6)]~~ (4)(c), the specification of a weighted criteria system that the council of governments will use to rank proposed projects and how that weighted criteria system will be used to determine which proposed projects will be prioritized;

(iii) the specification of data that is necessary to apply the weighted criteria system;

(iv) application procedures for a project to be considered for prioritization by the council of governments; and

(v) any other provision the council of governments considers appropriate.

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(c) The weighted criteria system described in Subsection [(6)] (4)(b)(ii) shall include the following:

- (i) the cost effectiveness of a project;
- (ii) the degree to which a project will mitigate regional congestion;
- (iii) the compliance requirements of applicable federal laws or regulations;
- (iv) the economic impact of a project;
- (v) the degree to which a project will require tax revenues to fund maintenance and operation expenses; and
- (vi) any other provision the council of governments considers appropriate.

(d) A council of governments of a county of the first or second class shall submit the written prioritization process described in Subsection [(6)] (4)(a)(i) to the Executive Appropriations Committee for approval prior to taking final action on:

- (i) the written prioritization process; or
- (ii) any proposed amendment to the written prioritization process.

[(7)] (5) (a) A council of governments shall use the weighted criteria system adopted in the written prioritization process developed in accordance with Subsection [(6)] (4) to create a priority list of [~~regionally significant~~] transportation [~~facility~~] projects or services for which revenues collected from a sales and use tax under this section may be expended.

(b) Before a council of governments may finalize a priority list or the funding level of a project, the council of governments shall conduct a public meeting on:

- (i) the written prioritization process; and
- (ii) the merits of the projects that are prioritized as part of the written prioritization

process.

(c) A council of governments shall make the weighted criteria system ranking for each project prioritized as part of the written prioritization process publicly available before the public meeting required by Subsection [(7)] (5)(b) is held.

(d) If a council of governments prioritizes a project over another project with a higher rank under the weighted criteria system, the council of governments shall:

(i) identify the reasons for prioritizing the project over another project with a higher rank under the weighted criteria system at the public meeting required by Subsection [(7)] (5)(b); and

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(ii) make the reasons described in Subsection ~~[(7)]~~ (5)(d)(i) publicly available.

(e) Subject to Subsections ~~[(7)]~~ (5)(f) and (g), after a council of governments finalizes a priority list in accordance with this Subsection ~~[(7)]~~ (5), the council of governments shall:

(i) submit the priority list to the county legislative body for approval; and

(ii) obtain approval of the priority list from a majority of the members of the county legislative body.

(f) A council of governments may only submit one priority list per calendar year to the county legislative body.

(g) A county legislative body may only consider and approve one priority list submitted under Subsection ~~[(7)]~~ (5)(e) per calendar year.

~~[(8)]~~ (6) In a county of the first class, revenues collected from a sales and use tax under this section that a county allocates for a purpose described in Subsection ~~[(2)](b)]~~ 59-12-2212.2(5) shall be:

(a) deposited in or transferred to the County of the First Class Highway Projects Fund created by Section 72-2-121; and

(b) expended as provided in Section 72-2-121.

~~[(9)]~~ (7) Notwithstanding Section 59-12-2208, a county legislative body may, but is not required to, submit an opinion question to the county's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

~~[(10)]~~ (8) (a) (i) Notwithstanding any other provision in this section, if the entire boundary of a county is annexed into a large public transit district, if the county legislative body wishes to impose a sales and use tax under this section, the county legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

(ii) If the entire boundary of a county is annexed into a large public transit district, the county legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.

(b) Notwithstanding the deadline described in Subsection ~~[(10)]~~ (8)(a), any sales and use tax imposed under this section on or before June 30, 2022, may remain in effect.

Section 23. Section **59-12-2218** is amended to read:

59-12-2218. County, city, or town option sales and use tax for airports, highways, and systems for public transit -- Base -- Rate -- Administration of sales and use tax --

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Voter approval exception.

(1) Subject to the other provisions of this part, and subject to Subsection ~~[(11)]~~ (8), the following may impose a sales and use tax under this section:

(a) if, on April 1, 2009, a county legislative body of a county of the second class imposes a sales and use tax under this section, the county legislative body of the county of the second class may impose the sales and use tax on the transactions:

(i) described in Subsection 59-12-103(1); and

(ii) within the county, including the cities and towns within the county; or

(b) if, on April 1, 2009, a county legislative body of a county of the second class does not impose a sales and use tax under this section:

(i) a city legislative body of a city within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that city;

(ii) a town legislative body of a town within the county of the second class may impose a sales and use tax under this section on the transactions described in Subsection 59-12-103(1) within that town; and

(iii) the county legislative body of the county of the second class may impose a sales and use tax on the transactions described in Subsection 59-12-103(1):

(A) within the county, including the cities and towns within the county, if on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, no city or town within that county imposes a sales and use tax under this section or has provided the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section; or

(B) within the county, except for within a city or town within that county, if, on the date the county legislative body provides the notice described in Section 59-12-2209 to the commission stating that the county will enact a sales and use tax under this section, that city or town imposes a sales and use tax under this section or has provided the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a sales and use tax under this section.

(2) For purposes of Subsection (1) and subject to the other provisions of this section, a

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county, city, or town legislative body that imposes a sales and use tax under this section may impose the tax at a rate of ~~[(a) .10%; or (b)]~~ .25%.

~~[(3) A sales and use tax imposed at a rate described in Subsection (2)(a) shall be expended as determined by the county, city, or town legislative body as follows:]~~

~~[(a) deposited as provided in Subsection (9)(b) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;]~~

~~[(b) expended for a project or service relating to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the tax is imposed:]~~

~~[(i) for a county legislative body that imposes the sales and use tax, if that airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or]~~

~~[(ii) for a city or town legislative body that imposes the sales and use tax, if:]~~

~~[(A) that city or town owns or operates the airport facility; and]~~

~~[(B) an airline is headquartered in that city or town; or]~~

~~[(c) deposited or expended for a combination of Subsections (3)(a) and (b).]~~

~~[(4) Subject to Subsections (5) through (7), a sales and use tax imposed at a rate described in Subsection (2)(b) shall be expended as determined by the county, city, or town legislative body as follows:]~~

~~[(a) deposited as provided in Subsection (9)(b) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2;]~~

~~[(b) expended for:]~~

~~[(i) a state highway designated under Title 72, Chapter 4, Part 1, State Highways;]~~

~~[(ii) a local highway that is a principal arterial highway, minor arterial highway, major collector highway, or minor collector road; or]~~

~~[(iii) a combination of Subsections (4)(b)(i) and (ii);]~~

~~[(c) expended for a project or service relating to a system for public transit for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed;]~~

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~~[(d) expended for a project or service relating to an airport facility for the portion of the project or service that is performed within the county, city, or town within which the sales and use tax is imposed:]~~

~~[(i) for a county legislative body that imposes the sales and use tax, if that airport facility is part of the regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or]~~

~~[(ii) for a city or town legislative body that imposes the sales and use tax, if:]~~

~~[(A) that city or town owns or operates the airport facility; and]~~

~~[(B) an airline is headquartered in that city or town;]~~

~~[(e) expended for:]~~

~~[(i) a class B road, as defined in Section 72-3-103;]~~

~~[(ii) a class C road, as defined in Section 72-3-104; or]~~

~~[(iii) a combination of Subsections (4)(e)(i) and (ii);]~~

~~[(f) expended for traffic and pedestrian safety, including:]~~

~~[(i) for a class B road, as defined in Section 72-3-103, or class C road, as defined in Section 72-3-104, for:]~~

~~[(A) a sidewalk;]~~

~~[(B) curb and gutter;]~~

~~[(C) a safety feature;]~~

~~[(D) a traffic sign;]~~

~~[(E) a traffic signal;]~~

~~[(F) street lighting; or]~~

~~[(G) a combination of Subsections (4)(f)(i)(A) through (F);]~~

~~[(ii) the construction of an active transportation facility that:]~~

~~[(A) is for nonmotorized vehicles and multimodal transportation; and]~~

~~[(B) connects an origin with a destination; or]~~

~~[(iii) a combination of Subsections (4)(f)(i) and (ii); or]~~

~~[(g) deposited or expended for a combination of Subsections (4)(a) through (f).]~~

(3) (a) Except as provided in Subsection (3)(b), and subject to Subsection (4), a sales and use tax imposed under this section shall be expended as determined by the county, city, or town legislative body for uses described in Section 59-12-2212.2.

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(b) (i) Notwithstanding Subsection 59-12-2212.2(1)(a), revenues collected from a sales and use tax under this section may only be used for new capacity or congestion mitigation projects, and may not be expended for operation or maintenance purposes.

(ii) The restriction in Subsection (3)(b)(i) from using revenue for operation or maintenance purposes does not apply to any revenue subject to rights or obligations under a contract entered into before January 1, 2019, between a county, city, or town legislative body and a public transit district.

~~[(5)]~~ (4) A county, city, or town legislative body may not expend revenue collected within a county, city, or town from a tax under this section for a purpose described in ~~[Subsections (4)(b) through (f)]~~ Section 59-12-2212.2 unless the purpose is recommended by:

(a) for a county that is part of a metropolitan planning organization, the metropolitan planning organization of which the county is a part; or

(b) for a county that is not part of a metropolitan planning organization, the council of governments of which the county is a part.

~~[(6) (a) (i) Except as provided in Subsection (6)(b), a county, city, or town that imposes a tax described in Subsection (2)(b) shall deposit the revenue collected from a tax rate of .05% as provided in Subsection (9)(b)(i) into the Local Highway and Transportation Corridor Preservation Fund created by Section 72-2-117.5.]~~

~~[(ii) Revenue deposited in accordance with Subsection (6)(a)(i) shall be expended and distributed in accordance with Section 72-2-117.5.]~~

~~[(b) A county, city, or town is not required to make the deposit required by Subsection (6)(a)(i) if the county, city, or town:]~~

~~[(i) imposed a tax described in Subsection (2)(b) on July 1, 2010; or]~~

~~[(ii) has continuously imposed a tax described in Subsection (2)(b):]~~

~~[(A) beginning after July 1, 2010; and]~~

~~[(B) for a five-year period:]~~

~~[(7) (a) Subject to the other provisions of this Subsection (7), a city or town within which a sales and use tax is imposed at the tax rate described in Subsection (2)(b) may:]~~

~~[(i) expend the revenues in accordance with Subsection (4); or]~~

~~[(ii) expend the revenues in accordance with Subsections (7)(b) through (d) if:]~~

~~[(A) that city or town owns or operates an airport facility; and]~~

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~~[(B) an airline is headquartered in that city or town.]~~

~~[(b) (i) A city or town legislative body of a city or town within which a sales and use tax is imposed at the tax rate described in Subsection (2)(b) may expend the revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of .25% for a purpose described in Subsection (7)(b)(ii) if:]~~

~~[(A) that city or town owns or operates an airport facility; and]~~

~~[(B) an airline is headquartered in that city or town.]~~

~~[(ii) A city or town described in Subsection (7)(b)(i) may expend the revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of .25% for:]~~

~~[(A) a project or service relating to the airport facility; and]~~

~~[(B) the portion of the project or service that is performed within the city or town imposing the sales and use tax.]~~

~~[(c) If a city or town legislative body described in Subsection (7)(b)(i) determines to expend the revenues collected from a tax rate of greater than .10% but not to exceed the revenues collected from a tax rate of .25% for a project or service relating to an airport facility as allowed by Subsection (7)(b), any remaining revenue that is collected from the sales and use tax imposed at the tax rate described in Subsection (2)(b) that is not expended for the project or service relating to an airport facility as allowed by Subsection (7)(b) shall be expended as follows:]~~

~~[(i) 75% of the remaining revenues shall be deposited as provided in Subsection (9)(c) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 and expended as provided in Section 72-2-121.2; and]~~

~~[(ii) 25% of the remaining revenues shall be deposited as provided in Subsection (9)(c) into the Local Highway and Transportation Corridor Preservation Fund created by Section 72-2-117.5 and expended and distributed in accordance with Section 72-2-117.5.]~~

~~[(d) A city or town legislative body that expends the revenues collected from a sales and use tax imposed at the tax rate described in Subsection (2)(b) in accordance with Subsections (7)(b) and (c):]~~

~~[(i) shall, on or before the date the city or town legislative body provides the notice described in Section 59-12-2209 to the commission stating that the city or town will enact a~~

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sales and use tax under this section:]

~~[(A) determine the tax rate, the percentage of which is greater than .10% but does not exceed .25%, the collections from which the city or town legislative body will expend for a project or service relating to an airport facility as allowed by Subsection (7)(b); and]~~

~~[(B) notify the commission in writing of the tax rate the city or town legislative body determines in accordance with Subsection (7)(d)(i)(A);]~~

~~[(ii) shall, on or before the April 1 immediately following the date the city or town legislative body provides the notice described in Subsection (7)(d)(i) to the commission:]~~

~~[(A) determine the tax rate, the percentage of which is greater than .10% but does not exceed .25%, the collections from which the city or town legislative body will expend for a project or service relating to an airport facility as allowed by Subsection (7)(b); and]~~

~~[(B) notify the commission in writing of the tax rate the city or town legislative body determines in accordance with Subsection (7)(d)(ii)(A);]~~

~~[(iii) shall, on or before April 1 of each year after the April 1 described in Subsection (7)(d)(ii):]~~

~~[(A) determine the tax rate, the percentage of which is greater than .10% but does not exceed .25%, the collections from which the city or town legislative body will expend for a project or service relating to an airport facility as allowed by Subsection (7)(b); and]~~

~~[(B) notify the commission in writing of the tax rate the city or town legislative body determines in accordance with Subsection (7)(d)(iii)(A); and]~~

~~[(iv) may not change the tax rate the city or town legislative body determines in accordance with Subsections (7)(d)(i) through (iii) more frequently than as prescribed by Subsections (7)(d)(i) through (iii):]~~

~~[(8)]~~ (5) Before a city or town legislative body may impose a sales and use tax under this section, the city or town legislative body shall provide a copy of the notice described in Section 59-12-2209 that the city or town legislative body provides to the commission:

- (a) to the county legislative body within which the city or town is located; and
- (b) at the same time as the city or town legislative body provides the notice to the commission.

~~[(9)(a)]~~ (6) Subject to ~~[Subsections (9)(b) through (c) and]~~ Section 59-12-2207, the commission shall transmit revenues collected within a county, city, or town from a tax under

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this part that will be expended for a purpose described in [~~Subsection (3)(b) or Subsections (4)(b) through (f)~~] Section 59-12-2212.2 to the county, city, or town legislative body in accordance with Section 59-12-2206.

~~[(b) Except as provided in Subsection (9)(c) and subject to Section 59-12-2207, the commission shall deposit revenues collected within a county, city, or town from a sales and use tax under this section that:]~~

~~[(i) are required to be expended for a purpose described in Subsection (6)(a) into the Local Transportation Corridor Preservation Fund created by Section 72-2-117.5; or]~~

~~[(ii) a county, city, or town legislative body determines to expend for a purpose described in Subsection (3)(a) or (4)(a) into the County of the Second Class State Highway Projects Fund created by Section 72-2-121.2 if the county, city, or town legislative body provides written notice to the commission requesting the deposit.]~~

~~[(c) Subject to Subsection (9)(d) or (e), if a city or town legislative body provides notice to the commission in accordance with Subsection (7)(d), the commission shall:]~~

~~[(i) transmit the revenues collected from the tax rate stated on the notice to the city or town legislative body monthly by electronic funds transfer; and]~~

~~[(ii) deposit any remaining revenues described in Subsection (7)(c) in accordance with Subsection (7)(c).]~~

~~[(d) (i) If a city or town legislative body provides the notice described in Subsection (7)(d)(i) to the commission, the commission shall transmit or deposit the revenues collected from the sales and use tax:]~~

~~[(A) in accordance with Subsection (9)(c);]~~

~~[(B) beginning on the date the city or town legislative body enacts the sales and use tax; and]~~

~~[(C) ending on the earlier of the June 30 immediately following the date the city or town legislative body provides the notice described in Subsection (7)(d)(ii) to the commission or the date the city or town legislative body repeals the sales and use tax.]~~

~~[(ii) If a city or town legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission, the commission shall transmit or deposit the revenues collected from the sales and use tax:]~~

~~[(A) in accordance with Subsection (9)(c);]~~

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~~[(B) beginning on the July 1 immediately following the date the city or town legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission; and]~~

~~[(C) ending on the earlier of the June 30 of the year after the date the city or town legislative body provides the notice described in Subsection (7)(d)(ii) or (iii) to the commission or the date the city or town legislative body repeals the sales and use tax.]~~

~~[(c) (i) If a city or town legislative body that is required to provide the notice described in Subsection (7)(d)(i) does not provide the notice described in Subsection (7)(d)(i) to the commission on or before the date required by Subsection (7)(d) for providing the notice, the commission shall transmit, transfer, or deposit the revenues collected from the sales and use tax within the city or town in accordance with Subsections (9)(a) and (b).]~~

~~[(ii) If a city or town legislative body that is required to provide the notice described in Subsection (7)(d)(ii) or (iii) does not provide the notice described in Subsection (7)(d)(ii) or (iii) to the commission on or before the date required by Subsection (7)(d) for providing the notice, the commission shall transmit or deposit the revenues collected from the sales and use tax within the city or town in accordance with:]~~

~~[(A) Subsection (9)(c); and]~~

~~[(B) the most recent notice the commission received from the city or town legislative body under Subsection (7)(d).]~~

~~[(H)] (7) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may, but is not required to, submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.~~

~~[(H)] (8) (a) (i) Notwithstanding any other provision in this section, if the entire boundary of a county, city, or town is annexed into a large public transit district, if the county, city, or town legislative body wishes to impose a sales and use tax under this section, the county, city, or town legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.~~

~~(ii) If the entire boundary of a county, city, or town is annexed into a large public transit district, the county, city, or town legislative body may not pass the ordinance to impose a sales and use tax under this section on or after July 1, 2022.~~

~~(b) Notwithstanding the deadline described in Subsection [(H)] (8)(a), any sales and~~

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use tax imposed under this section by passage of a county, city, or town ordinance on or before June 30, 2022, may remain in effect.

Section 24. Section **59-12-2219** is amended to read:

59-12-2219. County option sales and use tax for highways and public transit -- Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant existing budgeted transportation revenue.

(1) As used in this section:

~~[(a) "Class B road" means the same as that term is defined in Section 72-3-103.]~~

~~[(b) "Class C road" means the same as that term is defined in Section 72-3-104.]~~

~~[(c)]~~ (a) "Eligible political subdivision" means a political subdivision that:

(i) (A) on May 12, 2015, provides public transit services; or

(B) after May 12, 2015, provides written notice to the commission in accordance with Subsection ~~[(10)]~~ (9)(b) that it intends to provide public transit service within a county;

(ii) is not a public transit district; and

(iii) is not annexed into a public transit district.

~~[(d)]~~ (b) "Public transit district" means a public transit district organized under Title 17B, Chapter 2a, Part 8, Public Transit District Act.

(2) Subject to the other provisions of this part, and subject to Subsection ~~[(17)]~~ (15), a county legislative body may impose a sales and use tax of .25% on the transactions described in Subsection 59-12-103(1) within the county, including the cities and towns within the county.

(3) Subject to ~~[Subsections (11) and (12)]~~ Subsection (10), the commission shall distribute sales and use tax revenue collected under this section as provided in Subsections (4) through ~~[(10)]~~ (9).

(4) If the entire boundary of a county that imposes a sales and use tax under this section is annexed into a single public transit district, the commission shall distribute the sales and use tax revenue collected within the county as follows:

(a) .10% shall be transferred to the public transit district in accordance with Section 59-12-2206;

(b) .10% shall be distributed as provided in Subsection ~~[(8)]~~ (7); and

(c) .05% shall be distributed to the county legislative body.

(5) If the entire boundary of a county that imposes a sales and use tax under this section

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is not annexed into a single public transit district, but a city or town within the county is annexed into a single large public transit district [~~that also has a county of the first class annexed into the same public transit district~~], the commission shall distribute the sales and use tax revenue collected within the county as follows:

(a) for a city or town within the county that is annexed into a single public transit district, the commission shall distribute the sales and use tax revenue collected within that city or town as follows:

(i) .10% shall be transferred to the public transit district in accordance with Section 59-12-2206;

(ii) .10% shall be distributed as provided in Subsection [(8)] (7); and

(iii) .05% shall be distributed to the county legislative body;

(b) for an eligible political subdivision within the county, the commission shall distribute the sales and use tax revenue collected within that eligible political subdivision as follows:

(i) .10% shall be transferred to the eligible political subdivision in accordance with Section 59-12-2206;

(ii) .10% shall be distributed as provided in Subsection [(8)] (7); and

(iii) .05% shall be distributed to the county legislative body; and

(c) the commission shall distribute the sales and use tax revenue, except for the sales and use tax revenue described in Subsections (5)(a) and (b), as follows:

(i) .10% shall be distributed as provided in Subsection [(8)] (7); and

(ii) .15% shall be distributed to the county legislative body.

~~[(6) For a county not described in Subsection (4) or (5), if the entire boundary of a county of the first or second class that imposes a sales and use tax under this section is not annexed into a single public transit district, or if there is not a public transit district within the county, the commission shall distribute the sales and use tax revenue collected within the county as follows:]~~

~~[(a) for a city or town within the county that is annexed into a single public transit district, the commission shall distribute the sales and use tax revenue collected within that city or town as follows:]~~

~~[(i) .10% shall be transferred to the public transit district in accordance with Section~~

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~~59-12-2206;~~

~~[(ii) .10% shall be distributed as provided in Subsection (8); and]~~

~~[(iii) .05% shall be distributed to the county legislative body;]~~

~~[(b) for an eligible political subdivision within the county, the commission shall distribute the sales and use tax revenue collected within that eligible political subdivision as follows:]~~

~~[(i) .10% shall be transferred to the eligible political subdivision in accordance with Section 59-12-2206;]~~

~~[(ii) .10% shall be distributed as provided in Subsection (8); and]~~

~~[(iii) .05% shall be distributed to the county legislative body; and]~~

~~[(c) the commission shall distribute the sales and use tax revenue, except for the sales and use tax revenue described in Subsections (6)(a) and (b), as follows:]~~

~~[(i) .10% shall be distributed as provided in Subsection (8); and]~~

~~[(ii) .15% shall be distributed to the county legislative body:]~~

~~[(7)] (6) For a county not described in Subsection (4) or (5), if [the entire boundary of] a county of the second, third, fourth, fifth, or sixth class [that] imposes a sales and use tax under this section [is not annexed into a single public transit district, or if there is not a public transit district within the county], the commission shall distribute the sales and use tax revenue collected within the county as follows:~~

~~(a) for a city or town within the county that is annexed into a single public transit district, the commission shall distribute the sales and use tax revenue collected within that city or town as follows:~~

~~(i) .10% shall be distributed as provided in Subsection [(8)] (7);~~

~~(ii) .10% shall be distributed as provided in Subsection [(9)] (8); and~~

~~(iii) .05% shall be distributed to the county legislative body;~~

~~(b) for an eligible political subdivision within the county, the commission shall distribute the sales and use tax revenue collected within that eligible political subdivision as follows:~~

~~(i) .10% shall be distributed as provided in Subsection [(8)] (7);~~

~~(ii) .10% shall be distributed as provided in Subsection [(9)] (8); and~~

~~(iii) .05% shall be distributed to the county legislative body; and~~

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(c) the commission shall distribute the sales and use tax revenue, except for the sales and use tax revenue described in Subsections ~~[(7)]~~ (6)(a) and (b), as follows:

- (i) .10% shall be distributed as provided in Subsection ~~[(8)]~~ (7); and
- (ii) .15% shall be distributed to the county legislative body.

~~[(8)]~~ (7) (a) Subject to Subsection ~~[(8)]~~ (7)(b), the commission shall make the distributions required by Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), ~~[(6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), (9)(d)(ii)(A), and (12)(c)(i)]~~ (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A) as follows:

(i) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), ~~[(6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), (9)(d)(ii)(A), and (12)(c)(i)]~~ (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A) within the counties and cities that impose a tax under this section shall be distributed to the unincorporated areas, cities, and towns within those counties and cities on the basis of the percentage that the population of each unincorporated area, city, or town bears to the total population of all of the counties and cities that impose a tax under this section; and

(ii) 50% of the total revenue collected under Subsections (4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), ~~[(6)(a)(ii), (6)(b)(ii), (6)(c)(i), (7)(a)(i), (7)(b)(i), (7)(c)(i), (9)(d)(ii)(A), and (12)(c)(i)]~~ (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A) within the counties and cities that impose a tax under this section shall be distributed to the unincorporated areas, cities, and towns within those counties and cities on the basis of the location of the transaction as determined under Sections 59-12-211 through 59-12-215.

(b) (i) Population for purposes of this Subsection ~~[(8)]~~ (7) shall be determined on the basis of the most recent official census or census estimate of the United States Bureau of the Census.

(ii) If a needed population estimate is not available from the United States Bureau of the Census, population figures shall be derived from an estimate from the Utah Population Committee.

~~[(9)]~~ (8) (a) (i) Subject to the requirements in Subsections ~~[(9)]~~ (8)(b) and (c), a county legislative body:

(A) for a county that obtained approval from a majority of the county's registered voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,

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may, in consultation with any cities, towns, or eligible political subdivisions within the county, and in compliance with the requirements for changing an allocation under Subsection [(9)] (8)(e), allocate the revenue under Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) by adopting a resolution specifying the percentage of revenue under Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision; or

(B) for a county that [~~obtains approval from a majority of the county's registered voters voting on the imposition of~~] imposes a sales and use tax under this section on or after May 10, 2016, shall, in consultation with any cities, towns, or eligible political subdivisions within the county, allocate the revenue under Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) by adopting a resolution specifying the percentage of revenue under Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision.

(ii) If a county described in Subsection [(9)] (8)(a)(i)(A) does not allocate the revenue under Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) in accordance with Subsection [(9)] (8)(a)(i)(A), the commission shall distribute 100% of the revenue under Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) to:

(A) a public transit district for a city or town within the county that is annexed into a single public transit district; or

(B) an eligible political subdivision within the county.

(b) If a county legislative body allocates the revenue as described in Subsection [(9)] (8)(a)(i), the county legislative body shall allocate not less than 25% of the revenue under Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) to:

(i) a public transit district for a city or town within the county that is annexed into a single public transit district; or

(ii) an eligible political subdivision within the county.

(c) Notwithstanding Section 59-12-2208, the opinion question [~~required by~~] described in Section 59-12-2208 shall state the allocations the county legislative body makes in accordance with this Subsection [(9)] (8).

(d) The commission shall make the distributions required by Subsection [(7)] (6)(a)(ii) or [(7)] (6)(b)(ii) as follows:

(i) the percentage specified by a county legislative body shall be distributed in accordance with a resolution adopted by a county legislative body under Subsection [(9)] (8)(a)

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to an eligible political subdivision or a public transit district within the county; and

(ii) except as provided in Subsection ~~[(9)]~~ (8)(a)(ii), if a county legislative body allocates less than 100% of the revenue under Subsection ~~[(7)]~~ (6)(a)(ii) or ~~[(7)]~~ (6)(b)(ii) to a public transit district or an eligible political subdivision, the remainder of the revenue under Subsection ~~[(7)]~~ (6)(a)(ii) or ~~[(7)]~~ (6)(b)(ii) not allocated by a county legislative body through a resolution under Subsection ~~[(9)]~~ (8)(a) shall be distributed as follows:

(A) 50% of the revenue as provided in Subsection ~~[(8)]~~ (7); and

(B) 50% of the revenue to the county legislative body.

(e) If a county legislative body seeks to change an allocation specified in a resolution under Subsection ~~[(9)]~~ (8)(a), the county legislative body may change the allocation by:

(i) adopting a resolution in accordance with Subsection ~~[(9)]~~ (8)(a) specifying the percentage of revenue under Subsection ~~[(7)]~~ (6)(a)(ii) or ~~[(7)]~~ (6)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision;

(ii) obtaining approval to change the allocation of the sales and use tax by a majority of all the members of the county legislative body; and

(iii) subject to Subsection ~~[(9)]~~ (8)(f):

(A) in accordance with Section 59-12-2208, submitting an opinion question to the county's registered voters voting on changing the allocation so that each registered voter has the opportunity to express the registered voter's opinion on whether the allocation should be changed; and

(B) in accordance with Section 59-12-2208, obtaining approval to change the allocation from a majority of the county's registered voters voting on changing the allocation.

(f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection ~~[(9)]~~ (8)(e)(iii)(A) shall state the allocations specified in the resolution adopted in accordance with Subsection ~~[(9)]~~ (8)(e) and approved by the county legislative body in accordance with Subsection ~~[(9)]~~ (8)(e)(ii).

(g) (i) If a county makes an allocation by adopting a resolution under Subsection ~~[(9)]~~ (8)(a) or changes an allocation by adopting a resolution under Subsection ~~[(9)]~~ (8)(e), the allocation shall take effect on the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice meeting the requirements of Subsection ~~[(9)]~~ (8)(g)(ii) from the county.

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(ii) The notice described in Subsection ~~[(9)]~~ (8)(g)(i) shall state:

(A) that the county will make or change the percentage of an allocation under Subsection ~~[(9)]~~ (8)(a) or (e); and

(B) the percentage of revenue under Subsection ~~[(7)]~~ (6)(a)(ii) or ~~[(7)]~~ (6)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision.

~~[(10)]~~ (9) (a) If a public transit district is organized after the date a county legislative body first imposes a tax under this section, a change in a distribution required by this section may not take effect until the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice from the public transit district of the organization of the public transit district.

(b) If an eligible political subdivision intends to provide public transit service within a county after the date a county legislative body first imposes a tax under this section, a change in a distribution required by this section may not take effect until the first distribution the commission makes under this section after a 90-day period that begins on the date the commission receives written notice from the eligible political subdivision stating that the eligible political subdivision intends to provide public transit service within the county.

~~[(11)]~~ (10) (a) (i) Notwithstanding Subsections (4) through ~~[(10)]~~ (9), for a county that has not imposed a sales and use tax under this section before May 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019, the commission shall distribute all of the sales and use tax revenue collected by the county before June 30, 2019, to the county for the purposes described in Subsection ~~[(11)]~~ (10)(a)(ii).

(ii) For any revenue collected by a county pursuant to Subsection ~~[(11)]~~ (10)(a)(i) before June 30, 2019, the county may expend that revenue for:

- (A) reducing transportation related debt;
- (B) a regionally significant transportation facility; or
- (C) a public transit project of regional significance.

(b) For a county that has not imposed a sales and use tax under this section before May 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019, the commission shall distribute the sales and use tax revenue collected by the county on or after July 1, 2019, as described in Subsections (4) through ~~[(10)]~~ (9).

(c) ~~[Subject to Subsection (12), for]~~ For a county that has not imposed a sales and use

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tax under this section before June 30, 2019, if the entire boundary of that county is annexed into a large public transit district, and if the county imposes a sales and use tax under this section on or after July 1, 2019, the commission shall distribute the sales and use tax revenue collected by the county as described in Subsections (4) through ~~[(10)]~~ (9).

~~[(12)(a) Beginning on July 1, 2020, if a county has not imposed a sales and use tax under this section, subject to the provisions of this part, the legislative body of a city or town described in Subsection (12)(b) may impose a .25% sales and use tax on the transactions described in Subsection 59-12-103(1) within the city or town.]~~

~~[(b) The following cities or towns may impose the sales and use tax as described in Subsection (12)(a):]~~

~~[(i) in a county of the first, second, or third class, a city or town that:]~~

~~[(A) has been annexed into a public transit district; or]~~

~~[(B) is an eligible political subdivision; or]~~

~~[(ii) a city or town that:]~~

~~[(A) is in a county of the third or smaller class; and]~~

~~[(B) has been annexed into a large public transit district.]~~

~~[(c) If a city or town imposes a sales and use tax as provided in this section, the commission shall distribute the sales and use tax revenue collected by the city or town as follows:]~~

~~[(i) .125% to the city or town that imposed the sales and use tax, to be distributed as provided in Subsection (8); and]~~

~~[(ii) .125%, as applicable, to:]~~

~~[(A) the large public transit district in which the city or town is annexed; or]~~

~~[(B) the eligible political subdivision for public transit services.]~~

~~[(d) If a city or town imposes a sales and use tax under this section and the county subsequently imposes a sales and use tax under this section, the commission shall distribute the sales and use tax revenue collected within the city or town as described in Subsection (12)(c).]~~

~~[(13) A county, city, or town may expend revenue collected from a tax under this section, except for revenue the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), (5)(b)(i), or (9)(d)(i) for:]~~

~~[(a) a class B road;]~~

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~~[(b) a class C road;]~~

~~[(c) traffic and pedestrian safety, including for a class B road or class C road, for:]~~

~~[(i) a sidewalk;]~~

~~[(ii) curb and gutter;]~~

~~[(iii) a safety feature;]~~

~~[(iv) a traffic sign;]~~

~~[(v) a traffic signal;]~~

~~[(vi) street lighting; or]~~

~~[(vii) a combination of Subsections (13)(c)(i) through (vi);]~~

~~[(d) the construction, maintenance, or operation of an active transportation facility that is for nonmotorized vehicles and multimodal transportation and connects an origin with a destination;]~~

~~[(e) public transit system services; or]~~

~~[(f) a combination of Subsections (13)(a) through (e).]~~

(11) A county, city, or town may expend revenue collected from a tax under this section, except for revenue the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), (5)(b)(i), or (8)(d)(i), for a purpose described in Section 59-12-2212.2.

~~[(14)]~~ (12) A public transit district or an eligible political subdivision may expend revenue the commission distributes in accordance with Subsection (4)(a), (5)(a)(i), (5)(b)(i), or ~~[(9)]~~ (8)(d)(i) for capital expenses and service delivery expenses of the public transit district or eligible political subdivision.

~~[(15)]~~ (13) (a) Revenue collected from a sales and use tax under this section may not be used to supplant existing general fund appropriations that a county, city, or town has budgeted for transportation as of the date the tax becomes effective for a county, city, or town.

(b) The limitation under Subsection ~~[(15)]~~ (13)(a) does not apply to a designated transportation capital or reserve account a county, city, or town may have established prior to the date the tax becomes effective.

~~[(16)]~~ (14) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may, but is not required to, submit an opinion question to the county's, city's, or town's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

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~~[(17)(a)(i)(A) Notwithstanding any other provision in this section, if the county, city, or town legislative body wishes to impose a sales and use tax under this section, the city or town legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.]~~

~~[(B) A city legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.]~~

~~[(ii)(A)] (15)(a)(i) Notwithstanding any other provision in this section, if the entire boundary of a county is annexed into a large public transit district, if the county legislative body wishes to impose a sales and use tax under this section, the county legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.~~

~~[(B)] (ii) If the entire boundary of a county is annexed into a large public transit district, the county legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.~~

(b) Notwithstanding the deadline described in Subsection ~~[(17)]~~ (15)(a), any sales and use tax imposed under this section by passage of a county ordinance on or before June 30, 2022, may remain in effect.

(16)(a) Beginning on July 1, 2020, and subject to Subsection (17), if a county has not imposed a sales and use tax under this section, subject to the provisions of this part, the legislative body of a city or town described in Subsection (16)(b) may impose a .25% sales and use tax on the transactions described in Subsection 59-12-103(1) within the city or town.

(b) The following cities or towns may impose a sales and use tax described in Subsection (16)(a):

(i) a city or town that has been annexed into a public transit district; or

(ii) an eligible political subdivision.

(c) If a city or town imposes a sales and use tax as provided in this section, the commission shall distribute the sales and use tax revenue collected by the city or town as follows:

(i) .125% to the city or town that imposed the sales and use tax, to be distributed as provided in Subsection (7); and

(ii) .125%, as applicable, to:

(A) the public transit district in which the city or town is annexed; or

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(B) the eligible political subdivision for public transit services.

(d) If a city or town imposes a sales and use tax under this section and the county subsequently imposes a sales and use tax under this section, the commission shall distribute the sales and use tax revenue collected within the city or town as described in Subsection (16)(c).

(17) (a) (i) Notwithstanding any other provision in this section, if a city or town legislative body wishes to impose a sales and use tax under this section, the city or town legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

(ii) A city or town legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2022.

(b) Notwithstanding the deadline described in Subsection (17)(a), any sales and use tax imposed under this section by passage of an ordinance by a city or town legislative body on or before June 30, 2022, may remain in effect.

Section 25. Section **59-12-2220** is amended to read:

59-12-2220. County option sales and use tax to fund a system for public transit -- Base -- Rate.

(1) Subject to the other provisions of this part and subject to the requirements of this section, beginning on July 1, 2019, the following counties may impose a sales and use tax under this section:

(a) a county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

(i) the entire boundary of a county is annexed into a large public transit district; and

(ii) [~~the county has imposed~~] the maximum amount of sales and use tax authorizations allowed pursuant to Section 59-12-2203 and authorized under the following sections has been imposed:

(A) Section 59-12-2213;

(B) Section 59-12-2214;

(C) Section 59-12-2215;

(D) Section 59-12-2216;

(E) Section 59-12-2217;

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(F) Section 59-12-2218; and

(G) Section 59-12-2219;

(b) if the county is not annexed into a large public transit district, the county legislative body may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county if:

(i) the county is an eligible political subdivision as defined in Section 59-12-2219; or

(ii) a city or town within the boundary of the county is an eligible political subdivision as defined in Section 59-12-2219; or

(c) a county legislative body of a county not described in Subsection (1)(a) may impose the sales and use tax on the transactions described in Subsection 59-12-103(1) located within the county, including the cities and towns within the county, if there is a [small] public transit district within the boundary of the county.

(2) For purposes of Subsection (1) and subject to the other provisions of this section, a county legislative body that imposes a sales and use tax under this section may impose the tax at a rate of [up to] .2%.

(3) A county imposing a sales and use tax under this section shall expend the revenues collected from the sales and use tax for capital expenses and service delivery expenses of:

(a) a public transit district;

(b) an eligible political subdivision; or

(c) another entity providing a service for public transit or a transit facility within the county as those terms are defined in Section 17B-2a-802.

(4) Notwithstanding Section 59-12-2208, a county legislative body may, but is not required to, submit an opinion question to the county's registered voters in accordance with Section 59-12-2208 to impose a sales and use tax under this section.

(5) (a) Notwithstanding any other provision in this section, if a county wishes to impose a sales and use tax under this section, the county legislative body shall pass the ordinance to impose a sales and use tax under this section on or before June 30, 2023.

(b) The county legislative body may not pass an ordinance to impose a sales and use tax under this section on or after July 1, 2023.

(c) Notwithstanding the deadline described in Subsection (5)(a), any sales and use tax imposed under this section on or before June 30, 2023, may remain in effect.

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(6) (a) Revenue collected from a sales and use tax under this section may not be used to supplant existing General Fund appropriations that a county has budgeted for transportation or public transit as of the date the tax becomes effective for a county.

(b) The limitation under Subsection (6)(a) does not apply to a designated transportation or public transit capital or reserve account a county may have established prior to the date the tax becomes effective.

Section 26. Section **59-13-301** is amended to read:

59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer and credited to Transportation Fund -- Reduction of tax in limited circumstances.

(1) (a) Except as provided in Subsections (2), (3), (11), and (12) and Section 59-13-304, a tax is imposed at the same rate imposed under Subsection 59-13-201(1)(a) on the:

- (i) removal of undyed diesel fuel from any refinery;
 - (ii) removal of undyed diesel fuel from any terminal;
 - (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or warehousing;
 - (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under this part unless the tax has been collected under this section;
 - (v) any untaxed special fuel blended with undyed diesel fuel; or
 - (vi) use of untaxed special fuel other than propane or electricity.
- (b) The tax imposed under this section shall only be imposed once upon any special fuel.

(2) (a) No special fuel tax is imposed or collected upon dyed diesel fuel which:

- (i) is sold or used for any purpose other than to operate or propel a motor vehicle upon the public highways of the state, but this exemption applies only in those cases where the purchasers or the users of special fuel establish to the satisfaction of the commission that the special fuel was used for purposes other than to operate a motor vehicle upon the public highways of the state; or
- (ii) is sold to this state or any of its political subdivisions.

(b) No special fuel tax is imposed on undyed diesel fuel or clean fuel that is:

- (i) sold to the United States government or any of its instrumentalities or to this state or any of its political subdivisions;

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(ii) exported from this state if proof of actual exportation on forms prescribed by the commission is made within 180 days after exportation;

(iii) used in a vehicle off-highway;

(iv) used to operate a power take-off unit of a vehicle;

(v) used for off-highway agricultural uses;

(vi) used in a separately fueled engine on a vehicle that does not propel the vehicle upon the highways of the state; or

(vii) used in machinery and equipment not registered and not required to be registered for highway use.

(3) No tax is imposed or collected on special fuel if it is:

(a) (i) purchased for business use in machinery and equipment not registered and not required to be registered for highway use; and

(ii) used pursuant to the conditions of a state implementation plan approved under Title 19, Chapter 2, Air Conservation Act; or

(b) propane or electricity.

(4) Upon request of a buyer meeting the requirements under Subsection (3), the Division of Air Quality shall issue an exemption certificate that may be shown to a seller.

(5) The special fuel tax shall be paid by the supplier.

(6) (a) The special fuel tax shall be paid by every user who is required by Sections 59-13-303 and 59-13-305 to obtain a special fuel user permit and file special fuel tax reports.

(b) The user shall receive a refundable credit for special fuel taxes paid on purchases which are delivered into vehicles and for which special fuel tax liability is reported.

(7) (a) Except as provided under Subsections (7)(b) and (c), all revenue received by the commission from taxes and license fees under this part shall be deposited daily with the state treasurer and credited to the Transportation Fund.

(b) An appropriation from the Transportation Fund shall be made to the commission to cover expenses incurred in the administration and enforcement of this part and the collection of the special fuel tax.

(c) Five dollars of each special fuel user trip permit fee paid under Section 59-13-303 may be used by the commission as a dedicated credit to cover the costs of electronic credentialing as provided in Section 41-1a-303.

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(8) The commission may either collect no tax on special fuel exported from the state or, upon application, refund the tax paid.

(9) (a) The United States government or any of its instrumentalities, this state, or a political subdivision of this state that has purchased special fuel from a supplier or from a retail dealer of special fuel and has paid the tax on the special fuel as provided in this section is entitled to a refund of the tax and may file with the commission for a quarterly refund in a manner prescribed by the commission.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund provided for in Subsection (9)(a).

(10) (a) The purchaser shall pay the tax on diesel fuel or clean fuel purchased for uses under Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the tax paid as provided in Subsection (9) and this Subsection (10).

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the application and refund for off-highway and nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).

(c) A refund of tax paid under this part on diesel fuel used for nonhighway agricultural uses shall be made in accordance with the tax return procedures under Section 59-13-202.

(11) (a) Beginning on April 1, 2001, a tax imposed under this section on special fuel is reduced to the extent provided in Subsection (11)(b) if:

(i) the Navajo Nation imposes a tax on the special fuel;

(ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether the person required to pay the tax is an enrolled member of the Navajo Nation; and

(iii) the commission and the Navajo Nation execute and maintain an agreement as provided in this Subsection (11) for the administration of the reduction of tax.

(b) (i) If but for Subsection (11)(a) the special fuel is subject to a tax imposed by this section:

(A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that difference is greater than \$0; and

(B) a person may not require the state to provide a refund, a credit, or similar tax relief if the difference described in Subsection (11)(b)(ii) is less than or equal to \$0.

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(ii) The difference described in Subsection (11)(b)(i) is equal to the difference between:

(A) the amount of tax imposed on the special fuel by this section; less

(B) the tax imposed and collected by the Navajo Nation on the special fuel.

(c) For purposes of Subsections (11)(a) and (b), the tax paid to the Navajo Nation on the special fuel does not include any interest or penalties a taxpayer may be required to pay to the Navajo Nation.

(d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules governing the procedures for administering the reduction of tax provided under this Subsection (11).

(e) The agreement required under Subsection (11)(a):

(i) may not:

(A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

(B) provide a reduction of taxes greater than or different from the reduction described

in this Subsection (11); or

(C) affect the power of the state to establish rates of taxation;

(ii) shall:

(A) be in writing;

(B) be signed by:

(I) the chair of the commission or the chair's designee; and

(II) a person designated by the Navajo Nation that may bind the Navajo Nation;

(C) be conditioned on obtaining any approval required by federal law;

(D) state the effective date of the agreement; and

(E) state any accommodation the Navajo Nation makes related to the construction and maintenance of state highways and other infrastructure within the Utah portion of the Navajo Nation; and

(iii) may:

(A) notwithstanding Section 59-1-403, authorize the commission to disclose to the Navajo Nation information that is:

(I) contained in a document filed with the commission; and

(II) related to the tax imposed under this section;

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(B) provide for maintaining records by the commission or the Navajo Nation; or

(C) provide for inspections or audits of suppliers, distributors, carriers, or retailers located or doing business within the Utah portion of the Navajo Nation.

(f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax imposed on special fuel, any change in the amount of the reduction of taxes under this Subsection (11) as a result of the change in the tax rate is not effective until the first day of the calendar quarter after a 60-day period beginning on the date the commission receives notice:

(A) from the Navajo Nation; and

(B) meeting the requirements of Subsection (11)(f)(ii).

(ii) The notice described in Subsection (11)(f)(i) shall state:

(A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on special fuel;

(B) the effective date of the rate change of the tax described in Subsection (11)(f)(ii)(A); and

(C) the new rate of the tax described in Subsection (11)(f)(ii)(A).

(g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not permitted under this Subsection (11) beginning on the first day of the calendar quarter after a 30-day period beginning on the day the agreement terminates.

(h) If there is a conflict between this Subsection (11) and the agreement required by Subsection (11)(a), this Subsection (11) governs.

(12) (a) ~~(i)~~ [A] Subject to Subsections (12)(a)(ii) and (iii), a tax imposed under this section on compressed natural gas is imposed at a rate of:

~~(i)~~ (A) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;

~~(ii)~~ (B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline gallon equivalent;

~~(iii)~~ (C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline gallon equivalent; and

~~(iv)~~ (D) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon equivalent.

(ii) Beginning on January 1, 2020, the commission shall, on January 1, annually adjust the rate of a tax imposed under this section on compressed natural gas by taking the rate for the

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previous calendar year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the rate of a tax imposed under this section on compressed natural gas for the previous calendar year by the actual percent change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(iii) The rate of a tax imposed under this section on compressed natural gas determined by the commission under Subsection (12)(a)(ii) may not exceed 22-1/2 cents per gasoline gallon equivalent.

(b) (i) [A] Subject to Subsections (12)(b)(ii) and (iii), a tax imposed under this section on liquified natural gas is imposed at a rate of:

[†] (A) until June 30, 2016, 10-1/2 cents per diesel gallon equivalent;

[††] (B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per diesel gallon equivalent;

[†††] (C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per diesel gallon equivalent; and

[††††] (D) beginning on or after July 1, 2018, 16-1/2 cents per diesel gallon equivalent.

(ii) Beginning on January 1, 2020, the commission shall, on January 1, annually adjust the rate of a tax imposed under this section on liquified natural gas by taking the rate for the previous calendar year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the rate of a tax imposed under this section on liquified natural gas for the previous calendar year by the actual percent change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(iii) The rate of a tax imposed under this section on liquified natural gas determined by the commission under Subsection (12)(b)(ii) may not exceed 22-1/2 cents per diesel gallon equivalent.

(c) (i) [A] Subject to Subsections (12)(c)(ii) and (iii), a tax imposed under this section on hydrogen used to operate or propel a motor vehicle upon the public highways of the state is imposed at a rate of:

[†] (A) until June 30, 2016, 10-1/2 cents per gasoline gallon equivalent;

[††] (B) beginning on July 1, 2016, and until June 30, 2017, 12-1/2 cents per gasoline

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gallon equivalent;

~~[(iii)]~~ (C) beginning on July 1, 2017, and until June 30, 2018, 14-1/2 cents per gasoline gallon equivalent; and

~~[(iv)]~~ (D) beginning on or after July 1, 2018, 16-1/2 cents per gasoline gallon equivalent.

(ii) Beginning on January 1, 2020, the commission shall, on January 1, annually adjust the rate of a tax imposed under this section on hydrogen used to operate or propel a motor vehicle upon the public highways of the state by taking the rate for the previous calendar year and adding an amount equal to the greater of:

(A) an amount calculated by multiplying the rate of a tax imposed under this section on hydrogen used to operate or propel a motor vehicle upon the public highways of the state for the previous calendar year by the actual percent change during the previous fiscal year in the Consumer Price Index; and

(B) 0.

(iii) The rate of a tax imposed under this section on hydrogen used to operate or propel a motor vehicle upon the public highways of the state determined by the commission under Subsection (12)(c)(ii) may not exceed 22-1/2 cents per gasoline gallon equivalent.

(d) (i) The commission shall annually:

(A) adjust the fuel tax rates imposed under Subsections (12)(a)(ii), (b)(ii), and (c)(ii), rounded to the nearest one-tenth of a cent;

(B) publish the adjusted fuel tax as a cents per gallon rate; and

(C) post or otherwise make public the adjusted fuel tax rate as determined in Subsection (12)(d)(i)(A) no later than 60 days prior to the annual effective date under Subsection (12)(d)(ii).

(ii) The tax rates imposed under this Subsection (12) and adjusted as required under Subsection (12)(d)(i) shall take effect on January 1 of each year.

Section 27. Section **63B-1b-102** is amended to read:

63B-1b-102. Definitions.

As used in this chapter:

(1) "Agency bonds" means any bond, note, contract, or other evidence of indebtedness representing loans or grants made by an authorizing agency.

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(2) "Authorized official" means the state treasurer or other person authorized by a bond document to perform the required action.

(3) "Authorizing agency" means the board, person, or unit with legal responsibility for administering and managing revolving loan funds.

(4) "Bond document" means:

(a) a resolution of the commission; or

(b) an indenture or other similar document authorized by the commission that authorizes and secures outstanding revenue bonds from time to time.

(5) "Commission" means the State Bonding Commission, created in Section 63B-1-201.

(6) "Revenue bonds" means any special fund revenue bonds issued under this chapter.

(7) "Revolving Loan Funds" means:

(a) the Water Resources Conservation and Development Fund, created in Section 73-10-24;

(b) the Water Resources Construction Fund, created in Section 73-10-8;

(c) the Water Resources Cities Water Loan Fund, created in Section 73-10-22;

(d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean Fuels and Vehicle Technology Program Act;

(e) the Water Development Security Fund and its subaccounts, created in Section 73-10c-5;

(f) the Agriculture Resource Development Fund, created in Section 4-18-106;

(g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

(h) the Permanent Community Impact Fund, created in Section 35A-8-303;

(i) the Petroleum Storage Tank Trust Fund, created in Section 19-6-409; and

(j) the [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund, created in Section 72-2-202.

Section 28. Section **63B-18-401** is amended to read:

63B-18-401. Highway bonds -- Maximum amount -- Use of proceeds for highway projects.

(1) (a) The total amount of bonds issued under this section may not exceed \$2,077,000,000.

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(b) When the Department of Transportation certifies to the commission that the requirements of Subsection 72-2-124(5) have been met and certifies the amount of bond proceeds that it needs to provide funding for the projects described in Subsection (2) for the next fiscal year, the commission may issue and sell general obligation bonds in an amount equal to the certified amount plus costs of issuance.

(2) Except as provided in Subsections (3) and (4), proceeds from the issuance of bonds shall be provided to the Department of Transportation to pay all or part of the costs of the following state highway construction or reconstruction projects:

- (a) Interstate 15 reconstruction in Utah County;
- (b) the Mountain View Corridor;
- (c) the Southern Parkway; and
- (d) state and federal highways prioritized by the Transportation Commission through:
 - (i) the prioritization process for new transportation capacity projects adopted under Section 72-1-304; or
 - (ii) the state highway construction program.

(3) (a) Except as provided in Subsection (5), the bond proceeds issued under this section shall be provided to the Department of Transportation.

(b) The Department of Transportation shall use bond proceeds and the funds provided to it under Section 72-2-124 to pay for the costs of right-of-way acquisition, construction, reconstruction, renovations, or improvements to the following highways:

- (i) \$35 million to add highway capacity on I-15 south of the Spanish Fork Main Street interchange to Payson;
- (ii) \$28 million for improvements to Riverdale Road in Ogden;
- (iii) \$1 million for intersection improvements on S.R. 36 at South Mountain Road;
- (iv) \$2 million for capacity enhancements on S.R. 248 between Sidewinder Drive and Richardson Flat Road;
- (v) \$12 million for Vineyard Connector from 800 North Geneva Road to Lake Shore Road;
- (vi) \$7 million for 2600 South interchange modifications in Woods Cross;
- (vii) \$9 million for reconfiguring the 1100 South interchange on I-15 in Box Elder County;

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- (viii) \$18 million for the Provo west-side connector;
 - (ix) \$8 million for interchange modifications on I-15 in the Layton area;
 - (x) \$3,000,000 for an energy corridor study and environmental review for improvements in the Uintah Basin;
 - (xi) \$2,000,000 for highway improvements to Harrison Boulevard in Ogden City;
 - (xii) \$2,500,000 to be provided to Tooele City for roads around the Utah State University campus to create improved access to an institution of higher education;
 - (xiii) \$3,000,000 to be provided to the Utah Office of Tourism within the Governor's Office of Economic Development for transportation infrastructure improvements associated with annual tourism events that have:
 - (A) a significant economic development impact within the state; and
 - (B) significant needs for congestion mitigation;
 - (xiv) \$4,500,000 to be provided to the Governor's Office of Economic Development for transportation infrastructure acquisitions and improvements that have a significant economic development impact within the state;
 - (xv) \$125,000,000 to pay all or part of the costs of state and federal highway construction or reconstruction projects prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304; and
 - (xvi) \$10,000,000 for the Transportation Fund to pay all or part of the costs of state and federal highway construction or reconstruction projects as prioritized by the Transportation Commission.
- (4) (a) The Department of Transportation shall use bond proceeds and the funds under Section 72-2-121 to pay for, or to provide funds to, a municipality, county, or political subdivision to pay for the costs of right-of-way acquisition, construction, reconstruction, renovations, or improvements to the following highway or transit projects in Salt Lake County:
- (i) \$4,000,000 to Taylorsville City for bus rapid transit planning on 4700 South;
 - (ii) \$4,200,000 to Taylorsville City for highway improvements on or surrounding 6200 South and pedestrian crossings and system connections;
 - (iii) \$2,250,000 to Herriman City for highway improvements to the Salt Lake Community College Road;

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(iv) \$5,300,000 to West Jordan City for highway improvements on 5600 West from 6200 South to 8600 South;

(v) \$4,000,000 to West Jordan City for highway improvements to 7800 South from 1300 West to S.R. 111;

(vi) \$7,300,000 to Sandy City for highway improvements on Monroe Street;

(vii) \$3,000,000 to Draper City for highway improvements to 13490 South from 200 West to 700 West;

(viii) \$5,000,000 to Draper City for highway improvements to Suncrest Road;

(ix) \$1,200,000 to Murray City for highway improvements to 5900 South from State Street to 900 East;

(x) \$1,800,000 to Murray City for highway improvements to 1300 East;

(xi) \$3,000,000 to South Salt Lake City for intersection improvements on West Temple, Main Street, and State Street;

(xii) \$2,000,000 to Salt Lake County for highway improvements to 5400 South from 5600 West to Mountain View Corridor;

(xiii) \$3,000,000 to West Valley City for highway improvements to 6400 West from Parkway Boulevard to SR-201 Frontage Road;

(xiv) \$4,300,000 to West Valley City for highway improvements to 2400 South from 4800 West to 7200 West and pedestrian crossings;

(xv) \$4,000,000 to Salt Lake City for highway improvements to 700 South from 2800 West to 5600 West;

(xvi) \$2,750,000 to Riverton City for highway improvements to 4570 West from 12600 South to Riverton Boulevard;

(xvii) \$1,950,000 to Cottonwood Heights for improvements to Union Park Avenue from I-215 exit south to Creek Road and Wasatch Boulevard and Big Cottonwood Canyon;

(xviii) \$1,300,000 to Cottonwood Heights for highway improvements to Bengal Boulevard;

(xix) \$1,500,000 to Midvale City for highway improvements to 7200 South from I-15 to 1000 West;

(xx) \$1,000,000 to Bluffdale City for an environmental impact study on Porter Rockwell Boulevard;

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(xxi) \$2,900,000 to the Utah Transit Authority for the following public transit studies:

(A) a circulator study; and

(B) a mountain transport study; and

(xxii) \$1,000,000 to South Jordan City for highway improvements to 2700 West.

(b) (i) Before providing funds to a municipality or county under this Subsection (4), the Department of Transportation shall obtain from the municipality or county:

(A) a written certification signed by the county or city mayor or the mayor's designee certifying that the municipality or county will use the funds provided under this Subsection (4) solely for the projects described in Subsection (4)(a); and

(B) other documents necessary to protect the state and the bondholders and to ensure that all legal requirements are met.

(ii) Except as provided in Subsection (4)(c), by January 1 of each year, the municipality or county receiving funds described in this Subsection (4) shall submit to the Department of Transportation a statement of cash flow for the next fiscal year detailing the funds necessary to pay project costs for the projects described in Subsection (4)(a).

(iii) After receiving the statement required under Subsection (4)(b)(ii) and after July 1, the Department of Transportation shall provide funds to the municipality or county necessary to pay project costs for the next fiscal year based upon the statement of cash flow submitted by the municipality or county.

(iv) Upon the financial close of each project described in Subsection (4)(a), the municipality or county receiving funds under this Subsection (4) shall submit a statement to the Department of Transportation detailing the expenditure of funds received for each project.

(c) For calendar year 2012 only:

(i) the municipality or county shall submit to the Department of Transportation a statement of cash flow as provided in Subsection (4)(b)(ii) as soon as possible; and

(ii) the Department of Transportation shall provide funds to the municipality or county necessary to pay project costs based upon the statement of cash flow.

(5) Twenty million dollars of the bond proceeds issued under this section and funds available under Section 72-2-124 shall be provided to the [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund created by Section 72-2-202 to make funds available for transportation infrastructure loans and transportation infrastructure assistance under Title 72,

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Chapter 2, Part 2, [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund.

(6) The costs under Subsections (2), (3), and (4) may include the costs of studies necessary to make transportation infrastructure improvements, the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and making all improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

(7) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

(8) The Department of Transportation may enter into agreements related to the projects described in Subsections (2), (3), and (4) before the receipt of proceeds of bonds issued under this section.

(9) The Department of Transportation may enter into a new or amend an existing interlocal agreement related to the projects described in Subsections (3) and (4) to establish any necessary covenants or requirements not otherwise provided for by law.

Section 29. Section **63B-27-101** is amended to read:

63B-27-101. Highway bonds -- Maximum amount -- Use of proceeds for highway projects.

(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed \$1,000,000,000 for acquisition and construction proceeds, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements, with the total amount of the bonds not to exceed \$1,010,000,000.

(b) When the Department of Transportation certifies to the commission that the requirements of Subsection 72-2-124(5) have been met and certifies the amount of bond proceeds that the commission needs to provide funding for the projects described in Subsection (2) for the current or next fiscal year, the commission may issue and sell general obligation bonds in an amount equal to the certified amount, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements, not to exceed one percent of the certified amount.

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(c) The commission may not issue general obligation bonds authorized under this section if the issuance of the general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.

(2) Except as provided in Subsections (3) and (4), proceeds from the issuance of bonds shall be provided to the Department of Transportation to pay all or part of the costs of the following state highway construction or reconstruction projects:

(a) state and federal highways prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304, giving priority consideration for projects with a regional significance or that support economic development within the state, including:

(i) projects that are prioritized but exceed available cash flow beyond the normal programming horizon; or

(ii) projects prioritized in the state highway construction program; and

(b) \$100,000,000 to be used by the Department of Transportation for transportation improvements as prioritized by the Transportation Commission for projects that:

(i) have a significant economic development impact associated with recreation and tourism within the state; and

(ii) address significant needs for congestion mitigation.

(3) Thirty-nine million dollars of the bond proceeds issued under this section shall be provided to the [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund created by Section 72-2-202 to make funds available for a transportation infrastructure loan or transportation infrastructure assistance under Title 72, Chapter 2, Part 2, [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund, including the amounts as follows:

(a) \$14,000,000 to the military installation development authority created in Section 63H-1-201; and

(b) \$5,000,000 for right-of-way acquisition and highway construction in Salt Lake County for roads in the northwest quadrant of Salt Lake City.

(4) (a) Four million dollars of the bond proceeds issued under this section shall be used for a public transit fixed guideway rail station associated with or adjacent to an institution of higher education.

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(b) Ten million dollars of the bond proceeds issued under this section shall be used by the Department of Transportation for the design, engineering, construction, or reconstruction of underpasses under a state highway connecting a state park and a project area created by a military installation development authority created in Section 63H-1-201.

(5) The bond proceeds issued under this section shall be provided to the Department of Transportation.

(6) The costs under Subsection (2) may include the costs of studies necessary to make transportation infrastructure improvements, the costs of acquiring land, interests in land, and easements and rights-of-way, the costs of improving sites, and making all improvements necessary, incidental, or convenient to the facilities, and the costs of interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

(7) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

(8) The Department of Transportation may enter into agreements related to the projects described in Subsection (2) before the receipt of proceeds of bonds issued under this section.

Section 30. Section **63I-1-259** is amended to read:

63I-1-259. Repeal dates, Title 59.

(1) Section 59-1-213.1 is repealed on May 9, 2019.

(2) Section 59-1-213.2 is repealed on May 9, 2019.

(3) Subsection 59-1-405(1)(g) is repealed on May 9, 2019.

(4) Subsection 59-1-405(2)(b) is repealed on May 9, 2019.

(5) Section 59-7-618 is repealed July 1, 2020.

(6) Section 59-9-102.5 is repealed December 31, 2020.

(7) Section 59-10-1033 is repealed July 1, 2020.

(8) Subsection 59-12-2219(13), which addresses new revenue supplanting existing allocations, is repealed on June 30, 2020.

(9) Title 59, Chapter 28, State Transient Room Tax Act, is repealed on January 1, 2023.

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Section 31. Section **72-1-102** is amended to read:

72-1-102. Definitions.

As used in this title:

- (1) "Commission" means the Transportation Commission created under Section 72-1-301.
- (2) "Construction" means the construction, reconstruction, replacement, and improvement of the highways, including the acquisition of rights-of-way and material sites.
- (3) "Department" means the Department of Transportation created in Section 72-1-201.
- (4) "Executive director" means the executive director of the department appointed under Section 72-1-202.
- (5) "Farm tractor" has the meaning set forth in Section 41-1a-102.
- (6) "Federal aid primary highway" means that portion of connected main highways located within this state officially designated by the department and approved by the United States Secretary of Transportation under Title 23, Highways, U.S.C.
- (7) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel, culvert, bridge, or structure laid out or erected for public use, or dedicated or abandoned to the public, or made public in an action for the partition of real property, including the entire area within the right-of-way.
- (8) "Highway authority" means the department or the legislative, executive, or governing body of a county or municipality.
- (9) "Implement of husbandry" has the meaning set forth in Section 41-1a-102.
- (10) "Interstate system" means any highway officially designated by the department and included as part of the national interstate and defense highways, as provided in the Federal Aid Highway Act of 1956 and any supplemental acts or amendments.
- (11) "Limited-access facility" means a highway especially designated for through traffic, and over, from, or to which neither owners nor occupants of abutting lands nor other persons have any right or easement, or have only a limited right or easement of access, light, air, or view.
- (12) "Motor vehicle" has the same meaning set forth in Section 41-1a-102.
- (13) "Municipality" has the same meaning set forth in Section 10-1-104.
- (14) "National highway systems highways" means that portion of connected main

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highways located within this state officially designated by the department and approved by the United States Secretary of Transportation under Title 23, Highways, U.S.C.

(15) (a) "Port-of-entry" means a fixed or temporary facility constructed, operated, and maintained by the department where drivers, vehicles, and vehicle loads are checked or inspected for compliance with state and federal laws as specified in Section 72-9-501.

(b) "Port-of-entry" includes inspection and checking stations and weigh stations.

(16) "Port-of-entry agent" means a person employed at a port-of-entry to perform the duties specified in Section 72-9-501.

(17) "Public transit" means the same as that term is defined in Section 17B-2a-802.

~~(17)~~ (18) "Public transit facility" means a transit vehicle, transit station, depot, passenger loading or unloading zone, parking lot, or other facility:

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

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

(i) railway or other right-of-way;

(ii) railway line; and

(iii) a reasonable area immediately adjacent to a designated stop on a route traveled by a transit vehicle.

~~(18)~~ (19) "Right-of-way" means real property or an interest in real property, usually in a strip, acquired for or devoted to a highway.

~~(19)~~ (20) "Sealed" does not preclude acceptance of electronically sealed and submitted bids or proposals in addition to bids or proposals manually sealed and submitted.

~~(20)~~ (21) "Semitrailer" has the meaning set forth in Section 41-1a-102.

~~(21)~~ (22) "SR" means state route and has the same meaning as state highway as defined in this section.

~~(22)~~ (23) "State highway" means those highways designated as state highways in Title 72, Chapter 4, Designation of State Highways Act.

~~(23)~~ (24) "State ~~highway~~ transportation purposes" has the meaning set forth in Section 72-5-102.

~~(24)~~ (25) "State transportation systems" means all streets, alleys, roads, highways, and thoroughfares of any kind, including connected structures, airports, spaceports, public transit facilities, and all other modes and forms of conveyance used by the public.

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~~[(25)]~~ (26) "Trailer" has the meaning set forth in Section 41-1a-102.

~~[(26)]~~ (27) "Truck tractor" has the meaning set forth in Section 41-1a-102.

~~[(27)]~~ (28) "UDOT" means the Utah Department of Transportation.

~~[(28)]~~ (29) "Vehicle" has the same meaning set forth in Section 41-1a-102.

Section 32. Section **72-1-202** is amended to read:

72-1-202. Executive director of department -- Appointment -- Qualifications -- Term -- Responsibility -- Power to bring suits -- Salary.

(1) (a) The governor, [~~after consultation with the commission and~~] with the consent of the Senate, shall appoint an executive director to be the chief executive officer of the department.

(b) The executive director shall be a registered professional engineer and qualified executive with technical and administrative experience and training appropriate for the position.

(c) The executive director shall remain in office until a successor is appointed.

(d) The executive director may be removed by the governor.

(2) In addition to the other functions, powers, duties, rights, and responsibilities prescribed in this chapter, the executive director shall:

(a) have responsibility for the administrative supervision of the state transportation systems and the various operations of the department;

(b) have the responsibility for the implementation of rules, priorities, and policies established by the department and the commission;

(c) have the responsibility for the oversight and supervision of any transportation project for which state funds are expended;

(d) have full power to bring suit in courts of competent jurisdiction in the name of the department as the executive director considers reasonable and necessary for the proper attainment of the goals of this chapter;

(e) receive a salary, to be established by the governor within the salary range fixed by the Legislature in Title 67, Chapter 22, State Officer Compensation, together with actual traveling expenses while away from the executive director's office on official business; [~~and~~]

(f) purchase all necessary equipment and supplies for the department[~~;~~];

(g) have responsibility for administrative supervision of the Comptroller Division, the

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Internal Audit Division, and the Communications Division; and

(h) appoint assistants, to serve at the discretion of the executive director, to administer the divisions of the department.

(3) The executive director may employ other assistants and advisers as the executive director finds necessary and fix salaries in accordance with the salary standards adopted by the Department of Human Resource Management.

Section 33. Section 72-1-203 is amended to read:

72-1-203. Deputy director -- Appointment -- Qualifications -- Other assistants and advisers -- Salaries.

(1) The executive director shall appoint two deputy directors, who shall serve at the discretion of the executive director.

(2) (a) The deputy director of engineering and operations shall be a registered professional engineer in the state and is the chief engineer of the department.

(b) The deputy director of engineering and operations shall assist the executive director with areas of responsibility [~~including~~] that may include:

(i) project development, including statewide standards for project design and construction, right-of-way, materials, testing, structures, and construction;

(ii) oversight of the management of the region offices described in Section 72-1-205;

(iii) [~~management of operations; and~~] operations and traffic management;

(iv) oversight of operations of motor carriers and ports[-];

(v) transportation systems safety;

(vi) aeronautical operations; and

(vii) equipment for department engineering and maintenance functions.

[~~(b)~~] (c) The deputy director of planning and investment shall assist the executive director with areas of responsibility [~~including~~] that may include:

(i) oversight and coordination of planning, including:

(A) development of statewide strategic initiatives for planning across all modes of transportation;

(B) coordination with metropolitan planning organizations and local governments; and

(C) corridor and area planning;

(ii) asset management;

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- (iii) programming and prioritization of transportation projects;
- (iv) fulfilling requirements for environmental studies and impact statements; ~~[and]~~
- (v) resource investment, including identification ~~[and development]~~, development, and oversight of public-private partnership opportunities~~[-]~~;
- (vi) data analytics services to the department;
- (vii) corridor preservation;
- (viii) employee development;
- (ix) maintenance planning; and
- (x) oversight and facilitation of the negotiations and integration of public transit providers described in Section 17B-2a-827.

~~[(3) The executive director may also appoint assistants to administer the divisions of the department. These assistants shall serve at the discretion of the executive director.]~~

~~[(4) In addition, the executive director may employ other assistants and advisers as the executive director finds necessary and fix salaries in accordance with the salary standards adopted by the Department of Human Resource Management.]~~

Section 34. Section **72-1-204** is amended to read:

72-1-204. Divisions enumerated -- Duties.

~~[The]~~ In addition to divisions created by the department necessary to administer the areas of responsibility of the deputy directors as described in Section 72-1-203, the divisions of the department are:

- (1) the Comptroller Division responsible for:
 - (a) all financial aspects of the department, including budgeting, accounting, and contracting;
 - (b) providing all material data and documentation necessary for effective fiscal planning and programming; and
 - (c) procuring administrative supplies;
- (2) the Internal Audit Division responsible for:
 - (a) conducting and verifying all internal audits and reviews within the department;
 - (b) performing financial and compliance audits to determine the allowability and reasonableness of proposals, accounting records, and final costs of consultants, contractors, utility companies, and other entities used by the department; and

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(c) implementing audit procedures that meet or exceed generally accepted auditing standards relating to revenues, expenditures, and funding; and

(3) the Communications Division responsible for:

(a) developing, managing, and implementing the department's public hearing processes and programs;

(b) responding to public complaints, requests, and input;

(c) assisting the divisions and regions in the department's public involvement programs;

(d) developing and managing internal department communications; and

(e) managing and overseeing department media relations[;].

~~[(4) the Program Development Division responsible for:]~~

~~[(a) developing transportation plans for state transportation systems;]~~

~~[(b) collecting, processing, and storing transportation data to support department's engineering functions;]~~

~~[(c) maintaining and operating the asset management systems;]~~

~~[(d) designating state transportation systems qualifications;]~~

~~[(e) developing a statewide transportation improvement program for approval by the commission;]~~

~~[(f) providing cartographic services to the department;]~~

~~[(g) assisting local governments in participating in federal-aid transportation programs; and]~~

~~[(h) providing research services associated with transportation programs;]~~

~~[(5) the Project Development Division responsible for:]~~

~~[(a) developing statewide standards for project design and construction;]~~

~~[(b) providing support for project development in the areas of design environment, right-of-way, materials testing, structures, value engineering, and construction; and]~~

~~[(c) designing specialty projects;]~~

~~[(6) the Operations Division responsible for:]~~

~~[(a) maintaining the state transportation systems;]~~

~~[(b) state transportation systems safety;]~~

~~[(c) operating state ports-of-entry;]~~

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~~[(d) operating state motor carrier safety programs in accordance with this title and federal law;]~~

~~[(e) aeronautical operations;]~~

~~[(f) providing equipment for department engineering and maintenance functions; and]~~

~~[(g) risk management; and]~~

~~[(7) the Planning and Investment Division responsible for:]~~

~~[(a) creating and managing an intermodal terminal facility to promote economic development and investment;]~~

~~[(b) promoting strategies to synergize development of an intermodal inland port; and]~~

~~[(c) overseeing and coordinating public-private partnerships:]~~

Section 35. Section **72-1-205** is amended to read:

72-1-205. Region offices -- Region directors -- Qualifications -- Responsibilities.

(1) The department shall maintain region offices throughout the state as the executive director finds reasonable and necessary for the efficient carrying out of the duties of the department.

(2) (a) The executive director shall appoint a region director for each region.

(b) Each region director shall be a qualified executive with technical and administrative experience and training.

~~[(3) The region director is responsible for:]~~

~~[(a) executing department policy within the region;]~~

~~[(b) supervising project development and operations of the state transportation systems within the region; and]~~

~~[(c) promoting the department's public involvement and information programs:]~~

(3) The executive director shall establish the responsibilities of each region director.

(4) The executive director may also establish district offices within a region to implement maintenance, encroachment, safety, community involvement, and loss management functions of the region.

Section 36. Section **72-1-213** is amended to read:

72-1-213. Road usage charge study -- Recommendations.

(1) (a) The department shall study a road usage charge mileage-based revenue system, including a demonstration program, as an alternative to the motor and special tax.

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(b) The demonstration program may consider:

(i) the necessity of protecting all personally identifiable information used in reporting highway use;

(ii) alternatives to recording and reporting highway use;

(iii) alternatives to administration of a road usage charge program; and

(iv) other factors as determined by the department.

(2) (a) The department shall create a Road Usage Charge Advisory Committee to assist the department to conduct a road usage charge demonstration program.

(b) The executive director shall appoint members of the committee, considering individuals with experience and expertise in the following areas:

(i) telecommunications;

(ii) data security and privacy;

(iii) privacy rights advocacy organizations;

(iv) transportation agencies with technical expertise;

(v) national research;

(vi) members of the Legislature;

(vii) representatives from the State Tax Commission; and

(viii) other relevant stakeholders as determined by the executive director.

(c) The executive director or the executive director's designee shall serve as chair of the committee.

(d) A member of the committee may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(i) Section 63A-3-106;

(ii) Section 63A-3-107; and

(iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

(e) The department shall provide staff support to the committee.

(3) (a) Beginning in 2019, and no later than September 30 of each year, the department shall prepare and submit a report of its findings based on the results of the road usage charge demonstration program to the:

(i) Road Usage Charge Advisory Committee created under Subsection (2);

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- (ii) Transportation Commission;
- (iii) Transportation Interim Committee of the Legislature; and
- (iv) Revenue and Taxation Interim Committee of the Legislature.

(b) The report shall review the following issues:

- (i) cost;
- (ii) privacy, including recommendations regarding public and private access, including

by law enforcement, to data collected and stored for purposes of the road usage charge to ensure individual privacy rights are protected;

- (iii) jurisdictional issues;
- (iv) feasibility;
- (v) complexity;
- (vi) acceptance;
- (vii) use of revenues;
- (viii) security and compliance, including a discussion of processes and security

measures necessary to minimize fraud and tax evasion rates;

(ix) data collection technology, including a discussion of the advantages and disadvantages of various types of data collection equipment and the privacy implications and considerations of the equipment;

- (x) potential for additional driver services; and
- (xi) implementation issues.

(c) The report may make recommendations to the Legislature and other policymaking bodies on the potential use and future implementation of a road usage charge within the state.

(4) Upon full implementation of a road user charge program for alternative fuel vehicles, which shall occur no later than January 1, 2020, as set forth in Section 72-1-213.1, the department, in coordination with the Motor Vehicle Division, shall offer the option to an owner of an alternative fuel vehicle as defined in Section 41-1a-102 to:

(a) pay an increased motor vehicle registration fee required in Subsection 41-1a-1206(1)(h) or (2)(b); or

- (b) participate in a road user charge program.

Section 37. Section **72-1-213.1** is enacted to read:

72-1-213.1. Road usage charge program.

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(1) As used in this section:

(a) "Account manager" means an entity under contract with the department to administer and manage the road usage charge program.

(b) "Alternative fuel vehicle" means the same as that term is defined in Section 41-1a-102.

(c) "Payment period" means the interval during which an owner is required to report mileage and pay the appropriate road usage charge according to the terms of the program.

(d) "Program" means the road usage charge program established and described in this section.

(2) There is established a road usage charge program as described in this section.

(3) (a) The department shall implement and oversee the administration of the program, which shall begin on January 1, 2020.

(b) To implement and administer the program, the department may contract with an account manager.

(4) (a) The owner or lessee of an alternative fuel vehicle may apply for enrollment of the alternative fuel vehicle in the program.

(b) If an application for enrollment into the program is approved by the department, the owner or lessee of an alternative fuel vehicle may participate in the program in lieu of paying the fee described in Subsection 41-1a-1206(1)(h) or (2)(b).

(5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section, the department:

(i) shall make rules to establish:

(A) processes and terms for enrollment into and withdrawal or removal from the program;

(B) payment periods and other payment methods and procedures for the program;

(C) standards for mileage reporting mechanisms for an owner or lessee of an alternative fuel vehicle to report mileage as part of participation in the program;

(D) standards for program functions for mileage recording, payment processing, account management, and other similar aspects of the program;

(E) contractual terms between an owner or lessee of an alternative fuel vehicle owner and an account manager for participation in the program;

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(F) contractual terms between the department and an account manager, including authority for an account manager to enforce the terms of the program;

(G) procedures to provide security and protection of personal information and data connected to the program, and penalties for account managers for violating privacy protection rules;

(H) penalty procedures for a program participant's failure to pay a road usage charge or tampering with a device necessary for the program; and

(I) department oversight of an account manager, including privacy protection of personal information and access and auditing capability of financial and other records related to administration of the program; and

(ii) may make rules to establish:

(A) an enrollment cap for certain alternative fuel vehicle types to participate in the program;

(B) a process for collection of an unpaid road usage charge or penalty; or

(C) integration of the program with other similar programs, such as tolling.

(b) The department shall make recommendations to and consult with the commission regarding road usage mileage rates for each type of alternative fuel vehicle.

(6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and consistent with this section, the commission shall, after consultation with the department, make rules to establish the road usage charge mileage rate for each type of alternative fuel vehicle.

(7) (a) Revenue generated by the road usage charge program and relevant penalties shall be deposited into the Transportation Fund.

(b) The department may use revenue generated by the program to cover the costs of administering the program.

(8) (a) The department may:

(i) (A) impose a penalty for failure to timely pay a road usage charge according to the terms of the program or tampering with a device necessary for the program; and

(B) request that the Division of Motor Vehicles place a hold on the registration of the owner's or lessee's alternative fuel vehicle for failure to pay a road usage charge according to the terms of the program;

(ii) send correspondence to the owner of an alternative fuel vehicle to inform the owner

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or lessee of:

(A) the road usage charge program, implementation, and procedures;

(B) an unpaid road usage charge and the amount of the road usage charge to be paid to the department;

(C) the penalty for failure to pay a road usage charge within the time period described in Subsection (8)(a)(iii); and

(D) a hold being placed on the owner's or lessee's registration for the alternative fuel vehicle, if the road usage charge and penalty are not paid within the time period described in Subsection (8)(a)(iii), which would prevent the renewal of the alternative fuel vehicle's registration; and

(iii) require that the owner or lessee of the alternative fuel vehicle pay the road usage charge to the department within 30 days of the date when the department sends written notice of the road usage charge to the owner or lessee.

(b) The department shall send the correspondence and notice described in Subsection (8)(a) to the owner of the alternative fuel vehicle according to the terms of the program.

(9) (a) The Division of Motor Vehicles and the department shall share and provide access to information pertaining to an alternative fuel vehicle and participation in the program including:

(i) registration and ownership information pertaining to an alternative fuel vehicle;

(ii) information regarding the failure of an alternative fuel vehicle owner or lessee to pay a road usage charge or penalty imposed under this section within the time period described in Subsection (8)(a)(iii); and

(iii) the status of a request for a hold on the registration of an alternative fuel vehicle.

(b) If the department requests a hold on the registration in accordance with this section, the Division of Motor Vehicles may not renew the registration of a motor vehicle under Title 41, Chapter 1a, Part 2, Registration, until the department withdraws the hold request.

(10) The owner of an alternative fuel vehicle may apply for enrollment in the program or withdraw from the program according to the terms established by the department pursuant to rules made under Subsection (5).

(11) If enrolled in the program, the owner or lessee of an alternative fuel vehicle shall:

(a) report mileage driven as required by the department pursuant to Subsection (5);

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(b) pay the road usage fee for each payment period as set by the department and the commission pursuant to Subsections (5) and (6); and

(c) comply with all other provisions of this section and other requirements of the program.

Section 38. Section **72-1-301** is amended to read:

72-1-301. Transportation Commission created -- Members, appointment, terms -- Qualifications -- Pay and expenses -- Chair -- Quorum.

(1) (a) There is created the Transportation Commission which shall consist of seven members.

(b) The members of the commission shall be residents of Utah.

(c) The members of the commission shall be selected on a nonpartisan basis.

(d) (i) The commissioners shall be appointed by the governor, with the consent of the Senate, for a term of six years, beginning on April 1 of odd-numbered years, except as provided under Subsection (1)(d)(ii).

(ii) The first two additional commissioners serving on the seven member commission shall be appointed for terms of two years nine months and four years nine months, respectively, initially commencing on July 1, 1996, and subsequently commencing as specified under Subsection (1)(d)(i).

(e) The commissioners serve on a part-time basis.

(f) Each commissioner shall remain in office until a successor is appointed and qualified.

(2) (a) Except as provided in Subsection (2)(b), the selection of the commissioners shall be as follows:

(i) one commissioner from Box Elder, Cache, or Rich county;

(ii) one commissioner from Salt Lake or Tooele county;

(iii) one commissioner from Carbon, Emery, Grand, or San Juan county;

(iv) one commissioner from Beaver, Garfield, Iron, Kane, Millard, Piute, Sanpete, Sevier, Washington, or Wayne county;

(v) one commissioner from Weber, Davis, or Morgan county;

(vi) one commissioner from Juab, Utah, Wasatch, Duchesne, Summit, Uintah, or Daggett county; and

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(vii) one commissioner selected from the state at large.

(b) Beginning with the appointment of commissioners on or after July 1, 2009 and subject to the restriction in Subsection (2)(d), the selection of commissioners shall be as follows:

(i) four commissioners with one commissioner selected from each of the four regions established by the department; and

(ii) subject to the restriction in Subsection (2)(c), three commissioners selected from the state at large.

(c) (i) At least one of the three commissioners appointed under Subsection (2)(b)(ii) shall be selected from a rural county.

(ii) For purposes of this Subsection (2)(c), a rural county includes a county of the third, fourth, fifth, or sixth class.

(d) No more than two commissioners appointed under Subsection (2)(b) may be selected from any one of the four regions established by the department.

(3) A member may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

(a) Section 63A-3-106;

(b) Section 63A-3-107; and

(c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

(4) (a) One member of the commission shall be designated by the governor as chair.

(b) The commission shall select one member as vice chair to act in the chair's absence.

(5) Any four commissioners constitute a quorum.

(6) Each member of the commission shall qualify by taking the constitutional oath of office.

(7) For the purposes of Section 63J-1-504, the commission is not considered an agency.

Section 39. Section **72-1-304** is amended to read:

72-1-304. Written project prioritization process for new transportation capacity projects -- Rulemaking.

(1) (a) The Transportation Commission, in consultation with the department and the

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metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a written prioritization process for the prioritization of:

(i) new transportation capacity projects that are or will be part of the state highway system under Chapter 4, Part 1, State Highways~~[-or]~~;

(ii) paved pedestrian or paved nonmotorized transportation projects that:

(A) mitigate traffic congestion on the state highway system; and

(B) are part of an active transportation plan approved by the department;

(iii) public transit projects that add capacity to the public transit systems within the state~~[-]~~; and

(iv) pedestrian or nonmotorized transportation projects that provide connection to a public transit system.

(b) (i) A local government or district may nominate a project for prioritization in accordance with the process established by the commission in rule.

(ii) If a local government or district nominates a project for prioritization by the commission, the local government or district shall provide data and evidence to show that:

(A) the project will advance the purposes and goals described in Section 72-1-211;

(B) for a public transit project, the local government or district has an ongoing funding source for operations and maintenance of the proposed development; and

(C) the local government or district will provide 40% of the ~~[funds]~~ costs for the project as required by Subsection 72-2-124(4)(a)(viii) or 72-2-124(7)(e).

(2) The following shall be included in the written prioritization process under Subsection (1):

(a) a description of how the strategic initiatives of the department adopted under Section 72-1-211 are advanced by the written prioritization process;

(b) a definition of the type of projects to which the written prioritization process applies;

(c) specification of a weighted criteria system that is used to rank proposed projects and how it will be used to determine which projects will be prioritized;

(d) specification of the data that is necessary to apply the weighted ranking criteria; and

(e) any other provisions the commission considers appropriate, which may include consideration of:

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(i) regional and statewide economic development impacts, including improved local access to:

- (A) employment;
- (B) recreation;
- (C) commerce; and
- (D) residential areas;

(ii) the extent to which local land use plans relevant to a project support and accomplish the strategic initiatives adopted under Section 72-1-211; and

(iii) any matching funds provided by a political subdivision or public transit district in addition to the 40% required by [~~Subsection 72-2-124(7)(e).~~] Subsections 72-2-124(4)(a)(viii) and 72-2-124(7)(e).

(3) In developing the written prioritization process, the commission:

(a) shall seek and consider public comment by holding public meetings at locations throughout the state; and

(b) may not consider local matching dollars as provided under Section 72-2-123 unless the state provides an equal opportunity to raise local matching dollars for state highway improvements within each county.

(4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the Transportation Commission, in consultation with the department, shall make rules establishing the written prioritization process under Subsection (1).

(5) The commission shall submit the proposed rules under this section to a committee or task force designated by the Legislative Management Committee for review prior to taking final action on the proposed rules or any proposed amendment to the rules described in Subsection (4).

Section 40. Section **72-2-107** is amended to read:

72-2-107. Appropriation from Transportation Fund -- Apportionment for class B and class C roads.

(1) There is appropriated to the department from the Transportation Fund annually an amount equal to 30% of an amount which the director of finance shall compute in the following manner: The total revenue deposited into the Transportation Fund during the fiscal year from state highway-user taxes and fees, minus those amounts appropriated or transferred

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from the Transportation Fund during the same fiscal year to:

- (a) the Department of Public Safety;
- (b) the State Tax Commission;
- (c) the Division of Finance;
- (d) the Utah Travel Council; [~~and~~]
- (e) the road usage charge program created in Section 72-1-213.1; and

[~~(e)~~] (f) any other amounts appropriated or transferred for any other state agencies not a part of the department.

(2) (a) Except as provided in Subsection (2)(b), all of the money appropriated in Subsection (1) shall be apportioned among counties and municipalities for class B and class C roads as provided in this title.

(b) The department shall annually transfer \$500,000 of the amount calculated under Subsection (1) to the State Park Access Highways Improvement Program created in Section 72-3-207.

(3) Each quarter of every year the department shall make the necessary accounting entries to transfer the money appropriated under this section for class B and class C roads.

(4) The funds appropriated for class B and class C roads shall be expended under the direction of the department as the Legislature shall provide.

Section 41. Section **72-2-117.5** is amended to read:

72-2-117.5. Definitions -- Local Highway and Transportation Corridor Preservation Fund -- Disposition of fund money.

(1) As used in this section:

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

(b) "Metropolitan planning organization" has the same meaning as defined in Section 72-1-208.5.

(2) There is created the Local Highway and Transportation Corridor Preservation Fund within the Transportation Fund.

(3) The fund shall be funded from the following sources:

(a) a local option highway construction and transportation corridor preservation fee

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imposed under Section 41-1a-1222;

- (b) appropriations made to the fund by the Legislature;
- (c) contributions from other public and private sources for deposit into the fund;
- (d) all money collected from rents and sales of real property acquired with fund money;
- (e) proceeds from general obligation bonds, revenue bonds, or other obligations issued

as authorized by Title 63B, Bonds; and

~~[(f) the portion of the sales and use tax described in Section 59-12-2217 deposited into the fund; and]~~

~~[(g)]~~ (f) sales and use tax revenues deposited into the fund in accordance with ~~[Section 59-12-2218]~~ Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act.

(4) (a) The fund shall earn interest.

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

(c) The State Tax Commission shall allocate the revenues:

(i) provided under Subsection (3)(a) to each county imposing a local option highway construction and transportation corridor preservation fee under Section 41-1a-1222;

(ii) provided under Subsection 59-12-2217(2)~~[(b)]~~ to each county imposing a county option sales and use tax for transportation; and

(iii) provided under Subsection (3)~~[(g)]~~(f) to each county of the second class or city or town within a county of the second class that imposes the sales and use tax authorized by Section 59-12-2218.

(d) The department shall distribute the funds allocated to each county, city, or town under Subsection (4)(c) to each county, city, or town.

(e) The money allocated and distributed under this Subsection (4):

(i) shall be used for the purposes provided in this section for each county, city, or town;

(ii) is allocated to each county, city, or town as provided in this section with the condition that the state will not be charged for any asset purchased with the money allocated and distributed under this Subsection (4), unless there is a written agreement in place with the department prior to the purchase of the asset stipulating a reimbursement by the state to the county, city, or town of no more than the original purchase price paid by the county, city, or town; and

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(iii) is considered a local matching contribution for the purposes described under Section 72-2-123 if used on a state highway.

(f) Administrative costs of the department to implement this section shall be paid from the fund.

(5) (a) A highway authority may acquire real property or any interests in real property for state, county, and municipal highway or public transit corridors subject to:

(i) money available in the fund to each county under Subsection (4); and

(ii) the provisions of this section.

(b) Fund money may be used to pay interest on debts incurred in accordance with this section.

(c) (i) (A) Fund money may be used to pay maintenance costs of properties acquired under this section but limited to a total of 5% of the purchase price of the property.

(B) Any additional maintenance cost shall be paid from funds other than under this section.

(C) Revenue generated by any property acquired under this section is excluded from the limitations under this Subsection (5)(c)(i).

(ii) Fund money may be used to pay direct costs of acquisition of properties acquired under this section.

(d) Fund money allocated and distributed under Subsection (4) may be used by a county highway authority for countywide transportation or public transit planning if:

(i) the county's planning focus area is outside the boundaries of a metropolitan planning organization;

(ii) the transportation planning is part of the county's continuing, cooperative, and comprehensive process for transportation or public transit planning, corridor preservation, right-of-way acquisition, and project programming;

(iii) no more than four years allocation every 20 years to each county is used for transportation planning under this Subsection (5)(d); and

(iv) the county otherwise qualifies to use the fund money as provided under this section.

(e) (i) Subject to Subsection (11), fund money allocated and distributed under Subsection (4) may be used by a county highway authority for transportation or public transit

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corridor planning that is part of the corridor elements of an ongoing work program of transportation or public transit projects.

(ii) The transportation corridor planning under Subsection (5)(e)(i) shall be under the direction of:

(A) the metropolitan planning organization if the county is within the boundaries of a metropolitan planning organization; or

(B) the department if the county is not within the boundaries of a metropolitan planning organization.

(f) (i) A county, city, or town that imposes a local option highway construction and transportation corridor preservation fee under Section 41-1a-1222 may elect to administer the funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving loan fund.

(ii) If a county, city, or town elects to administer the funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving loan fund, a local highway authority shall repay the fund money authorized for the project to the fund.

(iii) A county, city, or town that elects to administer the funds allocated and distributed to that county, city, or town under Subsection (4) as a revolving loan fund shall establish repayment conditions of the money to the fund from the specified project funds.

(g) (i) Subject to the restrictions in Subsections (5)(g)(ii) and (iii), fund money may be used by a county of the third, fourth, fifth, or sixth class or by a city or town within a county of the third, fourth, fifth, or sixth class for:

(A) the construction, operation, or maintenance of a class B road or class C road; or

(B) the restoration or repair of survey monuments associated with transportation infrastructure.

(ii) A county, city, or town may not use more than 50% of the current balance of fund money allocated to the county, city, or town for the purposes described in Subsection (5)(g)(i).

(iii) A county, city, or town may not use more than 50% of the fund revenue collections allocated to a county, city, or town in the current fiscal year for the purposes described in Subsection (5)(g)(i).

(6) (a) (i) The Local Highway and Transportation Corridor Preservation Fund shall be used to preserve highway and public transit corridors, promote long-term statewide

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transportation planning, save on acquisition costs, and promote the best interests of the state in a manner which minimizes impact on prime agricultural land.

(ii) The Local Highway and Transportation Corridor Preservation Fund shall only be used to preserve a highway or public transit corridor that is right-of-way:

(A) in a county of the first or second class for:

(I) a state highway;

(II) a principal arterial highway as defined in Section 72-4-102.5;

(III) a minor arterial highway as defined in Section 72-4-102.5;

(IV) a collector highway in an urban area as defined in Section 72-4-102.5; or

(V) a transit facility as defined in Section 17B-2a-802; or

(B) in a county of the third, fourth, fifth, or sixth class for:

(I) a state highway;

(II) a principal arterial highway as defined in Section 72-4-102.5;

(III) a minor arterial highway as defined in Section 72-4-102.5;

(IV) a major collector highway as defined in Section 72-4-102.5;

(V) a minor collector road as defined in Section 72-4-102.5; or

(VI) a transit facility as defined in Section 17B-2a-802.

(iii) The Local Highway and Transportation Corridor Preservation Fund may not be used for a highway corridor that is primarily a recreational trail as defined under Section 79-5-102.

(b) A highway authority shall authorize the expenditure of fund money after determining that the expenditure is being made in accordance with this section from applications that are:

(i) endorsed by the council of governments; and

(ii) for a right-of-way purchase for a highway or public transit corridor authorized under Subsection (6)(a)(ii).

(7) (a) (i) A council of governments shall establish a council of governments endorsement process which includes prioritization and application procedures for use of the money allocated to each county under this section.

(ii) The endorsement process under Subsection (7)(a)(i) may include review or endorsement of the preservation project by:

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(A) the metropolitan planning organization if the county is within the boundaries of a metropolitan planning organization; or

(B) the department if the county is not within the boundaries of a metropolitan planning organization.

(b) All fund money shall be prioritized by each highway authority and council of governments based on considerations, including:

(i) areas with rapidly expanding population;

(ii) the willingness of local governments to complete studies and impact statements that meet department standards;

(iii) the preservation of corridors by the use of local planning and zoning processes;

(iv) the availability of other public and private matching funds for a project;

(v) the cost-effectiveness of the preservation projects;

(vi) long and short-term maintenance costs for property acquired; and

(vii) whether the transportation or public transit corridor is included as part of:

(A) the county and municipal master plan; and

(B) (I) the statewide long range plan; or

(II) the regional transportation plan of the area metropolitan planning organization if one exists for the area.

(c) The council of governments shall:

(i) establish a priority list of highway and public transit corridor preservation projects within the county;

(ii) submit the list described in Subsection (7)(c)(i) to the county's legislative body for approval; and

(iii) obtain approval of the list described in Subsection (7)(c)(i) from a majority of the members of the county legislative body.

(d) A county's council of governments may only submit one priority list described in Subsection (7)(c)(i) per calendar year.

(e) A county legislative body may only consider and approve one priority list described in Subsection (7)(c)(i) per calendar year.

(8) (a) Unless otherwise provided by written agreement with another highway authority or public transit district, the highway authority that holds the deed to the property is responsible

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for maintenance of the property.

(b) The transfer of ownership for property acquired under this section from one highway authority to another shall include a recorded deed for the property and a written agreement between the highway authorities or public transit district.

(9) (a) The proceeds from any bonds or other obligations secured by revenues of the Local Highway and Transportation Corridor Preservation Fund shall be used for the purposes authorized for funds under this section.

(b) The highway authority shall pledge the necessary part of the revenues of the Local Highway and Transportation Corridor Preservation Fund to the payment of principal and interest on the bonds or other obligations.

(10) (a) A highway authority may not expend money under this section to purchase a right-of-way for a state highway unless the highway authority has:

(i) a transportation corridor property acquisition policy or ordinance in effect that meets department requirements for the acquisition of real property or any interests in real property under this section; and

(ii) an access management policy or ordinance in effect that meets the requirements under Subsection 72-2-117(8).

(b) The provisions of Subsection (10)(a)(i) do not apply if the highway authority has a written agreement with the department for the department to acquire real property or any interests in real property on behalf of the local highway authority under this section.

(11) The county shall ensure, to the extent possible, that the fund money allocated and distributed to a city or town in accordance with Subsection (4) is expended:

(a) to fund a project or service as allowed by this section within the city or town to which the fund money is allocated;

(b) to pay debt service, principal, or interest on a bond or other obligation as allowed by this section if that bond or other obligation is:

(i) secured by money allocated to the city or town; and

(ii) issued to finance a project or service as allowed by this section within the city or town to which the fund money is allocated;

(c) to fund transportation planning as allowed by this section within the city or town to which the fund money is allocated; or

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(d) for another purpose allowed by this section within the city or town to which the fund money is allocated.

(12) Notwithstanding any other provision in this section, any amounts within the fund allocated to a public transit district or for a public transit corridor may only be derived from the portion of the fund that does not include constitutionally restricted sources related to the operation of a motor vehicle on a public highway or proceeds from an excise tax on liquid motor fuel to propel a motor vehicle.

Section 42. Section **72-2-121** is amended to read:

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

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

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

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

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

(c) the portion of the sales and use tax described in Section 59-12-2217 deposited in or transferred to the fund; and

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

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

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

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

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

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

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

(i) an active transportation facility for nonmotorized vehicles;

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

(iii) a facility that may include a:

(A) pedestrian or nonmotorized vehicle trail;

(B) nonmotorized vehicle storage facility;

(C) pedestrian or vehicle bridge; or

(D) vehicle parking lot or parking structure;

(d) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or county to pay for a portion of right-of-way acquisition, construction, reconstruction, renovations, and improvements to highways described in Subsections 72-2-121.4(7), (8), and (9);

(e) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts transferred in accordance with Subsection 72-2-124(4)(a)(iv);

(f) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects described in Subsection 63B-18-401(4)(a);

(g) for a fiscal year beginning on or after July 1, 2013, and after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to transfer an amount equal to 50% of the revenue generated by the local option highway construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in a county of the first class:

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

(ii) to be used by a county of the first class for:

(A) highway construction, reconstruction, or maintenance projects; or

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

(h) for fiscal year 2015 only, and after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(f) has been made, to transfer an amount equal to the remainder of the revenue available in the fund for the 2015 fiscal year:

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

(ii) to be used by a county of the first class for:

(A) highway construction, reconstruction, or maintenance projects; or

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

(i) for fiscal year 2015-16 only, and after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(f) has been made, to transfer an amount equal to \$25,000,000:

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

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

(j) for a fiscal year beginning on or after July 1, 2015, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(f) has been made, to annually transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b) to:

(i) the appropriate debt service or sinking fund for the repayment of bonds issued under Section 63B-27-102; and

(ii) the Transportation Fund created in Section 72-2-102 until \$28,079,000 has been deposited into the Transportation Fund;

(k) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(e), the payment under Subsection (4)(f), and the transfers under Subsections (4)(j)(i) and (ii) have been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b) to a public transit district in a county of the first class to fund a system for public transit;

(l) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(e), the payment under Subsection (4)(f), and the transfers under Subsections (4)(j)(i) and (ii) have been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b):

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

(ii) to fund parking facilities in a county of the first class that facilitate significant

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economic development and recreation and tourism within the state; and

(m) for a fiscal year beginning after the amount described in Subsection (4)(j) has been repaid to the Transportation Fund until fiscal year 2030, or sooner if the amount described in Subsection (4)(j)(ii) has been repaid, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(f) has been made, and after the bonds under Section 63B-27-102 have been repaid, to annually transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b):

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

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

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

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

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

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

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

(9) (a) Any revenue in the fund that is not specifically allocated and obligated under this section is subject to the review process described in this Subsection (9).

(b) A county of the first class shall create a county transportation advisory committee as described in Subsection (9)(c) to review proposed transportation and, as applicable, public

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transit projects and rank projects for allocation of funds.

(c) The county transportation advisory committee described in Subsection (9)(b) shall be composed of the following 13 members:

(i) six members who are residents of the county, nominated by the county executive and confirmed by the county legislative body who are:

(A) members of a local advisory [~~board~~] council of a large public transit district as defined in Section 17B-2a-802;

(B) county council members; or

(C) other residents with expertise in transportation planning and funding; and

(ii) seven members nominated by the county executive, and confirmed by the county legislative body, chosen from mayors or managers of cities or towns within the county.

(d) (i) A majority of the members of the county transportation advisory committee constitutes a quorum.

(ii) The action by a quorum of the county transportation advisory committee constitutes an action by the county transportation advisory committee.

(e) The county body shall determine:

(i) the length of a term of a member of the county transportation advisory committee;

(ii) procedures and requirements for removing a member of the county transportation advisory committee;

(iii) voting requirements of the county transportation advisory committee;

(iv) chairs or other officers of the county transportation advisory committee;

(v) how meetings are to be called and the frequency of meetings, but not less than once annually; and

(vi) the compensation, if any, of members of the county transportation advisory committee.

(f) The county shall establish by ordinance criteria for prioritization and ranking of projects, which may include consideration of regional and countywide economic development impacts, including improved local access to:

(i) employment;

(ii) recreation;

(iii) commerce; and

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(iv) residential areas.

(g) The county transportation advisory committee shall evaluate and rank each proposed public transit project and regionally significant transportation facility according to criteria developed pursuant to Subsection (9)(f).

(h) (i) After the review and ranking of each project as described in this section, the county transportation advisory committee shall provide a report and recommend the ranked list of projects to the county legislative body and county executive.

(ii) After review of the recommended list of projects, as part of the county budgetary process, the county executive shall review the list of projects and may include in the proposed budget the proposed projects for allocation, as funds are available.

(i) The county executive of the county of the first class, with information provided by the county and relevant state entities, shall provide a report annually to the county transportation advisory committee, and to the mayor or manager of each city, town, or metro township in the county, including the following:

(i) the amount of revenue received into the fund during the past year;

(ii) any funds available for allocation;

(iii) funds obligated for debt service; and

(iv) the outstanding balance of transportation-related debt.

Section 43. Section **72-2-121.1** is amended to read:

72-2-121.1. Highway Projects Within Counties Fund -- Accounting for revenues -- Interest -- Expenditure of revenues.

(1) There is created a special revenue fund within the Transportation Fund known as the "Highway Projects Within Counties Fund."

(2) The Highway Projects Within Counties Fund shall be funded by revenues generated by a tax imposed by a county under Section 59-12-2216, if those revenues are allocated:

(a) for a [~~purpose described in Subsection 59-12-2216(2)(c)] state highway within the county; and~~

(b) in accordance with Section 59-12-2216.

(3) The department shall make a separate accounting for:

(a) the revenues described in Subsection (2); and

(b) each county for which revenues are deposited into the Highway Projects Within

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Counties Fund.

(4) (a) The Highway Projects Within Counties Fund shall earn interest.

(b) The department shall allocate the interest earned on the Highway Projects Within

Counties Fund:

(i) proportionately;

(ii) to each county's balance in the Highway Projects Within Counties Fund; and

(iii) on the basis of each county's balance in the Highway Projects Within Counties

Fund.

(5) The department shall expend the revenues and interest deposited into the Highway Projects Within Counties Fund to pay:

(a) for a state highway project within the county [~~:(i) described in Subsection 59-12-2216(2)(c)(i); and (ii)]~~ for which the requirements of Subsection 59-12-2216(6) are met;

(b) debt service on a project described in Subsection (5)(a); or

(c) bond issuance costs related to a project described in Subsection (5)(a).

Section 44. Section **72-2-121.2** is amended to read:

72-2-121.2. Definition -- County of the Second Class State Highway Projects

Fund -- Use of fund money.

(1) As used in this section, "fund" means the County of the Second Class State Highway Projects Fund created by this section.

(2) There is created within the Transportation Fund a special revenue fund known as the County of the Second Class State Highway Projects Fund.

(3) The fund shall be funded by money collected from:

(a) any voluntary contributions the department receives for new construction, major renovations, and improvements to state highways within a county of the second class; and

(b) sales and use taxes deposited into the fund in accordance with [~~Section 59-12-2218~~] Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act.

(4) The department shall make a separate accounting for:

(a) the revenues described in Subsection (3); and

(b) each county of the second class or city or town within a county of the second class for which revenues are deposited into the fund.

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(5) (a) The fund shall earn interest.

(b) Interest earned on fund money shall be deposited into the fund.

(6) Subject to Subsection (9), the executive director may use fund money only:

(a) for right-of-way acquisition, new construction, major renovations, and improvements to state highways within a county of the second class or a city or town within a county of the second class in an amount that does not exceed the amounts deposited for or allocated to that county of the second class or city or town within a county of the second class in accordance with this section;

(b) to pay any debt service and bond issuance costs related to a purpose described in Subsection (6)(a) in an amount that does not exceed the amounts deposited for or allocated to that county of the second class or city or town within a county of the second class described in Subsection (6)(a) in accordance with this section; and

(c) to pay the costs of the department to administer the fund in an amount not to exceed interest earned by the fund money.

(7) If interest remains in the fund after the executive director pays the costs of the department to administer the fund, the interest shall be:

(a) allocated to each county of the second class or city or town within a county of the second class for which revenues are deposited into the fund in proportion to the deposits made into the fund for that county of the second class or city or town within a county of the second class; and

(b) expended for the purposes described in Subsection (6).

(8) Revenues described in Subsection (3)(b) that are deposited into the fund are considered to be a local matching contribution for the purposes described in Section 72-2-123.

(9) (a) The executive director shall, in using fund money, ensure to the extent possible that the fund money deposited for or allocated to a city or town is used:

(i) for a purpose described in Subsection (6)(a) within the city or town to which the fund money is allocated;

(ii) to pay debt service and bond issuance costs described in Subsection (6)(b) if the debt service and bond issuance costs are:

(A) secured by money deposited for or allocated to the city or town; and

(B) related to a project described in Subsection (6)(a) within the city or town to which

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the fund money is allocated; or

(iii) for a purpose described in Subsection (6)(c).

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules to implement the requirements of Subsection (9)(a).

Section 45. Section **72-2-124** is amended to read:

72-2-124. Transportation Investment Fund of 2005.

(1) There is created a capital projects fund entitled the Transportation Investment Fund of 2005.

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

(a) any voluntary contributions received for the maintenance, construction, reconstruction, or renovation of state and federal highways;

(b) appropriations made to the fund by the Legislature;

(c) registration fees designated under Section 41-1a-1201;

(d) the sales and use tax revenues deposited into the fund in accordance with Section 59-12-103; and

(e) revenues transferred to the fund in accordance with Section 72-2-106.

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

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

(4) (a) Except as provided in Subsection (4)(b), the executive director may use fund money only to pay:

(i) the costs of maintenance, construction, reconstruction, or renovation to state and federal highways prioritized by the Transportation Commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304;

(ii) the costs of maintenance, construction, reconstruction, or renovation to the highway projects described in Subsections 63B-18-401(2), (3), and (4);

(iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 minus the costs paid from the County of the First Class Highway Projects Fund in accordance with Subsection 72-2-121(4)(f);

(iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the

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debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

(v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects prioritized in accordance with Section 72-2-125;

(vi) all highway general obligation bonds that are intended to be paid from revenues in the Centennial Highway Fund created by Section 72-2-118; ~~and~~

(vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described in Section 72-2-121[-]; and

(viii) if a political subdivision provides a contribution equal to or greater than 40% of the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved nonmotorized transportation for projects that:

(A) mitigate traffic congestion on the state highway system;

(B) are part of an active transportation plan approved by the department; and

(C) are prioritized by the commission through the prioritization process for new transportation capacity projects adopted under Section 72-1-304.

(b) The executive director may use fund money to exchange for an equal or greater amount of federal transportation funds to be used as provided in Subsection (4)(a).

(5) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in any fiscal year, the department and the commission shall appear before the Executive Appropriations Committee of the Legislature and present the amount of bond proceeds that the department needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

(b) The Executive Appropriations Committee of the Legislature shall review and comment on the amount of bond proceeds needed to fund the projects.

(6) The Division of Finance shall, from money deposited into the fund, transfer the amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or sinking fund.

(7) (a) There is created in the Transportation Investment Fund of 2005 the Transit Transportation Investment Fund.

(b) The fund shall be funded by:

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- (i) contributions deposited into the fund in accordance with Section 59-12-103;
- (ii) appropriations into the account by the Legislature;
- (iii) private contributions; and
- (iv) donations or grants from public or private entities.

(c) (i) The fund shall earn interest.

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

(d) Subject to Subsection (7)(e), the Legislature may appropriate money from the fund for public transit capital development of new capacity projects to be used as prioritized by the commission.

(e) (i) The Legislature may only appropriate money from the fund for a public transit capital development project or pedestrian or nonmotorized transportation project that provides connection to the public transit system if the public transit district or political subdivision provides funds of equal to or greater than 40% of the [funds] costs needed for the project.

(ii) A public transit district or political subdivision may use money derived from a loan granted pursuant to Title 72, Chapter 2, Part 2, [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund, to provide all or part of the 40% requirement described in Subsection (7)(e)(i) if:

(A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2, [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund; and

(B) the proposed capital project has been prioritized by the commission pursuant to Section 72-1-303.

Section 46. Section **72-2-201** is amended to read:

72-2-201. Definitions.

As used in this part:

(1) "Fund" means the [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund created under Section 72-2-202.

(2) "Infrastructure assistance" means any use of fund money, except an infrastructure loan, to provide financial assistance for transportation projects, including:

(a) capital reserves and other security for bond or debt instrument financing; or

(b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by a public entity to finance transportation projects.

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(3) "Infrastructure loan" means a loan of fund money to finance a transportation project.

(4) "Public entity" means a state agency, county, municipality, local district, special service district, an intergovernmental entity organized under state law, or the military installation development authority created in Section 63H-1-201.

(5) "Transportation project":

(a) means a project:

(i) to improve a state or local highway; [and]

(ii) to improve a public transportation facility or nonmotorized transportation facility;

(iii) to improve parking facilities that support an intermodal regional transportation purpose; or

(~~iii~~)iv) that is subject to a transportation reinvestment zone agreement pursuant to Section 11-13-227 if the state is party to the agreement;

(b) includes the costs of acquisition, construction, reconstruction, rehabilitation, equipping, and fixturing[-]; and

(c) may only include a project if the project is part of:

(i) the statewide long range plan;

(ii) a regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(iii) a local government general plan.

Section 47. Section **72-2-202** is amended to read:

72-2-202. State Infrastructure Bank Fund -- Creation -- Use of money.

(1) There is created a revolving loan fund entitled the [~~Transportation Infrastructure Loan~~] State Infrastructure Bank Fund.

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

~~[(a)]~~ (i) appropriations made to the fund by the Legislature;

~~[(b)]~~ (ii) federal money and grants that are deposited in the fund;

~~[(c)]~~ (iii) money transferred to the fund by the commission from other money available to the department;

~~[(d)]~~ (iv) state grants that are deposited in the fund;

~~[(e)]~~ (v) contributions or grants from any other private or public sources for deposit

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into the fund; and

~~[(f)]~~ (vi) subject to Subsection (2)(b), all money collected from repayments of fund money used for infrastructure loans or infrastructure assistance.

(b) When a loan from the fund is repaid, the department may request and the Legislature may transfer from the fund to the source from which the money originated an amount equal to the repaid loan.

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

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

(4) Money in the fund shall be used by the department, as prioritized by the commission, only to:

(a) provide infrastructure loans or infrastructure assistance; and

(b) pay the department for the costs of administering the fund, providing infrastructure loans or infrastructure assistance, monitoring transportation projects, and obtaining repayments of infrastructure loans or infrastructure assistance.

(5) (a) The department may establish separate accounts in the fund for infrastructure loans, infrastructure assistance, administrative and operating expenses, or any other purpose to implement this part.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules governing how the fund and its accounts may be held by an escrow agent.

(6) Fund money shall be invested by the state treasurer as provided in Title 51, Chapter 7, State Money Management Act, and the earnings from the investments shall be credited to the fund.

Section 48. Section **72-2-203** is amended to read:

72-2-203. Loans and assistance -- Authority -- Rulemaking.

(1) Money in the fund may be used by the department, as prioritized by the commission or as directed by the Legislature, to make infrastructure loans or to provide infrastructure assistance to any public entity for any purpose consistent with any applicable constitutional limitation.

(2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission shall make rules providing procedures and standards for making infrastructure

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loans and providing infrastructure assistance[-] and a process for prioritization of requests for loans and assistance.

(3) The prioritization process, procedures, and standards for making an infrastructure loan or providing infrastructure assistance may include consideration of the following:

(a) availability of money in the fund;

(b) credit worthiness of the project;

(c) demonstration that the project will encourage, enhance, or create economic benefits to the state;

(d) likelihood that assistance would enable the project to proceed at an earlier date than would otherwise be possible;

(e) the extent to which assistance would foster innovative public-private partnerships and attract private debt or equity investment;

(f) demonstration that the project provides a benefit to the state highway system, including safety or mobility improvements;

(g) the amount of proposed assistance as a percentage of the overall project costs with emphasis on local and private participation;

(h) demonstration that the project provides intermodal connectivity with public transportation, pedestrian, or nonmotorized transportation facilities; and

(i) other provisions the commission considers appropriate.

Section 49. Section **72-2-204** is amended to read:

72-2-204. Loan program procedures -- Repayment.

(1) A public entity may obtain an infrastructure loan from the department, upon approval by the commission, by entering into a loan contract with the department secured by legally issued bonds, notes, or other evidence of indebtedness validly issued under state law, including pledging all or any portion of a revenue source controlled by the public entity to the repayment of the loan.

(2) A loan or assistance from the fund ~~may~~ shall bear interest at or above bond market interest rates available to the state.

(3) A loan shall be repaid no later than ~~15~~10 years from the date the department issues the loan to the borrower, with repayment commencing no later than:

(a) when the project is completed; or

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(b) in the case of a highway project, when the facility has opened to traffic.

~~[(2)]~~ (4) The public entity shall repay the infrastructure loan in accordance with the loan contract from any of the following sources:

- (a) transportation project revenues, including special assessment revenues;
- (b) general funds of the public entity;
- (c) money withheld under Subsection ~~[(5)]~~ (7); or
- (d) any other legally available revenues.

~~[(3)]~~ (5) An infrastructure loan contract with a public entity may provide that a portion of the proceeds of the loan may be applied to fund a reserve fund to secure the repayment of the loan.

~~[(4)]~~ (6) Before obtaining an infrastructure loan, a county or municipality shall:

- (a) publish its intention to obtain an infrastructure loan at least once in accordance with the publication of notice requirements under Section 11-14-316; and
- (b) adopt an ordinance or resolution authorizing the infrastructure loan.

~~[(5)]~~ (7) (a) If a public entity fails to comply with the terms of its infrastructure loan contract, the department may seek any legal or equitable remedy to obtain compliance or payment of damages.

(b) If a public entity fails to make infrastructure loan payments when due, the state shall, at the request of the department, withhold an amount of money due to the public entity and deposit the withheld money in the fund to pay the amounts due under the contract.

(c) The department may elect when to request the withholding of money under this Subsection ~~[(5)]~~ (7).

~~[(6)]~~ (8) All loan contracts, bonds, notes, or other evidence of indebtedness securing the loan contracts shall be held, collected, and accounted for in accordance with Section 63B-1b-202.

Section 50. Section **72-5-111** is amended to read:

72-5-111. Disposal of real property.

(1) (a) If the department determines that any real property or interest in real property, acquired for a highway purpose, is no longer necessary for the purpose, the department may lease, sell, exchange, or otherwise dispose of the real property or interest in the real property.

(b) (i) Real property may be sold at private or public sale.

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(ii) Except as provided in Subsection (1)(c) related to exchanges and Subsection (1)(d) related to the proceeds of any sale of real property from a maintenance facility, proceeds of any sale shall be deposited with the state treasurer and credited to the Transportation Fund.

(c) (i) [H] Except as provided in Subsection (1)(c)(ii), if approved by the commission, real property or an interest in real property may be exchanged by the department for other real property or interest in real property, including improvements, for highway purposes.

(ii) The department may exchange an interest in real property for another interest in real property for a project that is part of a statewide transportation improvement program approved by the commission.

(d) Proceeds from the sale of real property or an interest in real property from a maintenance facility may be used by the department for the purchase or improvement of another maintenance facility, including real property.

(2) (a) In the disposition of real property at any private sale, first consideration shall be given to the original grantor.

(b) Notwithstanding the provisions of Section 78B-6-521, if no portion of a parcel of real property acquired by the department is used for transportation purposes, then the original grantor shall be given the opportunity to repurchase the parcel of real property at the department's original purchase price from the grantor.

(c) In accordance with Section 72-5-404, this Subsection (2) does not apply to property rights acquired in proposed transportation corridors using funds from the Marda Dillree Corridor Preservation Fund created in Section 72-2-117.

(d) (i) The right of first consideration described in Subsection (2)(a) is subject to the same terms and may be assigned by the original grantor in the manner described in Subsection 78B-6-521(2).

(ii) The original grantor or the assignee shall notify the department of an assignment by certified mail to the current office address of the executive director of the department.

(iii) An exchange of real property as provided in Subsection (1)(c) or Section 72-5-113 does not entitle the original grantor to exercise the right of first consideration described in Subsection (2)(a).

(iv) The right of first consideration described in Subsection (2)(a) terminates upon an exchange of the acquired real property as provided in Subsection (1)(c) or Section 72-5-113.

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(3) (a) Any sale, exchange, or disposal of real property or interest in real property made by the department under this section, is exempt from the mineral reservation provisions of Title 65A, Chapter 6, Mineral Leases.

(b) Any deed made and delivered by the department under this section without specific reservations in the deed is a conveyance of all the state's right, title, and interest in the real property or interest in the real property.

Section 51. Section **72-6-403** is amended to read:

72-6-403. Highway sponsorship program -- Sponsorship advertisement restrictions -- Rulemaking.

(1) The department may establish a sponsorship program to allow for private sponsorship of the following department operational activities or other highway-related services or programs:

(a) traveler information; [~~and~~]

(b) rest areas[~~;~~]; and

(c) courtesy patrol services.

(2) All revenue generated from a sponsorship authorized by this section shall be deposited into the Transportation Fund created by Section 72-2-102 to be used to:

(a) offset costs associated with providing the service being sponsored; and

(b) support costs associated with operation and maintenance of the state highway system.

(3) (a) The department shall adopt a policy on sponsorship agreements that is applicable to all department operational activities or other highway-related services within the state described in Subsection (1).

(b) The policy described in Subsection (3)(a) shall:

(i) include language requiring the department to terminate a sponsorship agreement if it determines the sponsorship agreement or acknowledgment sign:

(A) presents a safety concern;

(B) interferes with the free and safe flow of traffic; or

(C) is not in the public interest; and

(ii) describe the sponsors and sponsorship agreements that are acceptable and consistent with applicable state and federal laws.

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(4) A sponsorship authorized by this section:

(a) may not contain:

(i) promotion of any substance or activity that is illegal for minors, such as alcohol, tobacco, drugs, or gambling;

(ii) promotion of any political party, candidate, or issue; or

(iii) sexual material;

(b) may not resemble a traffic-control device as defined in Section 41-6a-102; and

(c) shall comply with federal outdoor advertising regulations in accordance with 23 U.S.C. Sec. 131.

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department shall make and enforce rules governing:

(a) the placement and size restrictions for acknowledgment signs at rest areas; and

(b) other size, placement, and content restrictions that the department determines are necessary.

(6) A commercial advertiser that enters a sponsorship agreement with the department for the use of space for a sponsorship shall pay:

(a) the cost of placing the sponsorship advertisement on a sign; and

(b) for the removal of the sponsorship advertisement after the term of the sponsorship agreement has expired.

Section 52. Section **72-10-102** is amended to read:

72-10-102. Definitions.

As used in this chapter:

(1) "Acrobatics" means the intentional maneuvers of an aircraft not necessary to air navigation.

(2) "Aeronautics" means transportation by aircraft, air instruction, the operation, repair, or maintenance of aircraft, and the design, operation, repair, or maintenance of airports, or other air navigation facilities.

(3) "Aeronautics instructor" means any individual engaged in giving or offering to give instruction in aeronautics, flying, or ground subjects, either with or without:

(a) compensation or other reward;

(b) advertising the occupation;

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(c) calling his facilities an air school, or any equivalent term; or

(d) employing or using other instructors.

(4) "Aircraft" means any contrivance now known or in the future invented, used, or designed for navigation of or flight in the air.

(5) "Air instruction" means the imparting of aeronautical information by any aviation instructor or in any air school or flying club.

(6) "Airport" means any area of land, water, or both, that:

(a) is used or is made available for landing and takeoff;

(b) provides facilities for the shelter, supply, and repair of aircraft, and handling of passengers and cargo;

(c) meets the minimum requirements established by the division as to size and design, surface, marking, equipment, and operation; and

(d) includes all areas shown as part of the airport in the current airport layout plan as approved by the Federal Aviation Administration.

(7) "Airport authority" means a political subdivision of the state, other than a county or municipality, that is authorized by statute to operate an airport.

(8) "Airport operator" means a municipality, county, or airport authority that owns or operates a commercial airport.

(9) (a) "Airport revenue" means:

(i) all fees, charges, rents, or other payments received by or accruing to an airport operator for any of the following reasons:

(A) revenue from air carriers, tenants, lessees, purchasers of airport properties, airport permittees making use of airport property and services, and other parties;

(B) revenue received from the activities of others or the transfer of rights to others relating to the airport, including revenue received:

(I) for the right to conduct an activity on the airport or to use or occupy airport property;

(II) for the sale, transfer, or disposition of airport real or personal property, or any interest in that property, including transfer through a condemnation proceeding;

(III) for the sale of, or the sale or lease of rights in, mineral, natural, or agricultural products or water owned by the airport operator to be taken from the airport; and

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(IV) for the right to conduct an activity on, or for the use or disposition of, real or personal property or any interest in real or personal property owned or controlled by the airport operator and used for an airport-related purpose but not located on the airport; or

(C) revenue received from activities conducted by the airport operator whether on or off the airport, which is directly connected to the airport operator's ownership or operation of the airport; and

(ii) state and local taxes on aviation fuel.

(b) "Airport revenue" does not include amounts received by an airport operator as passenger facility fees pursuant to 49 U.S.C. Sec. 40117.

(10) "Air school" means any person engaged in giving, offering to give, or advertising, representing, or holding himself out as giving, with or without compensation or other reward, instruction in aeronautics, flying, or ground subjects, or in more than one of these subjects.

(11) "Airworthiness" means conformity with requirements prescribed by the Federal Aviation Administration regarding the structure or functioning of aircraft, engine, parts, or accessories.

(12) "Civil aircraft" means any aircraft other than a public aircraft.

(13) "Commercial aircraft" means aircraft used for commercial purposes.

(14) "Commercial airport" means a landing area, landing strip, or airport that may be used for commercial operations.

(15) "Commercial flight operator" means a person who conducts commercial operations.

(16) "Commercial operations" means:

(a) any operations of an aircraft for compensation or hire or any services performed incidental to the operation of any aircraft for which a fee is charged or compensation is received, including the servicing, maintaining, and repairing of aircraft, the rental or charter of aircraft, the operation of flight or ground schools, the operation of aircraft for the application or distribution of chemicals or other substances, and the operation of aircraft for hunting and fishing; or

(b) the brokering or selling of any of these services; but

(c) does not include any operations of aircraft as common carriers certificated by the federal government or the services incidental to those operations.

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(17) "Dealer" means any person who is actively engaged in the business of flying for demonstration purposes, or selling or exchanging aircraft, and who has an established place of business.

~~[(18) "Division" means the Operations Division in the Department of Transportation, created in Section 72-1-204.]~~

~~[(19)]~~ (18) "Experimental aircraft" means:

(a) any aircraft designated by the Federal Aviation Administration or the military as experimental and used solely for the purpose of experiments, or tests regarding the structure or functioning of aircraft, engines, or their accessories; and

(b) any aircraft designated by the Federal Aviation Administration as:

(i) being custom or amateur built; and

(ii) used for recreational, educational, or display purposes.

~~[(20)]~~ (19) "Flight" means any kind of locomotion by aircraft while in the air.

~~[(21)]~~ (20) "Flying club" means five or more persons who for neither profit nor reward own, lease, or use one or more aircraft for the purpose of instruction, pleasure, or both.

~~[(22)]~~ (21) "Glider" means an aircraft heavier than air, similar to an airplane, but without a power plant.

~~[(23)]~~ (22) "Mechanic" means a person who constructs, repairs, adjusts, inspects, or overhauls aircraft, engines, or accessories.

~~[(24)]~~ (23) "Parachute jumper" means any person who has passed the required test for jumping with a parachute from an aircraft, and has passed an examination showing that he possesses the required physical and mental qualifications for the jumping.

~~[(25)]~~ (24) "Parachute rigger" means any person who has passed the required test for packing, repairing, and maintaining parachutes.

~~[(26)]~~ (25) "Passenger aircraft" means aircraft used for transporting persons, in addition to the pilot or crew, with or without their necessary personal belongings.

~~[(27)]~~ (26) "Person" means any individual, corporation, limited liability company, or association of individuals.

~~[(28)]~~ (27) "Pilot" means any person who operates the controls of an aircraft while in-flight.

~~[(29)]~~ (28) "Primary glider" means any glider that has a gliding angle of less than 10 to

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one.

~~[(30)]~~ (29) "Public aircraft" means an aircraft used exclusively in the service of any government or of any political subdivision, including the government of the United States, of the District of Columbia, and of any state, territory, or insular possession of the United States, but not including any government-owned aircraft engaged in carrying persons or goods for commercial purposes.

~~[(31)]~~ (30) "Reckless flying" means the operation or piloting of any aircraft recklessly, or in a manner as to endanger the property, life, or body of any person, due regard being given to the prevailing weather conditions, field conditions, and to the territory being flown over.

~~[(32)]~~ (31) "Registration number" means the number assigned by the Federal Aviation Administration to any aircraft, whether or not the number includes a letter or letters.

~~[(33)]~~ (32) "Secondary glider" means any glider that has a gliding angle between 10 to one and 16 to one, inclusive.

~~[(34)]~~ (33) "Soaring glider" means any glider that has a gliding angle of more than 16 to one.

Section 53. Section **77-23c-101** is amended to read:

77-23c-101. Definitions.

As used in this chapter:

(1) "Connected vehicle" means a vehicle that is equipped with a wireless communication device which can, for the purpose of improving vehicle safety or traffic mobility:

(a) broadcast, according to industry-defined standards and without operator intervention, specific information about the vehicle movement and activity; and

(b) receive related information from other vehicles, roadside transportation infrastructure, and others.

~~[(1)]~~ (2) "Electronic communication service" means a service that provides to users of the service the ability to send or receive wire or electronic communications.

~~[(2)]~~ (3) "Electronic device" means a device that enables access to or use of an electronic communication service, remote computing service, or location information service.

~~[(3)]~~ (4) "Government entity" means the state, a county, a municipality, a higher education institution, a local district, a special service district, or any other political subdivision

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of the state or an administrative subunit of any political subdivision, including a law enforcement entity or any other investigative entity, agency, department, division, bureau, board, or commission, or an individual acting or purporting to act for or on behalf of a state or local agency.

~~[(4)]~~ (5) "Location information" means information concerning the location of an electronic device that, in whole or in part, is generated or derived from or obtained by the operation of an electronic device.

~~[(5)]~~ (6) "Location information service" means the provision of a global positioning service or other mapping, location, or directional information service.

~~[(6)]~~ (7) "Remote computing service" means the provision of computer storage or processing services by means of an electronic communications system.

Section 54. Section 77-23c-102 is amended to read:

77-23c-102. Location information privacy -- Warrant required for disclosure.

(1) (a) Except as provided in Subsection (2), a government entity may not obtain the location information, stored data, or transmitted data of an electronic device without a search warrant issued by a court upon probable cause.

(b) Except as provided in Subsection (1)(c), a government entity may not use, copy, or disclose, for any purpose, the location information, stored data, or transmitted data of an electronic device that is not the subject of the warrant that is collected as part of an effort to obtain the location information, stored data, or transmitted data of the electronic device that is the subject of the warrant in Subsection (1)(a).

(c) A government entity may use, copy, or disclose the transmitted data of an electronic device used to communicate with the electronic device that is the subject of the warrant if the government entity reasonably believes that the transmitted data is necessary to achieve the objective of the warrant.

(d) The data described in Subsection (1)(b) shall be destroyed in an unrecoverable manner by the government entity as soon as reasonably possible after the data is collected.

(2) (a) A government entity may obtain location information without a warrant for an electronic device:

- (i) in accordance with Section 53-10-104.5;
- (ii) if the device is reported stolen by the owner;

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(iii) with the informed, affirmative consent of the owner or user of the electronic device;

(iv) in accordance with judicially recognized exceptions to warrant requirements; or

(v) if the owner has voluntarily and publicly disclosed the location information.

(b) A prosecutor may obtain a judicial order as defined in Section 77-22-2.5 for the purposes enumerated in Section 77-22-2.5.

(3) An electronic communication service provider, its officers, employees, agents, or other specified persons may not be held liable for providing information, facilities, or assistance in accordance with the terms of the warrant issued under this section or without a warrant pursuant to Subsection (2).

(4) (a) (i) Notwithstanding Subsections (1) through (3), a government entity may receive and utilize electronic data containing the location information of an electronic device from a non-government entity as long as the electronic data contains no information that includes, or may reveal, the identity of an individual.

(ii) Notwithstanding Subsections (1) through (3), for roadway operation purposes, the Department of Transportation may obtain, collect, and utilize electronic data containing the location information of an electronic device that is placed in a motor vehicle by the vehicle manufacturer or the vehicle owner to make the vehicle a connected vehicle as long as the electronic data contains no information that includes or may reveal the:

(A) identity of an individual; or

(B) vehicle make, model, registration information, or manufacturer-issued vehicle identification number.

(b) Electronic data collected in accordance with this subsection may not be used for investigative purposes by a law enforcement agency.

Section 55. Repealer.

This bill repeals:

Section 17B-2a-803.1, Authority to name a large public transit district.

Section 56. Effective date.

(1) Except as provided in Subsection (2), this bill takes effect on May 14, 2019.

(2) The amendments to the following sections in this bill take effect on July 1, 2019:

(a) Section 59-12-2202;

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- (b) Section 59-12-2203;
- (c) Section 59-12-2212.2;
- (d) Section 59-12-2214;
- (e) Section 59-12-2215;
- (f) Section 59-12-2216;
- (g) Section 59-12-2217;
- (h) Section 59-12-2218;
- (i) Section 59-12-2219;
- (j) Section 59-12-2220; and
- (k) Section 59-13-301.

Section 57. Coordinating S.B. 72 with H.B. 57 -- Substantive amendments.

If this S.B. 72 and H.B. 57, Electronic Information or Data Privacy, both pass and become law, it is the intent of the Legislature that the amendments to Sections 77-23c-101 and 77-23c-102 in H.B. 57 supersede the amendments to Sections 77-23c-101 and 77-23c-102 in this bill, when the Office of Legislative Research and General Counsel prepares the Utah Code database for publication.