

HB0151S01 compared with HB0151

~~{deleted text}~~ shows text that was in HB0151 but was deleted in HB0151S01.

inserted text shows text that was not in HB0151 but was inserted into HB0151S01.

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Representative Brady Brammer proposes the following substitute bill:

STATE INFRASTRUCTURE BANK AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions of the Transportation Code pertaining to ~~{prohibit}~~ the use of State Infrastructure Bank revenue for ~~{the construction}~~ transportation or ~~{improvement of a parking facility}~~ publicly owned infrastructure projects. ~~{}~~

Highlighted Provisions:

This bill:

- ▶ ~~{amends}~~ defines the ~~{Transportation Code to prohibit}~~ term "publicly owned infrastructure project" as it pertains to the use of State Infrastructure Bank ~~{revenue for the construction or improvement of a parking facility.}~~ funds;
- ▶ amends provisions related to the use of State Infrastructure Bank funds for transportation and publicly owned infrastructure projects; and
- ▶ makes technical changes.

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Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

72-2-201, as last amended by Laws of Utah 2020, Chapter 366

[72-2-202](#), as last amended by Laws of Utah 2019, Chapter 479

[72-2-204](#), as last amended by Laws of Utah 2020, Chapter 366

[72-2-206](#), as renumbered and amended by Laws of Utah 1998, Chapter 270

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

Section 1. Section **72-2-201** is amended to read:

72-2-201. Definitions.

As used in this part:

- (1) "Fund" means the State Infrastructure Bank Fund created under Section 72-2-202.
- (2) "Infrastructure assistance" means any use of fund money, except an infrastructure loan, to provide financial assistance for transportation projects [or publicly owned infrastructure projects](#), including:
 - (a) capital reserves and other security for bond or debt instrument financing; or
 - (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by a public entity to finance transportation projects.
- (3) "Infrastructure loan" means a loan of fund money to finance a transportation project [or publicly owned infrastructure project](#).
- (4) "Public entity" means a state agency, county, municipality, local district, special service district, an intergovernmental entity organized under state law, or the military installation development authority created in Section 63H-1-201.
- (5) ["Publicly owned infrastructure project" means a project to improve sewer or water infrastructure that is owned by a municipality or county.](#)
- ~~(5)~~ (6) "Transportation project":
 - (a) means a project:

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- (i) to improve a state or local highway;
- (ii) to improve a public transportation facility or nonmotorized transportation facility;

~~or~~

~~(iii)~~ to construct or improve parking facilities; or ~~(iii)~~

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

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

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

(i) the statewide long range plan;

(ii) a regional transportation plan of the area metropolitan planning organization if a metropolitan planning organization exists for the area; or

(iii) a local government general plan or economic development initiative.

Section 2. Section 72-2-202 is amended to read:

72-2-202. State Infrastructure Bank Fund -- Creation -- Use of money.

(1) There is created a revolving loan fund entitled the State Infrastructure Bank Fund.

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

(i) appropriations made to the fund by the Legislature;

(ii) federal money and grants that are deposited in the fund;

(iii) money transferred to the fund by the commission from other money available to

the department;

(iv) state grants that are deposited in the fund;

(v) contributions or grants from any other private or public sources for deposit into the

fund; and

(vi) subject to Subsection (2)(b), all money collected from repayments of fund money used for infrastructure loans or infrastructure assistance.

(b) When a loan from the fund is repaid, the department may request and the Legislature may transfer from the fund to the source from which the money originated an amount equal to the repaid loan.

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

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

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(4) Money in the fund shall be used by the department, as prioritized by the commission, only to:

(a) provide infrastructure loans or infrastructure assistance; and

(b) pay the department for the costs of administering the fund, providing infrastructure loans or infrastructure assistance, monitoring transportation projects and publicly owned infrastructure projects, and obtaining repayments of infrastructure loans or infrastructure assistance.

(5) (a) The department may establish separate accounts in the fund for infrastructure loans, infrastructure assistance, administrative and operating expenses, or any other purpose to implement this part.

(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the department may make rules governing how the fund and its accounts may be held by an escrow agent.

(6) Fund money shall be invested by the state treasurer as provided in Title 51, Chapter 7, State Money Management Act, and the earnings from the investments shall be credited to the fund.

Section 3. Section 72-2-204 is amended to read:

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

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

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

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

(a) when the project is completed; or

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

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

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(a) transportation project or publicly owned infrastructure project revenues, including special assessment revenues;

(b) general funds of the public entity;

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

(d) any other legally available revenues.

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

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

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

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

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

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

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

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

Section 4. Section 72-2-206 is amended to read:

72-2-206. Department authority to contract.

The department may, upon approval of the commission:

(1) make all contracts, execute all instruments, and do all things necessary or convenient to provide financial assistance for transportation projects or publicly owned infrastructure projects in accordance with this chapter; and

(2) enter into and perform the contracts and agreements with entities concerning the planning, construction, lease, or other acquisition, installation, or financing of transportation

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projects or publicly owned infrastructure projects.