1	FIRST CLASS COUNTY HIGHWAY ROAD FUNDS
2	AMENDMENTS
3	2021 GENERAL SESSION
4	STATE OF UTAH
5	Chief Sponsor: James A. Dunnigan
6	Senate Sponsor: Wayne A. Harper
7 8	LONG TITLE
9	General Description:
10	This bill allocates funds in the County of the First Class Highway Projects Fund and
11	authorizes the issuance of a general obligation bond for certain transportation projects.
12	Highlighted Provisions:
13	This bill:
14	 allocates revenue from certain local option registration fees;
15	 allocates funds in the County of the First Class Highway Projects Fund to cities as
16	one-time distributions;
17	 allocates funds in the County of the First Class Highway Projects Fund for annual
18	distributions to certain political subdivisions within Salt Lake County for the next
19	15 years, subject to availability of funds;
20	 authorizes the issuance of a general obligation bond for certain transportation
21	improvements and infrastructure loans; and
22	makes technical changes.
23	Money Appropriated in this Bill:
24	None
25	Other Special Clauses:
26	None
27	Utah Code Sections Affected:
28	AMENDS:

	41-1a-1222, as last amended by Laws of Utah 2018, Chapter 403
	63I-1-272, as last amended by Laws of Utah 2020, Chapter 154
	72-2-121, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20
E	NACTS:
	63B-31-101 , Utah Code Annotated 1953
	63B-31-102 , Utah Code Annotated 1953
В	e it enacted by the Legislature of the state of Utah:
	Section 1. Section 41-1a-1222 is amended to read:
	41-1a-1222. Local option highway construction and transportation corridor
p	reservation fee Exemptions Deposit Transfer County ordinance Notice.
	(1) As used in this section:
	(a) "Metro township" means the same as that term is defined in Section 10-2a-403.
	(b) "Unincorporated" means the same as that term is defined in Section 10-1-104.
	[(1)] (2) (a) (i) Except as provided in Subsection $[(1)]$ (2) (a) (ii) , a county legislative
b	ody may impose a local option highway construction and transportation corridor preservation
fe	ee of up to \$10 on each motor vehicle registration within the county.
	(ii) A county legislative body may impose a local option highway construction and
tı	ransportation corridor preservation fee of up to \$7.75 on each motor vehicle registration for a
S	ix-month registration period under Section 41-1a-215.5 within the county.
	(iii) A fee imposed under Subsection [(1)] (2)(a)(i) or (ii) shall be set in whole dollar
iı	ncrements.
	(b) If imposed under Subsection $[(1)]$ (2) (a), at the time application is made for
re	egistration or renewal of registration of a motor vehicle under this chapter, the applicant shall
p	ay the local option highway construction and transportation corridor preservation fee
e	stablished by the county legislative body.
	(c) The following are exempt from the fee required under Subsection [(1)] (2)(a):

56	(i) a motor vehicle that is exempt from the registration fee under Section 41-1a-1209 or
57	Subsection 41-1a-419(3);
58	(ii) a commercial vehicle with an apportioned registration under Section 41-1a-301;
59	and
60	(iii) a motor vehicle with a Purple Heart special group license plate issued in
61	accordance with Section 41-1a-421.
62	$[\frac{(2)}{3}]$ (a) Except as provided in Subsection $[\frac{(2)}{3}]$ (b), the revenue generated under
63	this section shall be:
64	(i) deposited in the Local Highway and Transportation Corridor Preservation Fund
65	created in Section 72-2-117.5;
66	(ii) credited to the county from which it is generated; and
67	(iii) used and distributed in accordance with Section 72-2-117.5.
68	(b) The revenue generated by a fee imposed under this section in a county of the first
69	class shall be deposited or transferred as follows:
70	(i) $[70\%]$ 50% of the revenue shall be:
71	(A) deposited in the County of the First Class Highway Projects Fund created in
72	Section 72-2-121; and
73	(B) used in accordance with Section 72-2-121; [and]
74	(ii) 30% of the revenue shall be deposited, credited, and used as provided in Subsection
75	$[\frac{(2)(a)}{(3)(a)}]$ $\underline{(3)(a)}$; and
76	(iii) 20% of the revenue shall be transferred to the legislative body of a county of the
77	first class.
78	(4) Beginning in a fiscal year beginning on or after July 1, 2023, and for 15 years
79	thereafter, the legislative body of the county of the first class shall annually transfer, from the
80	revenue transferred to the legislative body of a county of the first class as described in
81	Subsection (3)(b)(iii):
82	(a) \$300,000 to Kearns township; and

83	(b) \$225,000 to Magna township.
84	[(3)] (5) To impose or change the amount of a fee under this section, the county
85	legislative body shall pass an ordinance:
86	(a) approving the fee;
87	(b) setting the amount of the fee; and
88	(c) providing an effective date for the fee as provided in Subsection [(4)] (6).
89	[(4)] (a) If a county legislative body enacts, changes, or repeals a fee under this
90	section, the enactment, change, or repeal shall take effect on July 1 if the commission receives
91	notice meeting the requirements of Subsection [(4)] (6)(b) from the county prior to April 1.
92	(b) The notice described in Subsection [(4)] (6)(a) shall:
93	(i) state that the county will enact, change, or repeal a fee under this part;
94	(ii) include a copy of the ordinance imposing the fee; and
95	(iii) if the county enacts or changes the fee under this section, state the amount of the
96	fee.
97	Section 2. Section 63B-31-101 is enacted to read:
98	Part 1. 2021 Highway General Obligation Bonds
99	63B-31-101. Transportation bonds Maximum amount Use for transportation
100	projects and related facilities.
101	(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
102	under this section may not exceed \$20,000,000.
103	(b) When the Department of Transportation certifies to the commission the amount of
104	bond proceeds that the commission needs to provide funding for the projects described in
105	Subsection (2), the commission may issue and sell general obligation bonds in an amount equal
106	to the certified amount plus costs of issuance.
107	(c) The commission may not issue general obligation bonds authorized under this
108	section if the issuance for general obligation bonds would result in the total current outstanding
109	general obligation debt of the state exceeding 50% of the limitation described in the Utah

110	Constitution, Article XIV, Section 1.
111	(2) (a) Proceeds from the bonds issued under this section shall be provided to the
112	Department of Transportation to pay for or to provide funds to a municipality or county to pay
113	for the costs of right-of-way acquisition, construction, reconstruction, renovations, or
114	improvements to highways, transportation facilities, or multimodal transportation projects
115	described in Subsection (2)(b).
116	(b) Bond proceeds described under Subsection (2)(a) shall be used to pay for the
117	following local transportation projects, transportation facilities, or multimodal transportation
118	projects:
119	(i) construction and improvements to 14600 South in Bluffdale; and
120	(ii) construction of a parking structure in South Jordan.
121	(c) The costs under this Subsection (2) may include the costs of acquiring land,
122	interests in land, easements and rights-of-way, the costs of improving sites, making all
123	improvements necessary, incidental, or convenient to the facilities, and the costs of interest
124	estimated to accrue on these bonds during the period to be covered by construction of the
125	projects plus a period of six months after the end of the construction period, interest estimated
126	to accrue on any bond anticipation notes issued under the authority of this title, and all related
127	engineering, architectural, and legal fees.
128	(3) (a) Proceeds from bonds authorized by this section shall be allocated, subject to
129	Subsection (4)(a), as follows:
130	(i) up to \$12,000,000 to Bluffdale; and
131	(ii) up to \$8,000,000 to South Jordan.
132	(b) The executive director of the Department of Transportation may allocate bond
133	proceeds under this section together, or for each project separately, when the executive director
134	is satisfied that the planning, engineering, design, and commitment are present to complete the
135	project.
136	(4) (a) Before the Department of Transportation may provide proceeds to a

137	municipality for a project described in Subsection (2)(b), the municipality shall provide a
138	detailed cost estimate of costs to complete the planning and design of the project.
139	(b) After receiving a cost estimate described in Subsection (4)(a), the Department of
140	<u>Transportation may provide to a municipality proceeds reasonably necessary to complete the</u>
141	planning and design of the project.
142	(c) After completion of the planning and design of a project, the municipality shall
143	provide to the Department of Transportation a detailed estimate of the costs to construct and
144	complete a project described in Subsection (2)(b).
145	(d) If approved by the executive director of the Department of Transportation, the
146	Department of Transportation may provide funds to a municipality to construct and complete a
147	project described in Subsection (2)(b).
148	Section 3. Section 63B-31-102 is enacted to read:
149	63B-31-102. Transportation bonds Maximum amount Use for State
150	Infrastructure Bank Fund loans.
151	(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
152	under this section may not exceed \$30,000,000.
153	(b) When the Department of Transportation certifies to the commission the amount of
154	bond proceeds that the commission needs to provide funding for the purposes described in
155	Subsection (2), the commission may issue and sell general obligation bonds in an amount equal
156	to the certified amount plus costs of issuance.
157	(c) The commission may not issue general obligation bonds authorized under this
158	section if the issuance for general obligation bonds would result in the total current outstanding
159	general obligation debt of the state exceeding 50% of the limitation described in the Utah
160	Constitution, Article XIV, Section 1.
161	(2) (a) Proceeds from the bonds issued under this section shall be provided to the
162	Department of Transportation to transfer to the State Infrastructure Bank Fund created in
163	Section 72-2-202 to be used to issue loans pursuant to Title 72, Chapter 2, Part 2, State

Infrastructure Bank Fund.
(b) Any distribution from the State Infrastructure Bank Fund shall be contingent upon a
commitment from the borrower that revenue is available to repay the loan from the State
Infrastructure Bank Fund which shall be paid in whole or in part from revenue distributions
described in Subsection 72-2-121(4)(m).
(c) Notwithstanding Subsection 72-2-204(2), a loan or assistance made with proceeds
from bonds issued under this section shall bear an interest rate not to exceed .5% above the
bond market interest rate available to the state for an issuance under this section.
Section 4. Section 63I-1-272 is amended to read:
63I-1-272. Repeal dates, Title 72.
(1) Subsection $72-2-121[\frac{(9)}{(10)}]$, which creates transportation advisory committees, is
repealed July 1, 2022.
(2) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January
2, 2025.
Section 5. 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] into or transferred to the fund;
(c) the portion of the sales and use tax described in Section 59-12-2217 deposited [in]
into 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]

191	<u>into</u> or transferred to the fund.
192	(3) (a) The fund shall earn interest.
193	(b) All interest earned on fund money shall be deposited into the fund.
194	(4) The executive director shall use the fund money only:
195	(a) to pay debt service and bond issuance costs for bonds issued under Sections
196	63B-16-102, 63B-18-402, and 63B-27-102;
197	(b) for right-of-way acquisition, new construction, major renovations, and
198	improvements to highways within a county of the first class and to pay any debt service and
199	bond issuance costs related to those projects, including improvements to a highway located
200	within a municipality in a county of the first class where the municipality is located within the
201	boundaries of more than a single county;
202	(c) for the construction, acquisition, use, maintenance, or operation of:
203	(i) an active transportation facility for nonmotorized vehicles;
204	(ii) multimodal transportation that connects an origin with a destination; or
205	(iii) a facility that may include a:
206	(A) pedestrian or nonmotorized vehicle trail;
207	(B) nonmotorized vehicle storage facility;
208	(C) pedestrian or vehicle bridge; or
209	(D) vehicle parking lot or parking structure;
210	(d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
211	Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
212	transferred in accordance with Subsection 72-2-124(4)(a)(iv);
213	(e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
214	issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects
215	described in Subsection 63B-18-401(4)(a);
216	(f) for a fiscal year beginning on or after July 1, 2013, and after the department has
217	verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to

218	transfer an amount equal to 50% of the revenue generated by the local option highway
219	construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
220	a county of the first class:
221	(i) to the legislative body of a county of the first class; and
222	(ii) to be used by a county of the first class for:
223	(A) highway construction, reconstruction, or maintenance projects; or
224	(B) the enforcement of state motor vehicle and traffic laws;
225	(g) for fiscal year 2015-16 only, and after the department has verified that the amount
226	required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
227	Subsection (4)(e) has been made, to transfer an amount equal to \$25,000,000:
228	(i) to the legislative body of a county of the first class; and
229	(ii) to be used by the county for the purposes described in this section;
230	(h) for a fiscal year beginning on or after July 1, 2015, after the department has verified
231	that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the
232	transfer under Subsection (4)(e) has been made, to annually transfer an amount [equal to up to
233	42.5%] of the sales and use tax revenue imposed in a county of the first class and deposited
234	into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an amount needed to
235	cover the debt to:
236	(i) the appropriate debt service or sinking fund for the repayment of bonds issued under
237	Section 63B-27-102; [and]
238	(ii) the Transportation Fund created in Section 72-2-102 until \$28,079,000 has been
239	deposited into the Transportation Fund; and
240	(iii) the appropriate debt service or sinking fund for the repayment of bonds issued
241	under Sections 63B-31-101 and 63B-31-102;
242	(i) [for a fiscal year beginning on or after July 1, 2018,] after the department has
243	verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
244	and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the

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245	transfers under Subsections (4)(h)(i) and (ii) have been made, to annually transfer [20% of the
246	amount deposited into the fund under Subsection (2)(b)] \$2,000,000 to a public transit district
247	in a county of the first class to fund a system for public transit;
248	(j) for a fiscal year beginning on or after July 1, 2018, after the department has verified
249	that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after
250	the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfers
251	under Subsections (4)(h)(i) and (ii) have been made, to annually transfer 20% of the amount
252	deposited into the fund under Subsection (2)(b):
253	(i) to the legislative body of a county of the first class; and
254	(ii) to fund parking facilities in a county of the first class that facilitate significant
255	economic development and recreation and tourism within the state;
256	(k) for the 2018-19 fiscal year only, after the department has verified that the amount
257	required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under
258	Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections
259	(4)(h), (i), and (j) have been made, to transfer \$12,000,000 to the department to distribute for
260	the following projects:
261	(i) \$2,000,000 to West Valley City for highway improvement to 4100 South;
262	(ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from
263	6800 West to 7300 West;
264	(iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;
265	(iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from 13400
266	South to 13200 South;
267	(v) \$1,000,000 to Murray City for highway improvements to 5600 South from State
268	Street to Van Winkle;
269	(vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from
270	11400 South to 12300 South:

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

272	(viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to
273	10200 South from 2700 West to 3200 West;
274	(ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near
275	Mountain View Corridor;
276	(x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and
277	(xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from
278	7200 West to 8000 West; [and]
279	[(1) for a fiscal year beginning after the amount described in Subsection (4)(h) has been
280	repaid to the Transportation Fund until fiscal year 2030, or sooner if the amount described in
281	Subsection (4)(h)(ii) has been repaid, after the department has verified that the amount required
282	under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection
283	(4)(e) has been made, and after the bonds under Section 63B-27-102 have been repaid, to
284	annually transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a
285	county of the first class and deposited into the fund in accordance with Subsection
286	59-12-2214(3)(b):]
287	[(i) to the legislative body of a county of the first class; and]
288	[(ii) to be used by the county for the purposes described in this section.]
289	(1) subject to Subsection (5), for the 2020-2021 fiscal year only, after the department
290	has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
291	and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the
292	transfers under Subsections (4)(h), (i), and (j) have been made, to transfer the following
293	amounts to the following cities:
294	(i) \$2,600,000 to South Salt Lake City;
295	(ii) \$1,100,000 to Salt Lake City;
296	(iii) \$1,100,000 to West Valley City;
297	(iv) \$1,000,000 to Millcreek;
298	(v) \$700,000 to Sandy;

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299	(v ₁) \$700,000 to West Jordan;
300	(vii) \$500,000 to Murray;
301	(viii) \$500,000 to South Jordan; and
302	(ix) \$500,000 to Taylorsville; and
303	(m) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and
304	for 15 years thereafter, to annually transfer the following amounts to the following cities, metro
305	townships, and the county of the first class for priority projects to mitigate congestion and
306	improve transportation safety:
307	(i) \$1,100,000 to Salt Lake City;
308	(ii) \$1,100,000 to Sandy;
309	(iii) \$1,100,000 to Taylorsville;
310	(iv) \$1,100,000 to West Jordan;
311	(v) \$1,100,000 to West Valley City;
312	(vi) \$800,000 to Herriman;
313	(vii) \$700,000 to Draper;
314	(viii) \$700,000 to Riverton;
315	(ix) \$700,000 to South Jordan;
316	(x) \$500,000 to Midvale;
317	(xi) \$500,000 to Millcreek;
318	(xii) \$500,000 to Murray;
319	(xiii) \$400,000 to Cottonwood Heights; and
320	(xiv) \$300,000 to Holladay.
321	(5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in
322	Subsection (4)(m), the executive director shall proportionately reduce the amounts transferred
323	as described in Subsection (4)(m).
324	(b) A local government entity, as that term is defined in Section 63J-1-220, is exempt
325	from entering into an agreement as described in Section 63J-1-220 pertaining to the receipt or

326	expenditure of any funding described in Subsection (4)(1) or (m).
327	(c) A local government may not use revenue described in Subsections (4)(1) and (m) to
328	supplant existing class B or class C road funds that a local government has budgeted for
329	transportation projects.
330	(d) (i) A municipality or county that received a transfer of funds described in
331	Subsection (4)(k) shall submit to the department a statement of cash flow and progress
332	pertaining to the municipality's or county's respective project described in Subsection (4)(k).
333	(ii) After the department is satisfied that the municipality or county described in
334	Subsection (4)(k) has made substantial progress and the expenditure of funds is programmed
335	and imminent, the department may transfer to the same municipality or county the respective
336	amounts described in Subsections (4)(1) and (m).
337	[(5)] (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited
338	[in] into the fund and bond proceeds from bonds issued under Sections 63B-16-102,
339	63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes
340	described under Section 72-2-123.
341	[(6)] (7) The additional administrative costs of the department to administer this fund
342	shall be paid from money in the fund.
343	$\left[\frac{7}{8}\right]$ Notwithstanding any statutory or other restrictions on the use or expenditure
344	of the revenue sources deposited into this fund, the Department of Transportation may use the
345	money in this fund for any of the purposes detailed in Subsection (4).
346	[(8)] (9) (a) For a fiscal year beginning on or after July 1, 2018, at the end of each
347	fiscal year, after all programmed payments and transfers authorized or required under this
348	section have been made, on November 30 the department shall transfer the remainder of the
349	money in the fund to the Transportation Fund to reduce the amount owed to the Transportation
350	Fund under Subsection [(4)(j)(ii)] <u>(4)(h)(ii)</u> .
351	(b) The department shall provide notice to a county of the first class of the amount
352	transferred in accordance with this Subsection $[8]$ (9).

353	[(9)] (10) (a) Any revenue in the fund that is not specifically allocated and obligated
354	under Subsections (4) through (8) is subject to the review process described in this Subsection
355	[(9)] (10).
356	(b) A county of the first class shall create a county transportation advisory committee
357	as described in Subsection $[(9)]$ (10) (c) to review proposed transportation and, as applicable,
358	public transit projects and rank projects for allocation of funds.
359	(c) The county transportation advisory committee described in Subsection [(9)] (10) (b)
360	shall be composed of the following 13 members:
361	(i) six members who are residents of the county, nominated by the county executive
362	and confirmed by the county legislative body who are:
363	(A) members of a local advisory council of a large public transit district as defined in
364	Section 17B-2a-802;
365	(B) county council members; or
366	(C) other residents with expertise in transportation planning and funding; and
367	(ii) seven members nominated by the county executive, and confirmed by the county
368	legislative body, chosen from mayors or managers of cities or towns within the county.
369	(d) (i) A majority of the members of the county transportation advisory committee
370	constitutes a quorum.
371	(ii) The action by a quorum of the county transportation advisory committee constitutes
372	an action by the county transportation advisory committee.
373	(e) The county body shall determine:
374	(i) the length of a term of a member of the county transportation advisory committee;
375	(ii) procedures and requirements for removing a member of the county transportation
376	advisory committee;
377	(iii) voting requirements of the county transportation advisory committee;
378	(iv) chairs or other officers of the county transportation advisory committee;
379	(v) how meetings are to be called and the frequency of meetings, but not less than once

380	annually; and
381	(vi) the compensation, if any, of members of the county transportation advisory
382	committee.
383	(f) The county shall establish by ordinance criteria for prioritization and ranking of
384	projects, which may include consideration of regional and countywide economic development
385	impacts, including improved local access to:
386	(i) employment;
387	(ii) recreation;
388	(iii) commerce; and
389	(iv) residential areas.
390	(g) The county transportation advisory committee shall evaluate and rank each
391	proposed public transit project and regionally significant transportation facility according to
392	criteria developed pursuant to Subsection [(9)] <u>(10)</u> (f).
393	(h) (i) After the review and ranking of each project as described in this section, the
394	county transportation advisory committee shall provide a report and recommend the ranked list
395	of projects to the county legislative body and county executive.
396	(ii) After review of the recommended list of projects, as part of the county budgetary
397	process, the county executive shall review the list of projects and may include in the proposed
398	budget the proposed projects for allocation, as funds are available.
399	(i) The county executive of the county of the first class, with information provided by
400	the county and relevant state entities, shall provide a report annually to the county
401	transportation advisory committee, and to the mayor or manager of each city, town, or metro
402	township in the county, including the following:
403	(i) the amount of revenue received into the fund during the past year;
404	(ii) any funds available for allocation;
405	(iii) funds obligated for debt service; and

(iv) the outstanding balance of transportation-related debt.

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407	[(10)] (11) As resources allow, the department shall study in 2020 transportation
408	connectivity in the southwest valley of Salt Lake County, including the feasibility of
409	connecting major east-west corridors to U-111.