

SB0175S03 compared with SB0175

~~{deleted text}~~ shows text that was in SB0175 but was deleted in SB0175S03.

inserted text shows text that was not in SB0175 but was inserted into SB0175S03.

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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: ~~{_____}~~ Carl R. Albrecht

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}~~ revenue from vehicle registration fees to be transferred to the Rural Transportation Infrastructure Fund;
- ▶ creates a restricted account ~~{for projects of regional significance in certain rural cities, towns, and counties;~~

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→ creates the Rural Class B and Class C Road Restricted Account, called the Rural Transportation Infrastructure Fund;

- ▶ provides for administration for and distribution from the ~~{account}~~ fund; 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~~ \$40,000,000.

Other Special Clauses:

~~{None}~~ This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

~~{72-2-108}~~ 41-1a-1201, as last amended by Laws of Utah ~~{2020}~~ 2022, Chapter ~~{377}~~ 259

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 41-1a-1201 is amended to read:

41-1a-1201. Disposition of fees.

(1) All fees received and collected under this part shall be transmitted daily to the state treasurer.

(2) Except as provided in Subsections (3), (6), (7), (8), [and] (9), and ~~{9}~~ 10 and Sections 41-1a-422, 41-1a-1220, 41-1a-1221, and 41-1a-1223, all fees collected under this part shall be deposited into the Transportation Fund.

(3) Funds generated under Subsections 41-1a-1211(1)(b)(ii), (6)(b)(ii), and (7) and Section 41-1a-1212 may be used by the commission to cover the costs incurred in issuing license plates under Part 4, License Plates and Registration Indicia.

(4) In accordance with Section 63J-1-602.2, all funds available to the commission for

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the purchase and distribution of license plates and decals are nonlapsing.

(5) (a) Except as provided in Subsections (3) and (5)(b) and Section 41-1a-1205, the expenses of the commission in enforcing and administering this part shall be provided for by legislative appropriation from the revenues of the Transportation Fund.

(b) Three dollars of the registration fees imposed under Subsections 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under Section 41-1a-215.5 may be used by the commission to cover the costs incurred in enforcing and administering this part.

(c) Fifty cents of the registration fee imposed under Subsection 41-1a-1206(1)(i) for each vintage vehicle that has a model year of 1981 or newer may be used by the commission to cover the costs incurred in enforcing and administering this part.

(6) (a) The following portions of the registration fees imposed under Section 41-1a-1206 for each vehicle shall be deposited into the Transportation Investment Fund of 2005 created under Section 72-2-124:

(i) \$30 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b), (1)(f), (4), and (7);

(ii) \$21 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i) and (1)(c)(ii);

(iii) \$2.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

(iv) \$23 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i);

(v) \$24.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i); and

(vi) \$1 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(ii).

(b) The following portions of the registration fees collected for each vehicle registered for a six-month registration period under Section 41-1a-215.5 shall be deposited into the Transportation Investment Fund of 2005 created by Section 72-2-124:

(i) \$23.25 of each registration fee collected under Subsection 41-1a-1206(2)(a)(i); and

(ii) \$23 of each registration fee collected under Subsection 41-1a-1206(2)(a)(ii).

(7) (a) Ninety-four cents of each registration fee imposed under Subsections 41-1a-1206(1)(a) and (b) for each vehicle shall be deposited into the Public Safety Restricted Account created in Section 53-3-106.

(b) Seventy-one cents of each registration fee imposed under Subsections

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41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under Section 41-1a-215.5 shall be deposited into the Public Safety Restricted Account created in Section 53-3-106.

(8) (a) One dollar of each registration fee imposed under Subsections 41-1a-1206(1)(a) and (b) for each vehicle shall be deposited into the Motor Vehicle Safety Impact Restricted Account created in Section 53-8-214.

(b) One dollar of each registration fee imposed under Subsections 41-1a-1206(2)(a) and (b) for each vehicle registered for a six-month registration period under Section 41-1a-215.5 shall be deposited into the Motor Vehicle Safety Impact Restricted Account created in Section 53-8-214.

(9) Fifty cents of each registration fee imposed under Subsection 41-1a-1206(1)(a) for each motorcycle shall be deposited into the Spinal Cord and Brain Injury Rehabilitation Fund created in Section 26-54-102.

(10) (a) Beginning on January 1, 2024, subject to Subsection (10)(b), \$2 of each registration fee imposed under Section 41-1a-1206 shall be deposited into the Rural Transportation Infrastructure Fund created in Section 72-2-133.

(b) Beginning on January 1, 2025, and each January 1 thereafter, the amount described in Subsection (10)(a) shall be annually adjusted by taking the amount deposited the previous year and adding an amount equal to the greater of:

(i) an amount calculated by multiplying the amount deposited the previous year by the actual percentage change during the previous fiscal year in the Consumer Price Index; and

(ii) 0.

(c) The amounts calculated as described in Subsection (10)(b) shall be rounded up to the nearest 1 cent.

Section ~~{1}~~2. Section ~~{72-2-108}~~72-2-133 is ~~{amended}~~enacted to read:

~~72-2-108. 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~~

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~~of the distribution derived from the calculation under Subsection (2) was less than 60% of the total distribution.~~

~~— (b) 72-2-133. Rural Transportation Infrastructure Fund -- Creation -- Uses.~~

~~(1) As used in this section:~~

~~(a) "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 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 deposited into the Transportation Fund as described in Section 72-2-107 that exceeds the amount deposited 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)] (e) "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 the same as that term is defined in~~

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Section 72-2-108. ~~f~~.

~~[(c)] (g)~~

(b) "Paved road" means the same as that term is defined in Section 72-2-108.

(c) "Qualifying county" means a county that:

(i) is a county of the third through sixth class;

(ii) has imposed a local option sales and use tax pursuant to:

(A) Section 59-12-2217;

(B) Section 59-12-2218; or

(C) Section 59-12-2219; and

(iii) has not imposed a local option sales and use tax pursuant to Section 59-12-2220

on or before January 1, 2023.

(d) "Qualifying municipality" means a municipality located within a qualifying county.

(e) "Qualifying recipient" means qualifying county or a qualifying municipality.

(f) "Road mile" means the same as that term is defined in Section 72-2-108.

(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 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 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~~

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~~Account created~~ same as that term is defined in Section 72-2-108. ~~††.~~

~~— (b) The amount deposited 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 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.~~

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~~— [(4)] (5) For an eligible county, the department shall reapportion the funds under Subsection (2) to ensure that the county or municipality receives, 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 this Subsection [(4)] (5) in the prior fiscal year; plus~~

~~— (ii) the amount calculated as described in Subsection [(6)] (7);~~

~~— [(5)] (6) (a) The department shall decrease proportionately as provided 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 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 fiscal year.~~

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~~_____ (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 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)~~

~~(2) There is created ~~{in the Transportation Fund }~~ a restricted account called the Rural ~~{Class B and Class C Road Restricted Account}.~~~~

~~_____ (2) ~~The account}~~ Transportation Infrastructure Fund.~~

~~(3) The Rural Transportation Infrastructure Fund shall be funded by:~~

~~(a) ~~{annual}~~ deposits into the account as described in Subsection ~~{72-2-108}41-1a-1201(~~{3}10~~):~~~~

~~(b) appropriations by the Legislature; and~~

~~(c) other deposits into the account.~~

~~(~~{3}~~) ~~The Legislature may appropriate the funds in the account for}~~ (4) The department shall administer the fund.~~

~~(5) Beginning on January 1, 2024, and subject to appropriation, the department shall distribute revenue in the fund among qualifying recipients 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 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 Census Bureau estimate, whichever is most recent, except that if population estimates are not available from the United States Census Bureau, population figures shall be derived from the estimate from the Utah Population Committee.~~

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(6) A qualifying recipient may only use funds distributed as described in this section in the same manner as class B and class C road ~~projects for roads of regional significance in:~~
~~— (a) a county that is not part of a large public transit district; and~~
~~— (b) a city or town within a county described in Subsection (3)(a);~~ funds distributed in accordance with Section 72-2-108.

(7) Before November 1 of each year, the State Tax Commission shall notify the department and indicate which counties are qualifying counties.

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;~~ Transportation Infrastructure Fund

~~{ } From General Fund, One-time {50}40,000,000~~

~~{ } Schedule of Programs:~~

~~{ } Rural ~~Class B and Class C Road Restricted Account;~~ Transportation Infrastructure Fund ~~{50}~~ 40,000,000~~

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~~ The Legislature ~~appropriates the following sums of money~~ 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 ~~for fund accounts indicated for the use and support of the government of the state of Utah~~ to which the money is transferred must be authorized by an appropriation.

To Department of Transportation -- ~~B and C Roads~~

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From Rural Class B and Class C Road Restricted Account, One-time 50,000,000

~~†~~ Rural Transportation Infrastructure Program

From Rural Transportation Infrastructure Fund, One-time 40,000,000

Schedule of Programs:

~~{~~ ~~B and C Roads Additional Support~~ ~~50,000,000~~

† Rural Transportation Infrastructure Program 40,000,000

Section 4. Effective date.

(1) Except as provided in Subsection (2), this bill takes effect on May 3, 2023.

(2) The amendments to Section 41-1a-1201 in this bill take effect on January 1, 2024.