

SB0175S01 compared with SB0175

~~{deleted text}~~ shows text that was in SB0175 but was deleted in SB0175S01.

inserted text shows text that was not in SB0175 but was inserted into SB0175S01.

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~~{CLASS B AND CLASS C ROAD FUND AMENDMENTS}~~ Senator Derrin R. Owens proposes the following substitute bill:

RURAL TRANSPORTATION INFRASTRUCTURE FUND

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}~~ creates the Rural Transportation Infrastructure Fund for highway projects in certain 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}~~ requires the Division of Finance to annually transfer a certain percentage of money in the Transportation Investment Fund of 2005 into the Rural Transportation Infrastructure Fund;

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- ▶ creates 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 ~~} called the Rural Transportation Infrastructure Fund;~~
- ▶ 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}~~ Transportation Infrastructure Fund -- as a one-time appropriation:
 - from the General Fund One-time, \$50,000,000.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

~~{72-2-108}~~ 72-2-124, as last amended by Laws of Utah ~~{2020}~~ 2022, ~~{Chapter 377}~~ Chapters 69, 259 and 406

ENACTS:

~~{72-2-108.1}~~ 72-2-133, Utah Code Annotated 1953

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

Section 1. Section ~~{72-2-108}~~ 72-2-124 is amended to read:

~~{72-2-108}~~ 72-2-124. ~~{Apportionment of funds available for use on class B and class C roads -- Bonds.}~~ (1) For purposes of this section: (a) "Eligible county" means a county of the fifth class, as described in Section 17-50-501, that received a distribution for fiscal year 2015 that was reapportioned to include money in addition to the amount calculated under Subsection (2), and the portion of the distribution derived from the calculation under Subsection (2) was less than 60% of the total distribution. (b) "Graveled road" means a road: (i) that is: (A) graded; and (B) drained by transverse drainage systems to prevent serious impairment of the road by

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surface water; ~~(ii) that has an improved surface; and (iii) that has a wearing surface made of: (A) gravel; (B) broken stone; (C) slag; (D) iron ore; (E) shale; or (F) other material that is: (I) similar to a material described in [Subsection] Subsections (1)(b)(iii)(A) through (E); and (H) coarser than sand.~~

~~(c) "New growth" means any amount of revenue;~~ **Transportation Investment Fund of 2005.**

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

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

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

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

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

(d) the sales and use tax revenues deposited into the ~~{Transportation Fund as described in Section 72-2-107 that exceeds the amount deposited}~~ **fund in accordance with Section 59-12-103; and**

(e) revenues transferred to the fund in accordance with Section ~~{72-2-107 for the fiscal year ending June 1, 2022.~~ ~~[(c)] (d) "Paved road" includes: (i) a graveled road with a chip seal surface; and (ii) a circulator alley.~~

~~[(d)] (c) "Road mile" means a one-mile length of road, regardless of: (i) the width of the road; or (ii) the number of lanes into which the road is divided.~~

~~(f) "Rural Class B and Class C Road Restricted Account" or "account" means the Rural Class B and Class C Road Restricted Account created in Section 72-2-108.1. [(c)] (g)~~

~~"Weighted mileage" means the sum of the following: (i) paved road miles multiplied by five; and (ii) all other road type road miles multiplied by two.~~

~~(2) Subject to the provisions of Subsections (3) through [(7),] (8), funds appropriated for class B and class C roads shall be apportioned among counties and municipalities in the following manner: (a) 50% in the ratio that the class B roads weighted mileage within each county and class C roads weighted mileage within each municipality bear to the total class B and class C roads weighted mileage within the state; and (b) 50% in the ratio that the~~

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~~population of a county or municipality bears to the total population of the state as of the last official federal census or the United States Bureau of Census estimate, whichever is most recent, except that if population estimates are not available from the United States Bureau of Census, population figures shall be derived from the estimate from the Utah Population Committee.~~

~~—— (3) (a) Before apportioning funds appropriated for class B and class C roads as 72-2-106.~~

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

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

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

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

(ii) the costs of maintenance, construction, reconstruction, or renovation to the highway projects described in ~~{Subsection (2) and Subsections (4) through (8), and subject to Subsection (3)(b), new growth shall be deposited annually into the Rural Class B and Class C Road Restricted Account created in Section 72-2-108.1. — (b) The amount deposited}~~ Subsections 63B-18-401(2), (3), and (4):

(iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401 minus the costs paid from the County of the First Class Highway Projects Fund in accordance with Subsection ~~{(3)(a) may not exceed \$5,000,000 in any one fiscal year. — [(3)] (4) For purposes of Subsection (2)(b), "the population of a county" means: — (a) for a county of the first class with a metro township, as defined in Section 10-2a-403, within the boundaries of the county as of January 1, 2020: — (i) the population of a county outside the corporate limits of municipalities in that county, if the population of the county outside the corporate limits of municipalities in that county is not less than 7% of the total population of that county, including municipalities; and — (ii) if the population of a county outside the corporate limits of municipalities in the county is less than 7% of the total population: — (A) the aggregate percentage of the population apportioned to municipalities in that county shall be reduced by an amount equal to the difference between: — (I) 7%; and — (II) the actual~~

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~~percentage of population outside the corporate limits of municipalities in that county; and~~
~~—— (B) the population apportioned to the county shall be 7% of the total population of that county, including incorporated municipalities; or — (b) for any county not described in Subsection [(3)(a)] (4)(a): — (i) the population of a county outside the corporate limits of municipalities in that county, if the population of the county outside the corporate limits of municipalities in that county is not less than 14% of the total population of that county, including municipalities; and — (ii) if the population of a county outside the corporate limits of municipalities in the county is less than 14% of the total population: — (A) the aggregate percentage of the population apportioned to municipalities in that county shall be reduced by an amount equal to the difference between: — (I) 14%; and — (II) the actual percentage of population outside the corporate limits of municipalities in that county; and — (B) the population apportioned to the county shall be 14% of the total population of that county, including incorporated municipalities.~~

~~—— [(4)] (5) For an eligible county, the department shall reapportion the funds under Subsection (2) to ensure that the county or municipality receives;~~ 72-2-121(4)(e);

(iv) for a fiscal year beginning on or after July 1, {2018, an amount equal to the greater of: — (a) the amount apportioned to the county or municipality for class B and class C roads in the current fiscal year under Subsection (2); or — (b) (i) the amount apportioned to the county or municipality for class B and class C roads through the apportionment formula under Subsection (2) or; 2013, to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

(v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101 for projects prioritized in accordance with Section 72-2-125;

(vi) all highway general obligation bonds that are intended to be paid from revenues in the Centennial Highway Fund created by Section 72-2-118;

(vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First Class Highway Projects Fund created in Section 72-2-121 to be used for the purposes described in Section 72-2-121;

(viii) if a political subdivision provides a contribution equal to or greater than 40% of

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the costs needed for construction, reconstruction, or renovation of paved pedestrian or paved nonmotorized transportation for projects that:

- (A) mitigate traffic congestion on the state highway system;
- (B) are part of an active transportation plan approved by the department; and
- (C) are prioritized by the commission through the prioritization process for new

transportation capacity projects adopted under Section 72-1-304;

- (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,

reconstruction, or renovation of or improvement to the following projects:

- (A) the connector road between Main Street and 1600 North in the city of Vineyard;
- (B) Geneva Road from University Parkway to 1800 South;
- (C) the SR-97 interchange at 5600 South on I-15;
- (D) two lanes on U-111 from Herriman Parkway to 11800 South;
- (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- (F) improvements to 1600 North in Orem from 1200 West to State Street;
- (G) widening I-15 between mileposts 6 and 8;
- (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in

Spanish Fork Canyon;

- (J) I-15 northbound between mileposts 43 and 56;

(K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1;

- (L) east Zion SR-9 improvements;

- (M) Toquerville Parkway;

- (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;

- (O) using funds allocated in this Subsection ~~[(4)] (5) in the prior fiscal year; plus~~

~~(ii) the amount calculated;~~ (4)(a)(ix), and other sources of funds, for construction of an interchange on Bangerter Highway at 13400 South; and

- (P) an environmental impact study for Kimball Junction in Summit County; and

(x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project costs based upon a statement of cash flow that the local jurisdiction where the project is located provides to the department demonstrating the need for money for the project, for the following

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projects in the following amounts:

(A) \$5,000,000 for Payson Main Street repair and replacement;

(B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;

(C) \$5,000,000 for improvements to 4700 South in Taylorsville; and

(D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S. 40 between mile markers 7 and 10.

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

(5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of ineligibility for a municipality as described in Subsection ~~[(6)] (7)~~, ~~[(5)] (6) (a)~~ The department shall decrease proportionately as provided ~~10-9a-408(7)~~, the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the municipality during the fiscal year specified in the notice.

(b) Within the boundaries of a municipality described in Subsection ~~[(5)(b)] (6)(b)~~ the apportionments to counties and municipalities for which the reapportionment under Subsection ~~[(4)] (5)~~ does not apply:

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

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

~~———— (b) The adjustment under Subsection ~~[(6)(a)] (7)(a)~~ shall be made in the same way ~~[(5)(a)~~, the executive director:~~

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

(ii) may not program fund money for the construction, reconstruction, or renovation of

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an interchange on a limited-access facility;

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

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

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

(6) (a) Except as provided in {Subsections [(5)(a)] (6)(a) and (b).

~~—— [(7)] (8) (a) If a county or municipality does not qualify for a reapportionment under Subsection [(4)] (5) in the current fiscal year but previously qualified for a reapportionment under Subsection [(4)] (5) on or after July 1, 2017, the county or municipality shall receive an amount equal to the greater of: —— (i) the amount apportioned to the county or municipality for class B and class C roads in the current fiscal year under Subsection (2); or —— (ii) the amount apportioned to the county or municipality for class B and class C roads in the prior};~~ Subsection (6)(b), if the department receives a notice of ineligibility for a county as described in Subsection 17-27a-408(7), the executive director may not program fund money to a project prioritized by the commission under Section 72-1-304, including fund money from the Transit Transportation Investment Fund, within the boundaries of the unincorporated area of the county during the fiscal year specified in the notice.

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

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

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

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

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

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transportation project.

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

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

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

~~—— [(8)] (9) The governing body of any municipality or county may issue bonds redeemable up to a period of 10 years under Title 11, Chapter 14, Local Government Bonding Act, to pay the costs of constructing, repairing, and maintaining class B or class C roads and may pledge class B or class C road funds received pursuant to this section; Executive Appropriations Committee of the Legislature shall review and comment on the amount of bond proceeds needed to fund the projects.~~

(8) (a) The Division of Finance shall, from money deposited into the fund, transfer the amount of funds necessary to pay principal, interest, {premiums, and reserves for the bonds.

~~—— Section 2. Section 72-2-108.1 is enacted to read: 72-2-108.1. Rural Class B and Class C Road Restricted Account -- Creation -- Uses. (1) and issuance costs of bonds authorized by Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt service or sinking fund.~~

(b) The Division of Finance shall transfer an amount equal to 1% of the money annually deposited into the account into the Rural Transportation Infrastructure Fund created in Section 72-2-133.

(9) (a) There is created in the Transportation {Fund a restricted account called the Rural Class B and Class C Road Restricted Account. (2) The account} Investment Fund of 2005 the Transit Transportation Investment Fund.

(b) The fund shall be funded by: { }

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

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(ii) appropriations into the account by the Legislature;

(iii) deposits of sales and use tax increment related to a housing and transit

reinvestment zone as described in Section 63N-3-610;

(iv) private contributions; and

(v) donations or grants from public or private entities.

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

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

(d) Subject to Subsection (9)(e), the Legislature may appropriate money from the fund:

(i) for public transit capital development of new capacity projects and fixed guideway capital development projects to be used as prioritized by the commission through the prioritization process adopted under Section 72-1-304;

(ii) for development of the oversight plan described in Section 72-1-202(5); or

(iii) to the department for oversight of a fixed guideway capital development project for which the department has responsibility.

(e) (i) The Legislature may only appropriate money from the fund for a public transit capital development project or pedestrian or nonmotorized transportation project that provides connection to the public transit system if the public transit district or political subdivision provides funds of equal to or greater than 40% of the costs needed for the project.

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

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

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

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

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

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(b) The fund shall be funded by:

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

(ii) appropriations into the account by the Legislature;

(iii) private contributions; and

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

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

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

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

Section 2. Section 72-2-133 is enacted to read:

72-2-133. Rural Transportation Infrastructure Fund -- Creation -- Uses.

(1) There is created a restricted account called the Rural Transportation Infrastructure Fund.

(2) The account shall be funded by:

(a) annual deposits into the account as described in Subsection

~~72-2-108~~ 72-2-124(8)(~~3~~)b);

(b) appropriations by the Legislature; and

(c) other deposits into the account.

(3) ~~The~~(a) For any money deposited into the account as described in Subsection

(2)(a), the Legislature may appropriate the funds in the account ~~for class B and class C road projects for roads of regional significance in:~~ (a) a county that to a county that:

(i) is not part of a large public transit district; and

(ii) has imposed a local option sales and use tax described in Section 59-12-2219.

(b) The Legislature shall appropriate funds in the account to counties described in Subsection (4)(a) according to the number of weighted mileage, as defined in Section 72-2-108, within each county described in Subsection (4)(a).

(4) (a) For any money deposited into the account as described in Subsection (2)(b) on or before July 1, 2023, the Legislature may appropriate the funds in the account to:

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

(~~b~~)ii) a city or town within a county described in Subsection (~~3~~(a). ~~4~~(a)(i).

(b) A city, town, or county that receives money from the account as described in

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Subsection (4)(a) may use the funds for a highway project.

Section 3. Appropriation.

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

~~{To Department of Transportation -- Rural Class B and Class C Road Restricted Account~~

~~50,000,000 Schedule of Programs: Rural Class B and Class C Road Restricted Account~~

~~50,000,000 ITEM 2~~ The following sums of money are appropriated for the fiscal year beginning July 1, 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or fund accounts indicated for the use and support of the government of the state of Utah:

~~{ITEM 1~~

To Department of Transportation ~~{-- B and C Roads}~~ Rural Transportation Infrastructure Fund

From ~~{Rural Class B and Class C Road Restricted Account}~~ General Fund, 50,000,000

Schedule of Programs:

~~{B and C Roads Additional Support }~~ Rural Transportation Infrastructure Fund

50,000,000~~{}~~