# 1 LOCAL GOVERNMENT TRANSPORTATION SERVICES AMENDMENTS 2024 GENERAL SESSION STATE OF UTAH

#### **Chief Sponsor: Candice B. Pierucci**

Senate Sponsor: Kirk A. Cullimore

#### 2 3 LONG TITLE 4 **General Description:** This bill permits public transit innovation grants and amends provisions related to 5 6 allocation of certain local option sales and use taxes for transportation. 7 **Highlighted Provisions:** 8 This bill: 9 defines terms; 10 allows certain local option sales and use tax revenue and Transit Transportation 11 Investment Fund money to be used for public transit innovation grants; 12 requires the Department of Transportation and the Transportation Commission to 13 coordinate grant proposals for public transit innovation and administer certain grants; 14 • grants rulemaking authority to the Transportation Commission to create a prioritization 15 process and to administer grant proposals; 16 requires grant recipients to report on the use and progress of public transit innovation 17 grant operations; 18 requires a large public transit district to provide a report to each municipality regarding 19 expenditures, transit service, and ridership utilized by residents; and 20 makes technical changes. 21 Money Appropriated in this Bill: 22 None 23 **Other Special Clauses:** 24 This bill provides a special effective date. 25 **Utah Code Sections Affected:** 26 AMENDS: 27 17B-2a-802, as last amended by Laws of Utah 2023, Chapters 15, 476

28	17B-2a-808.1, as last amended by Laws of Utah 2022, Chapter 207
29	59-12-2202, as last amended by Laws of Utah 2023, Chapter 529
30	59-12-2212.2, as enacted by Laws of Utah 2019, Chapter 479
31	59-12-2219, as last amended by Laws of Utah 2023, Chapter 529
32	59-12-2220, as last amended by Laws of Utah 2023, Chapter 529
33	72-1-303, as last amended by Laws of Utah 2023, Chapter 219
34	72-2-121, as last amended by Laws of Utah 2023, Chapter 529
35	72-2-124, as last amended by Laws of Utah 2023, Chapters 22, 88, 219, and 529
36	ENACTS:
37	17B-2a-828, Utah Code Annotated 1953
38	72-2-301, Utah Code Annotated 1953
39	72-2-302, Utah Code Annotated 1953
40	72-2-303, Utah Code Annotated 1953
41	72-2-304, Utah Code Annotated 1953
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43	Be it enacted by the Legislature of the state of Utah:
44	Section 1. Section 17B-2a-802 is amended to read:
45	17B-2a-802 . Definitions.
46	As used in this part:
47	(1) "Affordable housing" means housing occupied or reserved for occupancy by households
48	that meet certain gross household income requirements based on the area median income
49	for households of the same size.
50	(a) "Affordable housing" may include housing occupied or reserved for occupancy by
51	households that meet specific area median income targets or ranges of area median
52	income targets.
53	(b) "Affordable housing" does not include housing occupied or reserved for occupancy
54	by households with gross household incomes that are more than 60% of the area
55	median income for households of the same size.
56	(2) "Appointing entity" means the person, county, unincorporated area of a county, or
57	municipality appointing a member to a public transit district board of trustees.
58	(3) (a) "Chief executive officer" means a person appointed by the board of trustees of a
59	small public transit district to serve as chief executive officer.
	small public transit district to serve as enfor excertive officer.
60	(b) "Chief executive officer" shall enjoy all the rights, duties, and responsibilities

62	responsibilities assigned to the general manager but prescribed by the board of
63	trustees to be fulfilled by the chief executive officer.
64	(4) "Confidential employee" means a person who, in the regular course of the person's
65	duties:
66	(a) assists in and acts in a confidential capacity in relation to other persons who
67	formulate, determine, and effectuate management policies regarding labor relations;
68	or
69	(b) has authorized access to information relating to effectuating or reviewing the
70	employer's collective bargaining policies.
71	(5) "Council of governments" means a decision-making body in each county composed of
72	membership including the county governing body and the mayors of each municipality
73	in the county.
74	(6) "Department" means the Department of Transportation created in Section 72-1-201.
75	(7) "Executive director" means a person appointed by the board of trustees of a large public
76	transit district to serve as executive director.
77	(8) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
78	(9) "Fixed guideway capital development" means the same as that term is defined in
79	Section 72-1-102.
80	(10) (a) "General manager" means a person appointed by the board of trustees of a small
81	public transit district to serve as general manager.
82	(b) "General manager" shall enjoy all the rights, duties, and responsibilities defined in
83	Sections 17B-2a-810 and 17B-2a-811 prescribed by the board of trustees of a small
84	public transit district.
85	(11) "Large public transit district" means a public transit district that provides public transit
86	to an area that includes:
87	(a) more than 65% of the population of the state based on the most recent official census
88	or census estimate of the United States Census Bureau; and
89	(b) two or more counties.
90	(12) (a) "Locally elected public official" means a person who holds an elected position
91	with a county or municipality.
92	(b) "Locally elected public official" does not include a person who holds an elected
93	position if the elected position is not with a county or municipality.
94	(13) "Managerial employee" means a person who is:
95	(a) engaged in executive and management functions; and

96	(b) charged with the responsibility of directing, overseeing, or implementing the
97	effectuation of management policies and practices.
98	(14) "Metropolitan planning organization" means the same as that term is defined in
99	Section 72-1-208.5.
100	(15) "Multicounty district" means a public transit district located in more than one county.
101	(16) "Operator" means a public entity or other person engaged in the transportation of
102	passengers for hire.
103	(17) (a) "Public transit" means regular, continuing, shared-ride, surface transportation
104	services that are open to the general public or open to a segment of the general public
105	defined by age, disability, or low income.
106	(b) "Public transit" does not include transportation services provided by:
107	(i) chartered bus;
108	(ii) sightseeing bus;
109	(iii) taxi;
110	(iv) school bus service;
111	(v) courtesy shuttle service for patrons of one or more specific establishments; or
112	(vi) intra-terminal or intra-facility shuttle services.
113	(18) "Public transit district" means a special district that provides public transit services.
114	(19) "Public transit innovation grant" means the same as that term is defined in Section
115	<u>72-2-301.</u>
116	[(19)] (20) "Small public transit district" means any public transit district that is not a large
117	public transit district.
118	[(20)] (21) "Station area plan" means a plan developed and adopted by a municipality in
119	accordance with Section 10-9a-403.1.
120	[(21)] (22) (a) "Supervisor" means a person who has authority, in the interest of the
121	employer, to:
122	(i) hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or
123	discipline other employees; or
124	(ii) adjust another employee's grievance or recommend action to adjust another
125	employee's grievance.
126	(b) "Supervisor" does not include a person whose exercise of the authority described in
127	Subsection $[(21)(a)] (22)(a)$ :
128	(i) is of a merely routine or clerical nature; and
129	(ii) does not require the person to use independent judgment.

130	[(22)] (23) "Transit facility" means a transit vehicle, transit station, depot, passenger loading
131	or unloading zone, parking lot, or other facility:
132	(a) leased by or operated by or on behalf of a public transit district; and
133	(b) related to the public transit services provided by the district, including:
134	(i) railway or other right-of-way;
135	(ii) railway line; and
136	(iii) a reasonable area immediately adjacent to a designated stop on a route traveled
137	by a transit vehicle.
138	[(23)] (24) "Transit vehicle" means a passenger bus, coach, railcar, van, or other vehicle
139	operated as public transportation by a public transit district.
140	[(24)] (25) "Transit-oriented development" means a mixed use residential or commercial
141	area that is designed to maximize access to public transit and includes the development
142	of land owned by a large public transit district.
143	[(25)] (26) "Transit-supportive development" means a mixed use residential or commercial
144	area that is designed to maximize access to public transit and does not include the
145	development of land owned by a large public transit district.
146	Section 2. Section <b>17B-2a-808.1</b> is amended to read:
147	17B-2a-808.1 . Large public transit district board of trustees powers and duties
148	Adoption of ordinances, resolutions, or orders Effective date of ordinances.
149	(1) The powers and duties of a board of trustees of a large public transit district stated in
150	this section are in addition to the powers and duties stated in Section 17B-1-301.
151	(2) The board of trustees of each large public transit district shall:
152	(a) hold public meetings and receive public comment;
153	(b) ensure that the policies, procedures, and management practices established by the
154	public transit district meet state and federal regulatory requirements and federal
155	grantee eligibility;
156	(c) subject to Subsection (8), create and approve an annual budget, including the
157	issuance of bonds and other financial instruments, after consultation with the local
158	advisory council;
159	(d) approve any interlocal agreement with a local jurisdiction;
160	(e) in consultation with the local advisory council, approve contracts and overall
161	property acquisitions and dispositions for transit-oriented development;
162	(f) in consultation with constituent counties, municipalities, metropolitan planning
163	organizations, and the local advisory council:

164	(i) develop and approve a strategic plan for development and operations on at least a
165	four-year basis; and
166	(ii) create and pursue funding opportunities for transit capital and service initiatives
167	to meet anticipated growth within the public transit district;
168	(g) annually report the public transit district's long-term financial plan to the State
169	Bonding Commission;
170	(h) annually report the public transit district's progress and expenditures related to state
171	resources to the Executive Appropriations Committee and the Infrastructure and
172	General Government Appropriations Subcommittee;
173	(i) annually report to the Transportation Interim Committee the public transit district's
174	efforts to engage in public-private partnerships for public transit services;
175	(j) hire, set salaries, and develop performance targets and evaluations for:
176	(i) the executive director; and
177	(ii) all chief level officers;
178	(k) supervise and regulate each transit facility that the public transit district owns and
179	operates, including:
180	(i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and
181	charges; and
182	(ii) make and enforce rules, regulations, contracts, practices, and schedules for or in
183	connection with a transit facility that the district owns or controls;
184	(1) subject to Subsection (4), control the investment of all funds assigned to the district
185	for investment, including funds:
186	(i) held as part of a district's retirement system; and
187	(ii) invested in accordance with the participating employees' designation or direction
188	pursuant to an employee deferred compensation plan established and operated in
189	compliance with Section 457 of the Internal Revenue Code;
190	(m) in consultation with the local advisory council created under Section 17B-2a-808.2,
191	invest all funds according to the procedures and requirements of Title 51, Chapter 7,
192	State Money Management Act;
193	(n) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4),
194	pay the fees for the custodian's services from the interest earnings of the investment
195	fund for which the custodian is appointed;
196	(o) (i) cause an annual audit of all public transit district books and accounts to be
197	made by an independent certified public accountant;

198	(ii) as soon as practicable after the close of each fiscal year, submit to each of the
199	councils of governments within the public transit district a financial report
200	showing:
201	(A) the result of district operations during the preceding fiscal year;
202	(B) an accounting of the expenditures of all local sales and use tax revenues
203	generated under Title 59, Chapter 12, Part 22, Local Option Sales and Use
204	Taxes for Transportation Act;
205	(C) the district's financial status on the final day of the fiscal year; and
206	(D) the district's progress and efforts to improve efficiency relative to the previous
207	fiscal year; and
208	(iii) supply copies of the report under Subsection (2)(0)(ii) to the general public upon
209	request;
210	(p) report at least annually to the Transportation Commission created in Section 72-1-301,
211	which report shall include:
212	(i) the district's short-term and long-range public transit plans, including the portions
213	of applicable regional transportation plans adopted by a metropolitan planning
214	organization established under 23 U.S.C. Sec. 134; and
215	(ii) any transit capital development projects that the board of trustees would like the
216	Transportation Commission to consider;
217	(q) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits that
218	the board of trustees determines, in consultation with the local advisory council
219	created in Section 17B-2a-808.2, to be the most critical to the success of the
220	organization;
221	(r) together with the local advisory council created in Section 17B-2a-808.2, hear audit
222	reports for audits conducted in accordance with Subsection (2)(o);
223	(s) review and approve all contracts pertaining to reduced fares, and evaluate existing
224	contracts, including review of:
225	(i) how negotiations occurred;
226	(ii) the rationale for providing a reduced fare; and
227	(iii) identification and evaluation of cost shifts to offset operational costs incurred
228	and impacted by each contract offering a reduced fare;
229	(t) in consultation with the local advisory council, develop and approve other board
230	policies, ordinances, and bylaws; [and]
231	(u) review and approve any:

232	(i) contract or expense exceeding \$200,000; or
233	(ii) proposed change order to an existing contract if the change order:
234	(A) increases the total contract value to \$200,000 or more;
235	(B) increases a contract of or expense of \$200,000 or more by 15% or more; or
236	(C) has a total change order value of \$200,000 or more[-] ; and
237	(v) coordinate with political subdivisions within the large public transit district and the
238	department to coordinate public transit services provided by the large public transit
239	district with pilot services related to public transit innovation grants.
240	(3) A board of trustees of a large public transit district may:
241	(a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that are:
242	(i) not repugnant to the United States Constitution, the Utah Constitution, or the
243	provisions of this part; and
244	(ii) necessary for:
245	(A) the governance and management of the affairs of the district;
246	(B) the execution of district powers; and
247	(C) carrying into effect the provisions of this part;
248	(b) provide by resolution, under terms and conditions the board considers fit, for the
249	payment of demands against the district without prior specific approval by the board,
250	if the payment is:
251	(i) for a purpose for which the expenditure has been previously approved by the
252	board;
253	(ii) in an amount no greater than the amount authorized; and
254	(iii) approved by the executive director or other officer or deputy as the board
255	prescribes;
256	(c) in consultation with the local advisory council created in Section 17B-2a-808.2:
257	(i) hold public hearings and subpoena witnesses; and
258	(ii) appoint district officers to conduct a hearing and require the officers to make
259	findings and conclusions and report them to the board; and
260	(d) appoint a custodian for the funds and securities under its control, subject to
261	Subsection (2)(n).
262	(4) For a large public transit district in existence as of May 8, 2018, on or before September
263	30, 2019, the board of trustees of a large public transit district shall present a report to
264	the Transportation Interim Committee regarding retirement benefits of the district,
265	including:

266	(a) the feasibility of becoming a participating employer and having retirement benefits
267	of eligible employees and officials covered in applicable systems and plans
268	administered under Title 49, Utah State Retirement and Insurance Benefit Act;
269	(b) any legal or contractual restrictions on any employees that are party to a collectively
270	bargained retirement plan; and
271	(c) a comparison of retirement plans offered by the large public transit district and
272	similarly situated public employees, including the costs of each plan and the value of
273	the benefit offered.
274	(5) The board of trustees may not issue a bond unless the board of trustees has consulted
275	and received approval from the State Finance Review Commission created in Section
276	63C-25-201.
277	(6) A member of the board of trustees of a large public transit district or a hearing officer
278	designated by the board may administer oaths and affirmations in a district investigation
279	or proceeding.
280	(7) (a) The vote of the board of trustees on each ordinance or resolution shall be by roll
281	call vote with each affirmative and negative vote recorded.
282	(b) The board of trustees of a large public transit district may not adopt an ordinance
283	unless it is introduced at least 24 hours before the board of trustees adopts it.
284	(c) Each ordinance adopted by a large public transit district's board of trustees shall take
285	effect upon adoption, unless the ordinance provides otherwise.
286	(8) (a) The board of trustees shall provide a report to each city and town within the
287	boundary of the large public transit district, that shall provide an accounting of:
288	(i) the amount of revenue from local option sales and use taxes under this part that
289	was collected within each respective county, city, or town and allocated to the
290	large public transit district as provided in this part;
291	(ii) how much revenue described in Subsection (8)(a) was allocated to provide public
292	transit services utilized by residents of each city and town; and
293	(iii) how the revenue described in Subsection (8)(b) was spent to provide public
294	transit services utilized by residents of each respective city and town.
295	(b) The board of trustees shall provide the report described in Subsection (8)(a):
296	(i) on or before January 1, 2025; and
297	(ii) at least every two years thereafter.
298	(c) To provide the report described in this Subsection (8), a board of trustees may
299	coordinate with the Department of Transportation to report on relevant public transit

300	capital development administered by the Department of Transportation.
301	[(8) (a) For a large public transit district in existence on May 8, 2018, for the budget for
302	calendar year 2019, the board in place on May 8, 2018, shall create the tentative annual
303	budget.]
304	[(b) The budget described in Subsection (8)(a) shall include setting the salary of each of
305	the members of the board of trustees that will assume control on or before November 1,
306	2018, which salary may not exceed \$150,000, plus additional retirement and other
307	standard benefits, as set by the local advisory council as described in Section
308	<del>17B-2a-808.2.</del> ]
309	[(c) For a large public transit district in existence on May 8, 2018, the board of trustees that
310	assumes control of the large public transit district on or before November 2, 2018, shall
311	approve the calendar year 2019 budget on or before December 31, 2018.]
312	Section 3. Section 17B-2a-828 is enacted to read:
313	<u>17B-2a-828</u> . Public transit innovation grants.
314	(1) A public transit district shall coordinate public transit services provided by the public
315	transit district with pilot services related to public transit innovation grants.
316	(2) After receiving the reports described in Section 72-2-304, the public transit district shall
317	consider integrating awarded public transit innovation grant operations that meet the
318	public transit district's service planning standards.
319	Section 4. Section <b>59-12-2202</b> is amended to read:
320	59-12-2202 . Definitions.
321	As used in this part:
322	(1) "Airline" means the same as that term is defined in Section 59-2-102.
323	(2) "Airport facility" means the same as that term is defined in Section 59-12-602.
324	(3) "Airport of regional significance" means an airport identified by the Federal Aviation
325	Administration in the most current National Plan of Integrated Airport Systems or an
326	update to the National Plan of Integrated Airport Systems.
327	(4) "Annexation" means an annexation to:
328	(a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or
329	(b) a city or town under Title 10, Chapter 2, Part 4, Annexation.
330	(5) "Annexing area" means an area that is annexed into a county, city, or town.
331	(6) "Class A road" means the same as that term is described in Section 72-3-102.
332	(7) "Class B road" means the same as that term is described in Section 72-3-103.
333	(8) "Class C road" means the same as that term is described in Section 72-3-104.

- (9) "Class D road" means the same as that term is described in Section 72-3-105.
  (10) "Council of governments" means the same as that term is defined in Section 72-2-117.5.
  (11) "Eligible political subdivision" means a political subdivision that:
  (a) provides public transit services;
  (b) is not a public transit district; and
  (c) is not annexed into a public transit district.
  (12) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 341 (13) "Large public transit district" means the same as that term is defined in Section342 17B-2a-802.
- 343 (14) "Major collector highway" means the same as that term is defined in Section344 72-4-102.5.
- 345 (15) "Metropolitan planning organization" means the same as that term is defined in346 Section 72-1-208.5.
- 347 (16) "Minor arterial highway" means the same as that term is defined in Section 72-4-102.5.
- 348 (17) "Minor collector road" means the same as that term is defined in Section 72-4-102.5.
- (18) "Principal arterial highway" means the same as that term is defined in Section72-4-102.5.
- 351 (19) "Public transit" means the same as that term is defined in Section 17B-2a-802.
- 352 (20) "Public transit district" means the same as that term is defined in Section 17B-2a-802.
- 353 (21) "Public transit innovation grant" means the same as that term is defined in Section
- 354 <u>72-2-301.</u>
- 355 [(21)] (22) "Public transit provider" means a public transit district or an eligible political
   356 subdivision.
- 357 [(22)] (23) "Public transit service" means a service provided as part of public transit.
- 358 [(23)] (24) "Regionally significant transportation facility" means:
- (a) in a county of the first or second class:
- 360 (i) a principal arterial highway;
- 361 (ii) a minor arterial highway;
- 362 (iii) a fixed guideway that:
- 363 (A) extends across two or more cities or unincorporated areas; or
- 364 (B) is an extension to an existing fixed guideway; or
- 365 (iv) an airport of regional significance; or
- 366 (b) in a county of the second class that is not part of a large public transit district, or in a
  367 county of the third, fourth, fifth, or sixth class:

368	(i) a principal arterial highway;
369	(ii) a minor arterial highway;
370	(iii) a major collector highway;
371	(iv) a minor collector road; or
372	(v) an airport of regional significance.
373	[(24)] (25) "State highway" means a highway designated as a state highway under Title 72,
374	Chapter 4, Designation of State Highways Act.
375	[(25)] (26) (a) Subject to Subsection [(25)(b)] (26)(b), "system for public transit" means
376	the same as the term "public transit" is defined in Section 17B-2a-802.
377	(b) "System for public transit" includes:
378	(i) the following costs related to public transit:
379	(A) maintenance costs; or
380	(B) operating costs;
381	(ii) a fixed guideway;
382	(iii) a park and ride facility;
383	(iv) a passenger station or passenger terminal;
384	(v) a right-of-way for public transit; or
385	(vi) the following that serve a public transit facility:
386	(A) a maintenance facility;
387	(B) a platform;
388	(C) a repair facility;
389	(D) a roadway;
390	(E) a storage facility;
391	(F) a utility line; or
392	(G) a facility or item similar to those described in Subsections $[(25)(b)(vi)(A)]$
393	(26)(b)(vi)(A) through (F).
394	Section 5. Section <b>59-12-2212.2</b> is amended to read:
395	59-12-2212.2 . Allowable uses of local option sales and use tax revenue.
396	(1) Except as otherwise provided in this part, a county, city, or town that imposes a local
397	option sales and use tax under this part may expend the revenue generated from the local
398	option sales and use tax for the following purposes:
399	(a) the development, construction, maintenance, or operation of:
400	(i) a class A road;
401	(ii) a class B road;

402	(iii) a class C road;
403	(iv) a class D road;
404	(v) traffic and pedestrian safety infrastructure, including:
405	(A) a sidewalk;
406	(B) curb and gutter;
407	(C) a safety feature;
408	(D) a traffic sign;
409	(E) a traffic signal; or
410	(F) street lighting;
411	(vi) streets, alleys, roads, highways, and thoroughfares of any kind, including
412	connected structures;
413	(vii) an airport facility;
414	(viii) an active transportation facility that is for nonmotorized vehicles and
415	multimodal transportation and connects an origin with a destination; or
416	(ix) an intelligent transportation system;
417	(b) a system for public transit;
418	(c) all other modes and forms of conveyance used by the public;
419	(d) debt service or bond issuance costs related to a project or facility described in
420	Subsections (1)(a) through (c); or
421	(e) corridor preservation related to a project or facility described in Subsections (1)(a)
422	through (c).
423	(2) Any revenue subject to rights or obligations under a contract between a county, city, or
424	town and a public transit district entered into before January 1, 2019, remains subject to
425	existing contractual rights and obligations.
426	(3) In addition to the uses described in Subsection (1), for any revenue generated by a sales
427	and use tax imposed under Section 59-12-2219 that is not contractually obligated for
428	debt service, the percentage described in Subsection 59-12-2219(11) shall be made
429	available for public transit innovation grants as provided in Title 72, Chapter 2, Part 3,
430	Public Transit Innovation Grants.
431	Section 6. Section <b>59-12-2219</b> is amended to read:
432	59-12-2219 . County option sales and use tax for highways and public transit
433	Base Rate Distribution and expenditure of revenue Revenue may not
434	supplant existing budgeted transportation revenue.
435	(1) Subject to the other provisions of this part, and subject to Subsection (13), a county

436		legislative body may impose a sales and use tax of .25% on the transactions described in
437		Subsection 59-12-103(1) within the county, including the cities and towns within the
438		county.
439	(2)	Subject to Subsection (9), the commission shall distribute sales and use tax revenue
440		collected under this section as provided in Subsections (3) through (8).
441	(3)	If the entire boundary of a county that imposes a sales and use tax under this section is
442		annexed into a single public transit district, the commission shall distribute the sales and
443		use tax revenue collected within the county as follows:
444		(a) .10% shall be transferred to the public transit district in accordance with Section
445		59-12-2206;
446		(b) .10% shall be distributed as provided in Subsection (6); and
447		(c) .05% shall be distributed to the county legislative body.
448	(4)	If the entire boundary of a county that imposes a sales and use tax under this section is
449		not annexed into a single public transit district, but a city or town within the county is
450		annexed into a single large public transit district, the commission shall distribute the
451		sales and use tax revenue collected within the county as follows:
452		(a) for a city or town within the county that is annexed into a single public transit
453		district, the commission shall distribute the sales and use tax revenue collected within
454		that city or town as follows:
455		(i) .10% shall be transferred to the public transit district in accordance with Section
456		59-12-2206;
457		(ii) .10% shall be distributed as provided in Subsection (6); and
458		(iii) .05% shall be distributed to the county legislative body;
459		(b) for an eligible political subdivision within the county, the commission shall
460		distribute the sales and use tax revenue collected within that eligible political
461		subdivision as follows:
462		(i) .10% shall be transferred to the eligible political subdivision in accordance with
463		Section 59-12-2206;
464		(ii) .10% shall be distributed as provided in Subsection (6); and
465		(iii) .05% shall be distributed to the county legislative body; and
466		(c) the commission shall distribute the sales and use tax revenue, except for the sales and
467		use tax revenue described in Subsections (4)(a) and (b), as follows:
468		(i) .10% shall be distributed as provided in Subsection (6); and
469		(ii) .15% shall be distributed to the county legislative body.

470	(5)	For a county not described in Subsection (3) or (4), if a county of the second, third,
471		fourth, fifth, or sixth class imposes a sales and use tax under this section, the
472		commission shall distribute the sales and use tax revenue collected within the county as
473		follows:
474		(a) for a city or town within the county that is annexed into a single public transit
475		district, the commission shall distribute the sales and use tax revenue collected within
476		that city or town as follows:
477		(i) .10% shall be distributed as provided in Subsection (6);
478		(ii) .10% shall be distributed as provided in Subsection (7); and
479		(iii) .05% shall be distributed to the county legislative body;
480		(b) for an eligible political subdivision within the county, the commission shall
481		distribute the sales and use tax revenue collected within that eligible political
482		subdivision as follows:
483		(i) .10% shall be distributed as provided in Subsection (6);
484		(ii) .10% shall be distributed as provided in Subsection (7); and
485		(iii) .05% shall be distributed to the county legislative body; and
486		(c) the commission shall distribute the sales and use tax revenue, except for the sales and
487		use tax revenue described in Subsections (5)(a) and (b), as follows:
488		(i) .10% shall be distributed as provided in Subsection (6); and
489		(ii) .15% shall be distributed to the county legislative body.
490	(6)	(a) Subject to Subsection (6)(b), the commission shall make the distributions
491		required by Subsections (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i),
492		(5)(c)(i), and (7)(d)(ii)(A) as follows:
493		(i) 50% of the total revenue collected under Subsections (3)(b), (4)(a)(ii), (4)(b)(ii),
494		(4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and
495		cities that impose a tax under this section shall be distributed to the
496		unincorporated areas, cities, and towns within those counties and cities on the
497		basis of the percentage that the population of each unincorporated area, city, or
498		town bears to the total population of all of the counties and cities that impose a tax
499		under this section; and
500		(ii) 50% of the total revenue collected under Subsections (3)(b), (4)(a)(ii), (4)(b)(ii),
501		(4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and
502		cities that impose a tax under this section shall be distributed to the
503		unincorporated areas, cities, and towns within those counties and cities on the

504	basis of the location of the transaction as determined under Sections 59-12-211
505	through 59-12-215.
506	(b) (i) Population for purposes of this Subsection (6) shall be determined on the basis
507	of the most recent official census or census estimate of the United States Bureau
508	of the 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
511	Population Committee.
512	(7) (a) (i) Subject to the requirements in Subsections (7)(b) and (c), a county
513	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
516	May 10, 2016, may, in consultation with any cities, towns, or eligible political
517	subdivisions within the county, and in compliance with the requirements for
518	changing an allocation under Subsection (7)(e), allocate the revenue under
519	Subsection (5)(a)(ii) or (5)(b)(ii) by adopting a resolution specifying the
520	percentage of revenue under Subsection (5)(a)(ii) or (5)(b)(ii) that will be
521	allocated to a public transit district or an eligible political subdivision; or
522	(B) for a county that imposes a sales and use tax under this section on or after
523	May 10, 2016, shall, in consultation with any cities, towns, or eligible political
524	subdivisions within the county, allocate the revenue under Subsection (5)(a)(ii)
525	or (5)(b)(ii) by adopting a resolution specifying the percentage of revenue
526	under Subsection (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit
527	district or an eligible political subdivision.
528	(ii) If a county described in Subsection (7)(a)(i)(A) does not allocate the revenue
529	under Subsection (5)(a)(ii) or (5)(b)(ii) in accordance with Subsection (7)(a)(i)(A),
530	the commission shall distribute 100% of the revenue under Subsection (5)(a)(ii) or
531	(5)(b)(ii) to:
532	(A) a public transit district for a city or town within the county that is annexed into
533	a 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 (7)(a)(i),
536	the county legislative body shall allocate not less than 25% of the revenue under
537	Subsection $(5)(a)(ii)$ 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
543	accordance with this Subsection (7).
544	(d) The commission shall make the distributions required by Subsection (5)(a)(ii) or
545	(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
548	Subsection (7)(a) to an eligible political subdivision or a public transit district
549	within the county; and
550	(ii) except as provided in Subsection (7)(a)(ii), if a county legislative body allocates
551	less than 100% of the revenue under Subsection (5)(a)(ii) or (5)(b)(ii) to a public
552	transit district or an eligible political subdivision, the remainder of the revenue
553	under Subsection (5)(a)(ii) or (5)(b)(ii) not allocated by a county legislative body
554	through a resolution under Subsection (7)(a) shall be distributed as follows:
555	(A) 50% of the revenue as provided in Subsection (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 (7)(a), the county legislative body may change the allocation by:
559	(i) adopting a resolution in accordance with Subsection (7)(a) specifying the
560	percentage of revenue under Subsection (5)(a)(ii) or (5)(b)(ii) that will be
561	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
563	of all the members of the county legislative body; and
564	(iii) subject to Subsection (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
567	registered voter has the opportunity to express the registered voter's opinion on
568	whether the allocation should be 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
571	the allocation.

572	(f) Notwithstanding Section 59-12-2208, the opinion question required by Subsection
573	(7)(e)(iii)(A) shall state the allocations specified in the resolution adopted in
574	accordance with Subsection (7)(e) and approved by the county legislative body in
575	accordance with Subsection (7)(e)(ii).
576	(g) (i) If a county makes an allocation by adopting a resolution under Subsection
577	(7)(a) or changes an allocation by adopting a resolution under Subsection (7)(e),
578	the allocation shall take effect on the first distribution the commission makes
579	under this section after a 90-day period that begins on the date the commission
580	receives written notice meeting the requirements of Subsection (7)(g)(ii) from the
581	county.
582	(ii) The notice described in Subsection (7)(g)(i) shall state:
583	(A) that the county will make or change the percentage of an allocation under
584	Subsection (7)(a) or (e); and
585	(B) the percentage of revenue under Subsection (5)(a)(ii) or (5)(b)(ii) that will be
586	allocated to a public transit district or an eligible political subdivision.
587	(8) (a) If a public transit district is organized after the date a county legislative body first
588	imposes a tax under this section, a change in a distribution required by this section
589	may not take effect until the first distribution the commission makes under this
590	section after a 90-day period that begins on the date the commission receives written
591	notice from the public transit district of the organization of the public transit district.
592	(b) If an eligible political subdivision intends to provide public transit service within a
593	county after the date a county legislative body first imposes a tax under this section, a
594	change in a distribution required by this section may not take effect until the first
595	distribution the commission makes under this section after a 90-day period that
596	begins on the date the commission receives written notice from the eligible political
597	subdivision stating that the eligible political subdivision intends to provide public
598	transit service within the county.
599	(9) (a) (i) Notwithstanding Subsections (3) through (8), for a county that has not
600	imposed a sales and use tax under this section before May 8, 2018, and if the
601	county imposes a sales and use tax under this section before June 30, 2019, the
602	commission shall distribute all of the sales and use tax revenue collected by the
603	county before June 30, 2019, to the county for the purposes described in
604	Subsection (9)(a)(ii).
605	(ii) For any revenue collected by a county pursuant to Subsection (9)(a)(i) before

606	June 30, 2019, the county may expend that revenue for:
607	(A) reducing transportation related debt;
608	(B) a regionally significant transportation facility; or
609	(C) a public transit project of regional significance.
610	(b) For a county that has not imposed a sales and use tax under this section before May
611	8, 2018, and if the county imposes a sales and use tax under this section before June
612	30, 2019, the commission shall distribute the sales and use tax revenue collected by
613	the county on or after July 1, 2019, as described in Subsections (3) through (8).
614	(c) For a county that has not imposed a sales and use tax under this section before June
615	30, 2019, if the entire boundary of that county is annexed into a large public transit
616	district, and if the county imposes a sales and use tax under this section on or after
617	July 1, 2019, the commission shall distribute the sales and use tax revenue collected
618	by the county as described in Subsections (3) through (8).
619	(10) A county, city, or town may expend revenue collected from a tax under this section,
620	except for revenue the commission distributes in accordance with Subsection (3)(a),
621	(4)(a)(i), (4)(b)(i), or (7)(d)(i), for a purpose described in Section 59-12-2212.2.
622	(11) (a) A public transit district or an eligible political subdivision may expend revenue
623	the commission distributes in accordance with Subsection (3)(a), (4)(a)(i), (4)(b)(i),
624	or (7)(d)(i) for capital expenses and service delivery expenses of the public transit
625	district or eligible political subdivision.
626	(b) As provided in Section 59-12-2212.2, for the .10% designated for public transit
627	described in Subsection (3)(a) that is not contractually obligated for debt service,
628	beginning on July 1, 2025, a public transit district shall make available to the
629	Department of Transportation an amount equal to 10% of the .10% to be used for
630	public transit innovation grants as provided in Title 72, Chapter 2, Part 3, Public
631	Transit Innovation Grants.
632	(12) Notwithstanding Section 59-12-2208, a county, city, or town legislative body may, but
633	is not required to, submit an opinion question to the county's, city's, or town's registered
634	voters in accordance with Section 59-12-2208 to impose a sales and use tax under this
635	section.
636	(13) (a) (i) Notwithstanding any other provision in this section, if the entire boundary
637	of a county is annexed into a large public transit district, if the county legislative
638	body wishes to impose a sales and use tax under this section, the county
639	legislative body shall pass the ordinance to impose a sales and use tax under this

640	section on or before June 30, 2022.
641	(ii) If the entire boundary of a county is annexed into a large public transit district,
642	the county legislative body may not pass an ordinance to impose a sales and use
643	tax under this section on or after July 1, 2022.
644	(b) Notwithstanding the deadline described in Subsection (13)(a), any sales and use tax
645	imposed under this section by passage of a county ordinance on or before June 30,
646	2022, may remain in effect.
647	(14) (a) Beginning on July 1, 2020, and subject to Subsection (15), if a county has not
648	imposed a sales and use tax under this section, subject to the provisions of this part,
649	the legislative body of a city or town described in Subsection (14)(b) may impose a
650	.25% sales and use tax on the transactions described in Subsection 59-12-103(1)
651	within the city or town.
652	(b) The following cities or towns may impose a sales and use tax described in
653	Subsection (14)(a):
654	(i) a city or town that has been annexed into a public transit district; or
655	(ii) an eligible political subdivision.
656	(c) If a city or town imposes a sales and use tax as provided in this section, the
657	commission shall distribute the sales and use tax revenue collected by the city or
658	town as follows:
659	(i) .125% to the city or town that imposed the sales and use tax, to be distributed as
660	provided in Subsection (6); and
661	(ii) .125%, as applicable, to:
662	(A) the public transit district in which the city or town is annexed; or
663	(B) the eligible political subdivision for public transit services.
664	(d) If a city or town imposes a sales and use tax under this section and the county
665	subsequently imposes a sales and use tax under this section, the commission shall
666	distribute the sales and use tax revenue collected within the city or town as described
667	in Subsection (14)(c).
668	(15) (a) (i) Notwithstanding any other provision in this section, if a city or town
669	legislative body wishes to impose a sales and use tax under this section, the city or
670	town legislative body shall pass the ordinance to impose a sales and use tax under
671	this section on or before June 30, 2022.
672	(ii) A city or town legislative body may not pass an ordinance to impose a sales and
673	use tax under this section on or after July 1, 2022.

674	(b) Notwithstanding the deadline described in Subsection (15)(a), any sales and use tax
675	imposed under this section by passage of an ordinance by a city or town legislative
676	body on or before June 30, 2022, may remain in effect.
677	Section 7. Section <b>59-12-2220</b> is amended to read:
678	59-12-2220 . County option sales and use tax to fund highways or a system for
679	public transit Base Rate.
680	(1) Subject to the other provisions of this part and subject to the requirements of this
681	section, the following counties may impose a sales and use tax under this section:
682	(a) a county legislative body may impose the sales and use tax on the transactions
683	described in Subsection 59-12-103(1) located within the county, including the cities
684	and towns within the county if:
685	(i) the entire boundary of a county is annexed into a large public transit district; and
686	(ii) the maximum amount of sales and use tax authorizations allowed pursuant to
687	Section 59-12-2203 and authorized under the following sections has been imposed:
688	(A) Section 59-12-2213;
689	(B) Section 59-12-2214;
690	(C) Section 59-12-2215;
691	(D) Section 59-12-2216;
692	(E) Section 59-12-2217;
693	(F) Section 59-12-2218; and
694	(G) Section 59-12-2219;
695	(b) if the county is not annexed into a large public transit district, the county legislative
696	body may impose the sales and use tax on the transactions described in Subsection
697	59-12-103(1) located within the county, including the cities and towns within the
698	county if:
699	(i) the county is an eligible political subdivision; or
700	(ii) a city or town within the boundary of the county is an eligible political
701	subdivision; or
702	(c) a county legislative body of a county not described in Subsection (1)(a) may impose
703	the sales and use tax on the transactions described in Subsection 59-12-103(1)
704	located within the county, including the cities and towns within the county.
705	(2) For purposes of Subsection (1) and subject to the other provisions of this section, a
706	county legislative body that imposes a sales and use tax under this section may impose
707	the tax at a rate of .2%.

708	(3) (a) The commission shall distribute sales and use tax revenue collected under this
709	section as determined by a county legislative body as described in Subsection (3)(b).
710	(b) If a county legislative body imposes a sales and use tax as described in this section,
711	the county legislative body may elect to impose a sales and use tax revenue
712	distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
713	county, and presence and type of a public transit provider in the county.
714	(4) If a county legislative body imposes a sales and use tax as described in this section, and
715	the entire boundary of the county is annexed into a large public transit district, and the
716	county is a county of the first class, the commission shall distribute the sales and use tax
717	revenue as follows:
718	(a) .10% to a public transit district as described in Subsection (11);
719	(b) .05% to the cities and towns as provided in Subsection (8); and
720	(c) .05% to the county legislative body.
721	(5) If a county legislative body imposes a sales and use tax as described in this section and
722	the entire boundary of the county is annexed into a large public transit district, and the
723	county is a county not described in Subsection (4), the commission shall distribute the
724	sales and use tax revenue as follows:
725	(a) .10% to a public transit district as described in Subsection (11);
726	(b) .05% to the cities and towns as provided in Subsection (8); and
727	(c) .05% to the county legislative body.
728	(6) (a) Except as provided in Subsection (12)(c), if the entire boundary of a county that
729	imposes a sales and use tax as described in this section is not annexed into a single
730	public transit district, but a city or town within the county is annexed into a single
731	public transit district, or if the city or town is an eligible political subdivision, the
732	commission shall distribute the sales and use tax revenue collected within the county
733	as provided in Subsection (6)(b) or (c).
734	(b) For a city, town, or portion of the county described in Subsection (6)(a) that is
735	annexed into the single public transit district, or an eligible political subdivision, the
736	commission shall distribute the sales and use tax revenue collected within the portion
737	of the county that is within a public transit district or eligible political subdivision as
738	follows:
739	(i) .05% to a public transit provider as described in Subsection (11);
740	(ii) .075% to the cities and towns as provided in Subsection (8); and
741	(iii) .075% to the county legislative body.

742	(c) Except as provided in Subsection (12)(c), for a city, town, or portion of the county
743	described in Subsection (6)(a) that is not annexed into a single public transit district
744	or eligible political subdivision in the county, the commission shall distribute the
745	sales and use tax revenue collected within that portion of the county as follows:
746	(i) .08% to the cities and towns as provided in Subsection (8); and
747	(ii) .12% to the county legislative body.
748	(7) For a county without a public transit service that imposes a sales and use tax as
749	described in this section, the commission shall distribute the sales and use tax revenue
750	collected within the county as follows:
751	(a) .08% to the cities and towns as provided in Subsection (8); and
752	(b) .12% to the county legislative body.
753	(8) (a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
754	required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
755	(i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
756	(6)(c)(i), and $(7)(a)$ within the counties that impose a tax under Subsections (4)
757	through (7) shall be distributed to the unincorporated areas, cities, and towns
758	within those counties on the basis of the percentage that the population of each
759	unincorporated area, city, or town bears to the total population of all of the
760	counties that impose a tax under this section; and
761	(ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
762	(6)(c)(i), and $(7)(a)$ within the counties that impose a tax under Subsections (4)
763	through (7) shall be distributed to the unincorporated areas, cities, and towns
764	within those counties on the basis of the location of the transaction as determined
765	under Sections 59-12-211 through 59-12-215.
766	(b) (i) Population for purposes of this Subsection (8) shall be determined on the basis
767	of the most recent official census or census estimate of the United States Census
768	Bureau.
769	(ii) If a needed population estimate is not available from the United States Census
770	Bureau, population figures shall be derived from an estimate from the Utah
771	Population Estimates Committee created by executive order of the governor.
772	(c) (i) Beginning on January 1, 2024, if the Housing and Community Development
773	Division within the Department of Workforce Services determines that a city,
774	town, or metro township is ineligible for funds in accordance with Subsection
775	10-9a-408(7), beginning the first day of the calendar quarter after receiving 90

776	days' notice, the commission shall distribute the distribution that city, town, or
777	metro township would have received under Subsection (8)(a) to cities, towns, or
778	metro townships to which Subsection 10-9a-408(7) does not apply.
779	(ii) Beginning on January 1, 2024, if the Housing and Community Development
780	Division within the Department of Workforce Services determines that a county is
781	ineligible for funds in accordance with Subsection 17-27a-408(7), beginning the
782	first day of the calendar quarter after receiving 90 days' notice, the commission
783	shall distribute the distribution that county would have received under Subsection
784	(8)(a) to counties to which Subsection 17-27a-408(7) does not apply.
785	(9) If a public transit service is organized after the date a county legislative body first
786	imposes a tax under this section, a change in a distribution required by this section may
787	not take effect until the first distribution the commission makes under this section after a
788	90-day period that begins on the date the commission receives written notice from the
789	public transit provider that the public transit service has been organized.
790	(10) A county, city, or town that received distributions described in Subsections (4)(b),
791	(4)(c), (5)(b), (5)(c), (6)(b)(ii), (6)(b)(iii), (6)(c), and (7) may only expend those funds
792	for a purpose described in Section 59-12-2212.2.
793	(11) (a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
794	as described in this section may be used for capital expenses and service delivery
795	expenses of:
796	(i) a public transit district;
797	(ii) an eligible political subdivision; or
798	(iii) another entity providing a service for public transit or a transit facility within the
799	relevant county, as those terms are defined in Section 17B-2a-802.
800	(b) (i) (A) If a county of the first class imposes a sales and use tax described in
801	this section, for a three-year period following the date on which the county
802	imposes the sales and use tax under this section, revenue designated for public
803	transit within a county of the first class as described in Subsection (4)(a) shall
804	be transferred to the County of the First Class Highway Projects Fund created
805	in Section 72-2-121.
806	(B) Revenue deposited into the County of the First Class Highway Projects Fund
807	created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be
808	used for public transit innovation grants as provided in Title 72, Chapter 2, Part
809	3, Public Transit Innovation Grants.

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810	(ii) If a county of the first class imposes a sales and use tax described in this section,
811	beginning on the day three years after the date on which the county imposed the
812	tax as described in Subsection (11)(b)(i), for revenue designated for public transit
813	as described in Subsection (4)(a):
814	(A) 50% of the revenue from a sales and use tax imposed under this section in a
815	county of the first class shall be transferred to the County of the First Class
816	Highway Projects Fund created in Section 72-2-121; and
817	(B) 50% of the revenue from a sales and use tax imposed under this section in a
818	county of the first class shall be transferred to the Transit Transportation
819	Investment Fund created in Subsection 72-2-124(9).
820	(c) (i) If a county that is not a county of the first class for which the entire boundary
821	of the county is annexed into a large public transit district imposes a sales and use
822	tax described in this section, for a three-year period following the date on which
823	the county imposes the sales and use tax under this section, revenue designated for
824	public transit as described in Subsection (5)(a) shall be transferred to the relevant
825	county legislative body to be used for a purpose described in Subsection (11)(a).
826	(ii) If a county that is not a county of the first class for which the entire boundary of
827	the county is annexed into a large public transit district imposes a sales and use
828	tax described in this section, beginning on the day three years after the date on
829	which the county imposed the tax as described in Subsection (11)(c)(i), for the
830	revenue that is designated for public transit in Subsection (5)(a):
831	(A) 50% shall be transferred to the Transit Transportation Investment Fund
832	created in Subsection 72-2-124(9); and
833	(B) 50% shall be transferred to the relevant county legislative body to be used for
834	a purpose described in Subsection (11)(a).
835	(d) Except as provided in Subsection (12)(c), for a county that imposes a sales and use
836	tax under this section, for revenue designated for public transit as described in
837	Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative
838	body to be used for a purpose described in Subsection (11)(a).
839	(12) (a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
840	required to, submit an opinion question to the county's registered voters in
841	accordance with Section 59-12-2208 to impose a sales and use tax under this section.
842	(b) If a county passes an ordinance to impose a sales and use tax as described in this
843	section, the sales and use tax shall take effect on the first day of the calendar quarter

844	after a 90-day period that begins on the date the commission receives written notice
845	from the county of the passage of the ordinance.
846	(c) A county that imposed the local option sales and use tax described in this section
847	before January 1, 2023, may maintain that county's distribution allocation in place as
848	of January 1, 2023.
849	(13) (a) Revenue collected from a sales and use tax under this section may not be used to
850	supplant existing General Fund appropriations that a county, city, or town budgeted
851	for transportation or public transit as of the date the tax becomes effective for a
852	county, city, or town.
853	(b) The limitation under Subsection (13)(a) does not apply to a designated transportation
854	or public transit capital or reserve account a county, city, or town established before
855	the date the tax becomes effective.
856	Section 8. Section 72-1-303 is amended to read:
857	72-1-303 . Duties of commission.
858	(1) The commission has the following duties:
859	(a) determining priorities and funding levels of projects and programs in the state
860	transportation systems and the capital development of new public transit facilities for
861	each fiscal year based on project lists compiled by the department and taking into
862	consideration the strategic initiatives described in Section 72-1-211;
863	(b) determining additions and deletions to state highways under Chapter 4, Designation
864	of State Highways Act;
865	(c) holding public meetings and otherwise providing for public input in transportation
866	matters;
867	(d) making policies and rules in accordance with Title 63G, Chapter 3, Utah
868	Administrative Rulemaking Act, necessary to perform the commission's duties
869	described under this section;
870	(e) in accordance with Section 63G-4-301, reviewing orders issued by the executive
871	director in adjudicative proceedings held in accordance with Title 63G, Chapter 4,
872	Administrative Procedures Act;
873	(f) advising the department on state transportation systems policy;
874	(g) approving settlement agreements of condemnation cases subject to Section
875	63G-10-401;
876	(h) in accordance with Section 17B-2a-807, appointing a commissioner to serve as a
877	nonvoting member or a voting member on the board of trustees of a public transit

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878	district;
879	(i) in accordance with Section 17B-2a-808, reviewing, at least annually, the short-term
880	and long-range public transit plans; [and]
881	(j) determining the priorities and funding levels of public transit innovation grants, as
882	defined in Section 72-2-301; and
883	[(j)] (k) reviewing administrative rules made, substantively amended, or repealed by the
884	department.
885	(2) (a) For projects prioritized with funding provided under Sections 72-2-124 and
886	72-2-125, the commission shall annually report to a committee designated by the
887	Legislative Management Committee:
888	(i) a prioritized list of the new transportation capacity projects in the state
889	transportation system and the funding levels available for those projects; and
890	(ii) the unfunded highway construction and maintenance needs within the state.
891	(b) The committee designated by the Legislative Management Committee under
892	Subsection (2)(a) shall:
893	(i) review the list reported by the Transportation Commission; and
894	(ii) make a recommendation to the Legislature on:
895	(A) the amount of additional funding to allocate to transportation; and
896	(B) the source of revenue for the additional funding allocation under Subsection
897	(2)(b)(ii)(A).
898	(3) The commission shall review and may approve plans for the construction of a highway
899	facility over sovereign lakebed lands in accordance with Chapter 6, Part 3, Approval of
900	Highway Facilities on Sovereign Lands Act.
901	(4) One or more associations representing airport operators or pilots in the state shall
902	annually report to the commission recommended airport improvement projects and any
903	other information related to the associations' expertise and relevant to the commission's
904	duties.
905	Section 9. Section 72-2-121 is amended to read:
906	72-2-121 . County of the First Class Highway Projects Fund.
907	(1) There is created a special revenue fund within the Transportation Fund known as the
908	"County of the First Class Highway Projects Fund."
909	(2) The fund consists of money generated from the following revenue sources:
910	(a) any voluntary contributions received for new construction, major renovations, and
911	improvements to highways within a county of the first class;

912	(b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
913	deposited into or transferred to the fund;
914	(c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or
915	transferred to the fund;
916	(d) a portion of the local option highway construction and transportation corridor
917	preservation fee imposed in a county of the first class under Section 41-1a-1222
918	deposited into or transferred to the fund; and
919	(e) the portion of the sales and use tax transferred into the fund as described in
920	Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).
921	(3) (a) The fund shall earn interest.
922	(b) All interest earned on fund money shall be deposited into the fund.
923	(4) Subject to Subsection $[(9)]$ (10), the executive director shall use the fund money only:
924	(a) to pay debt service and bond issuance costs for bonds issued under Sections
925	63B-16-102, 63B-18-402, and 63B-27-102;
926	(b) for right-of-way acquisition, new construction, major renovations, and improvements
927	to highways within a county of the first class and to pay any debt service and bond
928	issuance costs related to those projects, including improvements to a highway located
929	within a municipality in a county of the first class where the municipality is located
930	within the boundaries of more than a single county;
931	(c) for the construction, acquisition, use, maintenance, or operation of:
932	(i) an active transportation facility for nonmotorized vehicles;
933	(ii) multimodal transportation that connects an origin with a destination; or
934	(iii) a facility that may include a:
935	(A) pedestrian or nonmotorized vehicle trail;
936	(B) nonmotorized vehicle storage facility;
937	(C) pedestrian or vehicle bridge; or
938	(D) vehicle parking lot or parking structure;
939	(d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
940	Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the
941	amounts transferred in accordance with Subsection 72-2-124(4)(a)(iv);
942	(e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
943	issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the
944	projects described in Subsection 63B-18-401(4)(a);
945	(f) for a fiscal year beginning on or after July 1, 2013, and after the department has

946	verified that the amount required under Subsection 72-2-121.3(4)(c) is available in
947	the fund, to transfer an amount equal to 50% of the revenue generated by the local
948	option highway construction and transportation corridor preservation fee imposed
949	under Section 41-1a-1222 in a county of the first class:
950	(i) to the legislative body of a county of the first class; and
951	(ii) to be used by a county of the first class for:
952	(A) highway construction, reconstruction, or maintenance projects; or
953	(B) the enforcement of state motor vehicle and traffic laws;
954	(g) for a fiscal year beginning on or after July 1, 2015, after the department has verified
955	that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
956	and the transfer under Subsection (4)(e) has been made, to annually transfer an
957	amount of the sales and use tax revenue imposed in a county of the first class and
958	deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an
959	amount needed to cover the debt to:
960	(i) the appropriate debt service or sinking fund for the repayment of bonds issued
961	under Section 63B-27-102; and
962	(ii) the appropriate debt service or sinking fund for the repayment of bonds issued
963	under Sections 63B-31-102 and 63B-31-103;
963	under Sections 63B-31-102 and 63B-31-103;
963 964	under Sections 63B-31-102 and 63B-31-103; (h) after the department has verified that the amount required under Subsection
963 964 965	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection</li> </ul>
963 964 965 966	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection</li> </ul>
963 964 965 966 967	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in</li> </ul>
963 964 965 966 967 968	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> </ul>
963 964 965 966 967 968 969	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified</li> </ul>
963 964 965 966 967 968 969 970	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund</li> </ul>
963 964 965 966 967 968 969 970 971	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(e),</li> </ul>
963 964 965 966 967 968 969 970 971 972	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20%</li> </ul>
963 964 965 966 967 968 969 970 971 972 973	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b):</li> </ul>
963 964 965 966 967 968 969 970 971 972 973 974	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b): <ul> <li>(i) to the legislative body of a county of the first class; and</li> </ul> </li> </ul>
963 964 965 966 967 968 969 970 971 972 973 974 975	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b): <ul> <li>(i) to the legislative body of a county of the first class that facilitate significant</li> </ul> </li> </ul>
963 964 965 966 967 968 969 970 971 972 973 974 975 976	<ul> <li>under Sections 63B-31-102 and 63B-31-103;</li> <li>(h) after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;</li> <li>(i) for a fiscal year beginning on or after July 1, 2018, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b):</li> <li>(i) to the legislative body of a county of the first class; and</li> <li>(ii) to fund parking facilities in a county of the first class that facilitate significant economic development and recreation and tourism within the state;</li> </ul>

980	transfers under Subsections (4)(g), (h), and (i) have been made, to transfer
981	\$12,000,000 to the department to distribute for the following projects:
982	(i) \$2,000,000 to West Valley City for highway improvement to 4100 South;
983	(ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from
984	6800 West to 7300 West;
985	(iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;
986	(iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from
987	13400 South to 13200 South;
988	(v) \$1,000,000 to Murray City for highway improvements to 5600 South from State
989	Street to Van Winkle;
990	(vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from
991	11400 South to 12300 South;
992	(vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;
993	(viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements
994	to 10200 South from 2700 West to 3200 West;
995	(ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near
996	Mountain View Corridor;
997	(x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and
998	(xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from
999	7200 West to 8000 West; and
1000	(k) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for
1001	15 years thereafter, to annually transfer the following amounts to the following cities,
1002	metro townships, and the county of the first class for priority projects to mitigate
1003	congestion and improve transportation safety:
1004	(i) \$2,000,000 to Sandy;
1005	(ii) \$2,000,000 to Taylorsville;
1006	(iii) \$1,100,000 to Salt Lake City;
1007	(iv) \$1,100,000 to West Jordan;
1008	(v) \$1,100,000 to West Valley City;
1009	(vi) \$800,000 to Herriman;
1010	(vii) \$700,000 to Draper;
1011	(viii) \$700,000 to Riverton;
1012	(ix) \$700,000 to South Jordan;
1013	(x) \$500,000 to Bluffdale;

1014	(xi) \$500,000 to Midvale;
1015	(xii) \$500,000 to Millcreek;
1016	(xiii) \$500,000 to Murray;
1017	(xiv) \$400,000 to Cottonwood Heights; and
1018	(xv) \$300,000 to Holladay.
1019	(5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in
1020	Subsection (4)(k), the executive director shall proportionately reduce the amounts
1021	transferred as described in Subsection (4)(k).
1022	(b) A local government entity, as that term is defined in Section 63J-1-220, is exempt
1023	from entering into an agreement as described in Section 63J-1-220 pertaining to the
1024	receipt or expenditure of any funding described in Subsection (4)(k).
1025	(c) A local government may not use revenue described in Subsection (4)(k) to supplant
1026	existing class B or class C road funds that a local government has budgeted for
1027	transportation projects.
1028	(d) (i) A municipality or county that received a transfer of funds described in
1029	Subsection (4)(j) shall submit to the department a statement of cash flow and
1030	progress pertaining to the municipality's or county's respective project described
1031	in Subsection (4)(j).
1032	(ii) After the department is satisfied that the municipality or county described in
1033	Subsection (4)(j) has made substantial progress and the expenditure of funds is
1034	programmed and imminent, the department may transfer to the same municipality
1035	or county the respective amounts described in Subsection (4)(k).
1036	(6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the
1037	fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402,
1038	and 63B-27-102 are considered a local matching contribution for the purposes described
1039	under Section 72-2-123.
1040	(7) The department may expend up to \$3,000,000 of revenue deposited into the account as
1041	described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as
1042	provided in Part 3, Public Transit Innovation Grants.
1043	[(7)] (8) The additional administrative costs of the department to administer this fund shall
1044	be paid from money in the fund.
1045	[(8)] (9) Subject to Subsection $[(9)]$ (10), and notwithstanding any statutory or other
1046	restrictions on the use or expenditure of the revenue sources deposited into this fund, the
1047	Department of Transportation may use the money in this fund for any of the purposes

1048	detailed in Subsection (4).
1049	[(9)] (10) Any revenue deposited into the fund as described in Subsection (2)(e) shall be
1050	used to provide funding or loans for public transit projects, operations, and supporting
1051	infrastructure in the county of the first class.
1052	Section 10. Section 72-2-124 is amended to read:
1053	72-2-124 . Transportation Investment Fund of 2005.
1054	(1) There is created a capital projects fund entitled the Transportation Investment Fund of
1055	2005.
1056	(2) The fund consists of money generated from the following sources:
1057	(a) any voluntary contributions received for the maintenance, construction,
1058	reconstruction, or renovation of state and federal highways;
1059	(b) appropriations made to the fund by the Legislature;
1060	(c) registration fees designated under Section 41-1a-1201;
1061	(d) the sales and use tax revenues deposited into the fund in accordance with Section
1062	59-12-103; and
1063	(e) revenues transferred to the fund in accordance with Section 72-2-106.
1064	(3) (a) The fund shall earn interest.
1065	(b) All interest earned on fund money shall be deposited into the fund.
1066	(4) (a) Except as provided in Subsection (4)(b), the executive director may only use fund
1067	money to pay:
1068	(i) the costs of maintenance, construction, reconstruction, or renovation to state and
1069	federal highways prioritized by the Transportation Commission through the
1070	prioritization process for new transportation capacity projects adopted under
1071	Section 72-1-304;
1072	(ii) the costs of maintenance, construction, reconstruction, or renovation to the
1073	highway projects described in Subsections 63B-18-401(2), (3), and (4);
1074	(iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
1075	minus the costs paid from the County of the First Class Highway Projects Fund in
1076	accordance with Subsection 72-2-121(4)(e);
1077	(iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
1078	Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
1079	amount certified by Salt Lake County in accordance with Subsection 72-2-121.3
1080	(4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds
1081	issued by Salt Lake County;

1082	(v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
1083	for projects prioritized in accordance with Section 72-2-125;
1084	(vi) all highway general obligation bonds that are intended to be paid from revenues
1085	in the Centennial Highway Fund created by Section 72-2-118;
1086	(vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
1087	Class Highway Projects Fund created in Section 72-2-121 to be used for the
1088	purposes described in Section 72-2-121;
1089	(viii) if a political subdivision provides a contribution equal to or greater than 40% of
1090	the costs needed for construction, reconstruction, or renovation of paved
1091	pedestrian or paved nonmotorized transportation for projects that:
1092	(A) mitigate traffic congestion on the state highway system;
1093	(B) are part of an active transportation plan approved by the department; and
1094	(C) are prioritized by the commission through the prioritization process for new
1095	transportation capacity projects adopted under Section 72-1-304;
1096	(ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
1097	reconstruction, or renovation of or improvement to the following projects:
1098	(A) the connector road between Main Street and 1600 North in the city of
1099	Vineyard;
1100	(B) Geneva Road from University Parkway to 1800 South;
1101	(C) the SR-97 interchange at 5600 South on I-15;
1102	(D) two lanes on U-111 from Herriman Parkway to 11800 South;
1103	(E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
1104	(F) improvements to 1600 North in Orem from 1200 West to State Street;
1105	(G) widening I-15 between mileposts 6 and 8;
1106	(H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
1107	(I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
1108	in Spanish Fork Canyon;
1109	(J) I-15 northbound between mileposts 43 and 56;
1110	(K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
1111	43 and 45.1;
1112	(L) east Zion SR-9 improvements;
1113	(M) Toquerville Parkway;
1114	(N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
1115	(O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,

1116	for construction of an interchange on Bangerter Highway at 13400 South; and
1117	(P) an environmental impact study for Kimball Junction in Summit County; and
1118	(x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
1119	costs based upon a statement of cash flow that the local jurisdiction where the
1120	project is located provides to the department demonstrating the need for money
1121	for the project, for the following projects in the following amounts:
1122	(A) \$5,000,000 for Payson Main Street repair and replacement;
1123	(B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
1124	(C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
1125	(D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
1126	40 between mile markers 7 and 10.
1127	(b) The executive director may use fund money to exchange for an equal or greater
1128	amount of federal transportation funds to be used as provided in Subsection (4)(a).
1129	(5) (a) Except as provided in Subsection (5)(b), if the department receives a notice of
1130	ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive
1131	director may not program fund money to a project prioritized by the commission
1132	under Section 72-1-304, including fund money from the Transit Transportation
1133	Investment Fund, within the boundaries of the municipality until the department
1134	receives notification from the Housing and Community Development Division within
1135	the Department of Workforce Services that ineligibility under this Subsection (5) no
1136	longer applies to the municipality.
1137	(b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
1138	director:
1139	(i) may program fund money in accordance with Subsection (4)(a) for a
1140	limited-access facility or interchange connecting limited-access facilities;
1141	(ii) may not program fund money for the construction, reconstruction, or renovation
1142	of an interchange on a limited-access facility;
1143	(iii) may program Transit Transportation Investment Fund money for a
1144	multi-community fixed guideway public transportation project; and
1145	(iv) may not program Transit Transportation Investment Fund money for the
1146	construction, reconstruction, or renovation of a station that is part of a fixed
1147	guideway public transportation project.
1148	(c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
1149	director before July 1, 2022, for projects prioritized by the commission under Section

1150	72-1-304.
1151	(6) (a) Except as provided in Subsection (6)(b), if the department receives a notice of
1152	ineligibility for a county as described in Subsection 17-27a-408(7), the executive
1153	director may not program fund money to a project prioritized by the commission
1154	under Section 72-1-304, including fund money from the Transit Transportation
1155	Investment Fund, within the boundaries of the unincorporated area of the county until
1156	the department receives notification from the Housing and Community Development
1157	Division within the Department of Workforce Services that ineligibility under this
1158	Subsection (6) no longer applies to the county.
1159	(b) Within the boundaries of the unincorporated area of a county described in Subsection
1160	(6)(a), the executive director:
1161	(i) may program fund money in accordance with Subsection (4)(a) for a
1162	limited-access facility to a project prioritized by the commission under Section
1163	72-1-304;
1164	(ii) may not program fund money for the construction, reconstruction, or renovation
1165	of an interchange on a limited-access facility;
1166	(iii) may program Transit Transportation Investment Fund money for a
1167	multi-community fixed guideway public transportation project; and
1168	(iv) may not program Transit Transportation Investment Fund money for the
1169	construction, reconstruction, or renovation of a station that is part of a fixed
1170	guideway public transportation project.
1171	(c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
1172	director before July 1, 2022, for projects prioritized by the commission under Section
1173	72-1-304.
1174	(7) (a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
1175	any fiscal year, the department and the commission shall appear before the Executive
1176	Appropriations Committee of the Legislature and present the amount of bond
1177	proceeds that the department needs to provide funding for the projects identified in
1178	Subsections $63B-18-401(2)$ , (3), and (4) or Subsection $63B-27-101(2)$ for the current
1179	or next fiscal year.
1180	(b) The Executive Appropriations Committee of the Legislature shall review and
1181	comment on the amount of bond proceeds needed to fund the projects.
1182	(8) The Division of Finance shall, from money deposited into the fund, transfer the amount
1183	of funds necessary to pay principal, interest, and issuance costs of bonds authorized by

1184	Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
1185	service or sinking fund.
1186	(9) (a) There is created in the Transportation Investment Fund of 2005 the Transit
1187	Transportation Investment Fund.
1188	(b) The fund shall be funded by:
1189	(i) contributions deposited into the fund in accordance with Section 59-12-103;
1190	(ii) appropriations into the account by the Legislature;
1191	(iii) deposits of sales and use tax increment related to a housing and transit
1192	reinvestment zone as described in Section 63N-3-610;
1193	(iv) transfers of local option sales and use tax revenue as described in Subsection
1194	59-12-2220(11)(b) or (c);
1195	(v) private contributions; and
1196	(vi) donations or grants from public or private entities.
1197	(c) (i) The fund shall earn interest.
1198	(ii) All interest earned on fund money shall be deposited into the fund.
1199	(d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:
1200	(i) for public transit capital development of new capacity projects and fixed guideway
1201	capital development projects to be used as prioritized by the commission through
1202	the prioritization process adopted under Section 72-1-304; or
1203	(ii) to the department for oversight of a fixed guideway capital development project
1204	for which the department has responsibility.
1205	(e) (i) Subject to Subsections (9)(g) and (h), the commission may only prioritize
1206	money from the fund for a public transit capital development project or pedestrian
1207	or nonmotorized transportation project that provides connection to the public
1208	transit system if the public transit district or political subdivision provides funds of
1209	equal to or greater than 30% of the costs needed for the project.
1210	(ii) A public transit district or political subdivision may use money derived from a
1211	loan granted pursuant to Title 72, Chapter 2, Part 2, State Infrastructure Bank
1212	Fund, to provide all or part of the 30% requirement described in Subsection
1213	(9)(e)(i) if:
1214	(A) the loan is approved by the commission as required in Title 72, Chapter 2,
1215	Part 2, State Infrastructure Bank Fund; and
1216	(B) the proposed capital project has been prioritized by the commission pursuant
1217	to Section 72-1-303.

1010	(f) Defense links 1, 2022, the demonstration of a lance multiple transit district shall enter into
1218	(f) Before July 1, 2022, the department and a large public transit district shall enter into
1219	an agreement for a large public transit district to pay the department \$5,000,000 per
1220	year for 15 years to be used to facilitate the purchase of zero emissions or low
1221	emissions rail engines and trainsets for regional public transit rail systems.
1222	(g) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(b):
1223	(i) the commission may prioritize money from the fund for public transit projects,
1224	operations, or maintenance within the county of the first class; and
1225	(ii) Subsection (9)(e) does not apply.
1226	(h) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(c):
1227	(i) the commission may prioritize public transit projects, operations, or maintenance
1228	in the county from which the revenue was generated; and
1229	(ii) Subsection (9)(e) does not apply.
1230	(i) In accordance with Part 3, Public Transit Innovation Grants, the commission may
1231	prioritize money from the fund for public transit innovation grants, as defined in
1232	Section 72-2-301, for public transit capital development projects requested by a
1233	political subdivision within a public transit district.
1234	(10) (a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
1235	Canyons Transportation Investment Fund.
1236	(b) The fund shall be funded by:
1237	(i) money deposited into the fund in accordance with Section 59-12-103;
1238	(ii) appropriations into the account by the Legislature;
1239	(iii) private contributions; and
1240	(iv) donations or grants from public or private entities.
1241	(c) (i) The fund shall earn interest.
1242	(ii) All interest earned on fund money shall be deposited into the fund.
1243	(d) The Legislature may appropriate money from the fund for public transit or
1244	transportation projects in the Cottonwood Canyons of Salt Lake County.
1245	(11) (a) There is created in the Transportation Investment Fund of 2005 the Active
1246	Transportation Investment Fund.
1247	(b) The fund shall be funded by:
1248	(i) money deposited into the fund in accordance with Section 59-12-103;
1249	(ii) appropriations into the account by the Legislature; and
1250	(iii) donations or grants from public or private entities.
1251	(c) (i) The fund shall earn interest.

1252	(ii) All interest earned on fund money shall be deposited into the fund.
1253	(d) The executive director may only use fund money to pay the costs needed for:
1254	(i) the planning, design, construction, maintenance, reconstruction, or renovation of
1255	paved pedestrian or paved nonmotorized trail projects that:
1256	(A) are prioritized by the commission through the prioritization process for new
1257	transportation capacity projects adopted under Section 72-1-304;
1258	(B) serve a regional purpose; and
1259	(C) are part of an active transportation plan approved by the department or the
1260	plan described in Subsection (11)(d)(ii);
1261	(ii) the development of a plan for a statewide network of paved pedestrian or paved
1262	nonmotorized trails that serve a regional purpose; and
1263	(iii) the administration of the fund, including staff and overhead costs.
1264	Section 11. Section 72-2-301 is enacted to read:
1265	Part 3. Public Transit Innovation Grants
1266	
1266	72-2-301 . Definitions.
1267	<u>As used in this part:</u>
1268	(1) <u>"Council of governments" means the same as that term is defined in Section 17B-2a-802.</u>
1269	<ul> <li>(2) "Grant" means a public transit innovation grant.</li> <li>(2) "Uish second and a public transit innovation grant.</li> </ul>
1270	(3) "High growth area" means an area or municipality within a public transit district that:
1271	(a) has significantly higher population increase relative to other areas within the county;
1272	and
1273	(b) is projected to continue to have significant population growth.
1274	(4) "Public transit district" means the same as that term is defined in Section 17B-2a-802.
1275	(5) (a) "Public transit innovation grant" means a grant to provide targeted pilot programs
1276	to:
1277	(i) increase public transit ridership;
1278	(ii) increase public transit service in high growth areas within the public transit
1279	district; and
1280	(iii) work toward expanding public transit services.
1281	(b) "Public transit innovation grant" includes a grant to provide:
1282	(i) pilot bus routes and services in high growth areas;
1283	(ii) pilot shuttle connections between fixed guideway stations and job centers,
1284	recreation and cultural facilities and attractions, or schools; and

1285 (iii) other pilot programs similar to those described in Subsections (5)(b)(i) and (ii) as 1286 coordinated between the public transit district and political subdivisions within the 1287 public transit district. Section 12. Section 72-2-302 is enacted to read: 1288 1289 72-2-302 . Public transit innovation grant funding sources. 1290 (1) In accordance with Section 72-2-303, the commission, in coordination with the 1291 department, may rank, prioritize, and provide public transit innovation grants with 1292 money derived from the following sources: 1293 (a) certain local option sales and use tax revenue as described in Subsection 59-12-2219 1294 (11)(b); and 1295 (b) revenue deposited in accordance with Subsection 59-12-2220(11) into the County of 1296 the First Class Highway Projects Fund created in Section 72-2-121. 1297 (2) In accordance with Section 72-2-124, the department may rank and prioritize public 1298 transit innovation grants for capital development to the commission, to be funded with 1299 money derived from the Transit Transportation Investment Fund as described in 1300 Subsection 72-2-124(9). 1301 (3) Administrative costs of the department to administer public transit innovation grants 1302 under this part shall be paid from the funds described in Subsection (1)(a). 1303 Section 13. Section 72-2-303 is enacted to read: 1304 72-2-303 . Public transit innovation grants -- Administration. 1305 (1) The commission, in consultation with the department, relevant councils of governments, 1306 metropolitan planning organizations, and public transit districts, shall develop a process 1307 for the prioritization of grant proposals that includes: 1308 (a) instructions on making and submitting a grant proposal; 1309 (b) methodology for selecting grants; and 1310 (c) methodology for awarding grants. 1311 (2) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the 1312 commission shall make rules to establish the process described in Subsection (1) and as 1313 otherwise necessary to implement this part. 1314 (3) The department shall: 1315 (a) accept grant applications; 1316 (b) rank grant proposals based on the objectives and criteria established in this part; and (c) provide money to grant recipients as directed by the commission and in accordance 1317 1318 with this part.

1319	(4) A municipality or a group of municipalities may submit a grant proposal to the
1320	department.
1321	(5) (a) A public transit innovation grant proposal shall include data, evidence, and
1322	information about:
1323	(i) how the project will advance the purposes and goals of a public transit innovation
1324	grant described in Subsection 72-2-301(5);
1325	(ii) how the proposed services will provide a direct public transit service benefit to
1326	the municipality or area;
1327	(iii) the proposed mode of public transit or purpose for the funding;
1328	(iv) the proposed operator of the service, including qualifications for any proposed
1329	operator that is not a public transit district;
1330	(v) any funds provided by the municipality or group of municipalities as part of the
1331	grant proposal;
1332	(vi) how the pilot service will improve ridership in the municipality or area; and
1333	(vii) any other information that the municipality or public transit district finds
1334	relevant.
1335	(b) A public transit innovation grant proposal may propose a term of up to three years.
1336	(c) A public transit innovation grant proposal shall include information regarding
1337	integration and coordination with existing public transit services.
1338	(6) In considering a public transit innovation grant proposal, the commission shall consider
1339	criteria including:
1340	(a) population growth within the municipality or area relative to other municipalities or
1341	areas within the same county;
1342	(b) how the proposal furthers the following objectives:
1343	(i) increasing public transit ridership in the area;
1344	(ii) improving connectivity for the first and last mile relative to other public transit
1345	services; and
1346	(iii) improving public transit connectivity in high-growth areas within the public
1347	transit district; and
1348	(c) any funds proposed to be invested by the municipality or public transit district as part
1349	of the grant proposal.
1350	(7) The grant proposal may allow for bids for a vendor or public transit district to provide
1351	or operate the proposed services.
1352	(8) Subject to available funding described in Subsection 72-2-302(1), the commission may

1353	award a public transit innovation grant to a recipient that the commission determines
1354	furthers the objectives described in Subsections (5) and (6).
1355	(9) (a) Subject to Subsection (9)(b), if the commission approves a grant to provide
1356	money from a local option sales and use tax described in Subsection 59-12-2219(11),
1357	a public transit district shall transfer the money to the department, and the department
1358	shall transfer the money to the grant recipient.
1359	(b) A public transit district may offset money from a local option sales and use tax
1360	described in Subsection 59-12-2219(11) with other funds available to the public
1361	transit district.
1362	(10) If the commission approves a grant to provide money as provided in Subsection
1363	72-2-121(7), the department shall transfer the money to the grant recipient.
1364	(11) Any grant funds, assets, or infrastructure acquired or improved through a public transit
1365	innovation grant under this part belong to the grant recipient.
1366	Section 14. Section 72-2-304 is enacted to read:
1367	<u>72-2-304</u> . Reporting.
1368	(1) At least annually, a recipient of a grant under this part shall provide a report to the
1369	department and the relevant public transit district.
1370	(2) The report described in Subsection (1) shall include:
1371	(a) the amount of money provided through the grant;
1372	(b) an accounting of how the grant money has been utilized;
1373	(c) the type of services provided;
1374	(d) coordination with existing public transit services;
1375	(e) ridership data relevant to the innovative public transit service, including:
1376	(i) the number of riders; and
1377	(ii) whether the ridership or targeted objectives match projections; and
1378	(f) other information as determined by the grant recipient.
1379	(3) The department shall consolidate the reports the department receives under Subsection
1380	(1) and, on or before November 1 of each year, provide the consolidated reports to the
1381	Transportation Interim Committee.
1382	(4) The department and the commission are not responsible for providing performance
1383	measures or ensuring proper use of grant funds.
1384	Section 15. Effective date.
1385	This bill takes effect on July 1, 2024.