

Kirk A. Cullimore proposes the following substitute bill:

Transportation and Infrastructure Funding Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jordan D. Teuscher

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill allocates funds in the County of the First Class Highway Projects Fund and provides other transportation funding.

Highlighted Provisions:

This bill:

- allocates funds in the County of the First Class Highway Projects Fund to various projects and purposes;
- authorizes the Department of Transportation to issue a general obligation bond, with the bond proceeds being distributed to a grant program, and provides revenue to service the bond;
- creates an affordable housing infrastructure grant program to provide grants to local governments to construct infrastructure to facilitate affordable housing projects in a county of the first class;
- provides funding, loans, and grants to certain transportation projects; and
- makes technical changes.

Money Appropriated in this Bill:

This bill appropriates \$25,000,000 in operating and capital budgets for fiscal year 2026, all of which is from the various sources as detailed in this bill.

This bill appropriates \$8,000,000 in expendable funds and accounts for fiscal year 2026, all of which is from the various sources as detailed in this bill.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-12-2220, as last amended by Laws of Utah 2024, Chapters 498, 501

29 72-2-121, as last amended by Laws of Utah 2024, Chapters 300, 498 and 501

30 72-2-124, as last amended by Laws of Utah 2024, Chapters 498, 501

31 72-2-302, as enacted by Laws of Utah 2024, Chapter 501

32 72-2-306, as enacted by Laws of Utah 2024, Chapter 501

33 ENACTS:

34 63B-34-101, Utah Code Annotated 1953

35 72-2-501, Utah Code Annotated 1953

36 72-2-502, Utah Code Annotated 1953

37 72-2-503, Utah Code Annotated 1953

38 72-2-504, Utah Code Annotated 1953



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

41 Section 1. Section 59-12-2220 is amended to read:

42 **59-12-2220 . County option sales and use tax to fund highways or a system for**
43 **public transit -- Base -- Rate.**

44 (1) Subject to the other provisions of this part and subject to the requirements of this
45 section, the following counties may impose a sales and use tax under this section:

46 (a) a county legislative body may impose the sales and use tax on the transactions
47 described in Subsection 59-12-103(1) located within the county, including the cities
48 and towns within the county if:

49 (i) the entire boundary of a county is annexed into a large public transit district; and

50 (ii) the maximum amount of sales and use tax authorizations allowed pursuant to

51 Section 59-12-2203 and authorized under the following sections has been imposed:

52 (A) Section 59-12-2213;

53 (B) Section 59-12-2214;

54 (C) Section 59-12-2215;

55 (D) Section 59-12-2216;

56 (E) Section 59-12-2217;

57 (F) Section 59-12-2218; and

58 (G) Section 59-12-2219;

59 (b) if the county is not annexed into a large public transit district, the county legislative
60 body may impose the sales and use tax on the transactions described in Subsection
61 59-12-103(1) located within the county, including the cities and towns within the
62 county if:

- 63 (i) the county is an eligible political subdivision; or
- 64 (ii) a city or town within the boundary of the county is an eligible political
- 65 subdivision; or
- 66 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
- 67 impose the sales and use tax on the transactions described in Subsection 59-12-103
- 68 (1) located within the county, including the cities and towns within the county.
- 69 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
- 70 county legislative body that imposes a sales and use tax under this section may impose
- 71 the tax at a rate of .2%.
- 72 (3)(a) The commission shall distribute sales and use tax revenue collected under this
- 73 section as determined by a county legislative body as described in Subsection (3)(b).
- 74 (b) If a county legislative body imposes a sales and use tax as described in this section,
- 75 the county legislative body may elect to impose a sales and use tax revenue
- 76 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
- 77 county, and presence and type of a public transit provider in the county.
- 78 (4) ~~[H]~~ Subject to Subsection (11), if a county legislative body imposes a sales and use tax
- 79 as described in this section, and the entire boundary of the county is annexed into a large
- 80 public transit district, and the county is a county of the first class, the commission shall
- 81 distribute the sales and use tax revenue as follows:
- 82 (a) .10% to a public transit district as described in Subsection (11);
- 83 (b) .05% to the cities and towns as provided in Subsection (8); and
- 84 (c) .05% to the county legislative body.
- 85 (5) ~~[H]~~ Subject to Subsection (11), if a county legislative body imposes a sales and use tax
- 86 as described in this section and the entire boundary of the county is annexed into a large
- 87 public transit district, and the county is a county not described in Subsection (4), the
- 88 commission shall distribute the sales and use tax revenue as follows:
- 89 (a) .10% to a public transit district as described in Subsection (11);
- 90 (b) .05% to the cities and towns as provided in Subsection (8); and
- 91 (c) .05% to the county legislative body.
- 92 (6)(a) Except as provided in Subsection ~~[(12)(e)]~~ (13)(c), if the entire boundary of a
- 93 county that imposes a sales and use tax as described in this section is not annexed
- 94 into a single public transit district, but a city or town within the county is annexed
- 95 into a single public transit district, or if the city or town is an eligible political
- 96 subdivision, the commission shall distribute the sales and use tax revenue collected

- 97 within the county as provided in Subsection (6)(b) or (c).
- 98 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
99 annexed into the single public transit district, or an eligible political subdivision, the
100 commission shall distribute the sales and use tax revenue collected within the portion
101 of the county that is within a public transit district or eligible political subdivision as
102 follows:
- 103 (i) .05% to a public transit provider as described in Subsection (11);
 - 104 (ii) .075% to the cities and towns as provided in Subsection (8); and
 - 105 (iii) .075% to the county legislative body.
- 106 (c) Except as provided in Subsection [~~(12)(e)~~] (13)(c), for a city, town, or portion of the
107 county described in Subsection (6)(a) that is not annexed into a single public transit
108 district or eligible political subdivision in the county, the commission shall distribute
109 the sales and use tax revenue collected within that portion of the county as follows:
- 110 (i) .08% to the cities and towns as provided in Subsection (8); and
 - 111 (ii) .12% to the county legislative body.
- 112 (7) For a county without a public transit service that imposes a sales and use tax as
113 described in this section, the commission shall distribute the sales and use tax revenue
114 collected within the county as follows:
- 115 (a) .08% to the cities and towns as provided in Subsection (8); and
 - 116 (b) .12% to the county legislative body.
- 117 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
118 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
- 119 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
120 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
121 through (7) shall be distributed to the unincorporated areas, cities, and towns
122 within those counties on the basis of the percentage that the population of each
123 unincorporated area, city, or town bears to the total population of all of the
124 counties that impose a tax under this section; and
 - 125 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
126 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
127 through (7) shall be distributed to the unincorporated areas, cities, and towns
128 within those counties on the basis of the location of the transaction as determined
129 under Sections 59-12-211 through 59-12-215.
- 130 (b)(i) Population for purposes of this Subsection (8) shall be determined on the basis

- 131 of the most recent official census or census estimate of the United States Census
132 Bureau.
- 133 (ii) If a needed population estimate is not available from the United States Census
134 Bureau, population figures shall be derived from an estimate from the Utah
135 Population Estimates Committee created by executive order of the governor.
- 136 (c)(i) Beginning on January 1, 2024, if the Housing and Community Development
137 Division within the Department of Workforce Services determines that a city or
138 town is ineligible for funds in accordance with Subsection 10-9a-408(7),
139 beginning the first day of the calendar quarter after receiving 90 days' notice, the
140 commission shall distribute the distribution that city or town would have received
141 under Subsection (8)(a) to cities or towns to which Subsection 10-9a-408(7) does
142 not apply.
- 143 (ii) Beginning on January 1, 2024, if the Housing and Community Development
144 Division within the Department of Workforce Services determines that a county is
145 ineligible for funds in accordance with Subsection 17-27a-408(7), beginning the
146 first day of the calendar quarter after receiving 90 days' notice, the commission
147 shall distribute the distribution that county would have received under Subsection
148 (8)(a) to counties to which Subsection 17-27a-408(7) does not apply.
- 149 (9) If a public transit service is organized after the date a county legislative body first
150 imposes a tax under this section, a change in a distribution required by this section may
151 not take effect until the first distribution the commission makes under this section after a
152 90-day period that begins on the date the commission receives written notice from the
153 public transit provider that the public transit service has been organized.
- 154 (10)(a) Except as provided in Subsection (10)(b), a county, city, or town that received
155 distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
156 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in
157 Section 59-12-2212.2.
- 158 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
159 the sales and use tax authorized in this section, the county may also use funds
160 distributed in accordance with Subsection (4)(c) for public safety purposes.
- 161 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
162 as described in this section may be used for capital expenses and service delivery
163 expenses of:
- 164 (i) a public transit district;

- 165 (ii) an eligible political subdivision; or
- 166 (iii) another entity providing a service for public transit or a transit facility within the
- 167 relevant county, as those terms are defined in Section 17B-2a-802.
- 168 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this
- 169 section, until the commission receives the notice described in Subsection (12),
- 170 and for a three-year period following the date on which [the county imposes
- 171 the sales and use tax under this section] the commission receives the notice
- 172 described in Subsection (12), revenue designated for public transit within a
- 173 county of the first class as described in Subsection (4)(a) shall be transferred to
- 174 the County of the First Class Highway Projects Fund created in Section
- 175 72-2-121.
- 176 (B) Revenue deposited into the County of the First Class Highway Projects Fund
- 177 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be
- 178 used for public transit innovation grants as provided in Title 72, Chapter 2, Part [
- 179 3] 4, Public Transit Innovation Grants.
- 180 (ii) If a county of the first class imposes a sales and use tax described in this section,
- 181 beginning on the day three years after the date on which [the county imposed the
- 182 tax as described in Subsection (11)(b)(i)] the commission receives the notice
- 183 described in Subsection (12), for revenue designated for public transit as described
- 184 in Subsection (4)(a):
- 185 (A) 50% of the revenue from a sales and use tax imposed under this section in a
- 186 county of the first class shall be transferred to the County of the First Class
- 187 Highway Projects Fund created in Section 72-2-121; and
- 188 (B) 50% of the revenue from a sales and use tax imposed under this section in a
- 189 county of the first class shall be transferred to the Transit Transportation
- 190 Investment Fund created in Subsection 72-2-124(9).
- 191 (c)(i) If a county that is not a county of the first class for which the entire boundary of
- 192 the county is annexed into a large public transit district imposes a sales and use
- 193 tax described in this section, until the commission receives the notice described in
- 194 Subsection (12), revenue designated for public transit as described in Subsection
- 195 (5)(a) shall be transferred to the relevant county legislative body to be used for a
- 196 purpose described in Section 59-12-2212.2.
- 197 [(†)] (ii) If a county that is not a county of the first class for which the entire boundary
- 198 of the county is annexed into a large public transit district imposes a sales and use

199 tax described in this section, for a three-year period following the date on which [
200 ~~the county imposes the sales and use tax under this section]~~ the commission
201 receives the notice described in Subsection (12), revenue designated for public
202 transit as described in Subsection (5)(a) shall be transferred to the relevant county
203 legislative body to be used for a purpose described in Subsection (11)(a).

204 [(ii)] (iii) If a county that is not a county of the first class for which the entire
205 boundary of the county is annexed into a large public transit district imposes a
206 sales and use tax described in this section, beginning on the day three years after
207 the date on which the [~~county imposed the tax as described in Subsection (11)(e)(i)]
208 commission receives the notice described in Subsection (12), for the revenue that
209 is designated for public transit in Subsection (5)(a):~~

210 (A) 50% shall be transferred to the Transit Transportation Investment Fund
211 created in Subsection 72-2-124(9); and

212 (B) 50% shall be transferred to the relevant county legislative body to be used for
213 a purpose described in Subsection (11)(a).

214 (d) Except as provided in Subsection [(12)(e)] (13)(c), for a county that imposes a sales
215 and use tax under this section, for revenue designated for public transit as described
216 in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county
217 legislative body to be used for a purpose described in Subsection (11)(a).

218 (12) A large public transit district shall send notice to the commission indicating the date
219 that is three years after the date on which at least three counties described in Subsections
220 (4) and (5) have imposed a tax under this section.

221 [(12)] (13)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is
222 not required to, submit an opinion question to the county's registered voters in
223 accordance with Section 59-12-2208 to impose a sales and use tax under this section.

224 (b) If a county passes an ordinance to impose a sales and use tax as described in this
225 section, the sales and use tax shall take effect on the first day of the calendar quarter
226 after a 90-day period that begins on the date the commission receives written notice
227 from the county of the passage of the ordinance.

228 (c) A county that imposed the local option sales and use tax described in this section
229 before January 1, 2023, may maintain that county's distribution allocation in place as
230 of January 1, 2023.

231 [(13)] (14)(a) Revenue collected from a sales and use tax under this section may not be
232 used to supplant existing General Fund appropriations that a county, city, or town

233 budgeted for transportation or public transit as of the date the tax becomes effective
234 for a county, city, or town.

235 (b) The limitation under Subsection [~~(13)~~(a)] (14)(a) does not apply to a designated
236 transportation or public transit capital or reserve account a county, city, or town
237 established before the date the tax becomes effective.

238 Section 2. Section **63B-34-101** is enacted to read:

239 **CHAPTER 34. 2025 BONDING AND FINANCING AUTHORIZATIONS**

240 **Part 1. 2025 General Obligation Bonding Authorizations**

241 **63B-34-101 . Transportation bonds -- Maximum amount -- Use for**
242 **transportation projects related to affordable housing initiatives.**

243 (1)(a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
244 under this section may not exceed \$70,000,000.

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

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

253 (2)(a) Proceeds from the bonds issued under this section shall be provided to the
254 Department of Transportation through the Transportation Investment Fund of 2005
255 created in Section 72-2-124 to pay for or to provide funds to municipalities or
256 counties for costs related to affordable housing initiatives as described in Subsection
257 (2)(b).

258 (b) Bond proceeds described under Subsection (2)(a) shall be used to pay for
259 infrastructure to assist in affordable housing related grants and allocated as described
260 in Title 72, Chapter 2, Part 5, Affordable Housing Infrastructure Grants.

261 (c) The costs under this Subsection (2) may include the costs of acquiring land, interests
262 in land, easements and rights-of-way, the costs of improving sites, making all
263 improvements necessary, incidental, or convenient to the facilities, and the costs of
264 interest estimated to accrue on these bonds during the period to be covered by
265 construction of the projects plus a period of six months after the end of the

266 construction period, interest estimated to accrue on any bond anticipation notes
 267 issued under the authority of this title, and all related engineering, architectural, and
 268 legal fees.

269 (3) The executive director of the Department of Transportation may allocate bond proceeds
 270 under this section as provided in Title 72, Chapter 2, Part 5, Affordable Housing
 271 Infrastructure Grants.

272 (4)(a) Before the Department of Transportation may provide proceeds to a municipality
 273 for a project described in Subsection (2)(b), the municipality shall provide a detailed
 274 cost estimate of costs to complete the planning and design of the project.

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

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

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

284 Section 3. Section **72-2-121** is amended to read:

285 **72-2-121 . County of the First Class Highway Projects Fund.**

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

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

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

291 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
 292 deposited into or transferred to the fund;

293 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or
 294 transferred to the fund;

295 (d) a portion of the local option highway construction and transportation corridor
 296 preservation fee imposed in a county of the first class under Section 41-1a-1222
 297 deposited into or transferred to the fund; and

298 (e) the portion of the sales and use tax transferred into the fund as described in
 299 Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).

- 300 (3)(a) The fund shall earn interest.
- 301 (b) All interest earned on fund money shall be deposited into the fund.
- 302 (4) Subject to Subsection (11), the executive director shall use the fund money only:
- 303 (a) to pay debt service and bond issuance costs for bonds issued under Sections
- 304 63B-16-102, 63B-18-402, and 63B-27-102;
- 305 (b) for right-of-way acquisition, new construction, major renovations, and improvements
- 306 to highways within a county of the first class and to pay any debt service and bond
- 307 issuance costs related to those projects, including improvements to a highway located
- 308 within a municipality in a county of the first class where the municipality is located
- 309 within the boundaries of more than a single county;
- 310 (c) for the construction, acquisition, use, maintenance, or operation of:
- 311 (i) an active transportation facility for nonmotorized vehicles;
- 312 (ii) multimodal transportation that connects an origin with a destination; or
- 313 (iii) a facility that may include a:
- 314 (A) pedestrian or nonmotorized vehicle trail;
- 315 (B) nonmotorized vehicle storage facility;
- 316 (C) pedestrian or vehicle bridge; or
- 317 (D) vehicle parking lot or parking structure;
- 318 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
- 319 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the
- 320 amounts transferred in accordance with Subsection 72-2-124(4)(a)(iv);
- 321 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
- 322 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the
- 323 projects described in Subsection 63B-18-401(4)(a);
- 324 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
- 325 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in
- 326 the fund, to transfer an amount equal to 50% of the revenue generated by the local
- 327 option highway construction and transportation corridor preservation fee imposed
- 328 under Section 41-1a-1222 in a county of the first class:
- 329 (i) to the legislative body of a county of the first class; and
- 330 (ii) to be used by a county of the first class for:
- 331 (A) highway construction, reconstruction, or maintenance projects; or
- 332 (B) the enforcement of state motor vehicle and traffic laws;
- 333 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified

- 334 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
335 and the transfer under Subsection (4)(e) has been made, to annually transfer an
336 amount of the sales and use tax revenue imposed in a county of the first class and
337 deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an
338 amount needed to cover the debt to:
- 339 (i) the appropriate debt service or sinking fund for the repayment of bonds issued
340 under Section 63B-27-102; and
 - 341 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
342 under Sections 63B-31-102 and 63B-31-103;
- 343 (h) after the department has verified that the amount required under Subsection
344 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection
345 (4)(d), the payment under Subsection (4)(e), and the transfer under Subsection
346 (4)(g)(i) has been made, to annually transfer \$2,000,000 to a public transit district in
347 a county of the first class to fund a system for public transit;
- 348 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified
349 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
350 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e),
351 and the transfer under Subsection (4)(g)(i) has been made, to annually transfer 20%
352 of the amount deposited into the fund under Subsection (2)(b):
- 353 (i) to the legislative body of a county of the first class; and
 - 354 (ii) to fund parking facilities in a county of the first class that facilitate significant
355 economic development and recreation and tourism within the state;
- 356 (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for
357 15 years thereafter, to annually transfer the following amounts to the following cities
358 and the county of the first class for priority projects to mitigate congestion and
359 improve transportation safety:
- 360 (i) \$2,000,000 to Sandy;
 - 361 (ii) \$2,300,000 to Taylorsville;
 - 362 (iii) \$1,100,000 to Salt Lake City;
 - 363 (iv) \$1,100,000 to West Jordan;
 - 364 (v) \$1,100,000 to West Valley City;
 - 365 (vi) \$800,000 to Herriman;
 - 366 (vii) \$700,000 to Draper;
 - 367 (viii) \$700,000 to Riverton;

- 368 (ix) \$700,000 to South Jordan;
- 369 (x) \$500,000 to Bluffdale;
- 370 (xi) \$500,000 to Midvale;
- 371 (xii) \$500,000 to Millcreek;
- 372 (xiii) \$500,000 to Murray;
- 373 (xiv) \$400,000 to Cottonwood Heights; and
- 374 (xv) \$300,000 to Holladay;[-and]
- 375 (k) for the 2024-25 and 2025-26 fiscal years, and subject to revenue balances after the
- 376 distributions under Subsection (4)(j), to reimburse the following municipalities for
- 377 the amounts and projects indicated, as each project progresses and as revenue
- 378 balances allow:
- 379 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from
- 380 Grandville Avenue to Mountain View Corridor;
- 381 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street
- 382 and 700 West;
- 383 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
- 384 throughout Salt Lake City;
- 385 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard
- 386 and 2300 East;
- 387 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800
- 388 South and I-15;
- 389 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 390 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 391 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal trail
- 392 between 11800 South and 13800 South;
- 393 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
- 394 South;
- 395 (x) \$470,000 to the department for construction of a sound wall on Bangerter
- 396 Highway at approximately 11200 South;
- 397 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800
- 398 South and 5300 South;
- 399 (xii) \$1,450,000 to West Valley for construction of a road connecting 5400 South to
- 400 U-111;
- 401 (xiii) \$1,840,000 to Magna for construction and improvements to 8400 West and

- 402 4100 South;
- 403 (xiv) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111
404 and Old Bingham Highway;
- 405 (xv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East
406 between 3300 South and Atkin Avenue;
- 407 (xvi) \$1,230,000 to Holladay for improvements to Highland Drive between Van
408 Winkle Expressway and Arbor Lane;
- 409 (xvii) \$1,800,000 to West Valley City for improvements to 4000 West between 4100
410 South and 4700 South and improvements to 4700 South from 4000 West to
411 Bangerter Highway; [~~and~~]
- 412 (xviii) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215
413 interchange[-] ; and
- 414 (xix) \$1,700,000 to South Jordan for improvements to Prosperity Road between
415 Crimson View Drive and Copper Hawk Drive;
- 416 (l) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay
417 debt service and bond issuance costs for \$70,000,000 of the bonds issued under
418 Section 63B-34-101 for the grants awarded under Part 5, Affordable Housing
419 Infrastructure Grants; and
- 420 (m) for fiscal year beginning July 1, 2027, and each year thereafter for 20 years,
421 \$2,000,000 to Salt Lake County to be used for purposes allowed in Section 17-31-2.
- 422 (5)(a) If revenue in the fund is insufficient to satisfy all of the transfers described in
423 Subsection (4)(j), the executive director shall proportionately reduce the amounts
424 transferred as described in Subsection (4)(j).
- 425 (b) A local government may not use revenue described in Subsection (4)(j) to supplant
426 existing class B or class C road funds that a local government has budgeted for
427 transportation projects.
- 428 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the
429 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402,
430 and 63B-27-102 are considered a local matching contribution for the purposes described
431 under Section 72-2-123.
- 432 (7) The department may expend up to \$3,000,000 of revenue deposited into the account as
433 described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as
434 provided in Part [3] 4, Public Transit Innovation Grants.
- 435 (8) The additional administrative costs of the department to administer this fund shall be

- 436 paid from money in the fund.
- 437 (9) Subject to Subsection (11), and notwithstanding any statutory or other restrictions on
438 the use or expenditure of the revenue sources deposited into this fund, the Department of
439 Transportation may use the money in this fund for any of the purposes detailed in
440 Subsection (4).
- 441 (10) Subject to Subsection (11), any revenue deposited into the fund as described in
442 Subsection (2)(e) shall be used to provide funding or loans for public transit projects,
443 operations, and supporting infrastructure in the county of the first class.
- 444 (11) For the first three years after a county of the first class imposes a sales and use tax
445 authorized in Section 59-12-2220, revenue deposited into the fund as described in
446 Subsection (2)(e) shall be allocated as follows:
- 447 (a) 10% to the department to construct an express bus facility on 5600 West; and
448 (b) 90% into the County of the First Class Infrastructure Bank Fund created in Section
449 72-2-302.
- 450 Section 4. Section **72-2-124** is amended to read:
- 451 **72-2-124 . Transportation Investment Fund of 2005.**
- 452 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
453 2005.
- 454 (2) The fund consists of money generated from the following sources:
- 455 (a) any voluntary contributions received for the maintenance, construction,
456 reconstruction, or renovation of state and federal highways;
- 457 (b) appropriations made to the fund by the Legislature;
- 458 (c) registration fees designated under Section 41-1a-1201;
- 459 (d) the sales and use tax revenues deposited into the fund in accordance with Section
460 59-12-103; [and]
- 461 (e) revenues transferred to the fund in accordance with Section 72-2-106[-] ;
- 462 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
- 463 (g) revenue from bond proceeds described in Section 63B-34-101.
- 464 (3)(a) The fund shall earn interest.
- 465 (b) All interest earned on fund money shall be deposited into the fund.
- 466 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
467 money to pay:
- 468 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
469 federal highways prioritized by the Transportation Commission through the

- 470 prioritization process for new transportation capacity projects adopted under
471 Section 72-1-304;
- 472 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
473 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 474 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
475 minus the costs paid from the County of the First Class Highway Projects Fund in
476 accordance with Subsection 72-2-121(4)(e);
- 477 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
478 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
479 amount certified by Salt Lake County in accordance with Subsection 72-2-121.3
480 (4)(c) as necessary to pay the debt service on \$30,000,000 of the revenue bonds
481 issued by Salt Lake County;
- 482 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
483 for projects prioritized in accordance with Section 72-2-125;
- 484 (vi) all highway general obligation bonds that are intended to be paid from revenues
485 in the Centennial Highway Fund created by Section 72-2-118;
- 486 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
487 Class Highway Projects Fund created in Section 72-2-121 to be used for the
488 purposes described in Section 72-2-121;
- 489 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
490 the costs needed for construction, reconstruction, or renovation of paved
491 pedestrian or paved nonmotorized transportation for projects that:
- 492 (A) mitigate traffic congestion on the state highway system;
- 493 (B) are part of an active transportation plan approved by the department; and
- 494 (C) are prioritized by the commission through the prioritization process for new
495 transportation capacity projects adopted under Section 72-1-304;
- 496 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
497 reconstruction, or renovation of or improvement to the following projects:
- 498 (A) the connector road between Main Street and 1600 North in the city of
499 Vineyard;
- 500 (B) Geneva Road from University Parkway to 1800 South;
- 501 (C) the SR-97 interchange at 5600 South on I-15;
- 502 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
503 South Jordan Parkway;

- 504 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 505 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 506 (G) widening I-15 between mileposts 6 and 8;
- 507 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 508 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
- 509 in Spanish Fork Canyon;
- 510 (J) I-15 northbound between mileposts 43 and 56;
- 511 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 512 43 and 45.1;
- 513 (L) east Zion SR-9 improvements;
- 514 (M) Toquerville Parkway;
- 515 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 516 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
- 517 for construction of an interchange on Bangarter Highway at 13400 South; and
- 518 (P) an environmental impact study for Kimball Junction in Summit County; and
- 519 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 520 costs based upon a statement of cash flow that the local jurisdiction where the
- 521 project is located provides to the department demonstrating the need for money
- 522 for the project, for the following projects in the following amounts:
- 523 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 524 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 525 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 526 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 527 40 between mile markers 7 and 10.
- 528 (b) The executive director may use fund money to exchange for an equal or greater
- 529 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 530 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
- 531 not commence until a right-of-way not owned by a federal agency that is required
- 532 for the realignment and extension of U-111, as described in the department's 2023
- 533 environmental study related to the project, is dedicated to the department.
- 534 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
- 535 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
- 536 department may proceed with the project, except that the project will be limited to
- 537 two lanes on U-111 from Herriman Parkway to 11800 South.

- 538 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
539 ineligibility for a municipality as described in Subsection 10-9a-408(7), the executive
540 director may not program fund money to a project prioritized by the commission
541 under Section 72-1-304, including fund money from the Transit Transportation
542 Investment Fund, within the boundaries of the municipality until the department
543 receives notification from the Housing and Community Development Division within
544 the Department of Workforce Services that ineligibility under this Subsection (5) no
545 longer applies to the municipality.
- 546 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
547 director:
- 548 (i) may program fund money in accordance with Subsection (4)(a) for a
549 limited-access facility or interchange connecting limited-access facilities;
- 550 (ii) may not program fund money for the construction, reconstruction, or renovation
551 of an interchange on a limited-access facility;
- 552 (iii) may program Transit Transportation Investment Fund money for a
553 multi-community fixed guideway public transportation project; and
- 554 (iv) may not program Transit Transportation Investment Fund money for the
555 construction, reconstruction, or renovation of a station that is part of a fixed
556 guideway public transportation project.
- 557 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
558 director before July 1, 2022, for projects prioritized by the commission under Section
559 72-1-304.
- 560 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
561 ineligibility for a county as described in Subsection 17-27a-408(7), the executive
562 director may not program fund money to a project prioritized by the commission
563 under Section 72-1-304, including fund money from the Transit Transportation
564 Investment Fund, within the boundaries of the unincorporated area of the county until
565 the department receives notification from the Housing and Community Development
566 Division within the Department of Workforce Services that ineligibility under this
567 Subsection (6) no longer applies to the county.
- 568 (b) Within the boundaries of the unincorporated area of a county described in Subsection
569 (6)(a), the executive director:
- 570 (i) may program fund money in accordance with Subsection (4)(a) for a
571 limited-access facility to a project prioritized by the commission under Section

- 572 72-1-304;
- 573 (ii) may not program fund money for the construction, reconstruction, or renovation
574 of an interchange on a limited-access facility;
- 575 (iii) may program Transit Transportation Investment Fund money for a
576 multi-community fixed guideway public transportation project; and
- 577 (iv) may not program Transit Transportation Investment Fund money for the
578 construction, reconstruction, or renovation of a station that is part of a fixed
579 guideway public transportation project.
- 580 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
581 director before July 1, 2022, for projects prioritized by the commission under Section
582 72-1-304.
- 583 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
584 any fiscal year, the department and the commission shall appear before the Executive
585 Appropriations Committee of the Legislature and present the amount of bond
586 proceeds that the department needs to provide funding for the projects identified in
587 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
588 or next fiscal year.
- 589 (b) The Executive Appropriations Committee of the Legislature shall review and
590 comment on the amount of bond proceeds needed to fund the projects.
- 591 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
592 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
593 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
594 service or sinking fund.
- 595 (9)(a) There is created in the Transportation Investment Fund of 2005 the Transit
596 Transportation Investment Fund.
- 597 (b) The fund shall be funded by:
- 598 (i) contributions deposited into the fund in accordance with Section 59-12-103;
599 (ii) appropriations into the account by the Legislature;
600 (iii) deposits of sales and use tax increment related to a housing and transit
601 reinvestment zone as described in Section 63N-3-610;
602 (iv) transfers of local option sales and use tax revenue as described in Subsection
603 59-12-2220(11)(b) or (c);
604 (v) private contributions; and
605 (vi) donations or grants from public or private entities.

- 606 (c)(i) The fund shall earn interest.
- 607 (ii) All interest earned on fund money shall be deposited into the fund.
- 608 (d) Subject to Subsection (9)(e), the commission may prioritize money from the fund:
- 609 (i) for public transit capital development of new capacity projects and fixed guideway
- 610 capital development projects to be used as prioritized by the commission through
- 611 the prioritization process adopted under Section 72-1-304;
- 612 (ii) to the department for oversight of a fixed guideway capital development project
- 613 for which the department has responsibility; or
- 614 (iii) up to \$500,000 per year, to be used for a public transit study.
- 615 (e)(i) Subject to Subsections (9)(g), (h), and (i), the commission may only prioritize
- 616 money from the fund for a public transit capital development project or pedestrian
- 617 or nonmotorized transportation project that provides connection to the public
- 618 transit system if the public transit district or political subdivision provides funds of
- 619 equal to or greater than 30% of the costs needed for the project.
- 620 (ii) A public transit district or political subdivision may use money derived from a
- 621 loan granted pursuant to [~~Title 72, Chapter 2,~~]Part 2, State Infrastructure Bank
- 622 Fund, to provide all or part of the 30% requirement described in Subsection
- 623 (9)(e)(i) if:
- 624 (A) the loan is approved by the commission as required in [~~Title 72, Chapter 2,~~]
- 625 Part 2, State Infrastructure Bank Fund; and
- 626 (B) the proposed capital project has been prioritized by the commission pursuant
- 627 to Section 72-1-303.
- 628 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 629 an agreement for a large public transit district to pay the department \$5,000,000 per
- 630 year for 15 years to be used to facilitate the purchase of zero emissions or low
- 631 emissions rail engines and trainsets for regional public transit rail systems.
- 632 (g) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(b):
- 633 (i) the commission may prioritize money from the fund for public transit projects,
- 634 operations, or maintenance within the county of the first class; and
- 635 (ii) Subsection (9)(e) does not apply.
- 636 (h) For any revenue transferred into the fund pursuant to Subsection 59-12-2220(11)(c):
- 637 (i) the commission may prioritize public transit projects, operations, or maintenance
- 638 in the county from which the revenue was generated; and
- 639 (ii) Subsection (9)(e) does not apply.

- 640 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
641 the project described in Subsection (9)(e) does not apply to a public transit capital
642 development project or pedestrian or nonmotorized transportation project that the
643 department proposes.
- 644 (j) In accordance with Part [3] 4, Public Transit Innovation Grants, the commission may
645 prioritize money from the fund for public transit innovation grants, as defined in
646 Section 72-2-401, for public transit capital development projects requested by a
647 political subdivision within a public transit district.
- 648 (10)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
649 Canyons Transportation Investment Fund.
- 650 (b) The fund shall be funded by:
- 651 (i) money deposited into the fund in accordance with Section 59-12-103;
652 (ii) appropriations into the account by the Legislature;
653 (iii) private contributions; and
654 (iv) donations or grants from public or private entities.
- 655 (c)(i) The fund shall earn interest.
656 (ii) All interest earned on fund money shall be deposited into the fund.
- 657 (d) The Legislature may appropriate money from the fund for public transit or
658 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 659 (e) The department may use up to 2% of the revenue deposited into the account under
660 Subsection 59-12-103(7)(b) to contract with local governments as necessary for
661 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 662 (f) Beginning in fiscal year beginning on July 1, 2025, the department shall use any sales
663 and use tax growth over sales and use tax collections during the 2025 fiscal year to
664 fund projects to provide ingress and egress for a public transit hub in the Cottonwood
665 Canyon area.
- 666 (11)(a) There is created in the Transportation Investment Fund of 2005 the Active
667 Transportation Investment Fund.
- 668 (b) The fund shall be funded by:
- 669 (i) money deposited into the fund in accordance with Section 59-12-103;
670 (ii) appropriations into the account by the Legislature; and
671 (iii) donations or grants from public or private entities.
- 672 (c)(i) The fund shall earn interest.
673 (ii) All interest earned on fund money shall be deposited into the fund.

- 674 (d) The executive director may only use fund money to pay the costs needed for:
- 675 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 676 paved pedestrian or paved nonmotorized trail projects that:
- 677 (A) are prioritized by the commission through the prioritization process for new
- 678 transportation capacity projects adopted under Section 72-1-304;
- 679 (B) serve a regional purpose; and
- 680 (C) are part of an active transportation plan approved by the department or the
- 681 plan described in Subsection (11)(d)(ii);
- 682 (ii) the development of a plan for a statewide network of paved pedestrian or paved
- 683 nonmotorized trails that serve a regional purpose; and
- 684 (iii) the administration of the fund, including staff and overhead costs.
- 685 (12)(a) As used in this Subsection (12), "commuter rail" means the same as that term is
- 686 defined in Section 63N-3-602.
- 687 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 688 Subaccount.
- 689 (c) The subaccount shall be funded by:
- 690 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 691 (ii) appropriations into the subaccount by the Legislature;
- 692 (iii) private contributions; and
- 693 (iv) donations or grants from public or private entities.
- 694 (d)(i) The subaccount shall earn interest.
- 695 (ii) All interest earned on money in the subaccount shall be deposited into the
- 696 subaccount.
- 697 (e) As prioritized by the commission through the prioritization process adopted under
- 698 Section 72-1-304 or as directed by the Legislature, the department may only use
- 699 money from the subaccount for projects that improve the state's commuter rail
- 700 infrastructure, including the building or improvement of grade-separated crossings
- 701 between commuter rail lines and public highways.
- 702 (f) Appropriations made in accordance with this section are nonlapsing in accordance
- 703 with Section 63J-1-602.1.

704 Section 5. Section **72-2-302** is amended to read:

705 **72-2-302 . County of the First Class Infrastructure Bank Fund -- Creation -- Use**

706 **of money.**

- 707 (1) There is created a revolving loan fund entitled the County of the First Class

708 Infrastructure Bank Fund.

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

- 710 (i) deposits into the fund in accordance with Subsection 72-2-121(9);
- 711 (ii) appropriations made to the fund by the Legislature;
- 712 (iii) federal money and grants that are deposited into the fund;
- 713 (iv) money transferred to the fund by the commission from other money available to
- 714 the department;
- 715 (v) state grants that are deposited into the fund;
- 716 (vi) contributions or grants from any other private or public sources for deposit into
- 717 the fund; and
- 718 (vii) subject to Subsection (2)(b) and Section 72-2-306, all money collected from
- 719 repayments of fund money used for infrastructure loans or infrastructure
- 720 assistance.

721 (b) When a loan from the fund is repaid, the department may request and the Legislature

722 may transfer from the fund to the source from which the money originated an amount

723 equal to the repaid loan.

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

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

726 (4)(a) ~~Money-~~ Except as provided in Subsection (4)(b), money in the fund shall be used

727 by the department, as prioritized by the commission, only to:

- 728 ~~(a)~~ (i) provide infrastructure loans or infrastructure assistance; and
- 729 ~~(b)~~ (ii) pay the department for the costs of administering the fund, providing
- 730 infrastructure loans or infrastructure assistance, monitoring transportation projects
- 731 and publicly owned infrastructure projects, and obtaining repayments of
- 732 infrastructure loans or infrastructure assistance.

733 (b) Notwithstanding Subsection (4)(a), money in the fund shall be used by the

734 department to provide funds in the following order of priority:

- 735 (i) a \$25,000,000 loan to Draper;
- 736 (ii) a \$5,000,000 loan to Herriman;
- 737 (iii) a \$30,000,000 grant to Bluffdale; and
- 738 (iv) a \$20,000,000 to the Department of Transportation for road improvements on
- 739 Wasatch Boulevard to provide ingress and egress to a public transit hub in the
- 740 Cottonwood Canyons area.

741 (5)(a) The department may establish separate accounts in the fund for infrastructure

742 loans, infrastructure assistance, administrative and operating expenses, or any other
743 purpose to implement this part.

744 (b) Prioritization of infrastructure loans described in Subsection (5)(a) shall follow the
745 same process as described in Section 72-2-303.

746 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
747 department may make rules governing how the fund and its accounts may be held by
748 an escrow agent.

749 (6) Fund money shall be invested by the state treasurer as provided in Title 51, Chapter 7,
750 State Money Management Act, and the earnings from the investments shall be credited
751 to the fund.

752 Section 6. Section **72-2-306** is amended to read:

753 **72-2-306 . Distribution of funds after repayment.**

754 (1) Any money deposited into the fund from repayment of a loan or interest issued under
755 this part shall be distributed as described in this section.

756 (2) As the department receives repayment of a loan and interest issued under this part, the
757 department shall distribute:

758 (a) ~~[50%]~~ 95% of the money to Sandy, for a bridge connecting a commuter rail station on
759 the west side of I-15 with property owned by Sandy City at approximately 10240
760 South Monroe Street on the east side of I-15; and

761 (b) 5% to the department for improvements to 12600 South in Riverton to facilitate a
762 jurisdictional transfer of the road from Riverton to the state.

763 ~~[(b) 30% of the money to Bluffdale, for construction of a multiple lane, grade-separated~~
764 ~~rail crossing at 1000 West and 14600 South; and]~~

765 ~~[(c) 20% of the money to the department, to construct and provide enhanced ingress and~~
766 ~~egress to a transit mobility center on property north of Big Cottonwood Canyon.]~~

767 Section 7. Section **72-2-501** is enacted to read:

768 **Part 5. Affordable Housing Infrastructure Grants**

769 **72-2-501 . Definitions.**

770 As used in this part:

771 (1) "Affordable housing unit" means:

772 (a) for a city with a population over 200,000, housing units included in a project that:

773 (i) is not within an opportunity zone created pursuant to Section 1400Z-1, Internal
774 Revenue Code;

775 (ii) proposes housing that is within a severe distress tract, as classified by United

- 776 States Bureau of the Census;
- 777 (iii) creates infrastructure that supports an existing permanent supportive housing
- 778 facility to maximize overall activation and integration of the facility; and
- 779 (iv) provides infrastructure to housing units within a one-half mile radius of the
- 780 infrastructure improvement that:
- 781 (A) for rental units within the project area, both new and existing, are reserved for
- 782 occupancy by households with a gross household income that, across the whole
- 783 project area, average no more than 60% of the median gross income of the
- 784 county statistical area for households of the same size; and
- 785 (B) for owner-occupied units within the project area, both new and existing, have
- 786 an average dwelling unit priced at or below 80% of the median home price of
- 787 the county statistical area for homes of the same size; and
- 788 (b) for a city with a population of 200,000 or less:
- 789 (i) for a rental property, a dwelling unit occupied or reserved for occupancy by
- 790 households with a gross household income equal to or less than 60% of the
- 791 median gross income of the county statistical area for households of the same size;
- 792 or
- 793 (ii) for an owner-occupied property, a dwelling unit priced at or below 80% of the
- 794 median home price of the county statistical area for homes of the same size.
- 795 (2) "Board" means the affordable housing infrastructure grant board created in Section
- 796 72-2-503.
- 797 (3) "Grant" means a grant issued to a municipality in a county of the first class as provided
- 798 in this part.
- 799 Section 8. Section **72-2-502** is enacted to read:
- 800 **72-2-502 . Affordable housing infrastructure grant funding sources.**
- 801 (1) In accordance with Section 72-2-503, the board may rank, prioritize, and provide
- 802 affordable housing infrastructure grants to cities within a county of the first class with
- 803 money derived from the following sources:
- 804 (a) bond proceeds deposited into the Transportation Investment Fund of 2005 created in
- 805 Section 72-2-124 in accordance with a bond issued under Section 63B-34-101;
- 806 (b) appropriations by the Legislature; and
- 807 (c) any other transfers or contributions.
- 808 (2) Administrative costs of the department to administer affordable housing infrastructure
- 809 grants under this part shall be paid from the funds described in Subsection (1).

810 Section 9. Section **72-2-503** is enacted to read:

811 **72-2-503 . Board creation -- Duties -- Grant administration.**

- 812 (1) There is created the affordable housing infrastructure grant board consisting of the
813 following members:
- 814 (a) the executive director of the department, or the director's designee;
 - 815 (b) the executive director of the Department of Natural Resources appointed under
816 Section 79-2-202, or the executive director's designee; and
 - 817 (c) an employee of the governor's office that is an expert or advisor on housing strategy,
818 appointed by the governor.
- 819 (2)(a) The Department of Natural Resources shall provide staff support for the board and
820 the grant program.
- 821 (b) The Department of Natural Resources may use grant funds for the costs of the
822 Department of Natural Resources to administer the grant program under this part.
- 823 (3) The Department of Natural Resources, in consultation with the board, shall develop a
824 process for the prioritization of grant proposals that includes:
- 825 (a) instructions on making and submitting a grant proposal;
 - 826 (b) methodology for selecting grants; and
 - 827 (c) methodology for awarding grants.
- 828 (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
829 Department of Natural Resources shall make rules to establish the process described in
830 Subsection (3) and as otherwise necessary to implement this part.
- 831 (5) The board shall:
- 832 (a) accept grant applications;
 - 833 (b) rank grant proposals; and
 - 834 (c) provide money to grant recipients in accordance with this part.
- 835 (6) A city shall ensure that each grant proposal includes:
- 836 (a) information about the proposed project, including the projected number of affordable
837 housing units, which may not be less than 50 units of affordable housing;
 - 838 (b) the projected time line of the proposed project;
 - 839 (c) data and information regarding the proposed types of affordable housing; and
 - 840 (d) information about the public infrastructure and other improvements needed.
- 841 (7) In considering a grant proposal, the board shall consider criteria including:
- 842 (a) the value and number of housing units the project will produce;
 - 843 (b) the value of any matching contribution from the political subdivision, including

844 information about how the city determined the value of the matching assets; and
845 (c) any other criteria the board determines relevant.

846 (8)(a) Subject to available funding, and subject to Subsection (8)(b), the board may
847 award a grant to a recipient that the board determines advisable.

848 (b) For every \$20,000 of grant funding awarded to a recipient, the recipient shall provide
849 at least one unit of affordable housing.

850 (c) The board may not award a grant to a recipient if the board determines that the
851 recipient will not be able to satisfy the requirement under Subsection (8)(b).

852 (9) If the board approves a grant to provide money as provided in this part, the department
853 shall transfer the money to the grant recipient.

854 Section 10. Section **72-2-504** is enacted to read:

855 **72-2-504 . Report.**

856 (1) At least annually during the life of the project, a recipient of a grant under this part shall
857 provide a report to the board.

858 (2) The report described in Subsection (1) shall include:

859 (a) the amount of money provided through the grant;

860 (b) an accounting of how the grant money has been utilized;

861 (c) the progress of the project; and

862 (d) the number of affordable housing units completed or under construction.

863 Section 11. **FY 2026 Appropriations.**

864 The following sums of money are appropriated for the fiscal year beginning July 1,
865 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
866 fiscal year 2026.

867 Subsection 11(a). **Operating and Capital Budgets**

868 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
869 Legislature appropriates the following sums of money from the funds or accounts indicated for
870 the use and support of the government of the state of Utah.

871 ITEM 1 To Transportation - Pass-Through

872 From Cottonwood Canyon Transportation Investment

873 Fund, One-time

25,000,000

874 Schedule of Programs:

875 Pass-Through

25,000,000

876 The Legislature intends that the Department of

877 Transportation distribute \$25,000,000 of the

878 appropriations provided for the Pass-Through line item
 879 for the following projects: \$10,500,000 to Spanish Fork
 880 to connect Fingerhut Road over the railroad and to U.S.
 881 Highway 6; \$3,500,000 to Spanish Fork for a pedestrian
 882 bridge over U.S. Highway 6 connecting a trail between
 883 Spanish Fork and Mapleton; \$5,000,000 to Spanish Fork
 884 for public infrastructure facilitating development inside
 885 the inland port industrial development; \$4,000,000 to
 886 Metro Water District for the Little Cottonwood Creek
 887 conduit connecting to the water treatment plant; and
 888 \$2,000,000 to Draper for a water line, for construction,
 889 expansion, and renovation of new and existing drinking
 890 water infrastructure.

891 Subsection 11(b). **Expendable Funds and Accounts**

892 The Legislature has reviewed the following expendable funds. The Legislature
 893 authorizes the State Division of Finance to transfer amounts between funds and accounts as
 894 indicated. Outlays and expenditures from the funds or accounts to which the money is
 895 transferred may be made without further legislative action, in accordance with statutory
 896 provisions relating to the funds or accounts.

897 ITEM 2 To Transportation - County of the First Class Highway Projects Fund

898 From Cottonwood Canyon Transportation Investment

899 Fund, One-time

8,000,000

900 Schedule of Programs:

901 County of the First Class Highway Projects Fund

8,000,000

902 Section 12. **Effective Date.**

903 This bill takes effect on May 7, 2025.