

**Representative James A. Dunnigan** proposes the following substitute bill:

**FIRST CLASS COUNTY HIGHWAY ROAD FUNDS**

**AMENDMENTS**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James A. Dunnigan**

Senate Sponsor: Wayne A. Harper

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**LONG TITLE**

**General Description:**

This bill allocates funds in the County of the First Class Highway Projects Fund.

**Highlighted Provisions:**

This bill:

- ▶ amends provisions related to distribution of revenue generated by certain local option fees;
- ▶ allocates funds in the County of the First Class Highway Projects Fund to two cities as one-time distributions;
- ▶ allocates funds in the County of the First Class Highway Projects Fund for annual distributions to certain cities within Salt Lake County for the next 15 years, subject to availability of funds; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



26 AMENDS:

27 [41-1a-1222](#), as last amended by Laws of Utah 2018, Chapter 403

28 [63I-1-272](#), as last amended by Laws of Utah 2020, Chapter 154

29 [72-2-121](#), as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20

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

32 Section 1. Section [41-1a-1222](#) is amended to read:

33 **[41-1a-1222](#). Local option highway construction and transportation corridor**  
34 **preservation fee -- Exemptions -- Deposit -- Transfer -- County ordinance -- Notice.**

35 (1) As used in this section:

36 (a) "Metro township" means the same as that term is defined in Section [10-2a-403](#).

37 (b) "Unincorporated" means the same as that term is defined in Section [10-1-104](#).

38 ~~[(+)]~~ (2) (a) (i) Except as provided in Subsection ~~[(+)]~~ (2)(a)(ii), a county legislative  
39 body may impose a local option highway construction and transportation corridor preservation  
40 fee of up to \$10 on each motor vehicle registration within the county.

41 (ii) A county legislative body may impose a local option highway construction and  
42 transportation corridor preservation fee of up to \$7.75 on each motor vehicle registration for a  
43 six-month registration period under Section [41-1a-215.5](#) within the county.

44 (iii) A fee imposed under Subsection ~~[(+)]~~ (2)(a)(i) or (ii) shall be set in whole dollar  
45 increments.

46 (b) If imposed under Subsection ~~[(+)]~~ (2)(a), at the time application is made for  
47 registration or renewal of registration of a motor vehicle under this chapter, the applicant shall  
48 pay the local option highway construction and transportation corridor preservation fee  
49 established by the county legislative body.

50 (c) The following are exempt from the fee required under Subsection ~~[(+)]~~ (2)(a):

51 (i) a motor vehicle that is exempt from the registration fee under Section [41-1a-1209](#) or  
52 Subsection [41-1a-419](#)(3);

53 (ii) a commercial vehicle with an apportioned registration under Section [41-1a-301](#);  
54 and

55 (iii) a motor vehicle with a Purple Heart special group license plate issued in  
56 accordance with Section [41-1a-421](#).

57 ~~[(2)]~~ (3) (a) Except as provided in Subsection ~~[(2)]~~ (3)(b), the revenue generated under  
58 this section shall be:

59 (i) deposited in the Local Highway and Transportation Corridor Preservation Fund  
60 created in Section 72-2-117.5;

61 (ii) credited to the county from which it is generated; and

62 (iii) used and distributed in accordance with Section 72-2-117.5.

63 (b) The revenue generated by a fee imposed under this section in a county of the first  
64 class shall be deposited or transferred as follows:

65 (i) ~~[70%]~~ 50% of the revenue shall be:

66 (A) deposited in the County of the First Class Highway Projects Fund created in  
67 Section 72-2-121; and

68 (B) used in accordance with Section 72-2-121; and

69 (ii) 30% of the revenue shall be deposited, credited, and used as provided in Subsection  
70 ~~[(2)(a)]~~ (3)(a); and

71 (iii) 20% of the revenue shall be transferred to the legislative body of a county of the  
72 first class.

73 (4) (a) Until a fiscal year beginning on or after July 1, 2036, for revenue transferred to  
74 the legislative body of a county of the first class as described in Subsection (3)(b)(iii), the  
75 legislative body of a county of the first class shall use:

76 (i) subject to Subsection (4)(b), 25% of the revenue for projects and improvements in  
77 metro townships within the county of the first class; and

78 (ii) 75% of the revenue for projects and improvements in unincorporated areas within  
79 the county of the first class.

80 (b) Of the revenue transferred according to Subsection (4)(a)(i), the legislative body of  
81 the county of the first class shall ensure that:

82 (i) at least \$225,000 of the revenue is used annually for projects and improvements in  
83 Kearns township; and

84 (ii) at least \$200,000 of the revenue is used annually for projects and improvements in  
85 Magna township.

86 ~~[(3)]~~ (5) To impose or change the amount of a fee under this section, the county  
87 legislative body shall pass an ordinance:

- 88 (a) approving the fee;
- 89 (b) setting the amount of the fee; and
- 90 (c) providing an effective date for the fee as provided in Subsection ~~[(4)]~~ (6).
- 91 ~~[(4)]~~ (6) (a) If a county legislative body enacts, changes, or repeals a fee under this
- 92 section, the enactment, change, or repeal shall take effect on July 1 if the commission receives
- 93 notice meeting the requirements of Subsection ~~[(4)]~~ (6)(b) from the county prior to April 1.
- 94 (b) The notice described in Subsection ~~[(4)]~~ (6)(a) shall:
- 95 (i) state that the county will enact, change, or repeal a fee under this part;
- 96 (ii) include a copy of the ordinance imposing the fee; and
- 97 (iii) if the county enacts or changes the fee under this section, state the amount of the
- 98 fee.

99 Section 2. Section **63I-1-272** is amended to read:

100 **63I-1-272. Repeal dates, Title 72.**

101 (1) Subsection [72-2-121](#)~~[(9)]~~(10), which creates transportation advisory committees, is

102 repealed July 1, 2022.

103 (2) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January

104 2, 2025.

105 Section 3. Section **72-2-121** is amended to read:

106 **72-2-121. County of the First Class Highway Projects Fund.**

107 (1) There is created a special revenue fund within the Transportation Fund known as

108 the "County of the First Class Highway Projects Fund."

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

110 (a) any voluntary contributions received for new construction, major renovations, and

111 improvements to highways within a county of the first class;

112 (b) the portion of the sales and use tax described in Subsection [59-12-2214](#)(3)(b)

113 deposited ~~[in]~~ into or transferred to the fund;

114 (c) the portion of the sales and use tax described in Section [59-12-2217](#) deposited ~~[in]~~

115 into or transferred to the fund; and

116 (d) a portion of the local option highway construction and transportation corridor

117 preservation fee imposed in a county of the first class under Section [41-1a-1222](#) deposited ~~[in]~~

118 into or transferred to the fund.

- 119 (3) (a) The fund shall earn interest.
- 120 (b) All interest earned on fund money shall be deposited into the fund.
- 121 (4) The executive director shall use the fund money only:
- 122 (a) to pay debt service and bond issuance costs for bonds issued under Sections
- 123 [63B-16-102](#), [63B-18-402](#), and [63B-27-102](#);
- 124 (b) for right-of-way acquisition, new construction, major renovations, and
- 125 improvements to highways within a county of the first class and to pay any debt service and
- 126 bond issuance costs related to those projects, including improvements to a highway located
- 127 within a municipality in a county of the first class where the municipality is located within the
- 128 boundaries of more than a single county;
- 129 (c) for the construction, acquisition, use, maintenance, or operation of:
- 130 (i) an active transportation facility for nonmotorized vehicles;
- 131 (ii) multimodal transportation that connects an origin with a destination; or
- 132 (iii) a facility that may include a:
- 133 (A) pedestrian or nonmotorized vehicle trail;
- 134 (B) nonmotorized vehicle storage facility;
- 135 (C) pedestrian or vehicle bridge; or
- 136 (D) vehicle parking lot or parking structure;
- 137 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
- 138 Section [72-2-121.3](#) the amount required in Subsection [72-2-121.3\(4\)\(c\)](#) minus the amounts
- 139 transferred in accordance with Subsection [72-2-124\(4\)\(a\)\(iv\)](#);
- 140 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
- 141 issuance costs for \$30,000,000 of the bonds issued under Section [63B-18-401](#) for the projects
- 142 described in Subsection [63B-18-401\(4\)\(a\)](#);
- 143 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
- 144 verified that the amount required under Subsection [72-2-121.3\(4\)\(c\)](#) is available in the fund, to
- 145 transfer an amount equal to 50% of the revenue generated by the local option highway
- 146 construction and transportation corridor preservation fee imposed under Section [41-1a-1222](#) in
- 147 a county of the first class:
- 148 (i) to the legislative body of a county of the first class; and
- 149 (ii) to be used by a county of the first class for:

- 150 (A) highway construction, reconstruction, or maintenance projects; or
- 151 (B) the enforcement of state motor vehicle and traffic laws;
- 152 (g) for fiscal year 2015-16 only, and after the department has verified that the amount
- 153 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
- 154 Subsection (4)(e) has been made, to transfer an amount equal to \$25,000,000:
- 155 (i) to the legislative body of a county of the first class; and
- 156 (ii) to be used by the county for the purposes described in this section;
- 157 (h) for a fiscal year beginning on or after July 1, 2015, after the department has verified
- 158 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the
- 159 transfer under Subsection (4)(e) has been made, to annually transfer an amount equal to up to
- 160 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into
- 161 the fund in accordance with Subsection 59-12-2214(3)(b) to:
- 162 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under
- 163 Section 63B-27-102; and
- 164 (ii) the Transportation Fund created in Section 72-2-102 until \$28,079,000 has been
- 165 deposited into the Transportation Fund;
- 166 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified
- 167 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after
- 168 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfers
- 169 under Subsections (4)(h)(i) and (ii) have been made, to annually transfer 20% of the amount
- 170 deposited into the fund under Subsection (2)(b) to a public transit district in a county of the
- 171 first class to fund a system for public transit;
- 172 (j) for a fiscal year beginning on or after July 1, 2018, after the department has verified
- 173 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after
- 174 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfers
- 175 under Subsections (4)(h)(i) and (ii) have been made, to annually transfer 20% of the amount
- 176 deposited into the fund under Subsection (2)(b):
- 177 (i) to the legislative body of a county of the first class; and
- 178 (ii) to fund parking facilities in a county of the first class that facilitate significant
- 179 economic development and recreation and tourism within the state;
- 180 (k) for the 2018-19 fiscal year only, after the department has verified that the amount

181 required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under  
182 Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections  
183 (4)(h), (i), and (j) have been made, to transfer \$12,000,000 to the department to distribute for  
184 the following projects:

- 185 (i) \$2,000,000 to West Valley City for highway improvement to 4100 South;
- 186 (ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from  
187 6800 West to 7300 West;
- 188 (iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;
- 189 (iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from 13400  
190 South to 13200 South;
- 191 (v) \$1,000,000 to Murray City for highway improvements to 5600 South from State  
192 Street to Van Winkle;
- 193 (vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from  
194 11400 South to 12300 South;
- 195 (vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;
- 196 (viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to  
197 10200 South from 2700 West to 3200 West;
- 198 (ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near  
199 Mountain View Corridor;
- 200 (x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and
- 201 (xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from  
202 7200 West to 8000 West; [and]

203 [~~(f) for a fiscal year beginning after the amount described in Subsection (4)(h) has been~~  
204 ~~repaid to the Transportation Fund until fiscal year 2030, or sooner if the amount described in~~  
205 ~~Subsection (4)(h)(ii) has been repaid, after the department has verified that the amount required~~  
206 ~~under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection~~  
207 ~~(4)(e) has been made, and after the bonds under Section 63B-27-102 have been repaid, to~~  
208 ~~annually transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a~~  
209 ~~county of the first class and deposited into the fund in accordance with Subsection~~  
210 ~~59-12-2214(3)(b):]~~

211 [(i) to the legislative body of a county of the first class; and]

212 ~~[(ii) to be used by the county for the purposes described in this section.]~~  
213 (l) for the 2020-2021 fiscal year only, after the department has verified that the amount  
214 required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under  
215 Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections  
216 (4)(h), (i), and (j) have been made, to transfer the following amounts to the following cities:  
217 (i) \$2,000,000 to Bluffdale; and  
218 (ii) \$1,500,000 to South Salt Lake City; and  
219 (m) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and  
220 for 15 years thereafter, to annually transfer the following amounts to the following cities for  
221 priority projects to mitigate congestion and improve transportation safety:  
222 (i) \$1,000,000 to Salt Lake City;  
223 (ii) \$1,000,000 to Sandy;  
224 (iii) \$1,000,000 to West Valley City;  
225 (iv) \$900,000 to Taylorsville;  
226 (v) \$900,000 to West Jordan;  
227 (vi) \$600,000 to South Jordan;  
228 (vii) \$400,000 to Draper;  
229 (viii) \$400,000 to Herriman;  
230 (ix) \$400,000 to Midvale;  
231 (x) \$400,000 to Millcreek;  
232 (xi) \$400,000 to Murray;  
233 (xii) \$400,000 to Riverton;  
234 (xiii) \$300,000 to Cottonwood Heights; and  
235 (xiv) \$250,000 to Holladay.  
236 (5) (a) If revenue into the fund is insufficient to satisfy all of the transfers described in  
237 Subsection (4)(m), the executive director shall proportionately reduce the amounts transferred  
238 as described in Subsection (4)(m).  
239 (b) A local government entity, as that term is defined in Section 63J-1-220, is exempt  
240 from entering into an agreement as described in Section 63J-1-220 pertaining to the receipt or  
241 expenditure of any funding described in Subsection (4)(l) or (m).  
242 ~~[(5)]~~ (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited



243 [in] into the fund and bond proceeds from bonds issued under Sections 63B-16-102,  
244 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes  
245 described under Section 72-2-123.

246 ~~(6)~~ (7) The additional administrative costs of the department to administer this fund  
247 shall be paid from money in the fund.

248 ~~(7)~~ (8) Notwithstanding any statutory or other restrictions on the use or expenditure  
249 of the revenue sources deposited into this fund, the Department of Transportation may use the  
250 money in this fund for any of the purposes detailed in Subsection (4).

251 ~~(8)~~ (9) (a) For a fiscal year beginning on or after July 1, 2018, at the end of each  
252 fiscal year, after all programmed payments and transfers authorized or required under this  
253 section have been made, on November 30 the department shall transfer the remainder of the  
254 money in the fund to the Transportation Fund to reduce the amount owed to the Transportation  
255 Fund under Subsection ~~(4)(j)(ii)~~ (4)(h)(ii).

256 (b) The department shall provide notice to a county of the first class of the amount  
257 transferred in accordance with this Subsection ~~(8)~~ (9).

258 ~~(9)~~ (10) (a) Any revenue in the fund that is not specifically allocated and obligated  
259 under Subsections (4) through (8) is subject to the review process described in this Subsection  
260 ~~(9)~~ (10).

261 (b) A county of the first class shall create a county transportation advisory committee  
262 as described in Subsection ~~(9)~~ (10)(c) to review proposed transportation and, as applicable,  
263 public transit projects and rank projects for allocation of funds.

264 (c) The county transportation advisory committee described in Subsection ~~(9)~~ (10)(b)  
265 shall be composed of the following 13 members:

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

268 (A) members of a local advisory council of a large public transit district as defined in  
269 Section 17B-2a-802;

270 (B) county council members; or

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

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

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

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

278 (e) The county body shall determine:

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

280 (ii) procedures and requirements for removing a member of the county transportation  
281 advisory committee;

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

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

284 (v) how meetings are to be called and the frequency of meetings, but not less than once  
285 annually; and

286 (vi) the compensation, if any, of members of the county transportation advisory  
287 committee.

288 (f) The county shall establish by ordinance criteria for prioritization and ranking of  
289 projects, which may include consideration of regional and countywide economic development  
290 impacts, including improved local access to:

291 (i) employment;

292 (ii) recreation;

293 (iii) commerce; and

294 (iv) residential areas.

295 (g) The county transportation advisory committee shall evaluate and rank each  
296 proposed public transit project and regionally significant transportation facility according to  
297 criteria developed pursuant to Subsection [~~(9)~~] (10)(f).

298 (h) (i) After the review and ranking of each project as described in this section, the  
299 county transportation advisory committee shall provide a report and recommend the ranked list  
300 of projects to the county legislative body and county executive.

301 (ii) After review of the recommended list of projects, as part of the county budgetary  
302 process, the county executive shall review the list of projects and may include in the proposed  
303 budget the proposed projects for allocation, as funds are available.

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

305 the county and relevant state entities, shall provide a report annually to the county  
306 transportation advisory committee, and to the mayor or manager of each city, town, or metro  
307 township in the county, including the following:

- 308 (i) the amount of revenue received into the fund during the past year;
- 309 (ii) any funds available for allocation;
- 310 (iii) funds obligated for debt service; and
- 311 (iv) the outstanding balance of transportation-related debt.

312 [~~(10)~~] (11) As resources allow, the department shall study in 2020 transportation  
313 connectivity in the southwest valley of Salt Lake County, including the feasibility of  
314 connecting major east-west corridors to U-111.