

**HOUSING AND TRANSIT REINVESTMENT ZONE ACT**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne A. Harper**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill enacts the Housing and Transit Reinvestment Zone Act.

**Highlighted Provisions:**

This bill:

- ▶ enacts the Housing and Transit Reinvestment Zone Act;
- ▶ defines terms;
- ▶ establishes objectives and requirements for a municipality to create a housing and transit reinvestment zone to capture tax increment revenue within a defined area around a commuter rail station;
- ▶ requires a municipality to submit a housing and transit reinvestment zone proposal to the Governor's Office of Economic Development;
- ▶ requires the Governor's Office of Economic Development to initiate an analysis of the feasibility, efficiency, rate of return, and other aspects of the proposed housing and transit reinvestment zone;
- ▶ creates and defines membership of a committee to review the proposed housing and transit reinvestment zone;
- ▶ requires the committee to evaluate the proposed housing and transit reinvestment zone and approve if certain criteria are met;
- ▶ requires participation from local taxing entities if the housing and transit reinvestment zone proposal meets the statutory requirements and is approved by the



28 committee;

29 ▶ defines permitted uses and administration of tax increment revenue generated  
30 pursuant to the housing and transit reinvestment zone;

31 ▶ amends provisions related to prioritization of certain funds related to transportation  
32 for a project that is part of an housing and transit reinvestment zone; and

33 ▶ makes technical changes.

34 **Money Appropriated in this Bill:**

35 None

36 **Other Special Clauses:**

37 None

38 **Utah Code Sections Affected:**

39 AMENDS:

40 **72-1-102**, as last amended by Laws of Utah 2020, Chapters 243 and 377

41 **72-1-304**, as last amended by Laws of Utah 2020, Chapter 377

42 **72-2-201**, as last amended by Laws of Utah 2020, Chapter 366

43 ENACTS:

44 **63N-3-601**, Utah Code Annotated 1953

45 **63N-3-602**, Utah Code Annotated 1953

46 **63N-3-603**, Utah Code Annotated 1953

47 **63N-3-604**, Utah Code Annotated 1953

48 **63N-3-605**, Utah Code Annotated 1953

49 **63N-3-606**, Utah Code Annotated 1953

50 **63N-3-607**, Utah Code Annotated 1953



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

53 Section 1. Section **63N-3-601** is enacted to read:

54 **Part 6. Housing and Transit Reinvestment Zone Act**

55 **63N-3-601. Title.**

56 This part is known as the "Housing and Transit Reinvestment Zone Act."

57 Section 2. Section **63N-3-602** is enacted to read:

58 **63N-3-602. Definitions.**

59 As used in this part:

60 (1) "Affordable housing" means the same as that term is defined in Section [11-38-102](#).

61 (2) "Agency" means the same as that term is defined in Section [17C-1-102](#).

62 (3) "Base taxable value" means a property's taxable value as shown upon the

63 assessment roll last equalized during the base year.

64 (4) "Base year" means, for a proposed housing and transit reinvestment zone area, a

65 year determined by the last equalized tax roll before the adoption of the housing and transit

66 reinvestment zone.

67 (5) (a) "Commuter rail" means a heavy-rail passenger rail transit facility operated by a

68 large public transit district.

69 (b) "Commuter rail" does not include a light-rail passenger rail facility of a large public

70 transit district.

71 (6) "Commuter rail station" means an existing or proposed station, stop, or terminal

72 along a commuter rail line.

73 (7) "Dwelling unit" means one or more rooms arranged for the use of one or more

74 individuals living together, as a single housekeeping unit normally having cooking, living,

75 sanitary, and sleeping facilities.

76 (8) "Enhanced development" means the construction of housing, mixed uses including

77 housing, commercial uses, and related facilities, at an average density of 50 dwelling units or

78 more per acre of the developable acres.

79 (9) "Enhanced development costs" means extra costs associated with structured

80 parking costs, vertical construction costs, horizontal construction costs, life safety costs,

81 structural costs, conveyor or elevator costs, and other costs incurred due to the increased height

82 of buildings or enhanced density.

83 (10) "Horizontal construction costs" means the additional costs associated with

84 earthwork, over excavation, utility work, transportation infrastructure, and landscaping to

85 achieve enhanced development in the housing and transit reinvestment zone.

86 (11) "Housing and transit reinvestment zone" means a housing and transit reinvestment

87 zone created pursuant to this part.

88 (12) "Housing and transit reinvestment zone committee" means a housing and transit

89 reinvestment committee created pursuant to Section [63N-3-605](#).

90 (13) "Large public transit district" means the same as that term is defined in Section  
91 17B-2a-802.

92 (14) "Metropolitan planning organization" means the same as that term is defined in  
93 Section 72-1-208.5.

94 (15) "Mixed use development" means development with a mix of multi-family  
95 residential use and at least one additional land use.

96 (16) "Municipality" means the same as that term is defined in Section 10-1-104.

97 (17) "Participant" means the same as that term is defined in Section 17C-1-102.

98 (18) "Participation agreement" means the same as that term is defined in Section  
99 17C-1-102.

100 (19) "Tax increment" means the difference between:

101 (a) the amount of property tax revenue generated each tax year by a taxing entity from  
102 the area within a housing and transit reinvestment zone designated in the housing and transit  
103 reinvestment zone plan as the area from which tax increment is to be collected, using the  
104 current assessed value and each taxing entity's current certified tax rate as defined in Section  
105 59-2-924; and

106 (b) the amount of property tax revenue that would be generated from that same area  
107 using the base taxable value and each taxing entity's current certified tax rate as defined in  
108 Section 59-2-924.

109 (20) "Taxing entity" means the same as that term is defined in Section 17C-1-102.

110 (21) "Vertical construction costs" means the additional costs associated with  
111 construction above four stories and structured parking to achieve enhanced development in the  
112 housing and transit reinvestment zone.

113 Section 3. Section **63N-3-603** is enacted to read:

114 **63N-3-603. Applicability, requirements, and limitations on a housing and transit**  
115 **reinvestment zone.**

116 (1) A housing and transit reinvestment zone proposal created under this part shall  
117 promote the following objectives:

118 (a) higher utilization of public transit;

119 (b) increasing availability of housing, including affordable housing;

120 (c) conservation of water resources through efficient land use;

- 121 (d) improving air quality by reducing fuel consumption and motor vehicle trips;  
122 (e) encouraging transformative mixed-use development and investment in  
123 transportation and public transit infrastructure in strategic areas;  
124 (f) strategic land use and municipal planning in major transit investment corridors as  
125 described in Section [10-9a-403](#); and  
126 (g) increasing access to employment and educational opportunities.  
127 (2) In order to accomplish the objectives described in Subsection (1), a municipality  
128 that initiates the process to create a housing and transit reinvestment zone as described in this  
129 part shall ensure that the proposed plan for a housing and transit reinvestment zone includes:  
130 (a) except as provided in Subsection (3), at least 10% of the proposed housing units  
131 within the housing and transit reinvestment zone are affordable housing units;  
132 (b) a dedication of at least 51% of the developable acreage within the housing and  
133 transit reinvestment zone to residential development with a minimum of 50 multi-family  
134 dwelling units per acre; and  
135 (c) mixed-use development.  
136 (3) A municipality that, at the time the housing and transit reinvestment zone plan is  
137 approved by the housing and transit reinvestment zone committee, meets the affordable  
138 housing guidelines of the United States Department of Housing and Urban Development at  
139 60% area median income is exempt from the requirement described in Subsection (2)(a).  
140 (4) A municipality may only propose a housing and transit reinvestment zone that:  
141 (a) creates a housing and transit reinvestment zone area that, subject to Subsection (5):  
142 (i) does not exceed a 1/3 mile radius of a commuter rail station; and  
143 (ii) has a total area of no more than 125 noncontiguous square acres;  
144 (b) subject to Section [63N-3-607](#), proposes the capture of a maximum of 80% of each  
145 taxing entity's tax increment above the base year for a term no more than 25 years within a 45  
146 year period; and  
147 (c) the commencement of collection of tax increment, for all or a portion of the  
148 housing and transit reinvestment zone, will be triggered by providing notice as described in  
149 Subsection [17C-1-416\(2\)\(a\)\(ii\)](#), within five years of the date of approval of the housing and  
150 transit reinvestment zone.  
151 (5) If a parcel is bisected by the 1/3 mile radius, the full parcel may be included as part

152 of the housing and transit reinvestment zone area and will not count against the limitations  
153 described in Subsection (4)(a).

154 Section 4. Section **63N-3-604** is enacted to read:

155 **63N-3-604. Process for a proposal of a housing and transit reinvestment zone --**  
156 **Analysis.**

157 (1) Subject to approval of the housing and transit reinvestment zone committee as  
158 described in Section [63N-3-605](#), in order to create a housing and transit reinvestment zone, a  
159 municipality that has general land use authority over the housing and transit reinvestment zone  
160 area, shall:

161 (a) prepare a proposal for the housing and transit reinvestment zone that:

162 (i) defines the specific transportation infrastructure need, if any, and proposed  
163 improvements;

164 (ii) defines the boundaries of the housing and transit reinvestment zone;

165 (iii) describes the proposed development plan, including the requirements described in  
166 Section [63N-3-603](#);

167 (iv) establishes a base year and collection period to calculate the tax increment within  
168 the housing and transit reinvestment zone; and

169 (v) describes projected revenues generated from each taxing entity and proposed  
170 expenditures of revenue derived from the housing and transit reinvestment zone; and

171 (b) submit the housing and transit reinvestment zone proposal to the Governor's Office  
172 of Economic Development.

173 (2) Before submitting the proposed housing and transit reinvestment zone to the  
174 Governor's Office of Economic Development as described in Subsection (1)(b), the  
175 municipality proposing the housing and transit reinvestment zone shall ensure that the area of  
176 the proposed housing and transit reinvestment zone is zoned in such a manner to accommodate  
177 the requirements of a housing and transit reinvestment zone described in this section and the  
178 proposed construction.

179 (3) (a) After receiving the proposal as described in Subsection (1)(b), the Governor's  
180 Office of Economic Development shall, at the expense of the proposing municipality, contract  
181 with an independent entity to perform the gap analysis described in Subsection (3)(b).

182 (b) The gap analysis required in Subsection (3)(a) shall include:

183 (i) a market analysis relative to other comparable project developments absent the  
184 proposed housing and transit reinvestment zone;  
185 (ii) an evaluation to determine the adequacy and efficiency of proposed:  
186 (A) lease and rental rates;  
187 (B) operation and maintenance expenditures;  
188 (C) project costs and required market rates of return;  
189 (D) financing requirements for debt and equity components;  
190 (E) capture levels of tax increment; and  
191 (F) time constraints on the duration of the housing and transit reinvestment zone; and  
192 (iii) based on the market analysis and other findings, an opinion relative to the amount  
193 of potential public financing necessary to achieve the overall financing requirements of the  
194 proposed housing and transit reinvestment zone.

195 (4) After receiving the results from the analysis described in Subsection (3)(b), the  
196 municipality proposing the housing and transit reinvestment zone may:

197 (a) amend the housing and transit reinvestment zone proposal based on the findings of  
198 the analysis described in Subsection (3)(b) and request that the Governor's Office of Economic  
199 Development submit the amended housing and transit reinvestment zone proposal to the  
200 housing and transit reinvestment zone committee; or

201 (b) request that the Governor's Office of Economic Development submit the original  
202 housing and transit reinvestment zone proposal to the housing and transit reinvestment zone  
203 committee.

204 Section 5. Section **63N-3-605** is enacted to read:

205 **63N-3-605. Housing and Transit Reinvestment Zone Committee -- Creation.**

206 (1) For any housing and transit reinvestment zone proposed under this part, there is  
207 created a housing and transit reinvestment zone committee with membership described in  
208 Subsection (2).

209 (2) Each housing and transit reinvestment zone committee shall consist of the  
210 following members:

211 (a) one representative from the Governor's Office of Economic Development,  
212 designated by the executive director of the Governor's Office of Economic Development;

213 (b) one representative from each city that is a party to the proposed housing and transit

214 reinvestment zone, designated by the chief executive officer of each respective city;  
215 (c) one representative from the Department of Transportation created in Section  
216 72-1-201, designated by the executive director of the Department of Transportation;  
217 (d) one representative from a large public transit district that serves the proposed  
218 housing and transit reinvestment zone area, designated by the chair of the board of trustees  
219 large public transit district;  
220 (e) one representative of each relevant metropolitan planning organization, designated  
221 by the chair of the metropolitan planning organization;  
222 (f) one member designated by the president of the Senate;  
223 (g) one member designated by the speaker of the House of Representatives;  
224 (h) one member designated by the chair of the State Board of Education;  
225 (i) one member designated by the chief executive officer of each county affected by the  
226 housing and transit reinvestment zone;  
227 (j) one representative designated by the school superintendent from the school district  
228 affected by the housing and transit reinvestment zone; and  
229 (k) one representative, representing the largest participating local taxing entity, after  
230 the city, county, and school district.  
231 (3) The individual designated by the Governor's Office of Economic as described in  
232 Subsection (2)(a) shall serve as chair of the housing and transit reinvestment zone committee.  
233 (4) (a) A majority of the members of the housing and transit reinvestment zone  
234 committee constitutes a quorum of the housing and transit reinvestment zone committee.  
235 (b) An action by a majority of a quorum of the housing and transit reinvestment zone  
236 committee is an action of the housing and transit reinvestment zone committee.  
237 (5) After the Governor's Office of Economic Development receives the results of the  
238 analysis described in Section 63N-3-604, and after the Governor's Office of Economic  
239 Development has received a request from the submitting municipality to submit the housing  
240 and transit reinvestment zone proposal to the housing and transit reinvestment zone committee,  
241 the Governor's Office of Economic Development shall notify each of the entities described in  
242 Subsection (2) of the formation of the housing and transit reinvestment zone committee.  
243 (6) (a) The chair of the housing and transit reinvestment zone committee shall convene  
244 a public meeting to consider the proposed housing and transit reinvestment zone.



245 (b) A meeting of the housing and transit reinvestment zone committee is subject to  
246 Title 52, Chapter 4, Open and Public Meetings Act.

247 (7) (a) The proposing municipality shall present the housing and transit reinvestment  
248 zone proposal to the housing and transit reinvestment zone committee in a public meeting.

249 (b) The housing and transit reinvestment zone committee shall:

250 (i) evaluate and verify whether the elements of a housing and transit reinvestment zone  
251 described in Subsections 63N-3-603(2) and (4) have been met; and

252 (ii) evaluate the proposed housing and transit reinvestment zone relative to the analysis  
253 described in Subsection 63N-3-604(2).

254 (8) The housing and transit reinvestment zone committee may:

255 (a) request changes to the housing and transit reinvestment zone proposal based on the  
256 analysis described in Section 63N-3-604; or

257 (b) vote to approve or deny the proposal.

258 (9) If approved by the committee:

259 (a) the proposed housing and transit reinvestment zone is established according to the  
260 terms of the housing and transit reinvestment proposal; and

261 (b) affected local taxing entities are required to participate according to the terms of the  
262 housing and transit reinvestment zone proposal.

263 Section 6. Section **63N-3-606** is enacted to read:

264 **63N-3-606. Notice requirements.**

265 (1) In approving a housing and transit reinvestment zone proposal the housing and  
266 transit reinvestment zone committee shall follow the hearing and notice requirements for  
267 creating a housing and transit reinvestment zone area plan and budget.

268 (2) Within 30 days after the housing and transit reinvestment zone committee approves  
269 a proposed housing and transit reinvestment zone, the municipality shall:

270 (a) record with the recorder of the county in which the housing and transit reinvestment  
271 zone is located a document containing:

272 (i) a description of the land within the housing and transit reinvestment zone;

273 (ii) a statement that the proposed housing and transit reinvestment zone has been  
274 approved; and

275 (iii) the date of adoption;

276 (b) transmit a copy of the description of the land within the housing and transit  
277 reinvestment zone and an accurate map or plat indicating the boundaries of the housing and  
278 transit reinvestment zone to the Automated Geographic Reference Center created under Section  
279 63F-1-506; and

280 (c) transmit a copy of the approved housing and transit reinvestment zone plan, map,  
281 and description of the land within the housing and transit reinvestment zone, to:

282 (i) the auditor, recorder, attorney, surveyor, and assessor of the county in which any  
283 part of the housing and transit reinvestment zone is located;

284 (ii) the officer or officers performing the function of auditor or assessor for each taxing  
285 entity that does not use the county assessment roll or collect the taxing entity's taxes through  
286 the county;

287 (iii) the legislative body or governing board of each taxing entity;

288 (iv) the State Tax Commission; and

289 (v) the State Board of Education.

290 Section 7. Section **63N-3-607** is enacted to read:

291 **63N-3-607. Payment, use, and administration of revenue from a housing and**  
292 **transit reinvestment zone.**

293 (1) A municipality may receive and use tax increment and housing and transit  
294 reinvestment zone funds in accordance with this part.

295 (2) (a) A county that collects property tax on property located within a housing and  
296 transit reinvestment zone shall, in accordance with Section 59-2-1365, distribute to the  
297 municipality any tax increment the municipality is authorized to receive.

298 (b) Tax increment distributed to a municipality in accordance with Subsection (2)(a) is  
299 not revenue of the taxing entity or municipality.

300 (c) Tax increment paid to the municipality are housing and transit reinvestment zone  
301 funds and shall be administered by an agency created by the municipality within which the  
302 housing and transit reinvestment zone is located.

303 (3) (a) A municipality and agency shall use housing and transit reinvestment zone  
304 funds within, or for the direct benefit of, the housing and transit reinvestment zone.

305 (b) If any housing and transit reinvestment zone funds will be used outside of the  
306 housing and transit reinvestment zone there must be a finding in the approved proposal for a

307 housing and transit reinvestment zone that the use of the housing and transit reinvestment zone  
308 funds outside of the housing and transit reinvestment zone will directly benefit the housing and  
309 transit reinvestment zone.

310 (4) A municipality shall use housing and transit reinvestment zone funds to achieve the  
311 purposes described in Subsections 63N-3-603(1) and (2), by paying all or part of the costs of  
312 any of the following:

313 (a) structured parking within the housing and transit reinvestment zone;

314 (b) increased building and infrastructure costs caused by densification;

315 (c) horizontal construction costs;

316 (d) vertical construction costs;

317 (e) income targeted housing costs; or

318 (f) the costs of the municipality to create and administer the housing and transit  
319 reinvestment zone, which may not exceed 1% of the total housing and transit reinvestment  
320 zone funds.

321 (5) Housing and transit reinvestment zone funds may be paid to a participant, if the  
322 housing and transit reinvestment zone and participant enter into a participation agreement  
323 which requires the participant to utilize the housing and transit reinvestment zone funds as  
324 allowed in this section.

325 (6) Housing and transit reinvestment zone funds may be used to pay all of the costs of  
326 bonds issued by the municipality in accordance with Title 17C, Chapter 1, Part 5, Agency  
327 Bonds, including the cost to issue and repay the bonds including interest.

328 (7) A municipality may create one or more public infrastructure districts within the  
329 housing and transit reinvestment zone under Title 17B, Chapter 2a, Part 12, Public  
330 Infrastructure District Act, and pledge and utilize the housing and transit reinvestment zone  
331 funds to guarantee the payment of public infrastructure bonds issued by a public infrastructure  
332 district.

333 Section 8. Section **72-1-102** is amended to read:

334 **72-1-102. Definitions.**

335 As used in this title:

336 (1) "Circulator alley" means a publicly owned passageway:

337 (a) with a right-of-way width of 20 feet or greater;

338 (b) located within a master planned community;  
 339 (c) established by the city having jurisdictional authority as part of the street network  
 340 for traffic circulation that may also be used for:

- 341 (i) garbage collection;
- 342 (ii) access to residential garages; or
- 343 (iii) access rear entrances to a commercial establishment; and
- 344 (d) constructed with a bituminous or concrete pavement surface.

345 (2) "Commission" means the Transportation Commission created under Section  
 346 [72-1-301](#).

347 (3) "Construction" means the construction, reconstruction, replacement, and  
 348 improvement of the highways, including the acquisition of rights-of-way and material sites.

349 (4) "Department" means the Department of Transportation created in Section [72-1-201](#).

350 (5) "Executive director" means the executive director of the department appointed  
 351 under Section [72-1-202](#).

352 (6) "Farm tractor" has the meaning set forth in Section [41-1a-102](#).

353 (7) "Federal aid primary highway" means that portion of connected main highways  
 354 located within this state officially designated by the department and approved by the United  
 355 States Secretary of Transportation under Title 23, Highways, U.S.C.

356 (8) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel,  
 357 culvert, bridge, or structure laid out or erected for public use, or dedicated or abandoned to the  
 358 public, or made public in an action for the partition of real property, including the entire area  
 359 within the right-of-way.

360 (9) "Highway authority" means the department or the legislative, executive, or  
 361 governing body of a county or municipality.

362 (10) "Housing and transit reinvestment zone" means the same as that term is defined in  
 363 Section [63N-3-602](#).

364 ~~[(10)]~~ (11) "Implement of husbandry" has the meaning set forth in Section [41-1a-102](#).

365 ~~[(11)]~~ (12) "Interstate system" means any highway officially designated by the  
 366 department and included as part of the national interstate and defense highways, as provided in  
 367 the Federal Aid Highway Act of 1956 and any supplemental acts or amendments.

368 ~~[(12)]~~ (13) "Limited-access facility" means a highway especially designated for

369 through traffic, and over, from, or to which neither owners nor occupants of abutting lands nor  
370 other persons have any right or easement, or have only a limited right or easement of access,  
371 light, air, or view.

372 ~~[(13)]~~ (14) "Master planned community" means a land use development:

373 (a) designated by the city as a master planned community; and

374 (b) comprised of a single development agreement for a development larger than 500  
375 acres.

376 ~~[(14)]~~ (15) "Motor vehicle" has the same meaning set forth in Section [41-1a-102](#).

377 ~~[(15)]~~ (16) "Municipality" has the same meaning set forth in Section [10-1-104](#).

378 ~~[(16)]~~ (17) "National highway systems highways" means that portion of connected  
379 main highways located within this state officially designated by the department and approved  
380 by the United States Secretary of Transportation under Title 23, Highways, U.S.C.

381 ~~[(17)]~~ (18) (a) "Port-of-entry" means a fixed or temporary facility constructed,  
382 operated, and maintained by the department where drivers, vehicles, and vehicle loads are  
383 checked or inspected for compliance with state and federal laws as specified in Section  
384 [72-9-501](#).

385 (b) "Port-of-entry" includes inspection and checking stations and weigh stations.

386 ~~[(18)]~~ (19) "Port-of-entry agent" means a person employed at a port-of-entry to perform  
387 the duties specified in Section [72-9-501](#).

388 ~~[(19)]~~ (20) "Public transit" means the same as that term is defined in Section  
389 [17B-2a-802](#).

390 ~~[(20)]~~ (21) "Public transit facility" means a transit vehicle, transit station, depot,  
391 passenger loading or unloading zone, parking lot, or other facility:

392 (a) leased by or operated by or on behalf of a public transit district; and

393 (b) related to the public transit services provided by the district, including:

394 (i) railway or other right-of-way;

395 (ii) railway line; and

396 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled by  
397 a transit vehicle.

398 ~~[(21)]~~ (22) "Right-of-way" means real property or an interest in real property, usually  
399 in a strip, acquired for or devoted to a highway.

400 ~~[(22)]~~ (23) "Sealed" does not preclude acceptance of electronically sealed and  
401 submitted bids or proposals in addition to bids or proposals manually sealed and submitted.

402 ~~[(23)]~~ (24) "Semitrailer" has the meaning set forth in Section 41-1a-102.

403 ~~[(24)]~~ (25) "SR" means state route and has the same meaning as state highway as  
404 defined in this section.

405 ~~[(25)]~~ (26) "State highway" means those highways designated as state highways in  
406 Title 72, Chapter 4, Designation of State Highways Act.

407 ~~[(26)]~~ (27) "State transportation purposes" has the meaning set forth in Section  
408 72-5-102.

409 ~~[(27)]~~ (28) "State transportation systems" means all streets, alleys, roads, highways,  
410 pathways, and thoroughfares of any kind, including connected structures, airports, aerial  
411 corridor infrastructure, spaceports, public transit facilities, and all other modes and forms of  
412 conveyance used by the public.

413 ~~[(28)]~~ (29) "Trailer" has the meaning set forth in Section 41-1a-102.

414 (30) "Transportation reinvestment zone" means a transportation reinvestment zone  
415 created pursuant to Section 11-13-227.

416 ~~[(29)]~~ (31) "Truck tractor" has the meaning set forth in Section 41-1a-102.

417 ~~[(30)]~~ (32) "UDOT" means the Utah Department of Transportation.

418 ~~[(31)]~~ (33) "Vehicle" has the same meaning set forth in Section 41-1a-102.

419 Section 9. Section 72-1-304 is amended to read:

420 **72-1-304. Written project prioritization process for new transportation capacity**  
421 **projects -- Rulemaking.**

422 (1) (a) The Transportation Commission, in consultation with the department and the  
423 metropolitan planning organizations as defined in Section 72-1-208.5, shall develop a written  
424 prioritization process for the prioritization of:

425 (i) new transportation capacity projects that are or will be part of the state highway  
426 system under Chapter 4, Part 1, State Highways;

427 (ii) paved pedestrian or paved nonmotorized transportation projects that:

428 (A) mitigate traffic congestion on the state highway system; and

429 (B) are part of an active transportation plan approved by the department;

430 (iii) public transit projects that add capacity to the public transit systems within the

431 state; and

432 (iv) pedestrian or nonmotorized transportation projects that provide connection to a  
433 public transit system.

434 (b) (i) A local government or district may nominate a project for prioritization in  
435 accordance with the process established by the commission in rule.

436 (ii) If a local government or district nominates a project for prioritization by the  
437 commission, the local government or district shall provide data and evidence to show that:

438 (A) the project will advance the purposes and goals described in Section 72-1-211;

439 (B) for a public transit project, the local government or district has an ongoing funding  
440 source for operations and maintenance of the proposed development; and

441 (C) the local government or district will provide 40% of the costs for the project as  
442 required by Subsection 72-2-124(4)(a)(viii) or 72-2-124(9)(e).

443 (2) The following shall be included in the written prioritization process under  
444 Subsection (1):

445 (a) a description of how the strategic initiatives of the department adopted under  
446 Section 72-1-211 are advanced by the written prioritization process;

447 (b) a definition of the type of projects to which the written prioritization process  
448 applies;

449 (c) specification of a weighted criteria system that is used to rank proposed projects  
450 and how it will be used to determine which projects will be prioritized;

451 (d) specification of the data that is necessary to apply the weighted ranking criteria; and

452 (e) any other provisions the commission considers appropriate, which may include  
453 consideration of:

454 (i) regional and statewide economic development impacts, including improved local  
455 access to:

456 (A) employment;

457 (B) educational facilities;

458 (C) recreation;

459 (D) commerce; and

460 (E) residential areas, including moderate income housing as demonstrated in the local  
461 government's or district's general plan pursuant to Section 10-9a-403 or 17-27a-403;

462 (ii) the extent to which local land use plans relevant to a project support and  
463 accomplish the strategic initiatives adopted under Section 72-1-211; and

464 (iii) any matching funds provided by a political subdivision or public transit district in  
465 addition to the 40% required by Subsections 72-2-124(4)(a)(viii) and 72-2-124(9)(e).

466 (3) (a) When prioritizing a public transit project that increases capacity, the  
467 commission:

468 (i) may give priority consideration to projects that are part of a transit-oriented  
469 development or transit-supportive development as defined in Section 17B-2a-802[-]; and

470 (ii) shall give priority consideration to projects that are part of a housing and transit  
471 reinvestment zone created pursuant to Title 63N, Chapter 3, Part 6, Housing and Transit  
472 Reinvestment Zone Act.

473 (b) When prioritizing a [~~public transit or~~] transportation project that increases capacity,  
474 the commission may give priority consideration to projects that are:

475 (i) part of a transportation reinvestment zone created under Section 11-13-227 if:

476 [(+)] (A) the state is a participant in the transportation reinvestment zone; or

477 [(+)] (B) the commission finds that the transportation reinvestment zone provides a  
478 benefit to the state transportation system[-]; or

479 (ii) part of a housing and transit reinvestment zone created pursuant to Title 63N,  
480 Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act.

481 (4) In developing the written prioritization process, the commission:

482 (a) shall seek and consider public comment by holding public meetings at locations  
483 throughout the state; and

484 (b) may not consider local matching dollars as provided under Section 72-2-123 unless  
485 the state provides an equal opportunity to raise local matching dollars for state highway  
486 improvements within each county.

487 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
488 Transportation Commission, in consultation with the department, shall make rules establishing  
489 the written prioritization process under Subsection (1).

490 (6) The commission shall submit the proposed rules under this section to a committee  
491 or task force designated by the Legislative Management Committee for review prior to taking  
492 final action on the proposed rules or any proposed amendment to the rules described in



493 Subsection (5).

494 Section 10. Section **72-2-201** is amended to read:

495 **72-2-201. Definitions.**

496 As used in this part:

497 (1) "Fund" means the State Infrastructure Bank Fund created under Section [72-2-202](#).

498 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure  
499 loan, to provide financial assistance for transportation projects, including:

500 (a) capital reserves and other security for bond or debt instrument financing; or

501 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by  
502 a public entity to finance transportation projects.

503 (3) "Infrastructure loan" means a loan of fund money to finance a transportation  
504 project.

505 (4) "Public entity" means a state agency, county, municipality, local district, special  
506 service district, an intergovernmental entity organized under state law, or the military  
507 installation development authority created in Section [63H-1-201](#).

508 (5) "Transportation project":

509 (a) means a project:

510 (i) to improve a state or local highway;

511 (ii) to improve a public transportation facility or nonmotorized transportation facility;

512 (iii) to construct or improve parking facilities; [~~or~~]

513 (iv) that is subject to a transportation reinvestment zone agreement pursuant to Section  
514 [11-13-227](#) if the state is party to the agreement; or

515 (v) that is part of a housing and transit reinvestment zone created pursuant to Title  
516 63N, Chapter 3, Part 6, Housing and Transit Reinvestment Zone Act;

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

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

520 (i) the statewide long range plan;

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

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