

1                   **AMENDMENTS RELATED TO INFRASTRUCTURE FUNDING**

2                                   2021 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Mike Schultz**

5                                   Senate Sponsor: Kirk A. Cullimore

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7   **LONG TITLE**

8   **General Description:**

9           This bill enacts provisions relating to funding for infrastructure projects.

10 **Highlighted Provisions:**

11       This bill:

- 12           ▶ authorizes the issuance of \$1,400,000,000 in bonds for specified transportation and  
13 transit projects;
- 14           ▶ provides for uses of the bond proceeds;
- 15           ▶ limits the issuance of bonds;
- 16           ▶ enacts other provisions relating to the issuance of the bonds; and
- 17           ▶ allocates and appropriates money for infrastructure and other projects.

18 **Money Appropriated in this Bill:**

19       This bill appropriates in fiscal year 2022:

- 20           ▶ to the Department of Transportation - Highway System Construction, as a one-time  
21 appropriation:
- 22               • from the General Fund, \$862,900,000.

23 **Other Special Clauses:**

24       None

25 **Utah Code Sections Affected:**

26 AMENDS:

27           **72-2-124**, as last amended by Laws of Utah 2020, Chapters 366 and 377



28 [72-2-131](#), as enacted by Laws of Utah 2020, Fourth Special Session, Chapter 2

29 ENACTS:

30 [63B-31-101](#), Utah Code Annotated 1953



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

33 Section 1. Section [63B-31-101](#) is enacted to read:

34 **CHAPTER 31. 2021 BONDING AND FINANCING AUTHORIZATIONS**

35 **Part 1. General Provisions**

36 **[63B-31-101](#). Highway bonds -- Maximum amount -- Use of proceeds for highway**  
37 **projects.**

38 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued  
39 under this section may not exceed \$1,400,000,000 for acquisition and construction proceeds,  
40 plus additional amounts as provided in Subsection (1)(b).

41 (b) When the Department of Transportation certifies to the commission that the  
42 requirements of Subsection [72-2-124](#)(7) have been met and certifies the amount of bond  
43 proceeds that the commission needs to provide funding for the projects described in Subsection

44 (2) for the current or next fiscal year, the commission may issue and sell general obligation  
45 bonds in an amount equal to the certified amount, plus additional amounts necessary to pay  
46 costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve  
47 requirements, not to exceed 1% of the certified amount.

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

52 (2) (a) Except as provided in Subsections (3) and (4), proceeds from the issuance of  
53 bonds shall be provided to the Department of Transportation to pay all or part of the costs of  
54 state highway projects prioritized by the Transportation Commission through the prioritization  
55 process for new transportation capacity projects adopted under Section [72-1-304](#).

56 (b) It is the intent of the Legislature that as transportation projects are prioritized as  
57 described in Subsection (2)(a) for the use of proceeds from the issuance of bonds authorized  
58 under this section:

59 (i) the Transportation Commission give consideration to projects beyond the normal  
60 programming horizon; and

61 (ii) the amount and pacing of bond issuance support a consistent level of construction  
62 expenditures to avoid fluctuations in construction expenditures over time.

63 (3) (a) Two hundred twenty million dollars of the proceeds of bonds issued under this  
64 section shall be used to pay for the following transit projects, to be repaid from the Transit  
65 Transportation Investment Fund under Subsection [72-2-124\(9\)](#):

66 (i) subject to Subsection (3)(b), \$200,000,000 to double track strategic sections of the  
67 FrontRunner commuter rail system;

68 (ii) \$11,000,000 for bus rapid transit in the Salt Lake midvalley area;

69 (iii) \$5,000,000 for an environmental study at the point of the mountain area; and

70 (iv) \$4,000,000 for a Utah Transit Authority and Sharp-Tintic railroad consolidation  
71 project.

72 (b) The issuance of the \$200,000,000 of bonds for the purpose described in Subsection  
73 (3)(a)(i) is contingent upon the establishment of an agreement between the Department of  
74 Transportation and the Utah Transit Authority whereby the Utah Transit Authority agrees to  
75 pay \$5,000,000 per year for 15 years toward repayment of the bonds.

76 (4) (a) Thirty million dollars of the proceeds of bonds issued under this section shall be  
77 provided to the Department of Transportation to pass through to Brigham City to be used for a  
78 Forest Street rail bridge project in Brigham City.

79 (b) Payments shall be made from the Rail Transportation Restricted Account created in  
80 Section [72-2-131](#) in the amount per year of the principal and interest payments due under the  
81 bonds issued under Subsection (4)(a) until those bonds have been repaid in full.

82 (5) The costs under Subsection (2) may include the costs of studies necessary to make  
83 transportation infrastructure improvements, the costs of acquiring land, interests in land, and  
84 easements and rights-of-way, the costs of improving sites and making all improvements  
85 necessary, incidental, or convenient to the facilities, and the costs of interest estimated to  
86 accrue on these bonds during the period to be covered by construction of the projects plus a  
87 period of six months after the end of the construction period, interest estimated to accrue on  
88 any bond anticipation notes issued under the authority of this title, and all related engineering,  
89 architectural, and legal fees.

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

92           (7) The Department of Transportation may enter into agreements related to the projects  
93 described in Subsection (3) before the receipt of proceeds of bonds issued under this section.

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

95           **72-2-124. Transportation Investment Fund of 2005.**

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

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

- 99           (a) any voluntary contributions received for the maintenance, construction,  
100 reconstruction, or renovation of state and federal highways;  
101           (b) appropriations made to the fund by the Legislature;  
102           (c) registration fees designated under Section [41-1a-1201](#);  
103           (d) the sales and use tax revenues deposited into the fund in accordance with Section  
104 [59-12-103](#); and  
105           (e) revenues transferred to the fund in accordance with Section [72-2-106](#).

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

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

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

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

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

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

118           (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt  
119 Lake County Revenue Bond Sinking Fund created by Section [72-2-121.3](#) the amount certified  
120 by Salt Lake County in accordance with Subsection [72-2-121.3](#)(4)(c) as necessary to pay the

- 121 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
- 122 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
- 123 for projects prioritized in accordance with Section 72-2-125;
- 124 (vi) all highway general obligation bonds that are intended to be paid from revenues in
- 125 the Centennial Highway Fund created by Section 72-2-118;
- 126 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
- 127 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
- 128 in Section 72-2-121; [and]
- 129 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
- 130 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
- 131 nonmotorized transportation for projects that:
- 132 (A) mitigate traffic congestion on the state highway system;
- 133 (B) are part of an active transportation plan approved by the department; and
- 134 (C) are prioritized by the commission through the prioritization process for new
- 135 transportation capacity projects adopted under Section 72-1-304[-];
- 136 (ix) \$621,300,000 for the costs of right-of-way acquisition, construction,
- 137 reconstruction, or renovation of or improvement to the following projects:
- 138 (A) the connector road between Main Street and 1600 North in the city of Vineyard;
- 139 (B) Geneva Road from University Parkway to 1800 South;
- 140 (C) the SR-97 interchange at 5600 South on I-15;
- 141 (D) two lanes on U-111 from Herriman Parkway to 11800 South;
- 142 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 143 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 144 (G) widening I-15 between mileposts 6 and 8;
- 145 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 146 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in
- 147 Spanish Fork Canyon;
- 148 (J) I-15 northbound between mileposts 43 and 56;
- 149 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43
- 150 and 45.1;
- 151 (L) east Zion SR-9 improvements;

- 152           (M) Toquerville Parkway; and
- 153           (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 154           (x) \$32,500,000 for paved pedestrian or paved nonmotorized transportation projects,
- 155 contingent on the political subdivision where the project takes place providing a contribution
- 156 equal to or greater than 20% of the costs needed for construction, reconstruction, or renovation
- 157 of the paved pedestrian or paved nonmotorized transportation projects; and
- 158           (xi) the following amounts to the agencies indicated for the following projects:
- 159           (A) \$36,000,000 to the Department of Natural Resources for new Utah Raptor and Lost
- 160 Creek state parks;
- 161           (B) \$67,500,000 to the Department of Natural Resources for enhancements to existing
- 162 state parks; and
- 163           (C) \$4,000,000 to the Governor's Office of Economic Development for outdoor
- 164 recreation grants.
- 165           (b) The executive director may use fund money to exchange for an equal or greater
- 166 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 167           (5) (a) Except as provided in Subsection (5)(b), the executive director may not program
- 168 fund money to a project prioritized by the commission under Section 72-1-304, including fund
- 169 money from the Transit Transportation Investment Fund, within the boundaries of a
- 170 municipality that is required to adopt a moderate income housing plan element as part of the
- 171 municipality's general plan as described in Subsection 10-9a-401(3), if the municipality has
- 172 failed to adopt a moderate income housing plan element as part of the municipality's general
- 173 plan or has failed to implement the requirements of the moderate income housing plan as
- 174 determined by the results of the Department of Workforce Service's review of the annual
- 175 moderate income housing report described in Subsection 35A-8-803(1)(a)(vii).
- 176           (b) Within the boundaries of a municipality that is required under Subsection
- 177 10-9a-401(3) to plan for moderate income housing growth but has failed to adopt a moderate
- 178 income housing plan element as part of the municipality's general plan or has failed to
- 179 implement the requirements of the moderate income housing plan as determined by the results
- 180 of the Department of Workforce Service's review of the annual moderate income housing
- 181 report described in Subsection 35A-8-803(1)(a)(vii), the executive director:
- 182           (i) may program fund money in accordance with Subsection (4)(a) for a limited-access

183 facility or interchange connecting limited-access facilities;

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

186 (iii) may program Transit Transportation Investment Fund money for a  
187 multi-community fixed guideway public transportation project; and

188 (iv) may not program Transit Transportation Investment Fund money for the  
189 construction, reconstruction, or renovation of a station that is part of a fixed guideway public  
190 transportation project.

191 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
192 director before May 1, 2020, for projects prioritized by the commission under Section  
193 [72-1-304](#).

194 (6) (a) Except as provided in Subsection (6)(b), the executive director may not program  
195 fund money to a project prioritized by the commission under Section [72-1-304](#), including fund  
196 money from the Transit Transportation Investment Fund, within the boundaries of the  
197 unincorporated area of a county, if the county is required to adopt a moderate income housing  
198 plan element as part of the county's general plan as described in Subsection [17-27a-401\(3\)](#) and  
199 if the county has failed to adopt a moderate income housing plan element as part of the county's  
200 general plan or has failed to implement the requirements of the moderate income housing plan  
201 as determined by the results of the Department of Workforce Service's review of the annual  
202 moderate income housing report described in Subsection [35A-8-803\(1\)\(a\)\(vii\)](#).

203 (b) Within the boundaries of the unincorporated area of a county where the county is  
204 required under Subsection [17-27a-401\(3\)](#) to plan for moderate income housing growth but has  
205 failed to adopt a moderate income housing plan element as part of the county's general plan or  
206 has failed to implement the requirements of the moderate income housing plan as determined  
207 by the results of the Department of Workforce Service's review of the annual moderate income  
208 housing report described in Subsection [35A-8-803\(1\)\(a\)\(vii\)](#), the executive director:

209 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access  
210 facility to a project prioritized by the commission under Section [72-1-304](#);

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

213 (iii) may program Transit Transportation Investment Fund money for a

214 multi-community fixed guideway public transportation project; and

215 (iv) may not program Transit Transportation Investment Fund money for the  
216 construction, reconstruction, or renovation of a station that is part of a fixed guideway public  
217 transportation project.

218 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
219 director before July 1, 2020, for projects prioritized by the commission under Section  
220 72-1-304.

221 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued  
222 in any fiscal year, the department and the commission shall appear before the Executive  
223 Appropriations Committee of the Legislature and present the amount of bond proceeds that the  
224 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),  
225 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

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

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

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

234 (b) The fund shall be funded by:

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

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

237 (iii) private contributions; and

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

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

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

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

244 (e) (i) The Legislature may only appropriate money from the fund for a public transit



245 capital development project or pedestrian or nonmotorized transportation project that provides  
246 connection to the public transit system if the public transit district or political subdivision  
247 provides funds of equal to or greater than 40% of the costs needed for the project.

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

251 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,  
252 State Infrastructure Bank Fund; and

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

255 Section 3. Section 72-2-131 is amended to read:

256 **72-2-131. Rail Transportation Restricted Account -- Grants for railroad crossing**  
257 **safety.**

258 (1) As used in this section, "eligible entity" means:

259 (a) a public entity; or

260 (b) a private entity that is exempt from federal income taxation under Section  
261 501(c)(3), Internal Revenue Code.

262 (2) There is created in the Transit Transportation Investment Fund, created in Section  
263 72-2-124, the Rail Transportation Restricted Account.

264 (3) The account shall be funded by:

265 (a) appropriations to the account by the Legislature;

266 (b) private contributions;

267 (c) donations or grants from public or private entities; and

268 (d) interest earned on money in the account.

269 (4) Upon appropriation, the department shall:

270 (a) use an amount equal to 10% of the money deposited into the account to provide  
271 grants in accordance with Subsection (5);

272 (b) use an amount equal to 10% of the money deposited into the account to pay the  
273 costs of performing environmental impact studies in connection with construction,  
274 reconstruction, or renovation projects related to railroad crossings on class A, class B, or class  
275 C roads; and

- 276 (c) use the remaining money deposited into the account to pay:
- 277 (i) the costs of construction, reconstruction, or renovation projects related to railroad
- 278 crossings on class A, class B, or class C roads; [or]
- 279 (ii) debt service related to a project described in Subsection (4)(b)[-]; or
- 280 (iii) the appropriate debt service or sinking fund for the repayment of bonds issued
- 281 under Section 63B-31-101(4)(a).

282 (5) (a) The department may award grants to one or more eligible entities to be used for

283 the purpose of improving safety at railroad crossings on class A, class B, or class C roads.

284 (b) An eligible entity may use grant money for any expense related to improving safety

285 at railroad crossings on class A, class B, or class C roads, including:

- 286 (i) signage; and
- 287 (ii) safety enhancements to a railroad crossing.

288 (c) The department shall prioritize, in the following order, grants to applicants that

289 propose projects impacting railroad crossings that:

- 290 (i) have demonstrated safety concerns, including emergency services access; and
- 291 (ii) have high levels of vehicular and pedestrian traffic.

292 **Section 4. Appropriation.**

293 The following sums of money are appropriated for the fiscal year beginning July 1,

294 2021, and ending June 30, 2022. These are additions to amounts previously appropriated for

295 fiscal year 2022. Under the terms and conditions of Title 63J, Budgetary Procedures Act, the

296 Legislature appropriates the following sums of money from the funds or accounts indicated for

297 the use and support of the government of the state of Utah.

298 ITEM 1

299 To the Department of Transportation - Highway System Construction

<u>From General Fund, One-time</u>	<u>\$862,900,000</u>
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301 Schedule of Programs:

<u>State Construction</u>	<u>\$862,900,000</u>
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303 The Legislature intends that the Department of Transportation use money from the

304 appropriation as follows:

- 305 ▶ \$621,300,000 to pay for the projects listed in Subsection 72-2-124(4)(a)(ix);
- 306 ▶ \$140,000,000 to pay for projects listed in Subsections 72-2-124(4)(a)(x) and

- 307 (xi);
- 308       ▶       \$100,000,000 to pay to double track strategic sections of the FrontRunner
- 309 commuter rail system; and
- 310       ▶       \$1,600,000 to pay for a rail station in the city of Vineyard.