

1                                   **TRANSPORTATION FUNDING REQUIREMENTS**

2   2023 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Kirk A. Cullimore**

5                                   House Sponsor: Val L. Peterson

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7 **LONG TITLE**

8 **General Description:**

9                   This bill amends provisions related to allowed uses for a certain local option sales and  
10 use tax for transportation.

11 **Highlighted Provisions:**

12                   This bill:

- 13                   ▶ defines terms;
- 14                   ▶ amends provisions related to the allowed uses for a certain local option sales and  
15 use taxes;
- 16                   ▶ allows a certain portion of a local option sales and use tax within a county of the  
17 first class to be used to fund or provide loans for public transit projects in a county  
18 of the first class;
- 19                   ▶ amends the distribution for a certain local option sales and use tax;
- 20                   ▶ specifies the allowed uses and conditions for a county, city, or town to expend the  
21 sales and use tax revenue based on allocations;
- 22                   ▶ provides requirements for a county to meet if the county elects to change  
23 distribution allocations;
- 24                   ▶ requires a city to comply with the moderate income housing plan requirements to  
25 receive a sales and use tax distribution;
- 26                   ▶ eliminates the deadline for a county to impose the local option sales and use tax;
- 27 and
- 28                   ▶ makes technical changes.

29 **Money Appropriated in this Bill:**

30 None

31 **Other Special Clauses:**

32 None

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **10-9a-408**, as last amended by Laws of Utah 2022, Chapter 406

36 **17-27a-408**, as last amended by Laws of Utah 2022, Chapter 406

37 **59-12-2202**, as last amended by Laws of Utah 2019, Chapter 479

38 **59-12-2219**, as last amended by Laws of Utah 2019, Chapter 479

39 **59-12-2220**, as last amended by Laws of Utah 2022, Chapter 259

40 **72-2-121**, as last amended by Laws of Utah 2022, Chapter 259

41 **72-2-124**, as last amended by Laws of Utah 2022, Chapters 69, 259 and 406



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

44 Section 1. Section **10-9a-408** is amended to read:

45 **10-9a-408. Moderate income housing report -- Contents -- Prioritization for**  
46 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

47 (1) As used in this section:

48 (a) "Division" means the Housing and Community Development Division within the  
49 Department of Workforce Services.

50 (b) "Implementation plan" means the implementation plan adopted as part of the  
51 moderate income housing element of a specified municipality's general plan as provided in  
52 Subsection **10-9a-403**(2)(c).

53 (c) "Moderate income housing report" or "report" means the report described in  
54 Subsection (2)(a).

55 (d) "Moderate income housing strategy" means a strategy described in Subsection  
56 **10-9a-403**(2)(b)(iii).

57 (e) "Specified municipality" means:

- 58 (i) a city of the first, second, third, or fourth class;
- 59 (ii) a city of the fifth class with a population of 5,000 or more, if the city is located
- 60 within a county of the first, second, or third class; or
- 61 (iii) a metro township with a population of 5,000 or more.
- 62 (2) (a) Beginning in 2022, on or before October 1 of each calendar year, the legislative
- 63 body of a specified municipality shall annually submit a written moderate income housing
- 64 report to the division.
- 65 (b) The moderate income housing report submitted in 2022 shall include:
- 66 (i) a description of each moderate income housing strategy selected by the specified
- 67 municipality for implementation; and
- 68 (ii) an implementation plan.
- 69 (c) The moderate income housing report submitted in each calendar year after 2022
- 70 shall include:
- 71 (i) the information required under Subsection (2)(b);
- 72 (ii) a description of each action, whether one-time or ongoing, taken by the specified
- 73 municipality during the previous fiscal year to implement the moderate income housing
- 74 strategies selected by the specified municipality for implementation;
- 75 (iii) a description of each land use regulation or land use decision made by the
- 76 specified municipality during the previous fiscal year to implement the moderate income
- 77 housing strategies, including an explanation of how the land use regulation or land use decision
- 78 supports the specified municipality's efforts to implement the moderate income housing
- 79 strategies;
- 80 (iv) a description of any barriers encountered by the specified municipality in the
- 81 previous fiscal year in implementing the moderate income housing strategies;
- 82 (v) information regarding the number of internal and external or detached accessory
- 83 dwelling units located within the specified municipality for which the specified municipality:
- 84 (A) issued a building permit to construct; or
- 85 (B) issued a business license to rent;

86 (vi) a description of how the market has responded to the selected moderate income  
87 housing strategies, including the number of entitled moderate income housing units or other  
88 relevant data; and

89 (vii) any recommendations on how the state can support the specified municipality in  
90 implementing the moderate income housing strategies.

91 (d) The moderate income housing report shall be in a form:

92 (i) approved by the division; and

93 (ii) made available by the division on or before July 1 of the year in which the report is  
94 required.

95 (3) Within 90 days after the day on which the division receives a specified  
96 municipality's moderate income housing report, the division shall:

97 (a) post the report on the division's website;

98 (b) send a copy of the report to the Department of Transportation, the Governor's  
99 Office of Planning and Budget, the association of governments in which the specified  
100 municipality is located, and, if the specified municipality is located within the boundaries of a  
101 metropolitan planning organization, the appropriate metropolitan planning organization; and

102 (c) subject to Subsection (4), review the report to determine compliance with  
103 Subsection (2).

104 (4) (a) The report described in Subsection (2)(b) complies with Subsection (2) if the  
105 report:

106 (i) includes the information required under Subsection (2)(b);

107 (ii) demonstrates to the division that the specified municipality made plans to  
108 implement:

109 (A) three or more moderate income housing strategies if the specified municipality  
110 does not have a fixed guideway public transit station; or

111 (B) subject to Subsection 10-9a-403(2)(b)(iv), five or more moderate income housing  
112 strategies if the specified municipality has a fixed guideway public transit station; and

113 (iii) is in a form approved by the division.

114 (b) The report described in Subsection (2)(c) complies with Subsection (2) if the  
115 report:

116 (i) includes the information required under Subsection (2)(c);

117 (ii) demonstrates to the division that the specified municipality made plans to  
118 implement:

119 (A) three or more moderate income housing strategies if the specified municipality  
120 does not have a fixed guideway public transit station; or

121 (B) four or more moderate income housing strategies if the specified municipality has a  
122 fixed guideway public transit station;

123 (iii) is in a form approved by the division; and

124 (iv) provides sufficient information for the division to:

125 (A) assess the specified municipality's progress in implementing the moderate income  
126 housing strategies;

127 (B) monitor compliance with the specified municipality's implementation plan;

128 (C) identify a clear correlation between the specified municipality's land use  
129 regulations and land use decisions and the specified municipality's efforts to implement the  
130 moderate income housing strategies; and

131 (D) identify how the market has responded to the specified municipality's selected  
132 moderate income housing strategies.

133 (5) (a) A specified municipality qualifies for priority consideration under this  
134 Subsection (5) if the specified municipality's moderate income housing report:

135 (i) complies with Subsection (2); and

136 (ii) demonstrates to the division that the specified municipality made plans to  
137 implement:

138 (A) five or more moderate income housing strategies if the specified municipality does  
139 not have a fixed guideway public transit station; or

140 (B) six or more moderate income housing strategies if the specified municipality has a  
141 fixed guideway public transit station.

142 (b) The following apply to a specified municipality described in Subsection (5)(a)  
143 during the fiscal year immediately following the fiscal year in which the report is required:

144 (i) the Transportation Commission may give priority consideration to transportation  
145 projects located within the boundaries of the specified municipality in accordance with  
146 Subsection 72-1-304(3)(c); and

147 (ii) the Governor's Office of Planning and Budget may give priority consideration for  
148 awarding financial grants to the specified municipality under the COVID-19 Local Assistance  
149 Matching Grant Program in accordance with Subsection 63J-4-802(6).

150 (c) Upon determining that a specified municipality qualifies for priority consideration  
151 under this Subsection (5), the division shall send a notice of prioritization to the legislative  
152 body of the specified municipality, the Department of Transportation, and the Governor's  
153 Office of Planning and Budget.

154 (d) The notice described in Subsection (5)(c) shall:

155 (i) name the specified municipality that qualifies for priority consideration;

156 (ii) describe the funds or projects for which the specified municipality qualifies to  
157 receive priority consideration;

158 (iii) specify the fiscal year during which the specified municipality qualifies for priority  
159 consideration; and

160 (iv) state the basis for the division's determination that the specified municipality  
161 qualifies for priority consideration.

162 (6) (a) If the division, after reviewing a specified municipality's moderate income  
163 housing report, determines that the report does not comply with Subsection (2), the division  
164 shall send a notice of noncompliance to the legislative body of the specified municipality.

165 (b) The notice described in Subsection (6)(a) shall:

166 (i) describe each deficiency in the report and the actions needed to cure each  
167 deficiency;

168 (ii) state that the specified municipality has an opportunity to cure the deficiencies  
169 within 90 days after the day on which the notice is sent; and

170 (iii) state that failure to cure the deficiencies within 90 days after the day on which the  
171 notice is sent will result in ineligibility for funds under Subsection (7).

172 (7) (a) A specified municipality is ineligible for funds under this Subsection (7) if the  
173 specified municipality:

174 (i) fails to submit a moderate income housing report to the division; or

175 (ii) fails to cure the deficiencies in the specified municipality's moderate income  
176 housing report within 90 days after the day on which the division sent to the specified  
177 municipality a notice of noncompliance under Subsection (6).

178 (b) The following apply to a specified municipality described in Subsection (7)(a)  
179 during the fiscal year immediately following the fiscal year in which the report is required:

180 (i) the executive director of the Department of Transportation may not program funds  
181 from the Transportation Investment Fund of 2005, including the Transit Transportation  
182 Investment Fund, to projects located within the boundaries of the specified municipality in  
183 accordance with Subsection 72-2-124(5); and

184 (ii) the Governor's Office of Planning and Budget may not award financial grants to the  
185 specified municipality under the COVID-19 Local Assistance Matching Grant Program in  
186 accordance with Subsection 63J-4-802(7).

187 (c) Upon determining that a specified municipality is ineligible for funds under this  
188 Subsection (7), the division shall send a notice of ineligibility to the legislative body of the  
189 specified municipality, the Department of Transportation, the State Tax Commission, and the  
190 Governor's Office of Planning and Budget.

191 (d) The notice described in Subsection (7)(c) shall:

192 (i) name the specified municipality that is ineligible for funds;

193 (ii) describe the funds for which the specified municipality is ineligible to receive;

194 (iii) specify the fiscal year during which the specified municipality is ineligible for  
195 funds; and

196 (iv) state the basis for the division's determination that the specified municipality is  
197 ineligible for funds.

198 (8) In a civil action seeking enforcement or claiming a violation of this section or of  
199 Subsection 10-9a-404(4)(c), a plaintiff may not recover damages but may be awarded only  
200 injunctive or other equitable relief.

201 Section 2. Section 17-27a-408 is amended to read:

202 **17-27a-408. Moderate income housing report -- Contents -- Prioritization for**  
203 **funds or projects -- Ineligibility for funds after noncompliance -- Civil actions.**

204 (1) As used in this section:

205 (a) "Division" means the Housing and Community Development Division within the  
206 Department of Workforce Services.

207 (b) "Implementation plan" means the implementation plan adopted as part of the  
208 moderate income housing element of a specified county's general plan as provided in  
209 Subsection 10-9a-403(2)(c).

210 (c) "Moderate income housing report" or "report" means the report described in  
211 Subsection (2)(a).

212 (d) "Moderate income housing strategy" means a strategy described in Subsection  
213 17-27a-403(2)(b)(ii).

214 (e) "Specified county" means a county of the first, second, or third class, which has a  
215 population of more than 5,000 in the county's unincorporated areas.

216 (2) (a) Beginning in 2022, on or before October 1 of each calendar year, the legislative  
217 body of a specified county shall annually submit a written moderate income housing report to  
218 the division.

219 (b) The moderate income housing report submitted in 2022 shall include:

220 (i) a description of each moderate income housing strategy selected by the specified  
221 county for implementation; and

222 (ii) an implementation plan.

223 (c) The moderate income housing report submitted in each calendar year after 2022  
224 shall include:

225 (i) the information required under Subsection (2)(b);



226 (ii) a description of each action, whether one-time or ongoing, taken by the specified  
227 county during the previous fiscal year to implement the moderate income housing strategies  
228 selected by the specified county for implementation;

229 (iii) a description of each land use regulation or land use decision made by the  
230 specified county during the previous fiscal year to implement the moderate income housing  
231 strategies, including an explanation of how the land use regulation or land use decision  
232 supports the specified county's efforts to implement the moderate income housing strategies;

233 (iv) a description of any barriers encountered by the specified county in the previous  
234 fiscal year in implementing the moderate income housing strategies; and

235 (v) information regarding the number of internal and external or detached accessory  
236 dwelling units located within the specified county for which the specified county:

237 (A) issued a building permit to construct; or

238 (B) issued a business license to rent;

239 (vi) a description of how the market has responded to the selected moderate income  
240 housing strategies, including the number of entitled moderate income housing units or other  
241 relevant data; and

242 (vii) any recommendations on how the state can support the specified county in  
243 implementing the moderate income housing strategies.

244 (d) The moderate income housing report shall be in a form:

245 (i) approved by the division; and

246 (ii) made available by the division on or before July 1 of the year in which the report is  
247 required.

248 (3) Within 90 days after the day on which the division receives a specified county's  
249 moderate income housing report, the division shall:

250 (a) post the report on the division's website;

251 (b) send a copy of the report to the Department of Transportation, the Governor's  
252 Office of Planning and Budget, the association of governments in which the specified county is  
253 located, and, if the unincorporated area of the specified county is located within the boundaries

254 of a metropolitan planning organization, the appropriate metropolitan planning organization;  
255 and

256 (c) subject to Subsection (4), review the report to determine compliance with  
257 Subsection (2).

258 (4) (a) The report described in Subsection (2)(b) complies with Subsection (2) if the  
259 report:

260 (i) includes the information required under Subsection (2)(b);

261 (ii) demonstrates to the division that the specified county made plans to implement  
262 three or more moderate income housing strategies; and

263 (iii) is in a form approved by the division.

264 (b) The report described in Subsection (2)(c) complies with Subsection (2) if the  
265 report:

266 (i) includes the information required under Subsection (2)(c);

267 (ii) demonstrates to the division that the specified county made plans to implement  
268 three or more moderate income housing strategies;

269 (iii) is in a form approved by the division; and

270 (iv) provides sufficient information for the division to:

271 (A) assess the specified county's progress in implementing the moderate income  
272 housing strategies;

273 (B) monitor compliance with the specified county's implementation plan;

274 (C) identify a clear correlation between the specified county's land use decisions and  
275 efforts to implement the moderate income housing strategies; and

276 (D) identify how the market has responded to the specified county's selected moderate  
277 income housing strategies.

278 (5) (a) A specified county qualifies for priority consideration under this Subsection (5)  
279 if the specified county's moderate income housing report:

280 (i) complies with Subsection (2); and

281 (ii) demonstrates to the division that the specified county made plans to implement five

282 or more moderate income housing strategies.

283 (b) The following apply to a specified county described in Subsection (5)(a) during the  
284 fiscal year immediately following the fiscal year in which the report is required:

285 (i) the Transportation Commission may give priority consideration to transportation  
286 projects located within the unincorporated areas of the specified county in accordance with  
287 Subsection 72-1-304(3)(c); and

288 (ii) the Governor's Office of Planning and Budget may give priority consideration for  
289 awarding financial grants to the specified county under the COVID-19 Local Assistance  
290 Matching Grant Program in accordance with Subsection 63J-4-802(6).

291 (c) Upon determining that a specified county qualifies for priority consideration under  
292 this Subsection (5), the division shall send a notice of prioritization to the legislative body of  
293 the specified county, the Department of Transportation, and the Governor's Office of Planning  
294 and Budget.

295 (d) The notice described in Subsection (5)(c) shall:

296 (i) name the specified county that qualifies for priority consideration;

297 (ii) describe the funds or projects for which the specified county qualifies to receive  
298 priority consideration;

299 (iii) specify the fiscal year during which the specified county qualifies for priority  
300 consideration; and

301 (iv) state the basis for the division's determination that the specified county qualifies  
302 for priority consideration.

303 (6) (a) If the division, after reviewing a specified county's moderate income housing  
304 report, determines that the report does not comply with Subsection (2), the division shall send a  
305 notice of noncompliance to the legislative body of the specified county.

306 (b) The notice described in Subsection (6)(a) shall:

307 (i) describe each deficiency in the report and the actions needed to cure each  
308 deficiency;

309 (ii) state that the specified county has an opportunity to cure the deficiencies within 90

310 days after the day on which the notice is sent; and

311 (iii) state that failure to cure the deficiencies within 90 days after the day on which the  
312 notice is sent will result in ineligibility for funds under Subsection (7).

313 (7) (a) A specified county is ineligible for funds under this Subsection (7) if the  
314 specified county:

315 (i) fails to submit a moderate income housing report to the division; or

316 (ii) fails to cure the deficiencies in the specified county's moderate income housing  
317 report within 90 days after the day on which the division sent to the specified county a notice of  
318 noncompliance under Subsection (6).

319 (b) The following apply to a specified county described in Subsection (7)(a) during the  
320 fiscal year immediately following the fiscal year in which the report is required:

321 (i) the executive director of the Department of Transportation may not program funds  
322 from the Transportation Investment Fund of 2005, including the Transit Transportation  
323 Investment Fund, to projects located within the unincorporated areas of the specified county in  
324 accordance with Subsection 72-2-124(6); and

325 (ii) the Governor's Office of Planning and Budget may not award financial grants to the  
326 specified county under the COVID-19 Local Assistance Matching Grant Program in  
327 accordance with Subsection 63J-4-802(7).

328 (c) Upon determining that a specified county is ineligible for funds under this  
329 Subsection (7), the division shall send a notice of ineligibility to the legislative body of the  
330 specified county, the Department of Transportation, the State Tax Commission, and the  
331 Governor's Office of Planning and Budget.

332 (d) The notice described in Subsection (7)(c) shall:

333 (i) name the specified county that is ineligible for funds;

334 (ii) describe the funds for which the specified county is ineligible to receive;

335 (iii) specify the fiscal year during which the specified county is ineligible for funds;

336 and

337 (iv) state the basis for the division's determination that the specified county is ineligible

338 for funds.

339 (8) In a civil action seeking enforcement or claiming a violation of this section or of  
340 Subsection 17-27a-404(5)(c), a plaintiff may not recover damages but may be awarded only  
341 injunctive or other equitable relief.

342 Section 3. Section 59-12-2202 is amended to read:

343 **59-12-2202. Definitions.**

344 As used in this part:

345 (1) "Airline" means the same as that term is defined in Section 59-2-102.

346 (2) "Airport facility" means the same as that term is defined in Section 59-12-602.

347 (3) "Airport of regional significance" means an airport identified by the Federal  
348 Aviation Administration in the most current National Plan of Integrated Airport Systems or an  
349 update to the National Plan of Integrated Airport Systems.

350 (4) "Annexation" means an annexation to:

351 (a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or

352 (b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

353 (5) "Annexing area" means an area that is annexed into a county, city, or town.

354 (6) "Class A road" means the same as that term is described in Section 72-3-102.

355 (7) "Class B road" means the same as that term is described in Section 72-3-103.

356 (8) "Class C road" means the same as that term is described in Section 72-3-104.

357 (9) "Class D road" means the same as that term is described in Section 72-3-105.

358 (10) "Council of governments" means the same as that term is defined in Section  
359 72-2-117.5.

360 (11) "Eligible political subdivision" means a political subdivision that:

361 (a) provides public transit services;

362 (b) is not a public transit district; and

363 (c) is not annexed into a public transit district.

364 [(H)] (12) "Fixed guideway" means the same as that term is defined in Section  
365 59-12-102.

366           ~~[(12)]~~ (13) "Large public transit district" means the same as that term is defined in  
367 Section [17B-2a-802](#).

368           ~~[(13)]~~ (14) "Major collector highway" means the same as that term is defined in  
369 Section [72-4-102.5](#).

370           ~~[(14)]~~ (15) "Metropolitan planning organization" means the same as that term is  
371 defined in Section [72-1-208.5](#).

372           ~~[(15)]~~ (16) "Minor arterial highway" means the same as that term is defined in Section  
373 [72-4-102.5](#).

374           ~~[(16)]~~ (17) "Minor collector road" means the same as that term is defined in Section  
375 [72-4-102.5](#).

376           ~~[(17)]~~ (18) "Principal arterial highway" means the same as that term is defined in  
377 Section [72-4-102.5](#).

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

379           (20) "Public transit district" means the same as that term is defined in Section  
380 [17B-2a-802](#).

381           (21) "Public transit provider" means a public transit district or an eligible political  
382 subdivision.

383           (22) "Public transit service" means a service provided as part of public transit.

384           ~~[(18)]~~ (23) "Regionally significant transportation facility" means:

385           (a) in a county of the first or second class:

386           (i) a principal arterial highway;

387           (ii) a minor arterial highway;

388           (iii) a fixed guideway that:

389           (A) extends across two or more cities or unincorporated areas; or

390           (B) is an extension to an existing fixed guideway; or

391           (iv) an airport of regional significance; or

392           (b) in a county of the second class that is not part of a large public transit district, or in  
393 a county of the third, fourth, fifth, or sixth class:

- 394 (i) a principal arterial highway;
- 395 (ii) a minor arterial highway;
- 396 (iii) a major collector highway;
- 397 (iv) a minor collector road; or
- 398 (v) an airport of regional significance.

399 ~~[(19)]~~ (24) "State highway" means a highway designated as a state highway under Title  
 400 72, Chapter 4, Designation of State Highways Act.

401 ~~[(20)]~~ (25) (a) Subject to Subsection ~~[(20)(b)]~~ (25)(b), "system for public transit"  
 402 means the same as the term "public transit" is defined in Section [17B-2a-802](#).

- 403 (b) "System for public transit" includes:
- 404 (i) the following costs related to public transit:
- 405 (A) maintenance costs; or
- 406 (B) operating costs;
- 407 (ii) a fixed guideway;
- 408 (iii) a park and ride facility;
- 409 (iv) a passenger station or passenger terminal;
- 410 (v) a right-of-way for public transit; or
- 411 (vi) the following that serve a public transit facility:
- 412 (A) a maintenance facility;
- 413 (B) a platform;
- 414 (C) a repair facility;
- 415 (D) a roadway;
- 416 (E) a storage facility;
- 417 (F) a utility line; or
- 418 (G) a facility or item similar to those described in Subsections ~~[(20)(b)(vi)(A)]~~

419 (25)(b)(vi)(A) through (F).

420 Section 4. Section **59-12-2219** is amended to read:

421 **59-12-2219. County option sales and use tax for highways and public transit --**

422 **Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant**  
423 **existing budgeted transportation revenue.**

424 [~~(1)~~ As used in this section:]

425 [~~(a)~~ "Eligible political subdivision" means a political subdivision that:]

426 [~~(i) (A)~~ on May 12, 2015, provides public transit services; or]

427 [~~(B)~~ after May 12, 2015, provides written notice to the commission in accordance with  
428 Subsection ~~(9)(b)~~ that it intends to provide public transit service within a county;]

429 [~~(ii)~~ is not a public transit district; and]

430 [~~(iii)~~ is not annexed into a public transit district.]

431 [~~(b)~~ "Public transit district" means a public transit district organized under Title 17B,  
432 Chapter 2a, Part 8, Public Transit District Act.]

433 [~~(2)~~] (1) Subject to the other provisions of this part, and subject to Subsection [~~(14)~~]  
434 (13), a county legislative body may impose a sales and use tax of .25% on the transactions  
435 described in Subsection 59-12-103(1) within the county, including the cities and towns within  
436 the county.

437 [~~(3)~~] (2) Subject to Subsection [~~(10)~~] (9), the commission shall distribute sales and use  
438 tax revenue collected under this section as provided in Subsections [~~(4) through (9)~~] (3)  
439 through (8).

440 [~~(4)~~] (3) If the entire boundary of a county that imposes a sales and use tax under this  
441 section is annexed into a single public transit district, the commission shall distribute the sales  
442 and use tax revenue collected within the county as follows:

443 (a) .10% shall be transferred to the public transit district in accordance with Section  
444 59-12-2206;

445 (b) .10% shall be distributed as provided in Subsection [~~(7)~~] (6); and

446 (c) .05% shall be distributed to the county legislative body.

447 [~~(5)~~] (4) If the entire boundary of a county that imposes a sales and use tax under this  
448 section is not annexed into a single public transit district, but a city or town within the county is  
449 annexed into a single large public transit district, the commission shall distribute the sales and



450 use tax revenue collected within the county as follows:

451 (a) for a city or town within the county that is annexed into a single public transit  
452 district, the commission shall distribute the sales and use tax revenue collected within that city  
453 or town as follows:

454 (i) .10% shall be transferred to the public transit district in accordance with Section  
455 59-12-2206;

456 (ii) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

457 (iii) .05% shall be distributed to the county legislative body;

458 (b) for an eligible political subdivision within the county, the commission shall  
459 distribute the sales and use tax revenue collected within that eligible political subdivision as  
460 follows:

461 (i) .10% shall be transferred to the eligible political subdivision in accordance with  
462 Section 59-12-2206;

463 (ii) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

464 (iii) .05% shall be distributed to the county legislative body; and

465 (c) the commission shall distribute the sales and use tax revenue, except for the sales  
466 and use tax revenue described in Subsections ~~[(5)(a)]~~ (4)(a) and (b), as follows:

467 (i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

468 (ii) .15% shall be distributed to the county legislative body.

469 ~~[(6)]~~ (5) For a county not described in Subsection ~~[(4) or (5)]~~ (3) or (4), if a county of  
470 the second, third, fourth, fifth, or sixth class imposes a sales and use tax under this section, the  
471 commission shall distribute the sales and use tax revenue collected within the county as  
472 follows:

473 (a) for a city or town within the county that is annexed into a single public transit  
474 district, the commission shall distribute the sales and use tax revenue collected within that city  
475 or town as follows:

476 (i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6);

477 (ii) .10% shall be distributed as provided in Subsection ~~[(8)]~~ (7); and

478 (iii) .05% shall be distributed to the county legislative body;

479 (b) for an eligible political subdivision within the county, the commission shall  
 480 distribute the sales and use tax revenue collected within that eligible political subdivision as  
 481 follows:

482 (i) .10% shall be distributed as provided in Subsection [~~(7)~~] (6);

483 (ii) .10% shall be distributed as provided in Subsection [~~(8)~~] (7); and

484 (iii) .05% shall be distributed to the county legislative body; and

485 (c) the commission shall distribute the sales and use tax revenue, except for the sales  
 486 and use tax revenue described in Subsections [~~(6)(a)~~] (5)(a) and (b), as follows:

487 (i) .10% shall be distributed as provided in Subsection [~~(7)~~] (6); and

488 (ii) .15% shall be distributed to the county legislative body.

489 [~~(7)~~] (6) (a) Subject to Subsection [~~(7)(b)~~] (6)(b), the commission shall make the  
 490 distributions required by Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(i), (6)(b)(i),~~  
 491 ~~(6)(c)(i), and (8)(d)(ii)(A)~~] (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and  
 492 (7)(d)(ii)(A) as follows:

493 (i) 50% of the total revenue collected under Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii),~~  
 494 ~~(5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)~~] (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i),  
 495 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax  
 496 under this section shall be distributed to the unincorporated areas, cities, and towns within  
 497 those counties and cities on the basis of the percentage that the population of each  
 498 unincorporated area, city, or town bears to the total population of all of the counties and cities  
 499 that impose a tax under this section; and

500 (ii) 50% of the total revenue collected under Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii),~~  
 501 ~~(5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)~~] (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i),  
 502 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax  
 503 under this section shall be distributed to the unincorporated areas, cities, and towns within  
 504 those counties and cities on the basis of the location of the transaction as determined under  
 505 Sections [59-12-211](#) through [59-12-215](#).

506 (b) (i) Population for purposes of this Subsection ~~[(7)]~~ (6) shall be determined on the  
 507 basis of the most recent official census or census estimate of the United States Bureau of the  
 508 Census.

509 (ii) If a needed population estimate is not available from the United States Bureau of  
 510 the Census, population figures shall be derived from an estimate from the Utah Population  
 511 Committee.

512 ~~[(8)]~~ (7) (a) (i) Subject to the requirements in Subsections ~~[(8)(b)]~~ (7)(b) and (c), a  
 513 county legislative body:

514 (A) for a county that obtained approval from a majority of the county's registered  
 515 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,  
 516 may, in consultation with any cities, towns, or eligible political subdivisions within the county,  
 517 and in compliance with the requirements for changing an allocation under Subsection ~~[(8)(e)]~~  
 518 (7)(e), allocate the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) by  
 519 adopting a resolution specifying the percentage of revenue under Subsection ~~[(6)(a)(ii) or~~  
 520 ~~(6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible  
 521 political subdivision; or

522 (B) for a county that imposes a sales and use tax under this section on or after May 10,  
 523 2016, shall, in consultation with any cities, towns, or eligible political subdivisions within the  
 524 county, allocate the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) by  
 525 adopting a resolution specifying the percentage of revenue under Subsection ~~[(6)(a)(ii) or~~  
 526 ~~(6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible  
 527 political subdivision.

528 (ii) If a county described in Subsection ~~[(8)(a)(i)(A)]~~ (7)(a)(i)(A) does not allocate the  
 529 revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) in accordance with  
 530 Subsection ~~[(8)(a)(i)(A)]~~ (7)(a)(i)(A), the commission shall distribute 100% of the revenue  
 531 under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) to:

532 (A) a public transit district for a city or town within the county that is annexed into a  
 533 single public transit district; or

534 (B) an eligible political subdivision within the county.

535 (b) If a county legislative body allocates the revenue as described in Subsection  
536 ~~[(8)(a)(i)]~~ (7)(a)(i), the county legislative body shall allocate not less than 25% of the revenue  
537 under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) to:

538 (i) a public transit district for a city or town within the county that is annexed into a  
539 single public transit district; or

540 (ii) an eligible political subdivision within the county.

541 (c) Notwithstanding Section [59-12-2208](#), the opinion question described in Section  
542 [59-12-2208](#) shall state the allocations the county legislative body makes in accordance with this  
543 Subsection ~~[(8)]~~ (7).

544 (d) The commission shall make the distributions required by Subsection ~~[(6)(a)(ii) or~~  
545 ~~(6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) as follows:

546 (i) the percentage specified by a county legislative body shall be distributed in  
547 accordance with a resolution adopted by a county legislative body under Subsection ~~[(8)(a)]~~  
548 (7)(a) to an eligible political subdivision or a public transit district within the county; and

549 (ii) except as provided in Subsection ~~[(8)(a)(ii)]~~ (7)(a)(ii), if a county legislative body  
550 allocates less than 100% of the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or  
551 (5)(b)(ii) to a public transit district or an eligible political subdivision, the remainder of the  
552 revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) not allocated by a  
553 county legislative body through a resolution under Subsection ~~[(8)(a)]~~ (7)(a) shall be  
554 distributed as follows:

555 (A) 50% of the revenue as provided in Subsection ~~[(7)]~~ (6); and

556 (B) 50% of the revenue to the county legislative body.

557 (e) If a county legislative body seeks to change an allocation specified in a resolution  
558 under Subsection ~~[(8)(a)]~~ (7)(a), the county legislative body may change the allocation by:

559 (i) adopting a resolution in accordance with Subsection ~~[(8)(a)]~~ (7)(a) specifying the  
560 percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will  
561 be allocated to a public transit district or an eligible political subdivision;

562 (ii) obtaining approval to change the allocation of the sales and use tax by a majority of  
563 all the members of the county legislative body; and

564 (iii) subject to Subsection ~~[(8)(f)]~~ (7)(f):

565 (A) in accordance with Section 59-12-2208, submitting an opinion question to the  
566 county's registered voters voting on changing the allocation so that each registered voter has the  
567 opportunity to express the registered voter's opinion on whether the allocation should be  
568 changed; and

569 (B) in accordance with Section 59-12-2208, obtaining approval to change the  
570 allocation from a majority of the county's registered voters voting on changing the allocation.

571 (f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection  
572 ~~[(8)(e)(iii)(A)]~~ (7)(e)(iii)(A) shall state the allocations specified in the resolution adopted in  
573 accordance with Subsection ~~[(8)(e)]~~ (7)(e) and approved by the county legislative body in  
574 accordance with Subsection ~~[(8)(e)(ii)]~~ (7)(e)(ii).

575 (g) (i) If a county makes an allocation by adopting a resolution under Subsection  
576 ~~[(8)(a)]~~ (7)(a) or changes an allocation by adopting a resolution under Subsection ~~[(8)(e)]~~  
577 (7)(e), the allocation shall take effect on the first distribution the commission makes under this  
578 section after a 90-day period that begins on the date the commission receives written notice  
579 meeting the requirements of Subsection ~~[(8)(g)(ii)]~~ (7)(g)(ii) from the county.

580 (ii) The notice described in Subsection ~~[(8)(g)(i)]~~ (7)(g)(i) shall state:

581 (A) that the county will make or change the percentage of an allocation under  
582 Subsection ~~[(8)(a)]~~ (7)(a) or (e); and

583 (B) the percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or  
584 (5)(b)(ii) that will be allocated to a public transit district or an eligible political subdivision.

585 ~~[(9)]~~ (8) (a) If a public transit district is organized after the date a county legislative  
586 body first imposes a tax under this section, a change in a distribution required by this section  
587 may not take effect until the first distribution the commission makes under this section after a  
588 90-day period that begins on the date the commission receives written notice from the public  
589 transit district of the organization of the public transit district.

590 (b) If an eligible political subdivision intends to provide public transit service within a  
 591 county after the date a county legislative body first imposes a tax under this section, a change  
 592 in a distribution required by this section may not take effect until the first distribution the  
 593 commission makes under this section after a 90-day period that begins on the date the  
 594 commission receives written notice from the eligible political subdivision stating that the  
 595 eligible political subdivision intends to provide public transit service within the county.

596 ~~[(10)]~~ (9) (a) (i) Notwithstanding Subsections ~~[(4) through (9)]~~ (3) through (8), for a  
 597 county that has not imposed a sales and use tax under this section before May 8, 2018, and if  
 598 the county imposes a sales and use tax under this section before June 30, 2019, the commission  
 599 shall distribute all of the sales and use tax revenue collected by the county before June 30,  
 600 2019, to the county for the purposes described in Subsection ~~[(10)(a)(ii)]~~ (9)(a)(ii).

601 (ii) For any revenue collected by a county pursuant to Subsection ~~[(10)(a)(i)]~~ (9)(a)(i)  
 602 before June 30, 2019, the county may expend that revenue for:

- 603 (A) reducing transportation related debt;
- 604 (B) a regionally significant transportation facility; or
- 605 (C) a public transit project of regional significance.

606 (b) For a county that has not imposed a sales and use tax under this section before May  
 607 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019,  
 608 the commission shall distribute the sales and use tax revenue collected by the county on or after  
 609 July 1, 2019, as described in Subsections ~~[(4) through (9)]~~ (3) through (8).

610 (c) For a county that has not imposed a sales and use tax under this section before June  
 611 30, 2019, if the entire boundary of that county is annexed into a large public transit district, and  
 612 if the county imposes a sales and use tax under this section on or after July 1, 2019, the  
 613 commission shall distribute the sales and use tax revenue collected by the county as described  
 614 in Subsections ~~[(4) through (9)]~~ (3) through (8).

615 ~~[(11)]~~ (10) A county, city, or town may expend revenue collected from a tax under this  
 616 section, except for revenue the commission distributes in accordance with Subsection ~~[(4)(a),~~  
 617 ~~(5)(a)(i), (5)(b)(i), or (8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i), for a purpose described in

618 Section [59-12-2212.2](#).

619 ~~[(12)]~~ (11) A public transit district or an eligible political subdivision may expend  
620 revenue the commission distributes in accordance with Subsection ~~[(4)(a), (5)(a)(i), (5)(b)(i), or~~  
621 ~~(8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i) for capital expenses and service delivery  
622 expenses of the public transit district or eligible political subdivision.

623 ~~[(13)]~~ (12) Notwithstanding Section [59-12-2208](#), a county, city, or town legislative  
624 body may, but is not required to, submit an opinion question to the county's, city's, or town's  
625 registered voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under  
626 this section.

627 ~~[(14)]~~ (13) (a) (i) Notwithstanding any other provision in this section, if the entire  
628 boundary of a county is annexed into a large public transit district, if the county legislative  
629 body wishes to impose a sales and use tax under this section, the county legislative body shall  
630 pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

631 (ii) If the entire boundary of a county is annexed into a large public transit district, the  
632 county legislative body may not pass an ordinance to impose a sales and use tax under this  
633 section on or after July 1, 2022.

634 (b) Notwithstanding the deadline described in Subsection ~~[(14)(a)]~~ (13)(a), any sales  
635 and use tax imposed under this section by passage of a county ordinance on or before June 30,  
636 2022, may remain in effect.

637 ~~[(15)]~~ (14) (a) Beginning on July 1, 2020, and subject to Subsection ~~[(16)]~~ (15), if a  
638 county has not imposed a sales and use tax under this section, subject to the provisions of this  
639 part, the legislative body of a city or town described in Subsection ~~[(15)(b)]~~ (14)(b) may  
640 impose a .25% sales and use tax on the transactions described in Subsection [59-12-103](#)(1)  
641 within the city or town.

642 (b) The following cities or towns may impose a sales and use tax described in  
643 Subsection ~~[(15)(a)]~~ (14)(a):

644 (i) a city or town that has been annexed into a public transit district; or

645 (ii) an eligible political subdivision.

646 (c) If a city or town imposes a sales and use tax as provided in this section, the  
647 commission shall distribute the sales and use tax revenue collected by the city or town as  
648 follows:

649 (i) .125% to the city or town that imposed the sales and use tax, to be distributed as  
650 provided in Subsection ~~[(7)]~~ (6); and

651 (ii) .125%, as applicable, to:

652 (A) the public transit district in which the city or town is annexed; or

653 (B) the eligible political subdivision for public transit services.

654 (d) If a city or town imposes a sales and use tax under this section and the county  
655 subsequently imposes a sales and use tax under this section, the commission shall distribute the  
656 sales and use tax revenue collected within the city or town as described in Subsection ~~[(15)(c)]~~  
657 (14)(c).

658 ~~[(16)]~~ (15) (a) (i) Notwithstanding any other provision in this section, if a city or town  
659 legislative body wishes to impose a sales and use tax under this section, the city or town  
660 legislative body shall pass the ordinance to impose a sales and use tax under this section on or  
661 before June 30, 2022.

662 (ii) A city or town legislative body may not pass an ordinance to impose a sales and use  
663 tax under this section on or after July 1, 2022.

664 (b) Notwithstanding the deadline described in Subsection ~~[(16)(a)]~~ (15)(a), any sales  
665 and use tax imposed under this section by passage of an ordinance by a city or town legislative  
666 body on or before June 30, 2022, may remain in effect.

667 Section 5. Section **59-12-2220** is amended to read:

668 **59-12-2220. County option sales and use tax to fund highways or a system for**  
669 **public transit -- Base -- Rate.**

670 (1) Subject to the other provisions of this part and subject to the requirements of this  
671 section, ~~[beginning on July 1, 2019,]~~ the following counties may impose a sales and use tax  
672 under this section:

673 (a) a county legislative body may impose the sales and use tax on the transactions



674 described in Subsection 59-12-103(1) located within the county, including the cities and towns  
675 within the county if:

676 (i) the entire boundary of a county is annexed into a large public transit district; and

677 (ii) the maximum amount of sales and use tax authorizations allowed pursuant to

678 Section 59-12-2203 and authorized under the following sections has been imposed:

679 (A) Section 59-12-2213;

680 (B) Section 59-12-2214;

681 (C) Section 59-12-2215;

682 (D) Section 59-12-2216;

683 (E) Section 59-12-2217;

684 (F) Section 59-12-2218; and

685 (G) Section 59-12-2219;

686 (b) if the county is not annexed into a large public transit district, the county legislative  
687 body may impose the sales and use tax on the transactions described in Subsection

688 59-12-103(1) located within the county, including the cities and towns within the county if:

689 (i) the county is an eligible political subdivision [~~as defined in Section 59-12-2219~~]; or

690 (ii) a city or town within the boundary of the county is an eligible political subdivision[  
691 ~~as defined in Section 59-12-2219~~]; or

692 (c) a county legislative body of a county not described in Subsection (1)(a) may impose  
693 the sales and use tax on the transactions described in Subsection 59-12-103(1) located within  
694 the county, including the cities and towns within the county[~~, if there is a public transit district  
695 within the boundary of the county~~].

696 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a  
697 county legislative body that imposes a sales and use tax under this section may impose the tax  
698 at a rate of .2%.

699 [~~(3) A county imposing a sales and use tax under this section shall expend the revenues  
700 collected from the sales and use tax for capital expenses and service delivery expenses of:~~]

701 [~~(a) a public transit district;~~]

702 ~~[(b) an eligible political subdivision, as that term is defined in Section 59-12-2219; or]~~  
703 ~~[(c) another entity providing a service for public transit or a transit facility within the~~  
704 ~~county as those terms are defined in Section 17B-2a-802.]~~

705 (3) (a) The commission shall distribute sales and use tax revenue collected under this  
706 section as determined by a county legislative body as described in Subsection (3)(b).

707 (b) If a county legislative body imposes a sales and use tax as described in this section,  
708 the county legislative body may elect to impose a sales and use tax revenue distribution as  
709 described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and  
710 type of a public transit provider in the county.

711 (4) If a county legislative body imposes a sales and use tax as described in this section,  
712 and the entire boundary of the county is annexed into a large public transit district, and the  
713 county is a county of the first class, the commission shall distribute the sales and use tax  
714 revenue as follows:

715 (a) .10% to a public transit district as described in Subsection (11);

716 (b) .05% to the cities and towns as provided in Subsection (8); and

717 (c) .05% to the county legislative body.

718 (5) If a county legislative body imposes a sales and use tax as described in this section  
719 and the entire boundary of the county is annexed into a large public transit district, and the  
720 county is a county not described in Subsection (4), the commission shall distribute the sales  
721 and use tax revenue as follows:

722 (a) .10% to a public transit district as described in Subsection (11);

723 (b) .05% to the cities and towns as provided in Subsection (8); and

724 (c) .05% to the county legislative body.

725 (6) (a) Except as provided in Subsection (12)(d), if the entire boundary of a county that  
726 imposes a sales and use tax as described in this section is not annexed into a single public  
727 transit district, but a city or town within the county is annexed into a single public transit  
728 district, or if the city or town is an eligible political subdivision, the commission shall distribute  
729 the sales and use tax revenue collected within the county as provided in Subsection (6)(b) or

730 (c).

731 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is  
732 annexed into the single public transit district, or an eligible political subdivision, the  
733 commission shall distribute the sales and use tax revenue collected within the portion of the  
734 county that is within a public transit district or eligible political subdivision as follows:

735 (i) .05% to a public transit provider as described in Subsection (11);

736 (ii) .075% to the cities and towns as provided in Subsection (8); and

737 (iii) .075% to the county legislative body.

738 (c) Except as provided in Subsection (12)(d), for a city, town, or portion of the county  
739 described in Subsection (6)(a) that is not annexed into a single public transit district or eligible  
740 political subdivision in the county, the commission shall distribute the sales and use tax  
741 revenue collected within that portion of the county as follows:

742 (i) .08% to the cities and towns as provided in Subsection (8); and

743 (ii) .12% to the county legislative body.

744 (7) For a county without a public transit service that imposes a sales and use tax as  
745 described in this section, the commission shall distribute the sales and use tax revenue  
746 collected within the county as follows:

747 (a) .08% to the cities and towns as provided in Subsection (8); and

748 (b) .12% to the county legislative body.

749 (8) (a) Subject to Subsections (8)(b) and (c), the commission shall make the  
750 distributions required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:

751 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),  
752 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7)  
753 shall be distributed to the unincorporated areas, cities, and towns within those counties on the  
754 basis of the percentage that the population of each unincorporated area, city, or town bears to  
755 the total population of all of the counties that impose a tax under this section; and

756 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),  
757 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4) through (7)

758 shall be distributed to the unincorporated areas, cities, and towns within those counties on the  
759 basis of the location of the transaction as determined under Sections [59-12-211](#) through  
760 [59-12-215](#).

761 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis  
762 of the most recent official census or census estimate of the United States Census Bureau.

763 (ii) If a needed population estimate is not available from the United States Census  
764 Bureau, population figures shall be derived from an estimate from the Utah Population  
765 Estimates Committee created by executive order of the governor.

766 (c) (i) Beginning on January 1, 2024, if the Housing and Community Development  
767 Division within the Department of Workforce Services determines that a city, town, or metro  
768 township is ineligible for funds in accordance with Subsection 10-9a-408(7), beginning the  
769 first day of the calendar quarter after receiving 90 days' notice, the commission shall distribute  
770 the distribution that city, town, or metro township would have received under Subsection (8)(a)  
771 to cities, towns, or metro townships to which Subsection 10-9a-408(7) does not apply.

772 (ii) Beginning on January 1, 2024, if the Housing and Community Development  
773 Division within the Department of Workforce Services determines that a county is ineligible  
774 for funds in accordance with Subsection [17-27a-408\(7\)](#), beginning the first day of the calendar  
775 quarter after receiving 90 days' notice, the commission shall distribute the distribution that  
776 county would have received under Subsection (8)(a) to counties to which Subsection  
777 [17-27a-408\(7\)](#) does not apply.

778 (9) If a public transit service is organized after the date a county legislative body first  
779 imposes a tax under this section, a change in a distribution required by this section may not  
780 take effect until the first distribution the commission makes under this section after a 90-day  
781 period that begins on the date the commission receives written notice from the public transit  
782 provider that the public transit service has been organized.

783 (10) A county, city, or town that received distributions described in Subsections (4)(b),  
784 (4)(c), (5)(b), (5)(c), (6)(b)(ii), (6)(b)(iii), (6)(c), and (7) may only expend those funds for a  
785 purpose described in Section [59-12-2212.2](#).

786 (11) (a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public  
787 transit as described in this section may be used for capital expenses and service delivery  
788 expenses of:

789 (i) a public transit district;

790 (ii) an eligible political subdivision; or

791 (iii) another entity providing a service for public transit or a transit facility within the  
792 relevant county, as those terms are defined in Section [17B-2a-802](#).

793 (b) (i) If a county of the first class imposes a sales and use tax described in this section,  
794 for a three-year period following the date on which the county imposes the sales and use tax  
795 under this section, revenue designated for public transit within a county of the first class as  
796 described in Subsection (4)(a) shall be transferred to the County of the First Class Highway  
797 Projects Fund created in Section [72-2-121](#).

798 (ii) If a county of the first class imposes a sales and use tax described in this section,  
799 beginning on the day three years after the date on which the county imposed the tax as  
800 described in Subsection (11)(b)(i), for revenue designated for public transit as described in  
801 Subsection (4)(a):

802 (A) 50% of the revenue from a sales and use tax imposed under this section in a county  
803 of the first class shall be transferred to the County of the First Class Highway Projects Fund  
804 created in Section [72-2-121](#); and

805 (B) 50% of the revenue from a sales and use tax imposed under this section in a county  
806 of the first class shall be transferred to the Transit Transportation Investment Fund created in  
807 Subsection [72-2-124](#)(9).

808 (c) (i) If a county that is not a county of the first class for which the entire boundary of  
809 the county is annexed into a large public transit district imposes a sales and use tax described in  
810 this section, for a three-year period following the date on which the county imposes the sales  
811 and use tax under this section, revenue designated for public transit as described in Subsection  
812 (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose  
813 described in Subsection (11)(a).

814 (ii) If a county that is not a county of the first class for which the entire boundary of the  
815 county is annexed into a large public transit district imposes a sales and use tax described in  
816 this section, beginning on the day three years after the date on which the county imposed the  
817 tax as described in Subsection (11)(c)(i), for the revenue that is designated for public transit in  
818 Subsection (5)(a):

819 (A) 50% shall be transferred to the Transit Transportation Investment Fund created in  
820 Subsection 72-2-124(9); and

821 (B) 50% shall be transferred to the relevant county legislative body to be used for a  
822 purpose described in Subsection (11)(a).

823 (d) Except as provided in Subsection (12)(d), for a county that imposes a sales and use  
824 tax under this section, for revenue designated for public transit as described in Subsection  
825 (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a  
826 purpose described in Subsection (11)(a).

827 ~~[(4)]~~ (12) (a) Notwithstanding Section 59-12-2208, a county legislative body may, but  
828 is not required to, submit an opinion question to the county's registered voters in accordance  
829 with Section 59-12-2208 to impose a sales and use tax under this section.

830 (b) If a county passes an ordinance to impose a sales and use tax as described in this  
831 section, the sales and use tax shall take effect on the first day of the calendar quarter after a  
832 90-day period that begins on the date the commission receives written notice from the county  
833 of the passage of the ordinance.

834 (c) A county that imposed the local option sales and use tax described in this section  
835 before January 1, 2023, may maintain that county's distribution allocation in place as of  
836 January 1, 2023.

837 ~~[(5) (a) Notwithstanding any other provision in this section, if a county wishes to~~  
838 ~~impose a sales and use tax under this section, the county legislative body shall pass the~~  
839 ~~ordinance to impose a sales and use tax under this section on or before June 30, 2023.]~~

840 ~~[(b) The county legislative body may not pass an ordinance to impose a sales and use~~  
841 ~~tax under this section on or after July 1, 2023.]~~

842 ~~[(c) Notwithstanding the deadline described in Subsection (5)(a), any sales and use tax~~  
843 ~~imposed under this section on or before June 30, 2023, may remain in effect.]~~

844 ~~[(6)]~~ (13) (a) Revenue collected from a sales and use tax under this section may not be  
845 used to supplant existing General Fund appropriations that a county, city, or town [has]  
846 budgeted for transportation or public transit as of the date the tax becomes effective for a  
847 county, city, or town.

848 (b) The limitation under Subsection ~~[(6)(a)]~~ (13)(a) does not apply to a designated  
849 transportation or public transit capital or reserve account a county ~~[may have established prior~~  
850 ~~to]~~, city, or town established before the date the tax becomes effective.

851 Section 6. Section **72-2-121** is amended to read:

852 **72-2-121. County of the First Class Highway Projects Fund.**

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

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

856 (a) any voluntary contributions received for new construction, major renovations, and  
857 improvements to highways within a county of the first class;

858 (b) the portion of the sales and use tax described in Subsection [59-12-2214\(3\)\(b\)](#)  
859 deposited into or transferred to the fund;

860 (c) the portion of the sales and use tax described in Section [59-12-2217](#) deposited into  
861 or transferred to the fund; ~~[and]~~

862 (d) a portion of the local option highway construction and transportation corridor  
863 preservation fee imposed in a county of the first class under Section [41-1a-1222](#) deposited into  
864 or transferred to the fund~~[-]; and~~

865 (e) the portion of the sales and use tax transferred into the fund as described in  
866 Subsections [59-12-2220\(4\)\(a\)](#) and [59-12-2220\(11\)\(b\)](#).

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

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

869 (4) ~~[The]~~ Subject to Subsection (9), the executive director shall use the fund money

870 only:

871 (a) to pay debt service and bond issuance costs for bonds issued under Sections  
872 [63B-16-102](#), [63B-18-402](#), and [63B-27-102](#);

873 (b) for right-of-way acquisition, new construction, major renovations, and  
874 improvements to highways within a county of the first class and to pay any debt service and  
875 bond issuance costs related to those projects, including improvements to a highway located  
876 within a municipality in a county of the first class where the municipality is located within the  
877 boundaries of more than a single county;

878 (c) for the construction, acquisition, use, maintenance, or operation of:

879 (i) an active transportation facility for nonmotorized vehicles;

880 (ii) multimodal transportation that connects an origin with a destination; or

881 (iii) a facility that may include a:

882 (A) pedestrian or nonmotorized vehicle trail;

883 (B) nonmotorized vehicle storage facility;

884 (C) pedestrian or vehicle bridge; or

885 (D) vehicle parking lot or parking structure;

886 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by  
887 Section [72-2-121.3](#) the amount required in Subsection [72-2-121.3\(4\)\(c\)](#) minus the amounts  
888 transferred in accordance with Subsection [72-2-124\(4\)\(a\)\(iv\)](#);

889 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond  
890 issuance costs for \$30,000,000 of the bonds issued under Section [63B-18-401](#) for the projects  
891 described in Subsection [63B-18-401\(4\)\(a\)](#);

892 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has  
893 verified that the amount required under Subsection [72-2-121.3\(4\)\(c\)](#) is available in the fund, to  
894 transfer an amount equal to 50% of the revenue generated by the local option highway  
895 construction and transportation corridor preservation fee imposed under Section [41-1a-1222](#) in  
896 a county of the first class:

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



898 (ii) to be used by a county of the first class for:  
899 (A) highway construction, reconstruction, or maintenance projects; or  
900 (B) the enforcement of state motor vehicle and traffic laws;  
901 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified  
902 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the  
903 transfer under Subsection (4)(e) has been made, to annually transfer an amount of the sales and  
904 use tax revenue imposed in a county of the first class and deposited into the fund in accordance  
905 with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:  
906 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under  
907 Section 63B-27-102; and  
908 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued  
909 under Sections 63B-31-102 and 63B-31-103;  
910 (h) after the department has verified that the amount required under Subsection  
911 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the  
912 payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to  
913 annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a  
914 system for public transit;  
915 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified  
916 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after  
917 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer  
918 under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited  
919 into the fund under Subsection (2)(b):  
920 (i) to the legislative body of a county of the first class; and  
921 (ii) to fund parking facilities in a county of the first class that facilitate significant  
922 economic development and recreation and tourism within the state;  
923 (j) for the 2018-19 fiscal year only, after the department has verified that the amount  
924 required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under  
925 Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections

926 (4)(g), (h), and (i) have been made, to transfer \$12,000,000 to the department to distribute for  
927 the following projects:

- 928 (i) \$2,000,000 to West Valley City for highway improvement to 4100 South;
- 929 (ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from  
930 6800 West to 7300 West;
- 931 (iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;
- 932 (iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from 13400  
933 South to 13200 South;
- 934 (v) \$1,000,000 to Murray City for highway improvements to 5600 South from State  
935 Street to Van Winkle;
- 936 (vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from  
937 11400 South to 12300 South;
- 938 (vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;
- 939 (viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to  
940 10200 South from 2700 West to 3200 West;
- 941 (ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near  
942 Mountain View Corridor;
- 943 (x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and
- 944 (xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from  
945 7200 West to 8000 West; and
- 946 (k) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and  
947 for 15 years thereafter, to annually transfer the following amounts to the following cities, metro  
948 townships, and the county of the first class for priority projects to mitigate congestion and  
949 improve transportation safety:
  - 950 (i) \$2,000,000 to Sandy;
  - 951 (ii) \$2,000,000 to Taylorsville;
  - 952 (iii) \$1,100,000 to Salt Lake City;
  - 953 (iv) \$1,100,000 to West Jordan;

- 954 (v) \$1,100,000 to West Valley City;
- 955 (vi) \$800,000 to Herriman;
- 956 (vii) \$700,000 to Draper;
- 957 (viii) \$700,000 to Riverton;
- 958 (ix) \$700,000 to South Jordan;
- 959 (x) \$500,000 to Bluffdale;
- 960 (xi) \$500,000 to Midvale;
- 961 (xii) \$500,000 to Millcreek;
- 962 (xiii) \$500,000 to Murray;
- 963 (xiv) \$400,000 to Cottonwood Heights; and
- 964 (xv) \$300,000 to Holladay.

965 (5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in  
966 Subsection (4)(k), the executive director shall proportionately reduce the amounts transferred  
967 as described in Subsection (4)(k).

968 (b) A local government entity, as that term is defined in Section [63J-1-220](#), is exempt  
969 from entering into an agreement as described in Section [63J-1-220](#) pertaining to the receipt or  
970 expenditure of any funding described in Subsection (4)(k).

971 (c) A local government may not use revenue described in Subsection (4)(k) to supplant  
972 existing class B or class C road funds that a local government has budgeted for transportation  
973 projects.

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

977 (ii) After the department is satisfied that the municipality or county described in  
978 Subsection (4)(j) has made substantial progress and the expenditure of funds is programmed  
979 and imminent, the department may transfer to the same municipality or county the respective  
980 amounts described in Subsection (4)(k).

981 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the

982 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and  
983 63B-27-102 are considered a local matching contribution for the purposes described under  
984 Section 72-2-123.

985 (7) The additional administrative costs of the department to administer this fund shall  
986 be paid from money in the fund.

987 (8) ~~[Notwithstanding]~~ Subject to Subsection (9), and notwithstanding any statutory or  
988 other restrictions on the use or expenditure of the revenue sources deposited into this fund, the  
989 Department of Transportation may use the money in this fund for any of the purposes detailed  
990 in Subsection (4).

991 ~~[(9) As resources allow, the department shall study in 2020 transportation connectivity  
992 in the southwest valley of Salt Lake County, including the feasibility of connecting major  
993 east-west corridors to U-111.]~~

994 (9) Any revenue deposited into the fund as described in Subsection (2)(e) shall be used  
995 to provide funding or loans for public transit projects, operations, and supporting infrastructure  
996 in the county of the first class.

997 Section 7. Section 72-2-124 is amended to read:

998 **72-2-124. Transportation Investment Fund of 2005.**

999 (1) There is created a capital projects fund entitled the Transportation Investment Fund  
1000 of 2005.

1001 (2) The fund consists of money generated from the following sources:

1002 (a) any voluntary contributions received for the maintenance, construction,  
1003 reconstruction, or renovation of state and federal highways;

1004 (b) appropriations made to the fund by the Legislature;

1005 (c) registration fees designated under Section 41-1a-1201;

1006 (d) the sales and use tax revenues deposited into the fund in accordance with Section  
1007 59-12-103; and

1008 (e) revenues transferred to the fund in accordance with Section 72-2-106.

1009 (3) (a) The fund shall earn interest.

- 1010 (b) All interest earned on fund money shall be deposited into the fund.
- 1011 (4) (a) Except as provided in Subsection (4)(b), the executive director may only use
- 1012 fund money to pay:
  - 1013 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
  - 1014 federal highways prioritized by the Transportation Commission through the prioritization
  - 1015 process for new transportation capacity projects adopted under Section 72-1-304;
  - 1016 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway
  - 1017 projects described in Subsections 63B-18-401(2), (3), and (4);
  - 1018 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
  - 1019 minus the costs paid from the County of the First Class Highway Projects Fund in accordance
  - 1020 with Subsection 72-2-121(4)(e);
  - 1021 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
  - 1022 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified
  - 1023 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the
  - 1024 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;
  - 1025 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
  - 1026 for projects prioritized in accordance with Section 72-2-125;
  - 1027 (vi) all highway general obligation bonds that are intended to be paid from revenues in
  - 1028 the Centennial Highway Fund created by Section 72-2-118;
  - 1029 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
  - 1030 Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described
  - 1031 in Section 72-2-121;
  - 1032 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
  - 1033 the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved
  - 1034 nonmotorized transportation for projects that:
    - 1035 (A) mitigate traffic congestion on the state highway system;
    - 1036 (B) are part of an active transportation plan approved by the department; and
    - 1037 (C) are prioritized by the commission through the prioritization process for new

- 1038 transportation capacity projects adopted under Section 72-1-304;
- 1039 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
- 1040 reconstruction, or renovation of or improvement to the following projects:
- 1041 (A) the connector road between Main Street and 1600 North in the city of Vineyard;
- 1042 (B) Geneva Road from University Parkway to 1800 South;
- 1043 (C) the SR-97 interchange at 5600 South on I-15;
- 1044 (D) two lanes on U-111 from Herriman Parkway to 11800 South;
- 1045 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 1046 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 1047 (G) widening I-15 between mileposts 6 and 8;
- 1048 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 1049 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in
- 1050 Spanish Fork Canyon;
- 1051 (J) I-15 northbound between mileposts 43 and 56;
- 1052 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43
- 1053 and 45.1;
- 1054 (L) east Zion SR-9 improvements;
- 1055 (M) Toquerville Parkway;
- 1056 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 1057 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds, for
- 1058 construction of an interchange on Bangerter Highway at 13400 South; and
- 1059 (P) an environmental impact study for Kimball Junction in Summit County; and
- 1060 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 1061 costs based upon a statement of cash flow that the local jurisdiction where the project is located
- 1062 provides to the department demonstrating the need for money for the project, for the following
- 1063 projects in the following amounts:
- 1064 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 1065 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;

1066 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and  
1067 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40  
1068 between mile markers 7 and 10.

1069 (b) The executive director may use fund money to exchange for an equal or greater  
1070 amount of federal transportation funds to be used as provided in Subsection (4)(a).

1071 (5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of  
1072 ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive director  
1073 may not program fund money to a project prioritized by the commission under Section  
1074 72-1-304, including fund money from the Transit Transportation Investment Fund, within the  
1075 boundaries of the municipality during the fiscal year specified in the notice.

1076 (b) Within the boundaries of a municipality described in Subsection (5)(a), the  
1077 executive director:

1078 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access  
1079 facility or interchange connecting limited-access facilities;

1080 (ii) may not program fund money for the construction, reconstruction, or renovation of  
1081 an interchange on a limited-access facility;

1082 (iii) may program Transit Transportation Investment Fund money for a  
1083 multi-community fixed guideway public transportation project; and

1084 (iv) may not program Transit Transportation Investment Fund money for the  
1085 construction, reconstruction, or renovation of a station that is part of a fixed guideway public  
1086 transportation project.

1087 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive  
1088 director before July 1, 2022, for projects prioritized by the commission under Section  
1089 72-1-304.

1090 (6) (a) Except as provided in Subsection (6)(b), if the department receives a notice of  
1091 ineligibility for a county as described in Subsection 17-27a-408(7), the executive director may  
1092 not program fund money to a project prioritized by the commission under Section 72-1-304,  
1093 including fund money from the Transit Transportation Investment Fund, within the boundaries

1094 of the unincorporated area of the county during the fiscal year specified in the notice.

1095 (b) Within the boundaries of the unincorporated area of a county described in  
1096 Subsection (6)(a), the executive director:

1097 (i) may program fund money in accordance with Subsection (4)(a) for a limited-access  
1098 facility to a project prioritized by the commission under Section 72-1-304;

1099 (ii) may not program fund money for the construction, reconstruction, or renovation of  
1100 an interchange on a limited-access facility;

1101 (iii) may program Transit Transportation Investment Fund money for a  
1102 multi-community fixed guideway public transportation project; and

1103 (iv) may not program Transit Transportation Investment Fund money for the  
1104 construction, reconstruction, or renovation of a station that is part of a fixed guideway public  
1105 transportation project.

1106 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive  
1107 director before July 1, 2022, for projects prioritized by the commission under Section  
1108 72-1-304.

1109 (7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued  
1110 in any fiscal year, the department and the commission shall appear before the Executive  
1111 Appropriations Committee of the Legislature and present the amount of bond proceeds that the  
1112 department needs to provide funding for the projects identified in Subsections 63B-18-401(2),  
1113 (3), and (4) or Subsection 63B-27-101(2) for the current or next fiscal year.

1114 (b) The Executive Appropriations Committee of the Legislature shall review and  
1115 comment on the amount of bond proceeds needed to fund the projects.

1116 (8) The Division of Finance shall, from money deposited into the fund, transfer the  
1117 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by  
1118 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or  
1119 sinking fund.

1120 (9) (a) There is created in the Transportation Investment Fund of 2005 the Transit  
1121 Transportation Investment Fund.



- 1122 (b) The fund shall be funded by:
- 1123 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 1124 (ii) appropriations into the account by the Legislature;
- 1125 (iii) deposits of sales and use tax increment related to a housing and transit
- 1126 reinvestment zone as described in Section 63N-3-610;
- 1127 (iv) transfers of local option sales and use tax revenue as described in Subsection
- 1128 59-12-2220(11)(b) or (c);
- 1129 [~~(iv)~~] (v) private contributions; and
- 1130 [~~(v)~~] (vi) donations or grants from public or private entities.
- 1131 (c) (i) The fund shall earn interest.
- 1132 (ii) All interest earned on fund money shall be deposited into the fund.
- 1133 (d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund:
- 1134 (i) for public transit capital development of new capacity projects and fixed guideway
- 1135 capital development projects to be used as prioritized by the commission through the
- 1136 prioritization process adopted under Section 72-1-304;
- 1137 (ii) for development of the oversight plan described in Section 72-1-202(5); or
- 1138 (iii) to the department for oversight of a fixed guideway capital development project
- 1139 for which the department has responsibility.
- 1140 (e) (i) [~~The~~] Subject to Subsections (9)(g) and (h), the Legislature may only appropriate
- 1141 money from the fund for a public transit capital development project or pedestrian or
- 1142 nonmotorized transportation project that provides connection to the public transit system if the
- 1143 public transit district or political subdivision provides funds of equal to or greater than 40% of
- 1144 the costs needed for the project.
- 1145 (ii) A public transit district or political subdivision may use money derived from a loan
- 1146 granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank Fund, to provide all or
- 1147 part of the 40% requirement described in Subsection (9)(e)(i) if:
- 1148 (A) the loan is approved by the commission as required in Title 72, Chapter 2, Part 2,
- 1149 State Infrastructure Bank Fund; and

1150 (B) the proposed capital project has been prioritized by the commission pursuant to  
1151 Section [72-1-303](#).

1152 (f) Before July 1, 2022, the department and a large public transit district shall enter into  
1153 an agreement for a large public transit district to pay the department \$5,000,000 per year for 15  
1154 years to be used to facilitate the purchase of zero emissions or low emissions rail engines and  
1155 trainsets for regional public transit rail systems.

1156 (g) For any revenue transferred into the fund pursuant to Subsection  
1157 [59-12-2220\(11\)\(b\)](#):

1158 (i) the commission may prioritize money from the fund for public transit projects,  
1159 operations, or maintenance within the county of the first class; and

1160 (ii) Subsection (9)(e) does not apply.

1161 (h) For any revenue transferred into the fund pursuant to Subsection  
1162 [59-12-2220\(11\)\(c\)](#):

1163 (i) the commission may prioritize public transit projects, operations, or maintenance in  
1164 the county from which the revenue was generated; and

1165 (ii) Subsection (9)(e) does not apply.

1166 (10) (a) There is created in the Transportation Investment Fund of 2005 the  
1167 Cottonwood Canyons Transportation Investment Fund.

1168 (b) The fund shall be funded by:

1169 (i) money deposited into the fund in accordance with Section [59-12-103](#);

1170 (ii) appropriations into the account by the Legislature;

1171 (iii) private contributions; and

1172 (iv) donations or grants from public or private entities.

1173 (c) (i) The fund shall earn interest.

1174 (ii) All interest earned on fund money shall be deposited into the fund.

1175 (d) The Legislature may appropriate money from the fund for public transit or  
1176 transportation projects in the Cottonwood Canyons of Salt Lake County.