

Senator Wayne A. Harper proposes the following substitute bill:

TRANSPORTATION GOVERNANCE AND FUNDING

AMENDMENTS

2020 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 funding, motor vehicles, transportation network companies, and other transportation related items.

Highlighted Provisions:

This bill:

- ▶ requires counties and municipalities to provide certain notifications to a large public transit district related to development that could impact public transit corridors;
- ▶ amends provisions related to transportation reinvestment zones to facilitate state participation;
- ▶ amends provisions related to ~~§~~→ [insurance levels and] ←~~§~~ safety standards of transportation network company vehicles;
- ▶ amends provisions related to public transit districts, including:
 - removing a cap on the number of transit-oriented developments allowed;
 - defining terms related to public transit infrastructure and planning; and
 - provisions related to powers and responsibilities of the board of trustees and local advisory councils of a large public transit district;
- ▶ amends provisions related to odometer disclosures to comply with federal law;



26 ~~§~~ → [→ → increases a tax on the rental of motor vehicles;

27 → → ~~repeals increased~~ amends provisions related to ← ← § registration fees for hybrid electric
27a motor vehicles;

28 ▶ amends provisions related to certain local option sales and use taxes regarding voter
29 approval of certain sales tax impositions and approved uses of certain revenues;

30 ▶ requires the Department of Transportation to provide reports to the Legislature
31 regarding the road usage charge program, implementation, and future inclusion of
32 all motor vehicles;

33 ▶ amends provisions related to the duties of and prioritization criteria considered by
34 the Transportation Commission;

35 ▶ amends provisions and defines terms related to the distribution of class B and class
36 C road funds;

37 ▶ allows certain funds related to class B and C roads to be used for administration of
38 the class B and C road fund;

39 ▶ amends provisions of the Transportation Investment Fund of 2005 related to
40 programming of funds;

41 ▶ creates the Transportation Reinvestment Zone fund to receive future contributions
42 from state sales tax revenues relevant to a transportation reinvestment zone to which
43 the state is a party;

44 ▶ amends provisions related to revenues generated by a tollway to allow revenues to
45 be used for any state transportation purpose;

46 ▶ amends provisions related to airport operators and the duties of peace officers and
47 other employees interacting with traffic and air passengers; and

48 ▶ makes technical changes.

49 **Money Appropriated in this Bill:**

50 None

51 **Other Special Clauses:**

52 This bill provides a special effective date.

53 **Utah Code Sections Affected:**

54 AMENDS:

55 **10-9a-206**, as last amended by Laws of Utah 2017, Chapter 428

56 **11-13-227**, as last amended by Laws of Utah 2019, Chapter 479

57 [13-51-107](#), as last amended by Laws of Utah 2017, Chapter 406
 58 ~~§→ [[13-51-108](#), as last amended by Laws of Utah 2016, Chapters 138 and 359] ←§~~
 59 [17-27a-206](#), as last amended by Laws of Utah 2017, Chapter 428
 60 [17B-2a-802](#), as last amended by Laws of Utah 2019, Chapter 479
 61 [17B-2a-804](#), as last amended by Laws of Utah 2018, Chapter 424
 62 [17B-2a-808.1](#), as last amended by Laws of Utah 2019, Chapter 479
 63 [41-1a-902](#), as last amended by Laws of Utah 1992, Chapter 234 and renumbered and
 64 amended by Laws of Utah 1992, Chapter 1
 65 [41-1a-1206](#), as last amended by Laws of Utah 2019, Chapter 479
 66 ~~§→ [[59-12-1201](#), as last amended by Laws of Utah 2016, Chapters 184 and 291] ←§~~
 67 [59-12-2214](#), as last amended by Laws of Utah 2019, Chapter 479
 68 [59-12-2215](#), as last amended by Laws of Utah 2019, Chapter 479
 69 [59-12-2217](#), as last amended by Laws of Utah 2019, Chapter 479
 70 [72-1-102](#), as last amended by Laws of Utah 2019, Chapters 431 and 479
 71 [72-1-213.1](#), as enacted by Laws of Utah 2019, Chapter 479
 72 [72-1-303](#), as last amended by Laws of Utah 2018, Chapter 424
 73 [72-1-304](#), as last amended by Laws of Utah 2019, Chapters 327 and 479
 74 [72-2-107](#), as last amended by Laws of Utah 2019, Chapter 479
 75 [72-2-108](#), as last amended by Laws of Utah 2018, Second Special Session, Chapter 8
 76 [72-2-124](#), as last amended by Laws of Utah 2019, Chapters 327 and 479
 77 [72-3-104](#), as last amended by Laws of Utah 2003, Chapters 131 and 292
 78 [72-6-118](#), as last amended by Laws of Utah 2018, Chapter 269
 79 [72-10-207](#), as last amended by Laws of Utah 1998, Chapters 282, 365 and renumbered
 80 and amended by Laws of Utah 1998, Chapter 270

81 ENACTS:

82 [72-2-131](#), Utah Code Annotated 1953

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

85 Section 1. Section **10-9a-206** is amended to read:

86 **10-9a-206. Third party notice -- High priority transportation corridor notice.**

87 (1) (a) If a municipality requires notice to adjacent property owners, the municipality

181 (e) is not at least 19 years of age.

182 (3) (a) A transportation network company shall prohibit a transportation network driver
183 from accepting a request for a prearranged ride if the motor vehicle that the transportation
184 network driver uses to provide transportation network services fails to comply with:

185 ~~[(a)]~~ (i) equipment standards described in Section 41-6a-1601; and

186 ~~[(b)]~~ (ii) emission requirements adopted by a county under Section 41-6a-1642.

187 (b) An airport operator may perform a random safety inspection of a transportation
188 network driver's vehicle operating within the airport to ensure compliance with equipment
189 standards described in Section 41-6a-1601.

190 (4) A transportation network driver, while providing transportation network services,
191 shall carry proof, in physical or electronic form, that the transportation network driver is
192 covered by insurance that satisfies the requirements of Section 13-51-108.

193 **§→ [Section 4. Section 13-51-108 is amended to read:**

194 ~~13-51-108. Insurance.~~

195 ~~(1) A transportation network company or a transportation network driver shall maintain~~
196 ~~insurance that covers, on a primary basis, a transportation network driver's use of a vehicle~~
197 ~~during a prearranged ride and that includes:~~

198 ~~(a) an acknowledgment that the transportation network driver is using the vehicle in~~
199 ~~connection with a transportation network company during a prearranged ride or that the~~
200 ~~transportation network driver is otherwise using the vehicle for a commercial purpose;~~

201 ~~(b) liability coverage for a minimum amount of [\$1,000,000] \$1,500,000 per~~
202 ~~occurrence;~~

203 ~~(c) personal injury protection to the extent required under Sections 31A-22-306~~
204 ~~through 31A-22-309;~~

205 ~~(d) uninsured motorist coverage where required by Section 31A-22-305; and~~

206 ~~(e) underinsured motorist coverage where required by Section 31A-22-305.3.~~

207 ~~(2) A transportation network company or a transportation network driver shall maintain~~
208 ~~insurance that covers, on a primary basis, a transportation network driver's use of a vehicle~~
209 ~~during a waiting period and that includes:~~

210 ~~(a) an acknowledgment that the transportation network driver is using the vehicle in~~
211 ~~connection with a transportation network company during a waiting period or that the~~

- 212 ~~Ⓞ~~transportation network driver is otherwise using the vehicle for a commercial purpose;
- 213 ~~—— (b) liability coverage in a minimum amount, per occurrence, of:~~
- 214 ~~—— (i) \$50,000 to any one individual;~~
- 215 ~~—— (ii) \$100,000 to all individuals; and~~
- 216 ~~—— (iii) \$30,000 for property damage;~~
- 217 ~~—— (c) personal injury protection to the extent required under Sections 31A-22-306~~
- 218 ~~through 31A-22-309;~~
- 219 ~~—— (d) uninsured motorist coverage where required by Section 31A-22-305; and~~
- 220 ~~—— (e) underinsured motorist coverage where required by Section 31A-22-305.3.~~
- 221 ~~—— (3) A transportation network company and a transportation network driver may satisfy~~
- 222 ~~the requirements of Subsections (1) and (2) by:~~
- 223 ~~—— (a) the transportation network driver purchasing coverage that complies with~~
- 224 ~~Subsections (1) and (2);~~
- 225 ~~—— (b) the transportation network company purchasing, on the transportation network~~
- 226 ~~driver's behalf, coverage that complies with Subsections (1) and (2); or~~
- 227 ~~—— (c) a combination of Subsections (3)(a) and (b).~~
- 228 ~~—— (4) An insurer may offer to a transportation network driver a personal automobile~~
- 229 ~~liability insurance policy, or an amendment or endorsement to a personal automobile liability~~
- 230 ~~policy, that:~~
- 231 ~~—— (a) covers a private passenger motor vehicle while used to provide transportation~~
- 232 ~~network services; and~~
- 233 ~~—— (b) satisfies the coverage requirements described in Subsection (1) or (2).~~
- 234 ~~—— (5) Nothing in this section requires a personal automobile insurance policy to provide~~
- 235 ~~coverage while a driver is providing transportation network services.~~
- 236 ~~—— (6) If a transportation network company does not purchase a policy that complies with~~
- 237 ~~Subsections (1) and (2) on behalf of a transportation network driver, the transportation network~~
- 238 ~~company shall verify that the driver has purchased a policy that complies with Subsections (1)~~
- 239 ~~and (2).~~
- 240 ~~—— (7) An insurance policy that a transportation network company or a transportation~~
- 241 ~~network driver maintains under Subsection (1) or (2):~~
- 242 ~~—— (a) satisfies the security requirements of Section 41-12a-301; and~~Ⓞ

243 ~~⊕~~ (b) may be placed with:

244 ~~—— (i) an insurer that is certified under Section 31A-4-103; or~~

245 ~~—— (ii) a surplus lines insurer eligible under Section 31A-15-103.~~

246 ~~—— (8) An insurer that provides coverage for a transportation network driver explicitly for~~
 247 ~~the transportation network driver's transportation network services under Subsection (1) or (2)~~
 248 ~~shall have the duty to defend a liability claim arising from an occurrence while the~~
 249 ~~transportation network driver is providing transportation network services.~~

250 ~~—— (9) If insurance a transportation network driver maintains under Subsection (1) or (2)~~
 251 ~~lapses or ceases to exist, a transportation network company shall provide coverage complying~~
 252 ~~with Subsection (1) or (2) beginning with the first dollar of a claim.~~

253 ~~—— (10) (a) An insurance policy that a transportation network company or transportation~~
 254 ~~network driver maintains under Subsection (1) or (2) may not provide that coverage is~~
 255 ~~dependent on a transportation network driver's personal automobile insurance policy first~~
 256 ~~denying a claim.~~

257 ~~—— (b) Subsection (10)(a) does not apply to coverage a transportation network company~~
 258 ~~provides under Subsection (9) in the event a transportation network driver's coverage under~~
 259 ~~Subsection (1) or (2) lapses or ceases to exist.~~

260 ~~—— (11) A personal automobile insurer:~~

261 ~~—— (a) notwithstanding Section 31A-22-302, may offer a personal automobile liability~~
 262 ~~policy that excludes coverage for a loss that arises from the use of the insured vehicle to~~
 263 ~~provide transportation network services; and~~

264 ~~—— (b) does not have the duty to defend or indemnify a loss if an exclusion described in~~
 265 ~~Subsection (11)(a) excludes coverage according to the policy's terms.] ←Ŝ~~

266 Section ~~Ŝ~~→ [5] ~~4~~ ←Ŝ . Section 17-27a-206 is amended to read:

267 **17-27a-206. Third party notice -- High priority transportation corridor notice.**

268 (1) (a) If a county requires notice to adjacent property owners, the county shall:

269 (i) mail notice to the record owner of each parcel within parameters specified by county
 270 ordinance; or

271 (ii) post notice on the property with a sign of sufficient size, durability, print quality,
 272 and location that is reasonably calculated to give notice to passers-by.

273 (b) If a county mails notice to third party property owners under Subsection (1), it shall

770 total gross laden weight of the combination exceeds 12,000 pounds.

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

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

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

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

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

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

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

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

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

790 **§→ [Section 11. Section 59-12-1201 is amended to read:**

791 ~~———— 59-12-1201. Motor vehicle rental tax -- Rate -- Exemptions -- Administration,~~
792 ~~collection, and enforcement of tax -- Administrative charge -- Deposits.~~

793 ~~———— (1) (a) Except as provided in Subsection (3), there is imposed a tax of [2.5%] 4% on all~~
794 ~~short-term leases and rentals of motor vehicles not exceeding 30 days.~~

795 ~~———— (b) The tax imposed in this section is in addition to all other state, county, or municipal~~
796 ~~fees and taxes imposed on rentals of motor vehicles.~~

797 ~~———— (2) (a) Subject to Subsection (2)(b), a tax rate repeal or tax rate change for the tax~~
798 ~~imposed under Subsection (1) shall take effect on the first day of a calendar quarter.~~

799 ~~———— (b) (i) For a transaction subject to a tax under Subsection (1), a tax rate increase shall~~
800 ~~take effect on the first day of the first billing period:☹~~

801 ~~ⓐ~~ (A) that begins after the effective date of the tax rate increase; and

802 (B) if the billing period for the transaction begins before the effective date of a tax rate

803 increase imposed under Subsection (1):

804 (ii) For a transaction subject to a tax under Subsection (1), the repeal of a tax or a tax

805 rate decrease shall take effect on the first day of the last billing period:

806 (A) that began before the effective date of the repeal of the tax or the tax rate decrease;

807 and

808 (B) if the billing period for the transaction begins before the effective date of the repeal

809 of the tax or the tax rate decrease imposed under Subsection (1):

810 (3) A motor vehicle is exempt from the tax imposed under Subsection (1) if:

811 (a) the motor vehicle is registered for a gross laden weight of 12,001 or more pounds;

812 (b) the motor vehicle is rented as a personal household goods moving van; or

813 (c) the lease or rental of the motor vehicle is made for the purpose of temporarily

814 replacing a person's motor vehicle that is being repaired pursuant to a repair agreement or an

815 insurance agreement.

816 (4) (a) (i) The tax authorized under this section shall be administered, collected, and

817 enforced in accordance with:

818 (A) the same procedures used to administer, collect, and enforce the tax under Part 1,

819 Tax Collection; and

820 (B) Chapter 1, General Taxation Policies.

821 (ii) Notwithstanding Subsection (4)(a)(i), a tax under this part is not subject to

822 Subsections ~~59-12-103~~(4) through (10) or Section ~~59-12-107.1~~ or ~~59-12-123~~:

823 (b) The commission shall retain and deposit an administrative charge in accordance

824 with Section ~~59-1-306~~ from the [revenues] revenue the commission collects from a tax under

825 this part:

826 (c) (i) Except as provided under Subsection (4)(b), all revenue received by the

827 commission under this section shall be deposited daily with the state treasurer and credited

828 monthly [to the Marda Dillree Corridor Preservation Fund under Section ~~72-2-117~~.] as

829 described in Subsection (4)(c)(ii):

830 (ii) The state treasurer shall credit:

831 (A) an amount equivalent to a 2.5% tax rate described in Subsection (1) to the Mardaⓐ

832 ~~●Dillree Corridor Preservation Fund created in Section 72-2-117; and~~
 833 ~~—— (B) an amount equivalent to a 1.5% tax rate described in Subsection (1) to the Transit~~
 834 ~~Transportation Investment Fund created in Section 72-2-124.] ←§~~

835 Section ~~§~~ → [12] 11 ←§ . Section 59-12-2214 is amended to read:

836 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
 837 **public transit, an airport facility, a water conservation project, or to be deposited into the**
 838 **County of the First Class Highway Projects Fund -- Base -- Rate.**

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

842 (2) Notwithstanding Section 59-12-2212.2, and subject to [~~Subsection (3)~~] Subsections
 843 (3) and (4), a county, city, or town that imposes a sales and use tax under this section shall
 844 expend the revenues collected from the sales and use tax:

845 (a) to fund a system for public transit;

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

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

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

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

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

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

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

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

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

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

1545 comment on the amount of bond proceeds needed to fund the projects.

1546 (8) The Division of Finance shall, from money deposited into the fund, transfer the
1547 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
1548 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or
1549 sinking fund.

1550 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit
1551 Transportation Investment Fund.

1552 (b) The fund shall be funded by:

1553 (i) contributions deposited into the fund in accordance with Section 59-12-103;

1554 (ii) appropriations into the account by the Legislature;

1555 (iii) private contributions; ~~§~~ → [f] ← ~~§~~ and ~~§~~ → [f] ← ~~§~~

1556 ~~§~~ → ~~[(iv) contributions deposited into the fund in accordance with Section 59-12-1201; and~~

1557 ~~— [f] ← ~~§~~ (iv) ~~§~~ → [f] ← ~~§~~ donations or grants from public or private entities.~~

1558 (c) (i) The fund shall earn interest.

1559 (ii) All interest earned on fund money shall be deposited into the fund.

1560 (d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund
1561 for public transit capital development of new capacity projects to be used as prioritized by the
1562 commission.

1563 (e) (i) The Legislature may only appropriate money from the fund for a public transit
1564 capital development project or pedestrian or nonmotorized transportation project that provides
1565 connection to the public transit system if the public transit district or political subdivision
1566 provides funds of equal to or greater than 40% of the costs needed for the project.

1567 (ii) A public transit district or political subdivision may use money derived from a loan
1568 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or
1569 part of the 40% requirement described in Subsection (9)(e)(i) if:

1570 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
1571 State Infrastructure Bank Fund; and

1572 (B) the proposed capital project has been prioritized by the commission pursuant to
1573 Section 72-1-303.

1574 Section 22. Section 72-2-131 is enacted to read:

1575 **72-2-131. Transportation Reinvestment Zone Fund.**

1793 Section 26. **Effective date.**

1794 This bill takes effect on May 12, 2020, with the exceptions of:

1795 ~~§→ [(1) Section 59-12-1201, which takes effect on July 1, 2020;~~

1796 ~~————— (2)] (1) ←§ Section 41-1a-902, which takes effect on October 1, 2020.~~

1797 ~~§→ [(3) (2) ←§ Section 41-1a-1206, which takes effect on January 1, 2021; and~~

1798 ~~§→ [(4) (3) ←§ Section 72-2-108, which takes effect on July 1, 2021.~~