

BONDING AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor: Brady Brammer

LONG TITLE

General Description:

This bill modifies state and local general obligation bond provisions.

Highlighted Provisions:

This bill:

▶ provides that a first lien is created on ad valorem taxes for the payment of principal and interest on the local political subdivision's general obligation bonds;

▶ provides that a local school board may use revenues remaining from an ad valorem tax levied for school district technology programs or projects after the principal, premium, and interest on the district's bonds have been paid for the applicable period for which the taxes were levied;

▶ provides that a lien does not attach to any technology programs or projects paid for from the remaining tax revenues;

▶ provides that a general obligation bond issued and sold by or on behalf of a local political subdivision is secured by a first statutory lien on all revenues received pursuant to the levy and collection of ad valorem taxes, that:

- arises and attaches immediately to the ad valorem tax revenues without the need for any action or authorization by the local political subdivision;

- is valid and binding from the time the general obligation bonds are executed and delivered; and

- is effective, binding, and enforceable against the local political subdivision, its successors, transferees, and creditors, and all others asserting rights to the ad valorem tax revenues;

- 30 ▶ requires that amounts appropriated or added to the tax levy to pay principal of,
- 31 premium, and interest on general obligation bonds be applied to the payment of
- 32 those bonds;
- 33 ▶ modifies a provision relating to the Legislature's appropriation of money each fiscal
- 34 year to pay the principal, premium, and interest due on the State's outstanding
- 35 general obligation bonds;
- 36 ▶ modifies amounts related to bond proceeds provided to the State Infrastructure Bank
- 37 Fund;
- 38 ▶ modifies provisions related to the State Infrastructure Bank Fund;
- 39 ▶ authorizes the issuance of general obligation bonds for Department of
- 40 Transportation projects; and
- 41 ▶ makes technical and conforming changes.

42 Money Appropriated in this Bill:

43 None

44 Other Special Clauses:

45 None

46 Utah Code Sections Affected:

47 AMENDS:

- 48 **11-14-310**, as last amended by Laws of Utah 2018, Chapter 288
- 49 **11-14-501**, as last amended by Laws of Utah 2007, Chapter 272
- 50 **63B-27-101**, as last amended by Laws of Utah 2019, Chapters 327, 479, and 497
- 51 **63J-1-205.1**, as enacted by Laws of Utah 2015, Chapter 175
- 52 **72-2-121**, as last amended by Laws of Utah 2019, Chapters 479 and 497
- 53 **72-2-121.3**, as last amended by Laws of Utah 2015, Chapter 421
- 54 **72-2-121.4**, as last amended by Laws of Utah 2015, Chapter 421
- 55 **72-2-124**, as last amended by Laws of Utah 2019, Chapters 327 and 479
- 56 **72-2-201**, as last amended by Laws of Utah 2019, Chapter 479
- 57 **72-2-203**, as last amended by Laws of Utah 2019, Chapter 479

58 **72-2-204**, as last amended by Laws of Utah 2019, Chapter 479

59 ENACTS:

60 **63B-30-101**, Utah Code Annotated 1953

61

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

63 Section 1. Section **11-14-310** is amended to read:

64 **11-14-310. General obligation bonds -- Levy and collection of taxes.**

65 (1) (a) (i) Any bonds issued under this chapter [~~in such manner~~] that [~~they~~] are not
66 payable solely from revenues other than those derived from ad valorem taxes are full general
67 obligations of the local political subdivision[~~, for~~].

68 (ii) The local political subdivision's full faith and credit is pledged for the prompt and
69 punctual payment of principal of and interest on [which the full faith and credit of the local
70 political subdivision are pledged, and the] the local political subdivision's general obligation
71 bonds.

72 (iii) A local political subdivision is [hereby expressly] required, regardless of any
73 limitations [which] that may otherwise exist on the amount of taxes [which] that the local
74 political subdivision may levy, to provide for the annual levy and collection [annually] of ad
75 valorem taxes, without limitation as to the rate or amount, on all taxable property in the local
76 political subdivision fully sufficient for [such purpose] the payment of principal and interest on
77 the local political subdivision's general obligation bonds as the principal and interest become
78 due.

79 (iv) If by law ad valorem taxes for the local political subdivision are levied by a board
80 other than its governing body[~~;~~]:

81 (A) the taxes [~~for which provision is herein made~~] shall be levied by [~~such~~] the other
82 board; and

83 (B) the local political subdivision shall [~~be under the duty in due season in~~], each year,
84 [~~to~~] provide [~~such other~~] the levying board with all information necessary to [~~the~~] levy [~~of~~] the
85 taxes in the required amount.

86 (v) [Such taxes] Taxes levied under Subsection (1)(a)(iv) shall be levied and collected
 87 by the same officers, at the same time, and in the same manner as are other taxes levied for the
 88 local political subdivision.

89 (b) The pledge of the taxes levied under this section shall constitute an automatically
 90 arising first lien on the taxes as provided in Section 11-14-501.

91 ~~[(b)]~~ (c) (i) A local school board may use revenues remaining from a tax levied under
 92 this section for school district technology programs or projects after the principal of and
 93 premium and interest on the district's general obligation bonds have been paid for the
 94 applicable period for which the taxes were levied.

95 (ii) A lien created pursuant to Section 11-14-501 does not attach to any technology
 96 programs or projects paid for from the remaining tax revenues under Subsection (1)(c)(i).

97 (2) (a) If [any] a local political subdivision [shall neglect] neglects or [fail] fails for any
 98 reason to levy or collect or to cause to be levied or collected sufficient taxes for the prompt and
 99 punctual payment of such principal and interest, [any] a person in interest may enforce levy and
 100 collection [thereof in any] of sufficient taxes in a court having jurisdiction of the subject
 101 matter[, and any].

102 (b) A suit, action, or proceeding brought by [such] a person in interest under
 103 Subsection (2)(a) shall be a preferred cause and shall be heard and disposed of without delay.

104 (c) All provisions of the constitution and laws relating to the collection of county and
 105 municipal taxes and tax sales [shall also] apply to and regulate the collection of the taxes levied
 106 pursuant to this section, through the officer whose duty it is to collect the taxes and money due
 107 the local political subdivision.

108 Section 2. Section **11-14-501** is amended to read:

109 **11-14-501. Creation and perfection of government security interests.**

110 (1) As used in this section:

111 (a) "Bonds" means any bond, note, lease, or other obligation of a governmental unit.

112 (b) (i) "General obligation bond" means a bond, note, warrant, certificate of
 113 indebtedness, or other obligation of a local political subdivision that:

114 (A) is payable in whole or in part from revenues derived from ad valorem taxes; and

115 (B) constitutes an indebtedness within the meaning of any applicable constitutional or
116 statutory debt limitation.

117 (ii) "General obligation bond" includes a general obligation tax, revenue, or bond
118 anticipation note issued by a local political subdivision that is payable in whole or in part from
119 revenues derived from ad valorem taxes.

120 [~~(b)~~] (c) "Governmental unit" has the meaning assigned in Section 70A-9a-102.

121 [~~(c)~~] (d) "Pledge" means the creation of a security interest of any kind.

122 [~~(d)~~] (e) "Property" means any property or interests in property, other than real
123 property.

124 [~~(e)~~] (f) "Security agreement" means any resolution, ordinance, indenture, document, or
125 other agreement or instrument under which the revenues, fees, rents, charges, taxes, or other
126 property are pledged to secure the bonds.

127 (2) This section expressly governs the creation, perfection, priority, and enforcement of
128 a security interest created by the state or a governmental unit of the state, notwithstanding
129 anything in Title 70A, Chapter 9a, Uniform Commercial Code - Secured Transactions, to the
130 contrary.

131 (3) (a) The revenues, fees, rents, charges, taxes, or other property pledged by a
132 governmental unit for the purpose of securing its bonds are immediately subject to the lien of
133 the pledge.

134 (b) (i) The lien is a perfected lien upon the effective date of the security agreement.

135 (ii) The physical delivery, filing, or recording of a security agreement or financing
136 statement under the Uniform Commercial Code or otherwise, or any other similar act, is not
137 necessary to perfect the lien.

138 (c) The lien of any pledge is valid, binding, perfected, and enforceable from the time
139 the pledge is made.

140 (d) The lien of the pledge has priority:

141 (i) based on the time of the creation of the pledge unless otherwise provided in the

142 security agreement; and

143 (ii) as against all parties having claims of any kind in tort, contract, or otherwise
144 against the governmental unit, regardless of whether or not the parties have notice of the lien.

145 (e) Each pledge and security agreement made for the benefit or security of any of the
146 bonds shall continue to be effective until:

147 (i) the principal, interest, and premium, if any, on the bonds have been fully paid;

148 (ii) provision for payment has been made; or

149 (iii) the lien created by the security agreement has been released by agreement of the
150 parties in interest or as provided by the security agreement that created the lien.

151 (4) (a) General obligation bonds issued and sold by or on behalf of a local political
152 subdivision shall be secured by a first statutory lien on all revenues received pursuant to the
153 levy and collection of ad valorem taxes.

154 (b) The lien described in Subsection (4)(a):

155 (i) arises and attaches immediately to the ad valorem tax revenues without the need for
156 any action or authorization by the local political subdivision;

157 (ii) is valid and binding from the time the general obligation bonds are executed and
158 delivered; and

159 (iii) is effective, binding, and enforceable against the local political subdivision, its
160 successors, transferees, and creditors, and all others asserting rights to the ad valorem tax
161 revenues.

162 (c) A lien described in Subsection (4)(a) is enforceable against the parties described in
163 Subsection (4)(b)(iii):

164 (i) regardless of whether the parties described in Subsection (4)(b)(iii) have notice of
165 the lien; and

166 (ii) without the need for any physical delivery, recordation, filing, or further action.

167 (5) Any amounts appropriated or added to the tax levy to pay principal of and premium
168 and interest on general obligation bonds:

169 (a) shall be applied solely to the payment of those general obligation bonds; and

170 (b) may not be used for any other purpose, except as provided by law.

171 (6) This section applies to all revenues received pursuant to the levy and collection of
172 the ad valorem tax regardless of the date on which the general obligation bonds were issued.

173 (7) This section applies to all bonds, including bonds issued before or after the
174 effective date of this section.

175 Section 3. Section **63B-27-101** is amended to read:

176 **63B-27-101. Highway bonds -- Maximum amount -- Use of proceeds for highway**
177 **projects.**

178 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
179 under this section may not exceed \$1,000,000,000 for acquisition and construction proceeds,
180 plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to
181 fund any existing debt service reserve requirements, with the total amount of the bonds not to
182 exceed \$1,010,000,000.

183 (b) When the Department of Transportation certifies to the commission that the
184 requirements of Subsection [72-2-124\(7\)](#) have been met and certifies the amount of bond
185 proceeds that the commission needs to provide funding for the projects described in Subsection
186 (2) for the current or next fiscal year, the commission may issue and sell general obligation
187 bonds in an amount equal to the certified amount, plus additional amounts necessary to pay
188 costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve
189 requirements, not to exceed 1% of the certified amount.

190 (c) The commission may not issue general obligation bonds authorized under this
191 section if the issuance of the general obligation bonds would result in the total current
192 outstanding general obligation debt of the state exceeding 50% of the limitation described in
193 the Utah Constitution, Article XIV, Section 1.

194 (2) Except as provided in Subsections (3) and (4), proceeds from the issuance of bonds
195 shall be provided to the Department of Transportation to pay all or part of the costs of the
196 following state highway construction or reconstruction projects:

197 (a) state and federal highways prioritized by the Transportation Commission through

198 the prioritization process for new transportation capacity projects adopted under Section
199 72-1-304, giving priority consideration for projects with a regional significance or that support
200 economic development within the state, including:

201 (i) projects that are prioritized but exceed available cash flow beyond the normal
202 programming horizon; or

203 (ii) projects prioritized in the state highway construction program; and

204 (b) \$100,000,000 to be used by the Department of Transportation for transportation
205 improvements as prioritized by the Transportation Commission for projects that:

206 (i) have a significant economic development impact associated with recreation and
207 tourism within the state; and

208 (ii) address significant needs for congestion mitigation.

209 (3) ~~Fifty-six~~ Forty-six million dollars of the bond proceeds issued under this section
210 shall be provided to the State Infrastructure Bank Fund created by Section 72-2-202 to make
211 funds available for a transportation infrastructure loan or transportation infrastructure
212 assistance under Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, including the
213 amounts as follows:

214 (a) ~~[\$24,000,000]~~ \$14,000,000 to the military installation development authority
215 created in Section 63H-1-201;

216 (b) \$5,000,000 to the Inland Port Authority created in Section 11-58-201, for highway,
217 infrastructure, and rail right-of-way acquisition, design, engineering, and construction, to be
218 repaid through tax differential; and

219 (c) \$7,000,000 to Midvale City for a parking structure in proximity to an intermodal
220 transportation facility that enhances economic development within the city.

221 (4) (a) Four million dollars of the bond proceeds issued under this section shall be used
222 for a public transit fixed guideway rail station associated with or adjacent to an institution of
223 higher education.

224 (b) Nineteen million dollars of the bond proceeds issued under this section shall be used
225 by the Department of Transportation for the design, engineering, construction, or

226 reconstruction of underpasses under a state highway connecting a state park and a project area
227 created by a military installation development authority created in Section [63H-1-201](#).

228 (c) Nine million dollars of the bond proceeds issued under this section shall be used by
229 the Department of Transportation for infrastructure improvements related to the Provo Airport.

230 (d) If project savings are identified by the Department of Transportation from the funds
231 provided to the Department of Transportation as described in this section, the Department of
232 Transportation may use available funding to study, design, engineer, and construct rail access
233 through I-80 in western Salt Lake County.

234 (5) The bond proceeds issued under this section shall be provided to the Department of
235 Transportation.

236 (6) The costs under Subsection (2) may include the costs of studies necessary to make
237 transportation infrastructure improvements, the costs of acquiring land, interests in land, and
238 easements and rights-of-way, the costs of improving sites, and making all improvements
239 necessary, incidental, or convenient to the facilities, and the costs of interest estimated to
240 accrue on these bonds during the period to be covered by construction of the projects plus a
241 period of six months after the end of the construction period, interest estimated to accrue on
242 any bond anticipation notes issued under the authority of this title, and all related engineering,
243 architectural, and legal fees.

244 (7) The commission or the state treasurer may make any statement of intent relating to
245 a reimbursement that is necessary or desirable to comply with federal tax law.

246 (8) The Department of Transportation may enter into agreements related to the projects
247 described in Subsection (2) before the receipt of proceeds of bonds issued under this section.

248 Section 4. Section **63B-30-101** is enacted to read:

249 **Part 3. General Obligation Bonds**

250 **63B-30-101. General obligation bonds for transportation projects.**

251 (1) As used in this section, "transportation projects" means Department of
252 Transportation projects described in Subsection [63B-27-101\(2\)](#).

253 (2) (a) When the Department of Transportation certifies to the commission that the

254 requirements of Subsection [72-2-124\(7\)](#) have been met and certifies the amount of bond
255 proceeds that the commission needs to provide funding for the transportation projects for the
256 current or next fiscal year, the commission may issue and sell general obligation bonds in an
257 amount equal to the certified amount, plus additional amounts necessary to pay costs of
258 issuance, to pay capitalized interest, and to fund any existing debt service reserve requirements,
259 not to exceed 1% of the certified amount.

260 (b) The commission may not issue general obligation bonds authorized under this
261 section if the issuance of the general obligation bonds would result in the total current
262 outstanding general obligation debt of the state exceeding 50% of the limitation described in
263 the Utah Constitution, Article XIV, Section 1.

264 (3) The commission may issue general obligation bonds as provided in this section.

265 (4) The total amount of bonds to be issued under this section may not exceed
266 \$89,510,000 for acquisition and construction proceeds, plus additional amounts necessary to
267 pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve
268 requirements, with the total amount of the bonds not to exceed \$92,000,000.

269 (5) The commission shall ensure that proceeds from the issuance of bonds under this
270 section are provided to the Department of Transportation for use by the Department of
271 Transportation to pay all or part of the cost of the transportation projects, including:

272 (a) interest estimated to accrue on the bonds authorized in this section until the
273 completion of construction of the transportation project, plus a period of 12 months after the
274 end of construction; and

275 (b) all related engineering, architectural, and legal fees.

276 (6) The Department of Transportation shall transfer \$20,000,000 of bond proceeds
277 under this section to the Governor's Office of Economic Development for a
278 transportation-related project in a project area created by the military installation development
279 authority, created in Section [63H-1-201](#).

280 (7) (a) The Department of Transportation may enter into agreements related to the
281 transportation projects before the receipt of proceeds of bonds issued under this section.

282 (b) The state intends to use proceeds of tax-exempt bonds to reimburse itself for
283 expenditures for costs of the transportation projects.

284 Section 5. Section **63J-1-205.1** is amended to read:

285 **63J-1-205.1. Legislature to pay debt service first.**

286 ~~[In appropriating money from the General Fund, the]~~ The Legislature shall appropriate
287 money each fiscal year sufficient to ~~[debt service]~~ pay the principal, premium, and interest due
288 on the state's outstanding general obligation bonds before making any other appropriation in
289 the fiscal year.

290 Section 6. Section **72-2-121** is amended to read:

291 **72-2-121. County of the First Class Highway Projects Fund.**

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

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

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

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

299 (c) the portion of the sales and use tax described in Section [59-12-2217](#) deposited in or
300 transferred to the fund; and

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

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

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

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

307 (a) to pay debt service and bond issuance costs for bonds issued under Sections
308 [63B-16-102](#), [63B-18-402](#), and [63B-27-102](#);

309 (b) for right-of-way acquisition, new construction, major renovations, and

310 improvements to highways within a county of the first class and to pay any debt service and
311 bond issuance costs related to those projects, including improvements to a highway located
312 within a municipality in a county of the first class where the municipality is located within the
313 boundaries of more than a single county;

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

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

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

317 (iii) a facility that may include a:

318 (A) pedestrian or nonmotorized vehicle trail;

319 (B) nonmotorized vehicle storage facility;

320 (C) pedestrian or vehicle bridge; or

321 (D) vehicle parking lot or parking structure;

322 ~~[(d) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or~~
323 ~~county to pay for a portion of right-of-way acquisition, construction, reconstruction,~~
324 ~~renovations, and improvements to highways described in Subsections 72-2-121.4(7), (8), and~~
325 ~~(9);]~~

326 ~~[(e)]~~ (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created
327 by Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
328 transferred in accordance with Subsection 72-2-124(4)(a)(iv);

329 ~~[(f)]~~ (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and
330 bond issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the
331 projects described in Subsection 63B-18-401(4)(a);

332 ~~[(g)]~~ (f) for a fiscal year beginning on or after July 1, 2013, and after the department
333 has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the
334 fund, to transfer an amount equal to 50% of the revenue generated by the local option highway
335 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
336 a county of the first class:

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

338 (ii) to be used by a county of the first class for:
 339 (A) highway construction, reconstruction, or maintenance projects; or
 340 (B) the enforcement of state motor vehicle and traffic laws;
 341 ~~[(h) for fiscal year 2015 only, and after the department has verified that the amount~~
 342 ~~required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under~~
 343 ~~Subsection (4)(f) has been made, to transfer an amount equal to the remainder of the revenue~~
 344 ~~available in the fund for the 2015 fiscal year:]~~

345 ~~[(i) to the legislative body of a county of the first class; and]~~
 346 ~~[(ii) to be used by a county of the first class for:]~~
 347 ~~[(A) highway construction, reconstruction, or maintenance projects; or]~~
 348 ~~[(B) the enforcement of state motor vehicle and traffic laws;]~~

349 ~~[(i)] (g) for fiscal year 2015-16 only, and after the department has verified that the~~
 350 ~~amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer~~
 351 ~~under Subsection (4)(f)](e) has been made, to transfer an amount equal to \$25,000,000:~~

352 (i) to the legislative body of a county of the first class; and
 353 (ii) to be used by the county for the purposes described in this section;

354 ~~[(j)] (h) for a fiscal year beginning on or after July 1, 2015, after the department has~~
 355 ~~verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund~~
 356 ~~and the transfer under Subsection (4)(f)](e) has been made, to annually transfer an amount~~
 357 ~~equal to up to 42.5% of the sales and use tax revenue imposed in a county of the first class and~~
 358 ~~deposited into the fund in accordance with Subsection 59-12-2214(3)(b) to:~~

359 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under
 360 Section 63B-27-102; and

361 (ii) the Transportation Fund created in Section 72-2-102 until \$28,079,000 has been
 362 deposited into the Transportation Fund;

363 ~~[(k)] (i) for a fiscal year beginning on or after July 1, 2018, after the department has~~
 364 ~~verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund~~
 365 ~~and after the transfer under Subsection (4)(f)](d), the payment under Subsection (4)(f)](e),~~

366 and the transfers under Subsections (4)~~(f)~~(h)(i) and (ii) have been made, to annually transfer
367 20% of the amount deposited into the fund under Subsection (2)(b) to a public transit district in
368 a county of the first class to fund a system for public transit;

369 ~~(f)~~ (j) for a fiscal year beginning on or after July 1, 2018, after the department has
370 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
371 and after the transfer under Subsection (4)~~(e)~~(d), the payment under Subsection (4)~~(f)~~(e),
372 and the transfers under Subsections (4)~~(f)~~(h)(i) and (ii) have been made, to annually transfer
373 20% of the amount deposited into the fund under Subsection (2)(b):

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

375 (ii) to fund parking facilities in a county of the first class that facilitate significant
376 economic development and recreation and tourism within the state;

377 ~~(m)~~ (k) for the 2018-19 fiscal year only, after the department has verified that the
378 amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the
379 transfer under Subsection (4)~~(e)~~(d), the payment under Subsection (4)~~(f)~~(e), and the
380 transfers under Subsections ~~[(4)(j) through (f)]~~ (4)(h), (i), and (j) have been made, to transfer
381 \$12,000,000 to the ~~[Department of Transportation]~~ department to distribute for the following
382 projects:

383 (i) \$2,000,000 to West Valley City for highway improvement to 4100 South;

384 (ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from
385 6800 West to 7300 West;

386 (iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;

387 (iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from 13400
388 South to 13200 South;

389 (v) \$1,000,000 to Murray City for highway improvements to 5600 South from State
390 Street to Van Winkle;

391 (vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from
392 11400 South to 12300 South;

393 (vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;

394 (viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to
395 10200 South from 2700 West to 3200 West;

396 (ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near
397 Mountain View Corridor;

398 (x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and

399 (xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from
400 7200 West to 8000 West; and

401 ~~(n)~~ (l) for a fiscal year beginning after the amount described in Subsection (4)~~(j)~~(h)
402 has been repaid to the Transportation Fund until fiscal year 2030, or sooner if the amount
403 described in Subsection (4)~~(j)~~(h)(ii) has been repaid, after the department has verified that the
404 amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer
405 under Subsection (4)~~(f)~~(e) has been made, and after the bonds under Section 63B-27-102
406 have been repaid, to annually transfer an amount equal to up to 42.5% of the sales and use tax
407 revenue imposed in a county of the first class and deposited into the fund in accordance with
408 Subsection 59-12-2214(3)(b):

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

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

411 (5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in the
412 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and
413 63B-27-102 are considered a local matching contribution for the purposes described under
414 Section 72-2-123.

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

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

420 (8) (a) For a fiscal year beginning on or after July 1, 2018, at the end of each fiscal
421 year, after all programmed payments and transfers authorized or required under this section

422 have been made, on July 30 the department shall transfer the remainder of the money in the
423 fund to the Transportation Fund to reduce the amount owed to the Transportation Fund under
424 Subsection (4)(j)(ii).

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

427 (9) (a) Any revenue in the fund that is not specifically allocated and obligated under
428 ~~[this section]~~ Subsections (4) through (8) is subject to the review process described in this
429 Subsection (9).

430 (b) A county of the first class shall create a county transportation advisory committee
431 as described in Subsection (9)(c) to review proposed transportation and, as applicable, public
432 transit projects and rank projects for allocation of funds.

433 (c) The county transportation advisory committee described in Subsection (9)(b) shall
434 be composed of the following 13 members:

435 (i) six members who are residents of the county, nominated by the county executive
436 and confirmed by the county legislative body who are:

437 (A) members of a local advisory council of a large public transit district as defined in
438 Section [17B-2a-802](#);

439 (B) county council members; or

440 (C) other residents with expertise in transportation planning and funding; and

441 (ii) seven members nominated by the county executive, and confirmed by the county
442 legislative body, chosen from mayors or managers of cities or towns within the county.

443 (d) (i) A majority of the members of the county transportation advisory committee
444 constitutes a quorum.

445 (ii) The action by a quorum of the county transportation advisory committee constitutes
446 an action by the county transportation advisory committee.

447 (e) The county body shall determine:

448 (i) the length of a term of a member of the county transportation advisory committee;

449 (ii) procedures and requirements for removing a member of the county transportation

450 advisory committee;

451 (iii) voting requirements of the county transportation advisory committee;

452 (iv) chairs or other officers of the county transportation advisory committee;

453 (v) how meetings are to be called and the frequency of meetings, but not less than once

454 annually; and

455 (vi) the compensation, if any, of members of the county transportation advisory

456 committee.

457 (f) The county shall establish by ordinance criteria for prioritization and ranking of

458 projects, which may include consideration of regional and countywide economic development

459 impacts, including improved local access to:

460 (i) employment;

461 (ii) recreation;

462 (iii) commerce; and

463 (iv) residential areas.

464 (g) The county transportation advisory committee shall evaluate and rank each

465 proposed public transit project and regionally significant transportation facility according to

466 criteria developed pursuant to Subsection (9)(f).

467 (h) (i) After the review and ranking of each project as described in this section, the

468 county transportation advisory committee shall provide a report and recommend the ranked list

469 of projects to the county legislative body and county executive.

470 (ii) After review of the recommended list of projects, as part of the county budgetary

471 process, the county executive shall review the list of projects and may include in the proposed

472 budget the proposed projects for allocation, as funds are available.

473 (i) The county executive of the county of the first class, with information provided by

474 the county and relevant state entities, shall provide a report annually to the county

475 transportation advisory committee, and to the mayor or manager of each city, town, or metro

476 township in the county, including the following:

477 (i) the amount of revenue received into the fund during the past year;

- 478 (ii) any funds available for allocation;
- 479 (iii) funds obligated for debt service; and
- 480 (iv) the outstanding balance of transportation-related debt.

481 (10) As resources allow, the department shall study in 2020 transportation connectivity
 482 in the southwest valley of Salt Lake County, including the feasibility of connecting major
 483 east-west corridors to U-111.

484 Section 7. Section 72-2-121.3 is amended to read:

485 **72-2-121.3. Special revenue fund -- 2010 Salt Lake County Revenue Bond**
 486 **Sinking Fund.**

487 (1) There is created a special revenue fund within the County of the First Class
 488 Highway Projects Fund entitled "2010 Salt Lake County Revenue Bond Sinking Fund."

489 (2) The fund consists of:

490 (a) money transferred into the fund from the County of the First Class Highway
 491 Projects Fund in accordance with Subsection [~~72-2-121(4)(e)~~] 72-2-121(4)(d); and

492 (b) for a fiscal year beginning on or after July 1, 2013, money transferred into the fund
 493 from the Transportation Investment Fund of 2005 in accordance with Subsection
 494 72-2-124(4)(a)(iv).

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

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

497 (4) (a) The director of the Division of Finance may use fund money only as provided in
 498 this section.

499 (b) The director of the Division of Finance may not distribute any money from the fund
 500 under this section until the director has received a formal opinion from the attorney general that
 501 Salt Lake County has entered into a binding agreement with the state of Utah containing all of
 502 the terms required by Section 72-2-121.4.

503 (c) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake
 504 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, on
 505 July 1 of each year beginning July 1, 2011, the director of the Division of Finance shall transfer

506 from the County of the First Class Highway Projects Fund and the Transportation Investment
507 Fund of 2005 to the 2010 Salt Lake County Revenue Bond Sinking Fund the amount certified
508 by Salt Lake County that is necessary to pay:

509 (i) up to two times the debt service requirement necessary to pay debt service on the
510 revenue bonds issued by Salt Lake County for that fiscal year; and

511 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,
512 and fund any debt service reserve requirements.

513 (d) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake
514 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, the
515 director of the Division of Finance shall, upon request from Salt Lake County, transfer to Salt
516 Lake County or its designee from the 2010 Salt Lake County Revenue Bond Sinking Fund the
517 amount certified by Salt Lake County as necessary to pay:

518 (i) the debt service on the revenue bonds issued by Salt Lake County as provided in the
519 interlocal agreement required by Section 72-2-121.4; and

520 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,
521 and fund any debt service reserve requirements.

522 (5) Any money remaining in the 2010 Salt Lake County Revenue Bond Sinking Fund
523 at the end of the fiscal year lapses to the County of the First Class Highway Projects Fund.

524 Section 8. Section 72-2-121.4 is amended to read:

525 **72-2-121.4. 2010 interlocal agreement governing state highway projects in Salt**
526 **Lake County.**

527 (1) Under the direction of the attorney general, the state of Utah and Salt Lake County
528 may enter into an interlocal agreement that includes, at minimum, the provisions specified in
529 this section.

530 (2) The attorney general shall ensure that, in the agreement, Salt Lake County
531 covenants to:

532 (a) issue revenue bonds in an amount generating proceeds of at least \$77,000,000,
533 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,

534 and fund any debt service reserve requirements, and secured by revenues received from the
535 state of Utah under Section [72-2-121.3](#);

536 (b) transfer at least \$68,500,000 to the Department of Transportation to be used for
537 state highway projects in Salt Lake County as provided in the interlocal agreement; and

538 (c) use or transfer to a municipality to use \$8,500,000 to pay all or part of the costs of
539 the following highway construction projects in Salt Lake County in the following amounts:

540 (i) \$2,000,000 to Salt Lake County for 2300 East in Salt Lake County;

541 (ii) \$3,500,000 to Salt Lake City for North Temple;

542 (iii) \$1,500,000 to Murray City for 4800 South; and

543 (iv) \$1,500,000 to Riverton City for 13400 South -- 4000 West to 4570 West.

544 (3) The attorney general shall ensure that, in the agreement, the state of Utah covenants
545 to:

546 (a) use the money transferred by Salt Lake County under Subsection (2)(b) to pay all or
547 part of the costs of the following state highway construction or reconstruction projects within
548 Salt Lake County:

549 (i) 5400 South -- Bangerter Highway to 4000 West;

550 (ii) Bangerter Highway at SR-201;

551 (iii) 12300 South at State Street;

552 (iv) Bangerter Highway at 6200 South;

553 (v) Bangerter Highway at 7000 South;

554 (vi) Bangerter Highway at 3100 South;

555 (vii) 5400 South -- 4000 West to past 4800 West;

556 (viii) 9400 South and Wasatch Boulevard; and

557 (ix) I-215 West Interchange -- 3500 South to 3800 South and ramp work;

558 (b) widen and improve US-89 between 7200 South and 9000 South with available
559 highway funding identified by the commission; and

560 (c) transfer to Salt Lake County or its designee from the 2010 Salt Lake County

561 Revenue Bond Sinking Fund the amount certified by Salt Lake County as necessary to pay:

562 (i) the debt service on the revenue bonds issued by Salt Lake County; and
563 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,
564 and fund any debt service reserve requirements.

565 (4) The costs under Subsections (2)(c) and (3)(a) may include the cost of acquiring
566 land, interests in land, easements and rights-of-way, improving sites, and making all
567 improvements necessary, incidental, or convenient to the facilities and all related engineering,
568 architectural, and legal fees.

569 (5) In preparing the agreement required by this section, the attorney general and Salt
570 Lake County shall:

571 (a) review each existing interlocal agreement with Salt Lake County concerning Salt
572 Lake County revenues received by the state for state highway projects within Salt Lake County;
573 and

574 (b) as necessary, modify those agreements or draft a new interlocal agreement
575 encompassing all of the provisions necessary to reflect the state of Utah's and Salt Lake
576 County's obligations for those revenues and projects.

577 ~~[(6) If project savings are identified by the Department of Transportation from the~~
578 ~~funds provided to the Department of Transportation as described in Subsection (2)(b) and if the~~
579 ~~use of funds is not in violation of any agreement, the Department of Transportation shall~~
580 ~~provide \$1,000,000 of the funds described in Subsection (2)(b) to Draper City to pay for~~
581 ~~highway improvements to 13490 South.]~~

582 ~~[(7) If project savings are identified from the funds provided to the Department of~~
583 ~~Transportation as described in Subsection (2)(b) and if the use of funds is not in violation of~~
584 ~~any agreement, the Department of Transportation shall provide \$3,000,000 of the funds~~
585 ~~described in Subsection (2)(b) and from funds in the County of the First Class Highway~~
586 ~~Projects Fund created by Section 72-2-121 to fund the following highway projects:]~~

587 ~~[(a) \$2,000,000 to West Valley City to pay for highway improvements to SR-201~~
588 ~~Frontage Road at Bangerter Highway and associated roads to ease traffic flow onto Bangerter~~
589 ~~Highway between SR-201 and Lake Park Boulevard; and]~~

590 ~~[(b) \$1,000,000 to West Valley City for improvements to SR-201 Frontage Road at~~
591 ~~7200 West.]~~

592 ~~[(8) If project savings are identified by the Department of Transportation from the~~
593 ~~funds provided to the Department of Transportation as described in Subsection (2)(b) and if the~~
594 ~~use of funds is not in violation of any agreement, the Department of Transportation shall~~
595 ~~provide \$1,100,000 of the funds described in Subsection (2)(b) and from funds in the County~~
596 ~~of the First Class Highway Projects Fund created by Section 72-2-121 to West Jordan City for~~
597 ~~highway improvements on 4000 West from 7800 South to Old Bingham Highway.]~~

598 ~~[(9) If project savings are identified by the Department of Transportation from the~~
599 ~~funds provided to the Department of Transportation as described in Subsection (2)(b) and if the~~
600 ~~use of funds is not in violation of any agreement, the Department of Transportation shall~~
601 ~~provide \$1,000,000 of the funds described in Subsection (2)(b) and from funds in the County~~
602 ~~of the First Class Highway Projects Fund created by Section 72-2-121 to Midvale City to fund~~
603 ~~the following highway projects:]~~

604 ~~[(a) \$500,000 to Midvale City for improvements to Union Park Avenue from I-215 exit~~
605 ~~south to Creek Road and Wasatch Boulevard; and]~~

606 ~~[(b) \$500,000 to Midvale City for improvements to 7200 South from I-15 to 700~~
607 ~~West.]~~

608 ~~[(10) (a) (i) Before providing funds to a municipality or county under Subsections (7),~~
609 ~~(8), and (9), the Department of Transportation shall obtain from the municipality or county:]~~

610 ~~[(A) a written certification signed by the county or city mayor or the mayor's designee~~
611 ~~certifying that the municipality or county will use the funds provided under Subsections (7),~~
612 ~~(8), and (9) solely for the projects described in Subsections (7), (8), and (9); and]~~

613 ~~[(B) other documents necessary to protect the state and the bondholders and to ensure~~
614 ~~that all legal requirements are met.]~~

615 ~~[(ii) Except as provided in Subsection (10)(b), by January 1 of each year, the~~
616 ~~municipality or county receiving funds described in Subsections (7), (8), and (9) shall submit to~~
617 ~~the Department of Transportation a statement of cash flow for the current fiscal year detailing~~

618 the funds necessary to pay project costs for the projects described in Subsections (7), (8), and
619 (9).]

620 [(iii) Except as provided in Subsection (10)(b), after receiving the statement required
621 under Subsection (10)(a)(ii) and after July 1, the Department of Transportation shall provide
622 funds to the municipality or county necessary to pay project costs for the current fiscal year
623 based upon the statement of cash flow submitted by the municipality or county.]

624 [(iv) Upon the financial close of each project described in Subsections (7), (8), and (9),
625 the municipality or county receiving funds under Subsections (7), (8), and (9) shall submit a
626 statement to the Department of Transportation detailing the expenditure of funds received for
627 each project.]

628 [(b) For calendar year 2012 only:]

629 [(i) the municipality or county shall submit to the Department of Transportation a
630 statement of cash flow as provided in Subsection (10)(a)(ii) as soon as possible; and]

631 [(ii) the Department of Transportation shall provide funds to the municipality or county
632 necessary to pay project costs based upon the statement of cash flow.]

633 [(c) The commission or the state treasurer may make any statement of intent relating to
634 a reimbursement under this Subsection (10) that is necessary or desirable to comply with
635 federal tax law.]

636 Section 9. Section **72-2-124** is amended to read:

637 **72-2-124. Transportation Investment Fund of 2005.**

638 (1) There is created a capital projects fund entitled the Transportation Investment Fund
639 of 2005.

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

641 (a) any voluntary contributions received for the maintenance, construction,
642 reconstruction, or renovation of state and federal highways;

643 (b) appropriations made to the fund by the Legislature;

644 (c) registration fees designated under Section [41-1a-1201](#);

645 (d) the sales and use tax revenues deposited into the fund in accordance with Section

646 [59-12-103](#); and

647 (e) revenues transferred to the fund in accordance with Section [72-2-106](#).

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

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

650 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use
651 fund money to pay:

652 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
653 federal highways prioritized by the Transportation Commission through the prioritization
654 process for new transportation capacity projects adopted under Section [72-1-304](#);

655 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
656 projects described in Subsections [63B-18-401](#)(2), (3), and (4);

657 (iii) principal, interest, and issuance costs of bonds authorized by Section [63B-18-401](#)
658 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
659 with Subsection [~~[72-2-121](#)~~(4)(f)] [72-2-121](#)(4)(e);

660 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
661 Lake County Revenue Bond Sinking Fund created by Section [72-2-121.3](#) the amount certified
662 by Salt Lake County in accordance with Subsection [72-2-121.3](#)(4)(c) as necessary to pay the
663 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

664 (v) principal, interest, and issuance costs of bonds authorized by Section [63B-16-101](#)
665 for projects prioritized in accordance with Section [72-2-125](#);

666 (vi) all highway general obligation bonds that are intended to be paid from revenues in
667 the Centennial Highway Fund created by Section [72-2-118](#);

668 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
669 Class Highway Projects Fund created in Section [72-2-121](#) to be used for the purposes described
670 in Section [72-2-121](#); and

671 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
672 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
673 nonmotorized transportation for projects that:

- 674 (A) mitigate traffic congestion on the state highway system;
- 675 (B) are part of an active transportation plan approved by the department; and
- 676 (C) are prioritized by the commission through the prioritization process for new
677 transportation capacity projects adopted under Section 72-1-304.
- 678 (b) The executive director may use fund money to exchange for an equal or greater
679 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 680 (5) (a) Except as provided in Subsection (5)(b), the executive director may not use fund
681 money, including fund money from the Transit Transportation Investment Fund, within the
682 boundaries of a municipality that is required to adopt a moderate income housing plan element
683 as part of the municipality's general plan as described in Subsection 10-9a-401(3), if the
684 municipality has failed to adopt a moderate income housing plan element as part of the
685 municipality's general plan or has failed to implement the requirements of the moderate income
686 housing plan as determined by the results of the Department of Workforce Service's review of
687 the annual moderate income housing report described in Subsection 35A-8-803(1)(a)(vii).
- 688 (b) Within the boundaries of a municipality that is required under Subsection
689 10-9a-401(3) to plan for moderate income housing growth but has failed to adopt a moderate
690 income housing plan element as part of the municipality's general plan or has failed to
691 implement the requirements of the moderate income housing plan as determined by the results
692 of the Department of Workforce Service's review of the annual moderate income housing
693 report described in Subsection 35A-8-803(1)(a)(vii), the executive director:
 - 694 (i) may use fund money in accordance with Subsection (4)(a) for a limited-access
695 facility;
 - 696 (ii) may not use fund money for the construction, reconstruction, or renovation of an
697 interchange on a limited-access facility;
 - 698 (iii) may use Transit Transportation Investment Fund money for a multi-community
699 fixed guideway public transportation project; and
 - 700 (iv) may not use Transit Transportation Investment Fund money for the construction,
701 reconstruction, or renovation of a station that is part of a fixed guideway public transportation

702 project.

703 (6) (a) Except as provided in Subsection (6)(b), the executive director may not use fund
704 money, including fund money from the Transit Transportation Investment Fund, within the
705 boundaries of the unincorporated area of a county, if the county is required to adopt a moderate
706 income housing plan element as part of the county's general plan as described in Subsection
707 17-27a-401(3) and if the county has failed to adopt a moderate income housing plan element as
708 part of the county's general plan or has failed to implement the requirements of the moderate
709 income housing plan as determined by the results of the Department of Workforce Service's
710 review of the annual moderate income housing report described in Subsection
711 35A-8-803(1)(a)(vii).

712 (b) Within the boundaries of the unincorporated area of a county where the county is
713 required under Subsection 17-27a-401(3) to plan for moderate income housing growth but has
714 failed to adopt a moderate income housing plan element as part of the county's general plan or
715 has failed to implement the requirements of the moderate income housing plan as determined
716 by the results of the Department of Workforce Service's review of the annual moderate income
717 housing report described in Subsection 35A-8-803(1)(a)(vii), the executive director:

718 (i) may use fund money in accordance with Subsection (4)(a) for a limited-access
719 facility;

720 (ii) may not use fund money for the construction, reconstruction, or renovation of an
721 interchange on a limited-access facility;

722 (iii) may use Transit Transportation Investment Fund money for a multi-community
723 fixed guideway public transportation project; and

724 (iv) may not use Transit Transportation Investment Fund money for the construction,
725 reconstruction, or renovation of a station that is part of a fixed guideway public transportation
726 project.

727 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued
728 in any fiscal year, the department and the commission shall appear before the Executive
729 Appropriations Committee of the Legislature and present the amount of bond proceeds that the

730 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),
731 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

732 (b) The Executive Appropriations Committee of the Legislature shall review and
733 comment on the amount of bond proceeds needed to fund the projects.

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

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

740 (b) The fund shall be funded by:

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

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

743 (iii) private contributions; and

744 (iv) donations or grants from public or private entities.

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

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

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

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

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

757 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,

758 State Infrastructure Bank Fund; and

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

761 Section 10. Section 72-2-201 is amended to read:

762 **72-2-201. Definitions.**

763 As used in this part:

764 (1) "Fund" means the State Infrastructure Bank Fund created under Section 72-2-202.

765 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure
766 loan, to provide financial assistance for transportation projects, including:

767 (a) capital reserves and other security for bond or debt instrument financing; or

768 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by
769 a public entity to finance transportation projects.

770 (3) "Infrastructure loan" means a loan of fund money to finance a transportation
771 project.

772 (4) "Public entity" means a state agency, county, municipality, local district, special
773 service district, an intergovernmental entity organized under state law, or the military
774 installation development authority created in Section 63H-1-201.

775 (5) "Transportation project":

776 (a) means a project:

777 (i) to improve a state or local highway;

778 (ii) to improve a public transportation facility or nonmotorized transportation facility;

779 (iii) to construct or improve parking facilities [~~that support an intermodal regional~~
780 ~~transportation purpose~~]; or

781 (iv) that is subject to a transportation reinvestment zone agreement pursuant to Section
782 11-13-227 if the state is party to the agreement;

783 (b) includes the costs of acquisition, construction, reconstruction, rehabilitation,
784 equipping, and fixturing; and

785 (c) may only include a project if the project is part of:

- 786 (i) the statewide long range plan;
- 787 (ii) a regional transportation plan of the area metropolitan planning organization if a
- 788 metropolitan planning organization exists for the area; or
- 789 (iii) a local government general plan or economic development initiative.

790 Section 11. Section **72-2-203** is amended to read:

791 **72-2-203. Loans and assistance -- Authority -- Rulemaking.**

792 (1) Money in the fund may be used by the department, as prioritized by the commission

793 or as directed by the Legislature, to make infrastructure loans or to provide infrastructure

794 assistance to any public entity for any purpose consistent with any applicable constitutional

795 limitation.

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

797 commission shall make rules providing procedures and standards for making infrastructure

798 loans and providing infrastructure assistance and a process for prioritization of requests for

799 loans and assistance.

800 (3) The prioritization process, procedures, and standards for making an infrastructure

801 loan or providing infrastructure assistance may include consideration of the following:

- 802 (a) availability of money in the fund;
- 803 (b) credit worthiness of the project;
- 804 (c) demonstration that the project will encourage, enhance, or create economic benefits
- 805 to the state or political subdivision;
- 806 (d) likelihood that assistance would enable the project to proceed at an earlier date than
- 807 would otherwise be possible;
- 808 (e) the extent to which assistance would foster innovative public-private partnerships
- 809 and attract private debt or equity investment;
- 810 (f) demonstration that the project provides a benefit to the state highway system,
- 811 including safety or mobility improvements;
- 812 (g) the amount of proposed assistance as a percentage of the overall project costs with
- 813 emphasis on local and private participation;

814 (h) demonstration that the project provides intermodal connectivity with public
815 transportation, pedestrian, or nonmotorized transportation facilities; and

816 (i) other provisions the commission considers appropriate.

817 Section 12. Section **72-2-204** is amended to read:

818 **72-2-204. Loan program procedures -- Repayment.**

819 (1) A public entity may obtain an infrastructure loan from the department, upon
820 approval by the commission, by entering into a loan contract with the department secured by
821 legally issued bonds, notes, or other evidence of indebtedness validly issued under state law,
822 including pledging all or any portion of a revenue source controlled by the public entity to the
823 repayment of the loan.

824 (2) A loan or assistance from the fund shall bear interest at [~~or~~] a rate not to exceed
825 .5% above bond market interest rates available to the state.

826 (3) A loan shall be repaid no later than [~~10~~] 15 years from the date the department
827 issues the loan to the borrower, with repayment commencing no later than:

828 (a) when the project is completed; or

829 (b) in the case of a highway project, when the facility has opened to traffic.

830 (4) The public entity shall repay the infrastructure loan in accordance with the loan
831 contract from any of the following sources:

832 (a) transportation project revenues, including special assessment revenues;

833 (b) general funds of the public entity;

834 (c) money withheld under Subsection (7); or

835 (d) any other legally available revenues.

836 (5) An infrastructure loan contract with a public entity may provide that a portion of
837 the proceeds of the loan may be applied to fund a reserve fund to secure the repayment of the
838 loan.

839 (6) Before obtaining an infrastructure loan, a county or municipality shall:

840 (a) publish its intention to obtain an infrastructure loan at least once in accordance with
841 the publication of notice requirements under Section [11-14-316](#); and

842 (b) adopt an ordinance or resolution authorizing the infrastructure loan.

843 (7) (a) If a public entity fails to comply with the terms of its infrastructure loan
844 contract, the department may seek any legal or equitable remedy to obtain compliance or
845 payment of damages.

846 (b) If a public entity fails to make infrastructure loan payments when due, the state
847 shall, at the request of the department, withhold an amount of money due to the public entity
848 and deposit the withheld money in the fund to pay the amounts due under the contract.

849 (c) The department may elect when to request the withholding of money under this
850 Subsection (7).

851 (8) All loan contracts, bonds, notes, or other evidence of indebtedness securing the
852 loan contracts shall be held, collected, and accounted for in accordance with Section
853 [63B-1b-202](#).