

FIRST CLASS COUNTY HIGHWAY ROAD FUNDS

AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill allocates funds in the County of the First Class Highway Projects Fund and authorizes the issuance of a general obligation bond for certain transportation projects.

Highlighted Provisions:

This bill:

- ▶ allocates revenue from certain local option registration fees;
- ▶ allocates funds in the County of the First Class Highway Projects Fund to cities as one-time distributions;
- ▶ allocates funds in the County of the First Class Highway Projects Fund for annual distributions to certain political subdivisions within Salt Lake County for the next 15 years, subject to availability of funds;
- ▶ authorizes the issuance of a general obligation bond for certain transportation improvements and infrastructure loans; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

41-1a-1222, as last amended by Laws of Utah 2018, Chapter 403

63I-1-272, as last amended by Laws of Utah 2020, Chapter 154

72-2-121, as last amended by Laws of Utah 2020, Fifth Special Session, Chapter 20

ENACTS:

63B-31-101, Utah Code Annotated 1953

63B-31-102, Utah Code Annotated 1953

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

Section 1. Section **41-1a-1222** is amended to read:

41-1a-1222. Local option highway construction and transportation corridor preservation fee -- Exemptions -- Deposit -- Transfer -- County ordinance -- Notice.

(1) As used in this section:

(a) "Metro township" means the same as that term is defined in Section **10-2a-403**.

(b) "Unincorporated" means the same as that term is defined in Section **10-1-104**.

~~[(1)]~~ (2) (a) (i) Except as provided in Subsection ~~[(1)]~~ (2)(a)(ii), a county legislative body may impose a local option highway construction and transportation corridor preservation fee of up to \$10 on each motor vehicle registration within the county.

(ii) A county legislative body may impose a local option highway construction and transportation corridor preservation fee of up to \$7.75 on each motor vehicle registration for a six-month registration period under Section **41-1a-215.5** within the county.

(iii) A fee imposed under Subsection ~~[(1)]~~ (2)(a)(i) or (ii) shall be set in whole dollar increments.

(b) If imposed under Subsection ~~[(1)]~~ (2)(a), at the time application is made for registration or renewal of registration of a motor vehicle under this chapter, the applicant shall pay the local option highway construction and transportation corridor preservation fee established by the county legislative body.

(c) The following are exempt from the fee required under Subsection ~~[(1)]~~ (2)(a):

(i) a motor vehicle that is exempt from the registration fee under Section 41-1a-1209 or Subsection 41-1a-419(3);

(ii) a commercial vehicle with an apportioned registration under Section 41-1a-301; and

(iii) a motor vehicle with a Purple Heart special group license plate issued in accordance with Section 41-1a-421.

~~[(2)]~~ (3) (a) Except as provided in Subsection ~~[(2)]~~ (3)(b), the revenue generated under this section shall be:

(i) deposited in the Local Highway and Transportation Corridor Preservation Fund created in Section 72-2-117.5;

(ii) credited to the county from which it is generated; and

(iii) used and distributed in accordance with Section 72-2-117.5.

(b) The revenue generated by a fee imposed under this section in a county of the first class shall be deposited or transferred as follows:

(i) ~~[70%]~~ 50% of the revenue shall be:

(A) deposited in the County of the First Class Highway Projects Fund created in Section 72-2-121; and

(B) used in accordance with Section 72-2-121; ~~[and]~~

(ii) 30% of the revenue shall be deposited, credited, and used as provided in Subsection ~~[(2)(a)]~~ (3)(a); and

(iii) 20% of the revenue shall be transferred to the legislative body of a county of the first class.

(4) Beginning in a fiscal year beginning on or after July 1, 2023, and for 15 years thereafter, the legislative body of the county of the first class shall annually transfer, from the revenue transferred to the legislative body of a county of the first class as described in

Subsection (3)(b)(iii):

(a) \$300,000 to Kearns township; and

(b) \$225,000 to Magna township.

~~[(3)]~~ (5) To impose or change the amount of a fee under this section, the county legislative body shall pass an ordinance:

(a) approving the fee;

(b) setting the amount of the fee; and

(c) providing an effective date for the fee as provided in Subsection ~~[(4)]~~ (6).

~~[(4)]~~ (6) (a) If a county legislative body enacts, changes, or repeals a fee under this section, the enactment, change, or repeal shall take effect on July 1 if the commission receives notice meeting the requirements of Subsection ~~[(4)]~~ (6)(b) from the county prior to April 1.

(b) The notice described in Subsection ~~[(4)]~~ (6)(a) shall:

(i) state that the county will enact, change, or repeal a fee under this part;

(ii) include a copy of the ordinance imposing the fee; and

(iii) if the county enacts or changes the fee under this section, state the amount of the fee.

Section 2. Section **63B-31-101** is enacted to read:

Part 1. 2021 Highway General Obligation Bonds

63B-31-101. Transportation bonds -- Maximum amount -- Use for transportation projects and related facilities.

(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed \$20,000,000.

(b) When the Department of Transportation certifies to the commission the amount of bond proceeds that the commission needs to provide funding for the projects described in Subsection (2), the commission may issue and sell general obligation bonds in an amount equal to the certified amount plus costs of issuance.

(c) The commission may not issue general obligation bonds authorized under this section if the issuance for general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah

110 Constitution, Article XIV, Section 1.

111 (2) (a) Proceeds from the bonds issued under this section shall be provided to the
112 Department of Transportation to pay for or to provide funds to a municipality or county to pay
113 for the costs of right-of-way acquisition, construction, reconstruction, renovations, or
114 improvements to highways, transportation facilities, or multimodal transportation projects
115 described in Subsection (2)(b).

116 (b) Bond proceeds described under Subsection (2)(a) shall be used to pay for the
117 following local transportation projects, transportation facilities, or multimodal transportation
118 projects:

119 (i) construction and improvements to 14600 South in Bluffdale; and

120 (ii) construction of a parking structure in South Jordan.

121 (c) The costs under this Subsection (2) may include the costs of acquiring land,
122 interests in land, easements and rights-of-way, the costs of improving sites, making all
123 improvements necessary, incidental, or convenient to the facilities, and the costs of interest
124 estimated to accrue on these bonds during the period to be covered by construction of the
125 projects plus a period of six months after the end of the construction period, interest estimated
126 to accrue on any bond anticipation notes issued under the authority of this title, and all related
127 engineering, architectural, and legal fees.

128 (3) (a) Proceeds from bonds authorized by this section shall be allocated, subject to
129 Subsection (4)(a), as follows:

130 (i) up to \$12,000,000 to Bluffdale; and

131 (ii) up to \$8,000,000 to South Jordan.

132 (b) The executive director of the Department of Transportation may allocate bond
133 proceeds under this section together, or for each project separately, when the executive director
134 is satisfied that the planning, engineering, design, and commitment are present to complete the
135 project.

136 (4) (a) Before the Department of Transportation may provide proceeds to a

municipality for a project described in Subsection (2)(b), the municipality shall provide a detailed cost estimate of costs to complete the planning and design of the project.

(b) After receiving a cost estimate described in Subsection (4)(a), the Department of Transportation may provide to a municipality proceeds reasonably necessary to complete the planning and design of the project.

(c) After completion of the planning and design of a project, the municipality shall provide to the Department of Transportation a detailed estimate of the costs to construct and complete a project described in Subsection (2)(b).

(d) If approved by the executive director of the Department of Transportation, the Department of Transportation may provide funds to a municipality to construct and complete a project described in Subsection (2)(b).

Section 3. Section **63B-31-102** is enacted to read:

63B-31-102. Transportation bonds -- Maximum amount -- Use for State Infrastructure Bank Fund loans.

(1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued under this section may not exceed \$30,000,000.

(b) When the Department of Transportation certifies to the commission the amount of bond proceeds that the commission needs to provide funding for the purposes described in Subsection (2), the commission may issue and sell general obligation bonds in an amount equal to the certified amount plus costs of issuance.

(c) The commission may not issue general obligation bonds authorized under this section if the issuance for general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.

(2) (a) Proceeds from the bonds issued under this section shall be provided to the Department of Transportation to transfer to the State Infrastructure Bank Fund created in Section [72-2-202](#) to be used to issue loans pursuant to Title 72, Chapter 2, Part 2, State

164 Infrastructure Bank Fund.

165 (b) Any distribution from the State Infrastructure Bank Fund shall be contingent upon a
166 commitment from the borrower that revenue is available to repay the loan from the State
167 Infrastructure Bank Fund which shall be paid in whole or in part from revenue distributions
168 described in Subsection 72-2-121(4)(m).

169 (c) Notwithstanding Subsection 72-2-204(2), a loan or assistance made with proceeds
170 from bonds issued under this section shall bear an interest rate not to exceed .5% above the
171 bond market interest rate available to the state for an issuance under this section.

172 Section 4. Section **63I-1-272** is amended to read:

173 **63I-1-272. Repeal dates, Title 72.**

174 (1) Subsection 72-2-121~~(9)~~(10), which creates transportation advisory committees, is
175 repealed July 1, 2022.

176 (2) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January
177 2, 2025.

178 Section 5. Section **72-2-121** is amended to read:

179 **72-2-121. County of the First Class Highway Projects Fund.**

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

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

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

185 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
186 deposited ~~[in]~~ into or transferred to the fund;

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

189 (d) a portion of the local option highway construction and transportation corridor
190 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited ~~[in]~~

191 into or transferred to the fund.

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

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

194 (4) The executive director shall use the fund money only:

195 (a) to pay debt service and bond issuance costs for bonds issued under Sections
196 63B-16-102, 63B-18-402, and 63B-27-102;

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

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

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

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

205 (iii) a facility that may include a:

206 (A) pedestrian or nonmotorized vehicle trail;

207 (B) nonmotorized vehicle storage facility;

208 (C) pedestrian or vehicle bridge; or

209 (D) vehicle parking lot or parking structure;

210 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
211 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
212 transferred in accordance with Subsection 72-2-124(4)(a)(iv);

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

216 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
217 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund, to

transfer an amount equal to 50% of the revenue generated by the local option highway construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in a county of the first class:

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

(ii) to be used by a county of the first class for:

(A) highway construction, reconstruction, or maintenance projects; or

(B) the enforcement of state motor vehicle and traffic laws;

(g) for fiscal year 2015-16 only, and after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(e) has been made, to transfer an amount equal to \$25,000,000:

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

(ii) to be used by the county for the purposes described in this section;

(h) for a fiscal year beginning on or after July 1, 2015, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(e) has been made, to annually transfer an amount [~~equal to up to 42.5%~~] of the sales and use tax revenue imposed in a county of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:

(i) the appropriate debt service or sinking fund for the repayment of bonds issued under Section 63B-27-102; ~~and~~

(ii) the Transportation Fund created in Section 72-2-102 until \$28,079,000 has been deposited into the Transportation Fund; and

(iii) the appropriate debt service or sinking fund for the repayment of bonds issued under Sections 63B-31-101 and 63B-31-102;

(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

transfers under Subsections (4)(h)(i) and (ii) have been made, to annually transfer ~~[20% of the amount deposited into the fund under Subsection (2)(b)]~~ \$2,000,000 to a public transit district in a county of the first class to fund a system for public transit;

(j) 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 transfers under Subsections (4)(h)(i) and (ii) have been made, to annually transfer 20% of the amount deposited into the fund under Subsection (2)(b):

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

(ii) to fund parking facilities in a county of the first class that facilitate significant economic development and recreation and tourism within the state;

(k) for the 2018-19 fiscal year only, 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 transfers under Subsections (4)(h), (i), and (j) have been made, to transfer \$12,000,000 to the department to distribute for the following projects:

(i) \$2,000,000 to West Valley City for highway improvement to 4100 South;

(ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from 6800 West to 7300 West;

(iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;

(iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from 13400 South to 13200 South;

(v) \$1,000,000 to Murray City for highway improvements to 5600 South from State Street to Van Winkle;

(vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from 11400 South to 12300 South;

(vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;

(viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to 10200 South from 2700 West to 3200 West;

(ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near Mountain View Corridor;

(x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and

(xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from 7200 West to 8000 West; [and]

~~[(f) for a fiscal year beginning after the amount described in Subsection (4)(h) has been repaid to the Transportation Fund until fiscal year 2030, or sooner if the amount described in Subsection (4)(h)(ii) has been repaid, after the department has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under Subsection (4)(c) has been made, and after the bonds under Section 63B-27-102 have been repaid, to annually transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b):]~~

~~[(i) to the legislative body of a county of the first class; and]~~

~~[(ii) to be used by the county for the purposes described in this section:]~~

(l) subject to Subsection (5), for the 2020-2021 fiscal year only, 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)(c), and the transfers under Subsections (4)(h), (i), and (j) have been made, to transfer the following amounts to the following cities:

(i) \$2,600,000 to South Salt Lake City;

(ii) \$1,100,000 to Salt Lake City;

(iii) \$1,100,000 to West Valley City;

(iv) \$1,000,000 to Millcreek;

(v) \$700,000 to Sandy;

299 (vi) \$700,000 to West Jordan;
300 (vii) \$500,000 to Murray;
301 (viii) \$500,000 to South Jordan; and
302 (ix) \$500,000 to Taylorsville; and
303 (m) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and
304 for 15 years thereafter, to annually transfer the following amounts to the following cities, metro
305 townships, and the county of the first class for priority projects to mitigate congestion and
306 improve transportation safety:
307 (i) \$1,100,000 to Salt Lake City;
308 (ii) \$1,100,000 to Sandy;
309 (iii) \$1,100,000 to Taylorsville;
310 (iv) \$1,100,000 to West Jordan;
311 (v) \$1,100,000 to West Valley City;
312 (vi) \$800,000 to Herriman;
313 (vii) \$700,000 to Draper;
314 (viii) \$700,000 to Riverton;
315 (ix) \$700,000 to South Jordan;
316 (x) \$500,000 to Midvale;
317 (xi) \$500,000 to Millcreek;
318 (xii) \$500,000 to Murray;
319 (xiii) \$400,000 to Cottonwood Heights; and
320 (xiv) \$300,000 to Holladay.
321 (5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in
322 Subsection (4)(m), the executive director shall proportionately reduce the amounts transferred
323 as described in Subsection (4)(m).
324 (b) A local government entity, as that term is defined in Section [63J-1-220](#), is exempt
325 from entering into an agreement as described in Section [63J-1-220](#) pertaining to the receipt or

326 expenditure of any funding described in Subsection (4)(l) or (m).

327 (c) A local government may not use revenue described in Subsections (4)(l) and (m) to
328 supplant existing class B or class C road funds that a local government has budgeted for
329 transportation projects.

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

333 (ii) After the department is satisfied that the municipality or county described in
334 Subsection (4)(k) has made substantial progress and the expenditure of funds is programmed
335 and imminent, the department may transfer to the same municipality or county the respective
336 amounts described in Subsections (4)(l) and (m).

337 ~~[(5)]~~ (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited
338 ~~[in]~~ into the fund and bond proceeds from bonds issued under Sections 63B-16-102,
339 63B-18-402, and 63B-27-102 are considered a local matching contribution for the purposes
340 described under Section 72-2-123.

341 ~~[(6)]~~ (7) The additional administrative costs of the department to administer this fund
342 shall be paid from money in the fund.

343 ~~[(7)]~~ (8) Notwithstanding any statutory or other restrictions on the use or expenditure
344 of the revenue sources deposited into this fund, the Department of Transportation may use the
345 money in this fund for any of the purposes detailed in Subsection (4).

346 ~~[(8)]~~ (9) (a) For a fiscal year beginning on or after July 1, 2018, at the end of each
347 fiscal year, after all programmed payments and transfers authorized or required under this
348 section have been made, on November 30 the department shall transfer the remainder of the
349 money in the fund to the Transportation Fund to reduce the amount owed to the Transportation
350 Fund under Subsection ~~[(4)(j)(ii)]~~ (4)(h)(ii).

351 (b) The department shall provide notice to a county of the first class of the amount
352 transferred in accordance with this Subsection ~~[(8)]~~ (9).

353 ~~[(9)]~~ (10) (a) Any revenue in the fund that is not specifically allocated and obligated
354 under Subsections (4) through (8) is subject to the review process described in this Subsection
355 ~~[(9)]~~ (10).

356 (b) A county of the first class shall create a county transportation advisory committee
357 as described in Subsection ~~[(9)]~~ (10)(c) to review proposed transportation and, as applicable,
358 public transit projects and rank projects for allocation of funds.

359 (c) The county transportation advisory committee described in Subsection ~~[(9)]~~ (10)(b)
360 shall be composed of the following 13 members:

361 (i) six members who are residents of the county, nominated by the county executive
362 and confirmed by the county legislative body who are:

363 (A) members of a local advisory council of a large public transit district as defined in
364 Section [17B-2a-802](#);

365 (B) county council members; or

366 (C) other residents with expertise in transportation planning and funding; and

367 (ii) seven members nominated by the county executive, and confirmed by the county
368 legislative body, chosen from mayors or managers of cities or towns within the county.

369 (d) (i) A majority of the members of the county transportation advisory committee
370 constitutes a quorum.

371 (ii) The action by a quorum of the county transportation advisory committee constitutes
372 an action by the county transportation advisory committee.

373 (e) The county body shall determine:

374 (i) the length of a term of a member of the county transportation advisory committee;

375 (ii) procedures and requirements for removing a member of the county transportation
376 advisory committee;

377 (iii) voting requirements of the county transportation advisory committee;

378 (iv) chairs or other officers of the county transportation advisory committee;

379 (v) how meetings are to be called and the frequency of meetings, but not less than once

annually; and

(vi) the compensation, if any, of members of the county transportation advisory committee.

(f) The county shall establish by ordinance criteria for prioritization and ranking of projects, which may include consideration of regional and countywide economic development impacts, including improved local access to:

(i) employment;

(ii) recreation;

(iii) commerce; and

(iv) residential areas.

(g) The county transportation advisory committee shall evaluate and rank each proposed public transit project and regionally significant transportation facility according to criteria developed pursuant to Subsection ~~[(9)]~~ (10)(f).

(h) (i) After the review and ranking of each project as described in this section, the county transportation advisory committee shall provide a report and recommend the ranked list of projects to the county legislative body and county executive.

(ii) After review of the recommended list of projects, as part of the county budgetary process, the county executive shall review the list of projects and may include in the proposed budget the proposed projects for allocation, as funds are available.

(i) The county executive of the county of the first class, with information provided by the county and relevant state entities, shall provide a report annually to the county transportation advisory committee, and to the mayor or manager of each city, town, or metro township in the county, including the following:

(i) the amount of revenue received into the fund during the past year;

(ii) any funds available for allocation;

(iii) funds obligated for debt service; and

(iv) the outstanding balance of transportation-related debt.

407 [~~(10)~~] (11) As resources allow, the department shall study in 2020 transportation
408 connectivity in the southwest valley of Salt Lake County, including the feasibility of
409 connecting major east-west corridors to U-111.