

BOND AUTHORIZATION AMENDMENTS

2021 FIRST SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Mike Schultz

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill modifies provisions related to funding for certain transit projects.

Highlighted Provisions:

This bill:

▶ changes the funding source for the following transit projects:

- double tracking strategic sections of the FrontRunner commuter rail system;
 - construction and improvements to the S-line streetcar facilities in Salt Lake City;
 - bus rapid transit in the Salt Lake midvalley area;
 - an environmental study at the point of the mountain area; and
 - a Utah Transit Authority and Sharp-Tintic railroad consolidation project; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

63B-31-101, as enacted by Laws of Utah 2021, Chapter 387

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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

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

32 **63B-31-101. General obligation bonds -- Maximum amount -- Use of proceeds for**
33 **projects.**

34 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
35 under this section may not exceed \$264,000,000 for acquisition and construction proceeds, plus
36 additional amounts as provided in Subsection (1)(b).

37 (b) When the Department of Transportation certifies to the commission the amount of
38 bond proceeds needed to provide funding for the projects described in this section, the
39 commission may issue and sell general obligation bonds in an amount equal to the certified
40 amount, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest,
41 and to fund any existing debt service reserve requirements, not to exceed 1% of the certified
42 amount.

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

47 (2) Proceeds from the bonds issued under this section shall be provided to the
48 Department of Transportation to pay for, or to provide funds in accordance with this section to
49 pay for, the costs of right-of-way acquisition, construction, reconstruction, renovations, or
50 improvements with respect to projects described in this section.

51 (3) It is the intent of the Legislature that as transportation projects are prioritized under
52 Section [72-2-124](#), the Transportation Commission give consideration to projects beyond the
53 normal programming horizon.

54 (4) (a) Two hundred thirty-two million dollars of the proceeds of bonds issued under
55 this section shall be used to [~~pay for the following transit projects~~] double track strategic
56 sections of the FrontRunner commuter rail system, to be repaid from the Transit Transportation
57 Investment Fund under Subsection [72-2-124\(9\)](#)[:].

58 ~~[(i) subject to Subsection (4)(b), \$200,000,000 to double track strategic sections of the~~
59 ~~FrontRunner commuter rail system;]~~

60 ~~[(ii) \$12,000,000 to pay for construction and improvements to the S-line streetcar~~
61 ~~facilities in Salt Lake City;]~~

62 ~~[(iii) \$11,000,000 for bus rapid transit in the Salt Lake midvalley area;]~~

63 ~~[(iv) \$5,000,000 for an environmental study at the point of the mountain area; and]~~

64 ~~[(v) \$4,000,000 for a Utah Transit Authority and Sharp-Tintic railroad consolidation~~
65 ~~project.]~~

66 (b) The issuance of the [~~\$200,000,000 of~~] bonds for the purpose described in
67 Subsection (4)(a)[~~(i)~~] is contingent upon the establishment of an agreement between the
68 Department of Transportation and the Utah Transit Authority whereby the Utah Transit
69 Authority agrees to pay \$5,000,000 per year for 15 years toward repayment of the bonds.

70 (5) (a) Twenty-nine million dollars of the proceeds of bonds issued under this section
71 shall be provided to the Department of Transportation to pass through to Brigham City to be
72 used for a Forest Street rail bridge project in Brigham City.

73 (b) Payments shall be made from the Rail Transportation Restricted Account created in
74 Section 72-2-131, from the amount designated under Subsection 72-2-131(4)(c), in the amount
75 per year of the principal and interest payments due under the bonds issued under Subsection
76 (5)(a) until those bonds have been repaid in full.

77 (6) (a) Three million dollars of the proceeds of bonds issued under this section shall be
78 provided to the Department of Transportation to pass through to the city of North Salt Lake for
79 an environmental study for a grade separation at 1100 North in North Salt Lake.

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

84 (7) The costs under Subsection (2) may include the costs of studies necessary to make
85 transportation infrastructure improvements, the costs of acquiring land, interests in land, and

86 easements and rights-of-way, the costs of improving sites and making all improvements
87 necessary, incidental, or convenient to the facilities, and the costs of interest estimated to
88 accrue on these bonds during the period to be covered by construction of the projects plus a
89 period of six months after the end of the construction period, interest estimated to accrue on
90 any bond anticipation notes issued under the authority of this title, and all related engineering,
91 architectural, and legal fees.

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

94 (9) The Department of Transportation may enter into agreements related to the projects
95 described in Subsection (4) before the receipt of proceeds of bonds issued under this section.

96 Section 2. **Intent language.**

97 Notwithstanding intent language in H.B. 433, 2021 General Session, Item 2, the
98 Legislature intends that the Department of Transportation use money appropriated in that item
99 as follows: \$68,000,000 to double track strategic sections of the FrontRunner commuter rail
100 system; \$12,000,000 for construction and improvements to the S-line streetcar facilities in Salt
101 Lake City; \$11,000,000 for bus rapid transit in the Salt Lake midvalley area; \$5,000,000 for an
102 environmental study at the point of the mountain area; \$4,000,000 for a Utah Transit Authority
103 and Sharp-Tintic railroad consolidation project; and \$1,600,000 for a rail station in the city of
104 Vineyard.

105 Section 3. **Effective date.**

106 If approved by two-thirds of all the members elected to each house, this bill takes effect
107 upon approval by the governor, or the day following the constitutional time limit of Utah
108 Constitution, Article VII, Section 8, without the governor's signature, or in the case of a veto,
109 the date of veto override.