

CLASS B AND CLASS C ROAD FUND AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Derrin R. Owens

House Sponsor: _____

LONG TITLE

General Description:

This bill sets aside certain new growth in class B and class C road funds for projects of regional significance in certain rural cities, towns, and counties.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ requires certain new growth in class B and C road funds over the amount deposited for the fiscal year ending June 30, 2022, be deposited into a restricted account for projects of regional significance in certain rural cities, towns, and counties;
- ▶ creates the Rural Class B and Class C Road Restricted Account;
- ▶ provides for distribution from the account; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2024:

- ▶ to Department of Transportation -- Rural Class B and Class C Road Restricted Account -- B and C Roads Additional Support -- as a one-time appropriation:
 - from the General Fund, \$50,000,000.

Other Special Clauses:

None

Utah Code Sections Affected:



28 AMENDS:

29 **72-2-108**, as last amended by Laws of Utah 2020, Chapter 377

30 ENACTS:

31 **72-2-108.1**, Utah Code Annotated 1953



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

34 Section 1. Section **72-2-108** is amended to read:

35 **72-2-108. Apportionment of funds available for use on class B and class C roads**

36 **-- Bonds.**

37 (1) For purposes of this section:

38 (a) "Eligible county" means a county of the fifth class, as described in Section
39 **17-50-501**, that received a distribution for fiscal year 2015 that was reapportioned to include
40 money in addition to the amount calculated under Subsection (2), and the portion of the
41 distribution derived from the calculation under Subsection (2) was less than 60% of the total
42 distribution.

43 (b) "Graveled road" means a road:

44 (i) that is:

45 (A) graded; and

46 (B) drained by transverse drainage systems to prevent serious impairment of the road
47 by surface water;

48 (ii) that has an improved surface; and

49 (iii) that has a wearing surface made of:

50 (A) gravel;

51 (B) broken stone;

52 (C) slag;

53 (D) iron ore;

54 (E) shale; or

55 (F) other material that is:

56 (I) similar to a material described in ~~[Subsection]~~ Subsections (1)(b)(iii)(A) through
57 (E); and

58 (II) coarser than sand.

59 (c) "New growth" means any amount of revenue deposited into the Transportation
60 Fund as described in Section 72-2-107 that exceeds the amount deposited in accordance with
61 Section 72-2-107 for the fiscal year ending June 1, 2022.

62 ~~(c)~~ (d) "Paved road" includes:

- 63 (i) a graveled road with a chip seal surface; and
- 64 (ii) a circulator alley.

65 ~~(d)~~ (e) "Road mile" means a one-mile length of road, regardless of:

- 66 (i) the width of the road; or
- 67 (ii) the number of lanes into which the road is divided.

68 (f) "Rural Class B and Class C Road Restricted Account" or "account" means the Rural
69 Class B and Class C Road Restricted Account created in Section 72-2-108.1.

70 ~~(e)~~ (g) "Weighted mileage" means the sum of the following:

- 71 (i) paved road miles multiplied by five; and
- 72 (ii) all other road type road miles multiplied by two.

73 (2) Subject to the provisions of Subsections (3) through ~~(7);~~ (8), funds appropriated
74 for class B and class C roads shall be apportioned among counties and municipalities in the
75 following manner:

76 (a) 50% in the ratio that the class B roads weighted mileage within each county and
77 class C roads weighted mileage within each municipality bear to the total class B and class C
78 roads weighted mileage within the state; and

79 (b) 50% in the ratio that the population of a county or municipality bears to the total
80 population of the state as of the last official federal census or the United States Bureau of
81 Census estimate, whichever is most recent, except that if population estimates are not available
82 from the United States Bureau of Census, population figures shall be derived from the estimate
83 from the Utah Population Committee.

84 (3) (a) Before apportioning funds appropriated for class B and class C roads as
85 described in Subsection (2) and Subsections (4) through (8), and subject to Subsection (3)(b),
86 new growth shall be deposited annually into the Rural Class B and Class C Road Restricted
87 Account created in Section 72-2-108.1.

88 (b) The amount deposited in accordance with Subsection (3)(a) may not exceed
89 \$5,000,000 in any one fiscal year.

90 ~~[(3)]~~ (4) For purposes of Subsection (2)(b), "the population of a county" means:

91 (a) for a county of the first class with a metro township, as defined in Section

92 10-2a-403, within the boundaries of the county as of January 1, 2020:

93 (i) the population of a county outside the corporate limits of municipalities in that
94 county, if the population of the county outside the corporate limits of municipalities in that
95 county is not less than 7% of the total population of that county, including municipalities; and

96 (ii) if the population of a county outside the corporate limits of municipalities in the
97 county is less than 7% of the total population:

98 (A) the aggregate percentage of the population apportioned to municipalities in that
99 county shall be reduced by an amount equal to the difference between:

100 (I) 7%; and

101 (II) the actual percentage of population outside the corporate limits of municipalities in
102 that county; and

103 (B) the population apportioned to the county shall be 7% of the total population of that
104 county, including incorporated municipalities; or

105 (b) for any county not described in Subsection ~~[(3)(a)]~~ (4)(a):

106 (i) the population of a county outside the corporate limits of municipalities in that
107 county, if the population of the county outside the corporate limits of municipalities in that
108 county is not less than 14% of the total population of that county, including municipalities; and

109 (ii) if the population of a county outside the corporate limits of municipalities in the
110 county is less than 14% of the total population:

111 (A) the aggregate percentage of the population apportioned to municipalities in that
112 county shall be reduced by an amount equal to the difference between:

113 (I) 14%; and

114 (II) the actual percentage of population outside the corporate limits of municipalities in
115 that county; and

116 (B) the population apportioned to the county shall be 14% of the total population of
117 that county, including incorporated municipalities.

118 ~~[(4)]~~ (5) For an eligible county, the department shall reapportion the funds under
119 Subsection (2) to ensure that the county or municipality receives, for a fiscal year beginning on
120 or after July 1, 2018, an amount equal to the greater of:

121 (a) the amount apportioned to the county or municipality for class B and class C roads
122 in the current fiscal year under Subsection (2); or

123 (b) (i) the amount apportioned to the county or municipality for class B and class C
124 roads through the apportionment formula under Subsection (2) or this Subsection [~~(4)~~] (5) in
125 the prior fiscal year; plus

126 (ii) the amount calculated as described in Subsection [~~(6)~~] (7).

127 [~~(5)~~] (6) (a) The department shall decrease proportionately as provided in Subsection
128 [~~(5)(b)~~] (6)(b) the apportionments to counties and municipalities for which the reapportionment
129 under Subsection [~~(4)~~] (5) does not apply.

130 (b) The aggregate amount of the funds that the department shall decrease
131 proportionately from the apportionments under Subsection [~~(5)(a)~~] (6)(a) is an amount equal to
132 the aggregate amount reapportioned to counties and municipalities under Subsection [~~(4)~~] (5).

133 [~~(6)~~] (7) (a) In addition to the apportionment adjustments made under Subsection [~~(4)~~]
134 (5), a county or municipality that qualifies for reapportioned money under Subsection [~~(4)~~] (5)
135 shall receive an amount equal to the amount apportioned to the eligible county or municipality
136 under Subsection [~~(4)~~] (5) for class B and class C roads in the prior fiscal year multiplied by the
137 percentage increase or decrease in the total funds available for class B and class C roads
138 between the prior fiscal year and the fiscal year that immediately preceded the prior fiscal year.

139 (b) The adjustment under Subsection [~~(6)(a)~~] (7)(a) shall be made in the same way as
140 provided in Subsections [~~(5)(a)~~] (6)(a) and (b).

141 [~~(7)~~] (8) (a) If a county or municipality does not qualify for a reapportionment under
142 Subsection [~~(4)~~] (5) in the current fiscal year but previously qualified for a reapportionment
143 under Subsection [~~(4)~~] (5) on or after July 1, 2017, the county or municipality shall receive an
144 amount equal to the greater of:

145 (i) the amount apportioned to the county or municipality for class B and class C roads
146 in the current fiscal year under Subsection (2); or

147 (ii) the amount apportioned to the county or municipality for class B and class C roads
148 in the prior fiscal year.

149 (b) The adjustment under Subsection [~~(7)(a)~~] (8)(a) shall be made in the same way as
150 provided in Subsections [~~(5)(a)~~] (6)(a) and (b).

151 [~~(8)~~] (9) The governing body of any municipality or county may issue bonds

152 redeemable up to a period of 10 years under Title 11, Chapter 14, Local Government Bonding
153 Act, to pay the costs of constructing, repairing, and maintaining class B or class C roads and
154 may pledge class B or class C road funds received pursuant to this section to pay principal,
155 interest, premiums, and reserves for the bonds.

156 Section 2. Section **72-2-108.1** is enacted to read:

157 **72-2-108.1. Rural Class B and Class C Road Restricted Account -- Creation --**
158 **Uses.**

159 (1) There is created in the Transportation Fund a restricted account called the Rural
160 Class B and Class C Road Restricted Account.

161 (2) The account shall be funded by:

162 (a) annual deposits into the account as described in Subsection [72-2-108\(3\)](#);

163 (b) appropriations by the Legislature; and

164 (c) other deposits into the account.

165 (3) The Legislature may appropriate the funds in the account for class B and class C
166 road projects for roads of regional significance in:

167 (a) a county that is not part of a large public transit district; and

168 (b) a city or town within a county described in Subsection (3)(a).

169 Section 3. **Appropriation.**

170 ITEM 1

171 The following sums of money are appropriated for the fiscal year beginning July 1,
172 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for
173 fiscal year 2024. The Legislature authorizes the State Division of Finance to transfer the
174 following amounts between the following funds or accounts as indicated. Expenditures and
175 outlays from the funds to which the money is transferred must be authorized by an
176 appropriation.

177 To Department of Transportation -- Rural Class B and Class C Road Restricted
178 Account

179 From General Fund, One-time 50,000,000

180 Schedule of Programs:

181 Rural Class B and Class C Road Restricted Account 50,000,000

182 ITEM 2

183 The following sums of money are appropriated for the fiscal year beginning July 1,
 184 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for
 185 fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
 186 Act, the Legislature appropriates the following sums of money from the funds or fund accounts
 187 indicated for the use and support of the government of the state of Utah.

188 To Department of Transportation -- B and C Roads

189	<u>From Rural Class B and Class C Road Restricted Account, One-time</u>	<u>50,000,000</u>
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190 Schedule of Programs:

191	<u>B and C Roads Additional Support</u>	<u>50,000,000</u>
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