

**Senator Wayne A. Harper** 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 and authorizes the issuance of a general obligation bond for certain transportation projects.

**Highlighted Provisions:**

This bill:

- ▶ allocates funds in the County of the First Class Highway Projects Fund to cities as one-time distributions;

- ▶ allocates funds in the County of the First Class Highway Projects Fund for annual distributions to certain political subdivisions within Salt Lake County for the next 15 years, subject to availability of funds;

- ▶ authorizes the issuance of a general obligation bond for certain transportation improvements and infrastructure loans; and

- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None



26 **Utah Code Sections Affected:**

27 AMENDS:

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

30 ENACTS:

31 **63B-31-101**, Utah Code Annotated 1953

32 **63B-31-102**, Utah Code Annotated 1953

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

35 Section 1. Section **63B-31-101** is enacted to read:

36 **Part 1. 2021 Highway General Obligation Bonds**

37 **63B-31-101. Transportation bonds -- Maximum amount -- Use for transportation**  
38 **projects and related facilities.**

39 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued  
40 under this section may not exceed \$20,000,000.

41 (b) When the Department of Transportation certifies to the commission the amount of  
42 bond proceeds that the commission needs to provide funding for the projects described in  
43 Subsection (2), the commission may issue and sell general obligation bonds in an amount equal  
44 to the certified amount plus costs of issuance.

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

49 (2) (a) Proceeds from the bonds issued under this section shall be provided to the  
50 Department of Transportation to pay for or to provide funds to a municipality or county to pay  
51 for the costs of right-of-way acquisition, construction, reconstruction, renovations, or  
52 improvements to highways, transportation facilities, or multimodal transportation projects  
53 described in Subsection (2)(b).

54 (b) Bond proceeds described under Subsection (2)(a) shall be used to pay for the  
55 following local transportation projects, transportation facilities, or multimodal transportation  
56 projects:

57 (i) construction and improvements to 14600 South in Bluffdale; and  
58 (ii) construction of a parking structure in South Jordan.  
59 (c) The costs under this Subsection (2) may include the costs of acquiring land,  
60 interests in land, easements and rights-of-way, the costs of improving sites, making all  
61 improvements necessary, incidental, or convenient to the facilities, and the costs of interest  
62 estimated to accrue on these bonds during the period to be covered by construction of the  
63 projects plus a period of six months after the end of the construction period, interest estimated  
64 to accrue on any bond anticipation notes issued under the authority of this title, and all related  
65 engineering, architectural, and legal fees.

66 (3) (a) Proceeds from bonds authorized by this section shall be allocated, subject to  
67 Subsection (4)(a), as follows:

68 (i) up to \$12,000,000 to Bluffdale; and

69 (ii) up to \$8,000,000 to South Jordan.

70 (b) The executive director of the Department of Transportation may allocate bond  
71 proceeds under this section together, or for each project separately, when the executive director  
72 is satisfied that the planning, engineering, design, and commitment are present to complete the  
73 project.

74 (4) (a) Before the Department of Transportation may provide proceeds to a  
75 municipality for a project described in Subsection (2)(b), the municipality shall provide a  
76 detailed cost estimate of costs to complete the planning and design of the project.

77 (b) After receiving a cost estimate described in Subsection (4)(a), the Department of  
78 Transportation may provide to a municipality proceeds reasonably necessary to complete the  
79 planning and design of the project.

80 (c) After completion of the planning and design of a project, the municipality shall  
81 provide to the Department of Transportation a detailed estimate of the costs to construct and  
82 complete a project described in Subsection (2)(b).

83 (d) If approved by the executive director of the Department of Transportation, the  
84 Department of Transportation may provide funds to a municipality to construct and complete a  
85 project described in Subsection (2)(b).

86 Section 2. Section **63B-31-102** is enacted to read:

87 **63B-31-102. Transportation bonds -- Maximum amount -- Use for State**

88 **Infrastructure Bank Fund loans.**

89 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued  
90 under this section may not exceed \$30,000,000.

91 (b) When the Department of Transportation certifies to the commission the amount of  
92 bond proceeds that the commission needs to provide funding for the purposes described in  
93 Subsection (2), the commission may issue and sell general obligation bonds in an amount equal  
94 to the certified amount plus costs of issuance.

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

99 (2) (a) Proceeds from the bonds issued under this section shall be provided to the  
100 Department of Transportation to transfer to the State Infrastructure Bank Fund created in  
101 Section [72-2-202](#) to be used to issue loans pursuant to Title 72, Chapter 2, Part 2, State  
102 Infrastructure Bank Fund.

103 (b) Any distribution from the State Infrastructure Bank Fund shall be contingent upon a  
104 commitment from the borrower that revenue is available to repay the loan from the State  
105 Infrastructure Bank Fund which shall be paid in whole or in part from revenue distributions  
106 described in Subsection [72-2-121](#)(4)(m).

107 Section 3. Section **63I-1-272** is amended to read:

108 **63I-1-272. Repeal dates, Title 72.**

109 (1) Subsection [72-2-121](#)~~(9)~~(10), which creates transportation advisory committees, is  
110 repealed July 1, 2022.

111 (2) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January  
112 2, 2025.

113 Section 4. Section **72-2-121** is amended to read:

114 **72-2-121. County of the First Class Highway Projects Fund.**

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

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

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

- 119 improvements to highways within a county of the first class;
- 120 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
- 121 deposited [in] into or transferred to the fund;
- 122 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited [in]
- 123 into or transferred to the fund; and
- 124 (d) a portion of the local option highway construction and transportation corridor
- 125 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited [in]
- 126 into or transferred to the fund.
- 127 (3) (a) The fund shall earn interest.
- 128 (b) All interest earned on fund money shall be deposited into the fund.
- 129 (4) The executive director shall use the fund money only:
- 130 (a) to pay debt service and bond issuance costs for bonds issued under Sections
- 131 63B-16-102, 63B-18-402, and 63B-27-102;
- 132 (b) for right-of-way acquisition, new construction, major renovations, and
- 133 improvements to highways within a county of the first class and to pay any debt service and
- 134 bond issuance costs related to those projects, including improvements to a highway located
- 135 within a municipality in a county of the first class where the municipality is located within the
- 136 boundaries of more than a single county;
- 137 (c) for the construction, acquisition, use, maintenance, or operation of:
- 138 (i) an active transportation facility for nonmotorized vehicles;
- 139 (ii) multimodal transportation that connects an origin with a destination; or
- 140 (iii) a facility that may include a:
- 141 (A) pedestrian or nonmotorized vehicle trail;
- 142 (B) nonmotorized vehicle storage facility;
- 143 (C) pedestrian or vehicle bridge; or
- 144 (D) vehicle parking lot or parking structure;
- 145 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
- 146 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
- 147 transferred in accordance with Subsection 72-2-124(4)(a)(iv);
- 148 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
- 149 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the projects

150 described in Subsection 63B-18-401(4)(a);

151 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has  
152 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund[;]:

153 (i) to transfer an amount equal to 50% of the revenue generated by the local option  
154 highway construction and transportation corridor preservation fee imposed under Section  
155 41-1a-1222 in a county of the first class:

156 [(†)] (A) to the legislative body of a county of the first class; and

157 [(†)] (B) to be used by a county of the first class for[:(A)] highway construction,  
158 reconstruction, or maintenance projects[;], or [(B)] the enforcement of state motor vehicle and  
159 traffic laws; and

160 (ii) subject to availability of funds, for the 2020-21 fiscal year, transfer, from revenue  
161 generated pursuant to Section 41-1a-1222, an additional \$250,000 to the legislative body of the  
162 county of the first class;

163 (iii) subject to availability of funds, for the 2021-22 fiscal year, transfer:

164 (A) \$300,000 to Kearns township; and

165 (B) \$225,000 to Magna township; and

166 (iv) subject to availability of funds, for a fiscal year beginning on or after July 1, 2022,  
167 and for 15 years thereafter, annually transfer, from revenue generated pursuant to Section  
168 41-1a-1222, up to \$2,000,000 to the legislative body of the county of the first class, with the  
169 legislative body of the county of the first class annually transferring:

170 (A) \$300,000 to Kearns township; and

171 (B) \$225,000 to Magna township;

172 (g) for fiscal year 2015-16 only, and after the department has verified that the amount  
173 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under  
174 Subsection (4)(e) has been made, to transfer an amount equal to \$25,000,000:

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

176 (ii) to be used by the county for the purposes described in this section;

177 (h) for a fiscal year beginning on or after July 1, 2015, after the department has verified  
178 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the  
179 transfer under Subsection (4)(e) has been made, to annually transfer an amount [~~equal to up to~~  
180 ~~42.5%~~] of the sales and use tax revenue imposed in a county of the first class and deposited

181 into the fund in accordance with Subsection [59-12-2214\(3\)\(b\)](#) equal to an amount needed to  
182 cover the debt to:

183 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under  
184 Section [63B-27-102](#); ~~and~~

185 (ii) the Transportation Fund created in Section [72-2-102](#) until \$28,079,000 has been  
186 deposited into the Transportation Fund; and

187 (iii) the appropriate debt service or sinking fund for the repayment of bonds issued  
188 under Section [63B-31-101](#);

189 (i) ~~[for a fiscal year beginning on or after July 1, 2018;]~~ after the department has  
190 verified that the amount required under Subsection [72-2-121.3\(4\)\(c\)](#) is available in the fund  
191 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the  
192 transfers under Subsections (4)(h)(i) and (ii) have been made, to annually transfer ~~[20% of the~~  
193 ~~amount deposited into the fund under Subsection (2)(b)]~~ \$2,000,000 to a public transit district  
194 in a county of the first class to fund a system for public transit;

195 (j) for a fiscal year beginning on or after July 1, 2018, after the department has verified  
196 that the amount required under Subsection [72-2-121.3\(4\)\(c\)](#) is available in the fund and after  
197 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfers  
198 under Subsections (4)(h)(i) and (ii) have been made, to annually transfer 20% of the amount  
199 deposited into the fund under Subsection (2)(b):

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

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

203 (k) for the 2018-19 fiscal year only, after the department has verified that the amount  
204 required under Subsection [72-2-121.3\(4\)\(c\)](#) is available in the fund and after the transfer under  
205 Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections  
206 (4)(h), (i), and (j) have been made, to transfer \$12,000,000 to the department to distribute for  
207 the following projects:

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

209 (ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from  
210 6800 West to 7300 West;

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

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

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

216 (vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from  
217 11400 South to 12300 South;

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

219 (viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to  
220 10200 South from 2700 West to 3200 West;

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

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

224 (xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from  
225 7200 West to 8000 West; [and]

226 ~~[(i) for a fiscal year beginning after the amount described in Subsection (4)(h) has been~~  
227 ~~repaid to the Transportation Fund until fiscal year 2030, or sooner if the amount described in~~  
228 ~~Subsection (4)(h)(ii) has been repaid, after the department has verified that the amount required~~  
229 ~~under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection~~  
230 ~~(4)(e) has been made, and after the bonds under Section 63B-27-102 have been repaid, to~~  
231 ~~annually transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a~~  
232 ~~county of the first class and deposited into the fund in accordance with Subsection~~  
233 ~~59-12-2214(3)(b):]~~

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

235 ~~[(ii) to be used by the county for the purposes described in this section.]~~

236 (l) subject to Subsection (5), for the 2020-2021 fiscal year only, after the department  
237 has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund  
238 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the  
239 transfers under Subsections (4)(h), (i), and (j) have been made, to transfer the following  
240 amounts to the following cities:

241 (i) \$2,600,000 to South Salt Lake City;

242 (ii) \$1,100,000 to Salt Lake City;



243           (iii) \$1,100,000 to West Valley City;  
244           (iv) \$1,000,000 to Millcreek;  
245           (v) \$700,000 to Sandy;  
246           (vi) \$700,000 to West Jordan;  
247           (vii) \$500,000 to Murray;  
248           (viii) \$500,000 to South Jordan; and  
249           (ix) \$500,000 to Taylorsville; and  
250           (m) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and  
251 for 15 years thereafter, to annually transfer the following amounts to the following cities, metro  
252 townships, and the county of the first class for priority projects to mitigate congestion and  
253 improve transportation safety:  
254           (i) \$1,100,000 to Salt Lake City;  
255           (ii) \$1,100,000 to Sandy;  
256           (iii) \$1,100,000 to Taylorsville;  
257           (iv) \$1,100,000 to West Jordan;  
258           (v) \$1,100,000 to West Valley City;  
259           (vi) \$800,000 to Herriman;  
260           (vii) \$700,000 to Draper;  
261           (viii) \$700,000 to Riverton;  
262           (ix) \$700,000 to South Jordan;  
263           (x) \$500,000 to Midvale;  
264           (xi) \$500,000 to Millcreek;  
265           (xii) \$500,000 to Murray;  
266           (xiii) \$400,000 to Cottonwood Heights; and  
267           (xiv) \$300,000 to Holladay.  
268           (5) (a) If revenue into the fund is insufficient to satisfy all of the transfers described in  
269 Subsection (4)(m), the executive director shall proportionately reduce the amounts transferred  
270 as described in Subsection (4)(m).  
271           (b) A local government entity, as that term is defined in Section [63J-1-220](#), is exempt  
272 from entering into an agreement as described in Section [63J-1-220](#) pertaining to the receipt or  
273 expenditure of any funding described in Subsection (4)(l) or (m).

274 (c) A local government may not use revenue described in Subsections (4)(l) and (m) to  
275 supplant existing class B or class C road funds that a local government has budgeted for  
276 transportation projects.

277 (d) (i) A municipality or county that received a transfer of funds described in  
278 Subsection (4)(k) shall submit to the department a statement of cash flow and progress  
279 pertaining to the municipality's or county's respective project described in Subsection (4)(k).

280 (ii) After the department is satisfied that the municipality or county described in  
281 Subsection (4)(k) has made substantial progress and the expenditure of funds is programmed  
282 and imminent, the department may transfer to the same municipality or county the respective  
283 amounts described in Subsections (4)(l) and (m).

284 ~~[(5)]~~ (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited  
285 ~~[in]~~ into the fund and bond proceeds from bonds issued under Sections [63B-16-102](#),  
286 [63B-18-402](#), and [63B-27-102](#) are considered a local matching contribution for the purposes  
287 described under Section [72-2-123](#).

288 ~~[(6)]~~ (7) The additional administrative costs of the department to administer this fund  
289 shall be paid from money in the fund.

290 ~~[(7)]~~ (8) Notwithstanding any statutory or other restrictions on the use or expenditure  
291 of the revenue sources deposited into this fund, the Department of Transportation may use the  
292 money in this fund for any of the purposes detailed in Subsection (4).

293 ~~[(8)]~~ (9) (a) For a fiscal year beginning on or after July 1, 2018, at the end of each  
294 fiscal year, after all programmed payments and transfers authorized or required under this  
295 section have been made, on November 30 the department shall transfer the remainder of the  
296 money in the fund to the Transportation Fund to reduce the amount owed to the Transportation  
297 Fund under Subsection ~~[(4)(j)(ii)]~~ (4)(h)(ii).

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

300 ~~[(9)]~~ (10) (a) Any revenue in the fund that is not specifically allocated and obligated  
301 under Subsections (4) through (8) is subject to the review process described in this Subsection  
302 ~~[(9)]~~ (10).

303 (b) A county of the first class shall create a county transportation advisory committee  
304 as described in Subsection ~~[(9)]~~ (10)(c) to review proposed transportation and, as applicable,

305 public transit projects and rank projects for allocation of funds.

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

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

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

312 (B) county council members; or

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

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

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

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

320 (e) The county body shall determine:

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

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

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

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

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

328 (vi) the compensation, if any, of members of the county transportation advisory  
329 committee.

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

333 (i) employment;

334 (ii) recreation;

335 (iii) commerce; and

336 (iv) residential areas.

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

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

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

346 (i) The county executive of the county of the first class, with information provided by  
347 the county and relevant state entities, shall provide a report annually to the county  
348 transportation advisory committee, and to the mayor or manager of each city, town, or metro  
349 township in the county, including the following:

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

351 (ii) any funds available for allocation;

352 (iii) funds obligated for debt service; and

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

354 [~~(10)~~] (11) As resources allow, the department shall study in 2020 transportation  
355 connectivity in the southwest valley of Salt Lake County, including the feasibility of  
356 connecting major east-west corridors to U-111.