

**Senator Kirk A. Cullimore** proposes the following substitute bill:

**TRANSPORTATION FUNDING REQUIREMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kirk A. Cullimore**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to allowed uses for a certain local option sales and use tax for transportation.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ removes the requirement for a county legislative body to receive voter approval to change the allocation for a certain local option sales and use tax;
- ▶ amends provisions related to the allowed uses for a certain local option sales and use taxes;
- ▶ allows a certain portion of a local option sales and use tax within a county of the first class to be used to provide support and services for certain individuals with behavioral or mental health conditions;
- ▶ allows a certain portion of a local option sales and use tax within a county of the first class to be used to fund or provide loans for public transit projects in a county of the first class;
- ▶ amends the distribution for a certain local option sales and use tax;
- ▶ specifies the ways a county, city, or town may expend the sales and use tax revenue



26 based on allocations;

27       ▶ provides requirements for a county to meet if the county elects to change

28 distribution allocations;

29       ▶ eliminates the deadline for a county to impose the local option sales and use tax;

30 and

31       ▶ makes technical changes.

32 **Money Appropriated in this Bill:**

33       None

34 **Other Special Clauses:**

35       This bill provides a special effective date.

36 **Utah Code Sections Affected:**

37 AMENDS:

38       [59-12-2202](#), as last amended by Laws of Utah 2019, Chapter 479

39       [59-12-2216](#), as last amended by Laws of Utah 2019, Chapter 479

40       [59-12-2219](#), as last amended by Laws of Utah 2019, Chapter 479

41       [59-12-2220](#), as last amended by Laws of Utah 2022, Chapter 259

42       [72-2-121](#), as last amended by Laws of Utah 2022, Chapter 259



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

45       Section 1. Section **59-12-2202** is amended to read:

46       **59-12-2202. Definitions.**

47       As used in this part:

48       (1) "Airline" means the same as that term is defined in Section [59-2-102](#).

49       (2) "Airport facility" means the same as that term is defined in Section [59-12-602](#).

50       (3) "Airport of regional significance" means an airport identified by the Federal  
51 Aviation Administration in the most current National Plan of Integrated Airport Systems or an  
52 update to the National Plan of Integrated Airport Systems.

53       (4) "Annexation" means an annexation to:

54       (a) a county under Title 17, Chapter 2, County Consolidations and Annexations; or

55       (b) a city or town under Title 10, Chapter 2, Part 4, Annexation.

56       (5) "Annexing area" means an area that is annexed into a county, city, or town.

- 57 (6) "Class A road" means the same as that term is described in Section [72-3-102](#).
- 58 (7) "Class B road" means the same as that term is described in Section [72-3-103](#).
- 59 (8) "Class C road" means the same as that term is described in Section [72-3-104](#).
- 60 (9) "Class D road" means the same as that term is described in Section [72-3-105](#).
- 61 (10) "Council of governments" means the same as that term is defined in Section
- 62 [72-2-117.5](#).
- 63 (11) "Eligible political subdivision" means a political subdivision that:
- 64 (a) provides public transit services;
- 65 (b) is not a public transit district; and
- 66 (c) is not annexed into a public transit district.
- 67 [~~11~~] (12) "Fixed guideway" means the same as that term is defined in Section
- 68 [59-12-102](#).
- 69 [~~12~~] (13) "Large public transit district" means the same as that term is defined in
- 70 Section [17B-2a-802](#).
- 71 [~~13~~] (14) "Major collector highway" means the same as that term is defined in
- 72 Section [72-4-102.5](#).
- 73 [~~14~~] (15) "Metropolitan planning organization" means the same as that term is
- 74 defined in Section [72-1-208.5](#).
- 75 [~~15~~] (16) "Minor arterial highway" means the same as that term is defined in Section
- 76 [72-4-102.5](#).
- 77 [~~16~~] (17) "Minor collector road" means the same as that term is defined in Section
- 78 [72-4-102.5](#).
- 79 [~~17~~] (18) "Principal arterial highway" means the same as that term is defined in
- 80 Section [72-4-102.5](#).
- 81 (19) "Public transit" means the same as that term is defined in Section [17B-2a-802](#).
- 82 (20) "Public transit district" means the same as that term is defined in Section
- 83 [17B-2a-802](#).
- 84 (21) "Public transit provider" means a public transit district or an eligible political
- 85 subdivision.
- 86 (22) "Public transit service" means a service provided as part of public transit.
- 87 [~~18~~] (23) "Regionally significant transportation facility" means:

- 88 (a) in a county of the first or second class:
- 89 (i) a principal arterial highway;
- 90 (ii) a minor arterial highway;
- 91 (iii) a fixed guideway that:
- 92 (A) extends across two or more cities or unincorporated areas; or
- 93 (B) is an extension to an existing fixed guideway; or
- 94 (iv) an airport of regional significance; or
- 95 (b) in a county of the second class that is not part of a large public transit district, or in
- 96 a county of the third, fourth, fifth, or sixth class:
- 97 (i) a principal arterial highway;
- 98 (ii) a minor arterial highway;
- 99 (iii) a major collector highway;
- 100 (iv) a minor collector road; or
- 101 (v) an airport of regional significance.
- 102 ~~[(19)]~~ (24) "State highway" means a highway designated as a state highway under Title
- 103 72, Chapter 4, Designation of State Highways Act.
- 104 ~~[(20)]~~ (25) (a) Subject to Subsection ~~[(20)(b)]~~ (25)(b), "system for public transit"
- 105 means the same as the term "public transit" is defined in Section [17B-2a-802](#).
- 106 (b) "System for public transit" includes:
- 107 (i) the following costs related to public transit:
- 108 (A) maintenance costs; or
- 109 (B) operating costs;
- 110 (ii) a fixed guideway;
- 111 (iii) a park and ride facility;
- 112 (iv) a passenger station or passenger terminal;
- 113 (v) a right-of-way for public transit; or
- 114 (vi) the following that serve a public transit facility:
- 115 (A) a maintenance facility;
- 116 (B) a platform;
- 117 (C) a repair facility;
- 118 (D) a roadway;

- 119 (E) a storage facility;
- 120 (F) a utility line; or
- 121 (G) a facility or item similar to those described in Subsections [~~(20)(b)(vi)(A)~~
- 122 (25)(b)(vi)(A) through (F).

123 Section 2. Section **59-12-2216** is amended to read:

124 **59-12-2216. County option sales and use tax for a fixed guideway, to fund a**  
125 **system for public transit, or for highways -- Base -- Rate -- Allocation and expenditure of**  
126 **revenues.**

127 (1) Subject to the other provisions of this part, a county legislative body may impose a  
128 sales and use tax of up to .30% on the transactions described in Subsection [59-12-103\(1\)](#)  
129 within the county, including the cities and towns within the county.

130 (2) Subject to Subsection (3), before obtaining voter approval in accordance with  
131 Section [59-12-2208](#), a county legislative body shall adopt a resolution specifying the  
132 percentage of revenues the county will receive from the sales and use tax under this section that  
133 will be allocated to fund uses described in Section [59-12-2212.2](#).

134 (3) A county legislative body shall in the resolution described in Subsection (2)  
135 allocate 100% of the revenues the county will receive from the sales and use tax under this  
136 section for one or more of the purposes described in Section [59-12-2212.2](#).

137 (4) Notwithstanding Section [59-12-2208](#), the opinion question required by Section  
138 [59-12-2208](#) shall state the allocations the county legislative body makes in accordance with this  
139 section.

140 (5) The revenues collected from a sales and use tax under this section shall be:

141 (a) allocated in accordance with the allocations specified in the resolution under  
142 Subsection (2); and

143 (b) expended as provided in this section.

144 (6) If a county legislative body allocates revenues collected from a sales and use tax  
145 under this section for a state highway project, before beginning the state highway project within  
146 the county, the county legislative body shall:

147 (a) obtain approval from the Transportation Commission to complete the project; and

148 (b) enter into an interlocal agreement established in accordance with Title 11, Chapter  
149 13, Interlocal Cooperation Act, with the Department of Transportation to complete the project.

150 (7) If after a county legislative body imposes a sales and use tax under this section the  
151 county legislative body seeks to change an allocation specified in the resolution under  
152 Subsection (2), the county legislative body may change the allocation by:

153 (a) adopting a resolution in accordance with Subsection (2) specifying the percentage  
154 of revenues the county will receive from the sales and use tax under this section that will be  
155 allocated to fund one or more of the items described in Section [59-12-2212.2](#); and

156 (b) obtaining approval to change the allocation of the sales and use tax by a majority of  
157 all of the members of the county legislative body~~[-and].~~

158 ~~[(c) subject to Subsection (8):]~~

159 ~~[(i) in accordance with Section [59-12-2208](#), submitting an opinion question to the  
160 county's registered voters voting on changing the allocation so that each registered voter has the  
161 opportunity to express the registered voter's opinion on whether the allocation should be  
162 changed; and]~~

163 ~~[(ii) in accordance with Section [59-12-2208](#), obtaining approval to change the  
164 allocation from a majority of the county's registered voters voting on changing the allocation.]~~

165 ~~[(8) Notwithstanding Section [59-12-2208](#), the opinion question required by Subsection  
166 (7)(c)(i) shall state the allocations specified in the resolution adopted in accordance with  
167 Subsection (7)(a) and approved by the county legislative body in accordance with Subsection  
168 (7)(b):]~~

169 ~~[(9)]~~ (8) Revenues collected from a sales and use tax under this section that a county  
170 allocates for a state highway within the county shall be:

171 (a) deposited into the Highway Projects Within Counties Fund created by Section  
172 [72-2-121.1](#); and

173 (b) expended as provided in Section [72-2-121.1](#).

174 ~~[(10)]~~ (9) (a) Notwithstanding Section [59-12-2206](#) and subject to Subsection ~~[(10)(b):]~~  
175 [\(9\)\(b\)](#), revenues collected from a sales and use tax under this section that a county allocates for  
176 a project, debt service, or bond issuance cost relating to a highway that is a principal arterial  
177 highway or minor arterial highway that is included in a metropolitan planning organization's  
178 regional transportation plan, but is not a state highway, shall be transferred to the Department  
179 of Transportation if the transfer of the revenues is required under an interlocal agreement:

180 (i) entered into on or before January 1, 2010; and

181 (ii) established in accordance with Title 11, Chapter 13, Interlocal Cooperation Act.

182 (b) The Department of Transportation shall expend the revenues described in  
183 Subsection ~~[(10)(a)]~~ (9)(a) as provided in the interlocal agreement described in Subsection  
184 ~~[(10)(a)]~~ (9)(a).

185 Section 3. Section **59-12-2219** is amended to read:

186 **59-12-2219. County option sales and use tax for highways and public transit --**  
187 **Base -- Rate -- Distribution and expenditure of revenue -- Revenue may not supplant**  
188 **existing budgeted transportation revenue.**

189 ~~[(1) As used in this section:]~~

190 ~~[(a) "Eligible political subdivision" means a political subdivision that:]~~

191 ~~[(i) (A) on May 12, 2015, provides public transit services; or]~~

192 ~~[(B) after May 12, 2015, provides written notice to the commission in accordance with~~  
193 ~~Subsection (9)(b) that it intends to provide public transit service within a county;]~~

194 ~~[(ii) is not a public transit district; and]~~

195 ~~[(iii) is not annexed into a public transit district.]~~

196 ~~[(b) "Public transit district" means a public transit district organized under Title 17B,~~  
197 ~~Chapter 2a, Part 8, Public Transit District Act.]~~

198 ~~[(2)]~~ (1) Subject to the other provisions of this part, and subject to Subsection ~~[(14)]~~  
199 (13), a county legislative body may impose a sales and use tax of .25% on the transactions  
200 described in Subsection **59-12-103**(1) within the county, including the cities and towns within  
201 the county.

202 ~~[(3)]~~ (2) Subject to Subsection ~~[(10)]~~ (9), the commission shall distribute sales and use  
203 tax revenue collected under this section as provided in Subsections ~~[(4) through (9)]~~ (3)  
204 through (8).

205 ~~[(4)]~~ (3) If the entire boundary of a county that imposes a sales and use tax under this  
206 section is annexed into a single public transit district, the commission shall distribute the sales  
207 and use tax revenue collected within the county as follows:

208 (a) .10% shall be transferred to the public transit district in accordance with Section  
209 **59-12-2206**;

210 (b) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

211 (c) .05% shall be distributed to the county legislative body.

212           ~~[(5)]~~ (4) If the entire boundary of a county that imposes a sales and use tax under this  
213 section is not annexed into a single public transit district, but a city or town within the county is  
214 annexed into a single large public transit district, the commission shall distribute the sales and  
215 use tax revenue collected within the county as follows:

216           (a) for a city or town within the county that is annexed into a single public transit  
217 district, the commission shall distribute the sales and use tax revenue collected within that city  
218 or town as follows:

219           (i) .10% shall be transferred to the public transit district in accordance with Section  
220 [59-12-2206](#);

221           (ii) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

222           (iii) .05% shall be distributed to the county legislative body;

223           (b) for an eligible political subdivision within the county, the commission shall  
224 distribute the sales and use tax revenue collected within that eligible political subdivision as  
225 follows:

226           (i) .10% shall be transferred to the eligible political subdivision in accordance with  
227 Section [59-12-2206](#);

228           (ii) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

229           (iii) .05% shall be distributed to the county legislative body; and

230           (c) the commission shall distribute the sales and use tax revenue, except for the sales  
231 and use tax revenue described in Subsections ~~[(5)(a)]~~ (4)(a) and (b), as follows:

232           (i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6); and

233           (ii) .15% shall be distributed to the county legislative body.

234           ~~[(6)]~~ (5) For a county not described in Subsection ~~[(4) or (5)]~~ (3) or (4), if a county of  
235 the second, third, fourth, fifth, or sixth class imposes a sales and use tax under this section, the  
236 commission shall distribute the sales and use tax revenue collected within the county as  
237 follows:

238           (a) for a city or town within the county that is annexed into a single public transit  
239 district, the commission shall distribute the sales and use tax revenue collected within that city  
240 or town as follows:

241           (i) .10% shall be distributed as provided in Subsection ~~[(7)]~~ (6);

242           (ii) .10% shall be distributed as provided in Subsection ~~[(8)]~~ (7); and



243 (iii) .05% shall be distributed to the county legislative body;

244 (b) for an eligible political subdivision within the county, the commission shall  
245 distribute the sales and use tax revenue collected within that eligible political subdivision as  
246 follows:

247 (i) .10% shall be distributed as provided in Subsection [~~(7)~~] (6);

248 (ii) .10% shall be distributed as provided in Subsection [~~(8)~~] (7); and

249 (iii) .05% shall be distributed to the county legislative body; and

250 (c) the commission shall distribute the sales and use tax revenue, except for the sales  
251 and use tax revenue described in Subsections [~~(6)(a)~~] (5)(a) and (b), as follows:

252 (i) .10% shall be distributed as provided in Subsection [~~(7)~~] (6); and

253 (ii) .15% shall be distributed to the county legislative body.

254 [~~(7)~~] (6) (a) Subject to Subsection [~~(7)(b)~~] (6)(b), the commission shall make the  
255 distributions required by Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii), (5)(c)(i), (6)(a)(i), (6)(b)(i),~~  
256 ~~(6)(c)(i), and (8)(d)(ii)(A)~~] (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i), (5)(a)(i), (5)(b)(i), (5)(c)(i), and  
257 (7)(d)(ii)(A) as follows:

258 (i) 50% of the total revenue collected under Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii),~~  
259 ~~(5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)~~] (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i),  
260 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax  
261 under this section shall be distributed to the unincorporated areas, cities, and towns within  
262 those counties and cities on the basis of the percentage that the population of each  
263 unincorporated area, city, or town bears to the total population of all of the counties and cities  
264 that impose a tax under this section; and

265 (ii) 50% of the total revenue collected under Subsections [~~(4)(b), (5)(a)(ii), (5)(b)(ii),~~  
266 ~~(5)(c)(i), (6)(a)(i), (6)(b)(i), (6)(c)(i), and (8)(d)(ii)(A)~~] (3)(b), (4)(a)(ii), (4)(b)(ii), (4)(c)(i),  
267 (5)(a)(i), (5)(b)(i), (5)(c)(i), and (7)(d)(ii)(A) within the counties and cities that impose a tax  
268 under this section shall be distributed to the unincorporated areas, cities, and towns within  
269 those counties and cities on the basis of the location of the transaction as determined under  
270 Sections [59-12-211](#) through [59-12-215](#).

271 (b) (i) Population for purposes of this Subsection [~~(7)~~] (6) shall be determined on the  
272 basis of the most recent official census or census estimate of the United States Bureau of the  
273 Census.

274 (ii) If a needed population estimate is not available from the United States Bureau of  
275 the Census, population figures shall be derived from an estimate from the Utah Population  
276 Committee.

277 ~~[(8)]~~ (7) (a) (i) Subject to the requirements in Subsections ~~[(8)(b)]~~ (7)(b) and (c), a  
278 county legislative body:

279 (A) for a county that obtained approval from a majority of the county's registered  
280 voters voting on the imposition of a sales and use tax under this section prior to May 10, 2016,  
281 may, in consultation with any cities, towns, or eligible political subdivisions within the county,  
282 and in compliance with the requirements for changing an allocation under Subsection ~~[(8)(e)]~~  
283 (7)(e), allocate the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) by  
284 adopting a resolution specifying the percentage of revenue under Subsection ~~[(6)(a)(ii) or~~  
285 ~~(6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible  
286 political subdivision; or

287 (B) for a county that imposes a sales and use tax under this section on or after May 10,  
288 2016, shall, in consultation with any cities, towns, or eligible political subdivisions within the  
289 county, allocate the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) by  
290 adopting a resolution specifying the percentage of revenue under Subsection ~~[(6)(a)(ii) or~~  
291 ~~(6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will be allocated to a public transit district or an eligible  
292 political subdivision.

293 (ii) If a county described in Subsection ~~[(8)(a)(i)(A)]~~ (7)(a)(i)(A) does not allocate the  
294 revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) in accordance with  
295 Subsection ~~[(8)(a)(i)(A)]~~ (7)(a)(i)(A), the commission shall distribute 100% of the revenue  
296 under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) to:

297 (A) a public transit district for a city or town within the county that is annexed into a  
298 single public transit district; or

299 (B) an eligible political subdivision within the county.

300 (b) If a county legislative body allocates the revenue as described in Subsection  
301 ~~[(8)(a)(i)]~~ (7)(a)(i), the county legislative body shall allocate not less than 25% of the revenue  
302 under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) to:

303 (i) a public transit district for a city or town within the county that is annexed into a  
304 single public transit district; or

305 (ii) an eligible political subdivision within the county.

306 (c) Notwithstanding Section 59-12-2208, the opinion question described in Section  
307 59-12-2208 shall state the allocations the county legislative body makes in accordance with this  
308 Subsection ~~[(8)]~~ (7).

309 (d) The commission shall make the distributions required by Subsection ~~[(6)(a)(ii) or~~  
310 ~~(6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) as follows:

311 (i) the percentage specified by a county legislative body shall be distributed in  
312 accordance with a resolution adopted by a county legislative body under Subsection ~~[(8)(a)]~~  
313 (7)(a) to an eligible political subdivision or a public transit district within the county; and

314 (ii) except as provided in Subsection ~~[(8)(a)(ii)]~~ (7)(a)(ii), if a county legislative body  
315 allocates less than 100% of the revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or  
316 (5)(b)(ii) to a public transit district or an eligible political subdivision, the remainder of the  
317 revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) not allocated by a  
318 county legislative body through a resolution under Subsection ~~[(8)(a)]~~ (7)(a) shall be  
319 distributed as follows:

320 (A) 50% of the revenue as provided in Subsection ~~[(7)]~~ (6); and

321 (B) 50% of the revenue to the county legislative body.

322 (e) If a county legislative body seeks to change an allocation specified in a resolution  
323 under Subsection ~~[(8)(a)]~~ (7)(a), the county legislative body may change the allocation by:

324 (i) adopting a resolution in accordance with Subsection ~~[(8)(a)]~~ (7)(a) specifying the  
325 percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ (5)(a)(ii) or (5)(b)(ii) that will  
326 be allocated to a public transit district or an eligible political subdivision;

327 (ii) obtaining approval to change the allocation of the sales and use tax by a majority of  
328 all the members of the county legislative body; and

329 (iii) subject to Subsection ~~[(8)(f)]~~ (7)(f):

330 (A) in accordance with Section 59-12-2208, submitting an opinion question to the  
331 county's registered voters voting on changing the allocation so that each registered voter has the  
332 opportunity to express the registered voter's opinion on whether the allocation should be  
333 changed; and

334 (B) in accordance with Section 59-12-2208, obtaining approval to change the  
335 allocation from a majority of the county's registered voters voting on changing the allocation.

336 (f) Notwithstanding Section [59-12-2208](#), the opinion question required by Subsection  
337 ~~[(8)(e)(iii)(A)]~~ [\(7\)\(e\)\(iii\)\(A\)](#) shall state the allocations specified in the resolution adopted in  
338 accordance with Subsection ~~[(8)(e)]~~ [\(7\)\(e\)](#) and approved by the county legislative body in  
339 accordance with Subsection ~~[(8)(e)(ii)]~~ [\(7\)\(e\)\(ii\)](#).

340 (g) (i) If a county makes an allocation by adopting a resolution under Subsection  
341 ~~[(8)(a)]~~ [\(7\)\(a\)](#) or changes an allocation by adopting a resolution under Subsection ~~[(8)(e)]~~  
342 [\(7\)\(e\)](#), the allocation shall take effect on the first distribution the commission makes under this  
343 section after a 90-day period that begins on the date the commission receives written notice  
344 meeting the requirements of Subsection ~~[(8)(g)(ii)]~~ [\(7\)\(g\)\(ii\)](#) from the county.

345 (ii) The notice described in Subsection ~~[(8)(g)(i)]~~ [\(7\)\(g\)\(i\)](#) shall state:

346 (A) that the county will make or change the percentage of an allocation under  
347 Subsection ~~[(8)(a)]~~ [\(7\)\(a\)](#) or (e); and

348 (B) the percentage of revenue under Subsection ~~[(6)(a)(ii) or (6)(b)(ii)]~~ [\(5\)\(a\)\(ii\) or](#)  
349 [\(5\)\(b\)\(ii\)](#) that will be allocated to a public transit district or an eligible political subdivision.

350 ~~[(9)]~~ [\(8\)](#) (a) If a public transit district is organized after the date a county legislative  
351 body first imposes a tax under this section, a change in a distribution required by this section  
352 may not take effect until the first distribution the commission makes under this section after a  
353 90-day period that begins on the date the commission receives written notice from the public  
354 transit district of the organization of the public transit district.

355 (b) If an eligible political subdivision intends to provide public transit service within a  
356 county after the date a county legislative body first imposes a tax under this section, a change  
357 in a distribution required by this section may not take effect until the first distribution the  
358 commission makes under this section after a 90-day period that begins on the date the  
359 commission receives written notice from the eligible political subdivision stating that the  
360 eligible political subdivision intends to provide public transit service within the county.

361 ~~[(10)]~~ [\(9\)](#) (a) (i) Notwithstanding Subsections ~~[(4) through (9)]~~ [\(3\) through \(8\)](#), for a  
362 county that has not imposed a sales and use tax under this section before May 8, 2018, and if  
363 the county imposes a sales and use tax under this section before June 30, 2019, the commission  
364 shall distribute all of the sales and use tax revenue collected by the county before June 30,  
365 2019, to the county for the purposes described in Subsection ~~[(10)(a)(ii)]~~ [\(9\)\(a\)\(ii\)](#).

366 (ii) For any revenue collected by a county pursuant to Subsection ~~[(10)(a)(i)]~~ [\(9\)\(a\)\(i\)](#)

367 before June 30, 2019, the county may expend that revenue for:

- 368 (A) reducing transportation related debt;
- 369 (B) a regionally significant transportation facility; or
- 370 (C) a public transit project of regional significance.

371 (b) For a county that has not imposed a sales and use tax under this section before May  
 372 8, 2018, and if the county imposes a sales and use tax under this section before June 30, 2019,  
 373 the commission shall distribute the sales and use tax revenue collected by the county on or after  
 374 July 1, 2019, as described in Subsections ~~[(4) through (9)].~~ (3) through (8).

375 (c) For a county that has not imposed a sales and use tax under this section before June  
 376 30, 2019, if the entire boundary of that county is annexed into a large public transit district, and  
 377 if the county imposes a sales and use tax under this section on or after July 1, 2019, the  
 378 commission shall distribute the sales and use tax revenue collected by the county as described  
 379 in Subsections ~~[(4) through (9)].~~ (3) through (8).

380 ~~[(11)]~~ (10) A county, city, or town may expend revenue collected from a tax under this  
 381 section, except for revenue the commission distributes in accordance with Subsection ~~[(4)(a),~~  
 382 ~~(5)(a)(i), (5)(b)(i), or (8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i), for a purpose described in  
 383 Section [59-12-2212.2](#).

384 ~~[(12)]~~ (11) A public transit district or an eligible political subdivision may expend  
 385 revenue the commission distributes in accordance with Subsection ~~[(4)(a), (5)(a)(i), (5)(b)(i), or~~  
 386 ~~(8)(d)(i)]~~ (3)(a), (4)(a)(i), (4)(b)(i), or (7)(d)(i) for capital expenses and service delivery  
 387 expenses of the public transit district or eligible political subdivision.

388 ~~[(13)]~~ (12) Notwithstanding Section [59-12-2208](#), a county, city, or town legislative  
 389 body may, but is not required to, submit an opinion question to the county's, city's, or town's  
 390 registered voters in accordance with Section [59-12-2208](#) to impose a sales and use tax under  
 391 this section.

392 ~~[(14)]~~ (13) (a) (i) Notwithstanding any other provision in this section, if the entire  
 393 boundary of a county is annexed into a large public transit district, if the county legislative  
 394 body wishes to impose a sales and use tax under this section, the county legislative body shall  
 395 pass the ordinance to impose a sales and use tax under this section on or before June 30, 2022.

396 (ii) If the entire boundary of a county is annexed into a large public transit district, the  
 397 county legislative body may not pass an ordinance to impose a sales and use tax under this

398 section on or after July 1, 2022.

399 (b) Notwithstanding the deadline described in Subsection [~~(14)~~(a)] (13)(a), any sales  
400 and use tax imposed under this section by passage of a county ordinance on or before June 30,  
401 2022, may remain in effect.

402 [~~(15)~~] (14) (a) Beginning on July 1, 2020, and subject to Subsection [~~(16)~~] (15), if a  
403 county has not imposed a sales and use tax under this section, subject to the provisions of this  
404 part, the legislative body of a city or town described in Subsection [~~(15)~~(b)] (14)(b) may  
405 impose a .25% sales and use tax on the transactions described in Subsection 59-12-103(1)  
406 within the city or town.

407 (b) The following cities or towns may impose a sales and use tax described in  
408 Subsection [~~(15)~~(a)] (14)(a):

409 (i) a city or town that has been annexed into a public transit district; or

410 (ii) an eligible political subdivision.

411 (c) If a city or town imposes a sales and use tax as provided in this section, the  
412 commission shall distribute the sales and use tax revenue collected by the city or town as  
413 follows:

414 (i) .125% to the city or town that imposed the sales and use tax, to be distributed as  
415 provided in Subsection [~~(7)~~] (6); and

416 (ii) .125%, as applicable, to:

417 (A) the public transit district in which the city or town is annexed; or

418 (B) the eligible political subdivision for public transit services.

419 (d) If a city or town imposes a sales and use tax under this section and the county  
420 subsequently imposes a sales and use tax under this section, the commission shall distribute the  
421 sales and use tax revenue collected within the city or town as described in Subsection [~~(15)~~(c)]  
422 (14)(c).

423 [~~(16)~~] (15) (a) (i) Notwithstanding any other provision in this section, if a city or town  
424 legislative body wishes to impose a sales and use tax under this section, the city or town  
425 legislative body shall pass the ordinance to impose a sales and use tax under this section on or  
426 before June 30, 2022.

427 (ii) A city or town legislative body may not pass an ordinance to impose a sales and use  
428 tax under this section on or after July 1, 2022.

429 (b) Notwithstanding the deadline described in Subsection ~~[(16)(a)]~~ (15)(a), any sales  
430 and use tax imposed under this section by passage of an ordinance by a city or town legislative  
431 body on or before June 30, 2022, may remain in effect.

432 Section 4. Section 59-12-2220 is amended to read:

433 **59-12-2220. County option sales and use tax to fund a system for public transit --**  
434 **Base -- Rate.**

435 (1) Subject to the other provisions of this part and subject to the requirements of this  
436 section, ~~[beginning on July 1, 2019,]~~ the following counties may impose a sales and use tax  
437 under this section:

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

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

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

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

444 (A) Section 59-12-2213;

445 (B) Section 59-12-2214;

446 (C) Section 59-12-2215;

447 (D) Section 59-12-2216;

448 (E) Section 59-12-2217;

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

450 (G) Section 59-12-2219;

451 (b) if the county is not annexed into a large public transit district, the county legislative  
452 body may impose the sales and use tax on the transactions described in Subsection

453 59-12-103(1) located within the county, including the cities and towns within the county if:

454 (i) the county is an eligible political subdivision ~~[as defined in Section 59-12-2219]~~; or

455 (ii) a city or town within the boundary of the county is an eligible political subdivision  
456 ~~[as defined in Section 59-12-2219]~~; or

457 (c) a county legislative body of a county not described in Subsection (1)(a) may impose  
458 the sales and use tax on the transactions described in Subsection 59-12-103(1) located within  
459 the county, including the cities and towns within the county~~], if there is a public transit district~~

460 ~~within the boundary of the county].~~

461 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a  
462 county legislative body that imposes a sales and use tax under this section may impose the tax  
463 at a rate of .2%.

464 ~~[(3) A county imposing a sales and use tax under this section shall expend the revenues~~  
465 ~~collected from the sales and use tax for capital expenses and service delivery expenses of:]~~

466 ~~[(a) a public transit district;]~~

467 ~~[(b) an eligible political subdivision, as that term is defined in Section 59-12-2219; or]~~

468 ~~[(c) another entity providing a service for public transit or a transit facility within the~~  
469 ~~county as those terms are defined in Section 17B-2a-802.]~~

470 (3) (a) The commission shall distribute sales and use tax revenue collected under this  
471 section as determined by a county legislative body as described in Subsection (3)(b).

472 (b) If a county legislative body imposes a sales and use tax as described in this section,  
473 the county legislative body may elect to impose a sales and use tax revenue distribution as  
474 described in Subsection (4), (5), (6), or (7), depending on the class of county, and presence and  
475 type of a public transit provider in the county.

476 (4) If a county legislative body imposes a sales and use tax as described in this section,  
477 and the entire boundary of the county is annexed into a large public transit district, and the  
478 county is a county of the first class, the commission shall distribute the sales and use tax  
479 revenue as designated by the county, as follows:

480 (a) .2% sales and use tax revenue collected within the county to a public transit district  
481 described in Subsection (11); or

482 (b) (i) .10% to a public transit district as described in Subsection (11);

483 (ii) .05% to the cities and towns as provided in Subsection (8); and

484 (iii) .05% to the county legislative body.

485 (5) If a county legislative body imposes a sales and use tax as described in this section  
486 and the entire boundary of the county is annexed into a large public transit district, and the  
487 county is a county not described in Subsection (4), the commission shall distribute the sales  
488 and use tax revenue as designated by the county as follows:

489 (a) .2% sales and use tax revenue collected within the county to a public transit district  
490 as described in Subsection (11); or



491 (b) (i) .10% to a public transit district as described in Subsection (11);

492 (ii) .05% to the cities and towns as provided in Subsection (8); and

493 (iii) .05% to the county legislative body.

494 (6) (a) Except as provided in Subsection (12)(d), if the entire boundary of a county that  
495 imposes a sales and use tax as described in this section is not annexed into a single public  
496 transit district, but a city or town within the county is annexed into a single public transit  
497 district, or if the city or town is an eligible political subdivision, the commission shall distribute  
498 the sales and use tax revenue collected within the county as provided in Subsection (6)(b) or  
499 (c).

500 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is  
501 annexed into the single public transit district, or an eligible political subdivision, the county  
502 legislative body may request that the commission distribute:

503 (i) the .2% sales and use tax revenue collected within the portion of the county that is  
504 within a public transit district or eligible political subdivision to a public transit provider as  
505 described in Subsection (11); or

506 (ii) the .2% sales and use tax revenue collected within the portion of the county that is  
507 within a public transit district or eligible political subdivision as follows:

508 (A) .05% to a public transit provider as described in Subsection (11);

509 (B) .075% to the cities and towns as provided in Subsection (8); and

510 (C) .075% to the county legislative body.

511 (c) Except as provided in Subsection (12)(d), for a city, town, or portion of the county  
512 described in Subsection (6)(a) that is not annexed into a single public transit district or eligible  
513 political subdivision in the county, the commission shall distribute the .2% sales and use tax  
514 revenue collected within that portion of the county as follows:

515 (i) .08% to the cities and towns as provided in Subsection (8); and

516 (ii) .12% to the county legislative body.

517 (7) For a county without a public transit service that imposes a sales and use tax as  
518 described in this section, the commission shall distribute the sales and use tax revenue  
519 collected within the county as follows:

520 (a) .08% to the cities and towns as provided in Subsection (8); and

521 (b) .12% to the county legislative body.

522 (8) (a) Subject to Subsection (8)(b), the commission shall make the distributions  
523 required by Subsections (4)(b)(ii), (5)(b)(ii), (6)(b)(ii)(B), (6)(c)(i), and (7)(a) as follows:

524 (i) 50% of the total revenue collected under Subsections (4)(b)(ii), (5)(b)(ii),  
525 (6)(b)(ii)(B), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)  
526 through (7) shall be distributed to the unincorporated areas, cities, and towns within those  
527 counties on the basis of the percentage that the population of each unincorporated area, city, or  
528 town bears to the total population of all of the counties that impose a tax under this section; and

529 (ii) 50% of the total revenue collected under Subsections (4)(b)(ii), (5)(b)(ii),  
530 (6)(b)(ii)(B), (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)  
531 through (7) shall be distributed to the unincorporated areas, cities, and towns within those  
532 counties on the basis of the location of the transaction as determined under Sections [59-12-211](#)  
533 through [59-12-215](#).

534 (b) (i) Population for purposes of this Subsection (8) shall be determined on the basis  
535 of the most recent official census or census estimate of the United States Census Bureau.

536 (ii) If a needed population estimate is not available from the United States Census  
537 Bureau, population figures shall be derived from an estimate from the Utah Population  
538 Estimates Committee created by executive order of the governor.

539 (9) If a public transit service is organized after the date a county legislative body first  
540 imposes a tax under this section, a change in a distribution required by this section may not  
541 take effect until the first distribution the commission makes under this section after a 90-day  
542 period that begins on the date the commission receives written notice from the public transit  
543 provider that the public transit service has been organized.

544 (10) (a) Except as provided in Subsection (10)(b), a county, city, or town that received  
545 distributions described in Subsections (4)(b)(ii), (4)(b)(iii), (5)(b)(ii), (5)(b)(iii), (6)(b)(ii)(B),  
546 (6)(b)(ii)(C), (6)(c), and (7) may only expend those funds for a purpose described in Section  
547 [59-12-2212.2](#).

548 (b) A county of the first class receiving the county distribution described in Subsection  
549 (4)(b)(iii) may only use the distribution as provided in Subsection (10)(a), except that a county  
550 legislative body may use the .05% to provide services to individuals with a mental or  
551 behavioral health condition, including:

552 (i) evaluation and diversion from incarceration to mental and behavioral health

553 treatment;

554 (ii) assistance in transitioning from incarceration, including housing stability; and

555 (iii) other related services.

556 (11) (a) The following public transit providers may expend revenue the commission

557 distributes to that provider only for capital expenses and service delivery expenses of:

558 (i) a public transit district;

559 (ii) an eligible political subdivision; or

560 (iii) another entity providing a service for public transit or a transit facility within the

561 county, as those terms are defined in Section [17B-2a-802](#).

562 (b) Revenue distributed for public transit within a county of the first class as described

563 in Subsection (4)(b)(i) shall be transferred to the County of the First Class Highway Projects

564 Fund created in Section [72-2-121](#).

565 ~~[(4)]~~ (12) (a) Notwithstanding Section [59-12-2208](#), a county legislative body may, but

566 is not required to, submit an opinion question to the county's registered voters in accordance

567 with Section [59-12-2208](#) to impose a sales and use tax under this section.

568 (b) Notwithstanding Section [59-12-2208](#) and subject to Subsection (12)(c), if a county

569 legislative body described in Subsection (4), (5), or (6) seeks to make an allocation or change

570 the distribution of sales and use tax revenue as described in Subsection (4), (5), or (6), the

571 county legislative body may make or change the allocation by adopting a resolution specifying

572 the new allocation or change in allocation.

573 (c) (i) If a county legislative body seeks to make or change the distribution as described

574 in Subsection (12)(b), the allocation shall take effect on the first distribution the commission

575 makes under this section after a 90-day period that begins on the date the commission receives

576 written notice from the county that meets the requirements of Subsection (12)(c)(ii).

577 (ii) The notice described in Subsection (12)(c)(i) shall state:

578 (A) that the county will make or change the percentage of an allocation under

579 Subsection (12)(b); and

580 (B) the percentage of revenue that will be allocated to the cities and towns, the county

581 legislative body, and, when applicable, the public transit provider.

582 (d) A county that imposed the local option sales and use tax described in this section

583 before January 1, 2023, may maintain that county's distribution allocation in place as of

584 January 1, 2023.

585 ~~[(5)(a) Notwithstanding any other provision in this section, if a county wishes to~~  
586 ~~impose a sales and use tax under this section, the county legislative body shall pass the~~  
587 ~~ordinance to impose a sales and use tax under this section on or before June 30, 2023.]~~

588 ~~[(b) The county legislative body may not pass an ordinance to impose a sales and use~~  
589 ~~tax under this section on or after July 1, 2023.]~~

590 ~~[(c) Notwithstanding the deadline described in Subsection (5)(a), any sales and use tax~~  
591 ~~imposed under this section on or before June 30, 2023, may remain in effect.]~~

592 [(6)] (13) (a) Revenue collected from a sales and use tax under this section may not be  
593 used to supplant existing General Fund appropriations that a county, city, or town [has]  
594 budgeted for transportation or public transit as of the date the tax becomes effective for a  
595 county, city, or town.

596 (b) The limitation under Subsection ~~[(6)(a)]~~ (13)(a) does not apply to a designated  
597 transportation or public transit capital or reserve account a county [~~may have established prior~~  
598 ~~to~~], city, or town established before the date the tax becomes effective.

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

600 **72-2-121. County of the First Class Highway Projects Fund.**

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

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

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

606 (b) the portion of the sales and use tax described in Subsection [59-12-2214\(3\)\(b\)](#)  
607 deposited into or transferred to the fund;

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

610 (d) a portion of the local option highway construction and transportation corridor  
611 preservation fee imposed in a county of the first class under Section [41-1a-1222](#) deposited into  
612 or transferred to the fund~~[-]; and~~

613 (e) the portion of the sales and use tax described in Subsection [59-12-2220\(4\)\(b\)\(i\)](#)  
614 transferred into the fund.

- 615 (3) (a) The fund shall earn interest.
- 616 (b) All interest earned on fund money shall be deposited into the fund.
- 617 (4) ~~[The]~~ Subject to Subsection (9), the executive director shall use the fund money
- 618 only:
- 619 (a) to pay debt service and bond issuance costs for bonds issued under Sections
- 620 [63B-16-102](#), [63B-18-402](#), and [63B-27-102](#);
- 621 (b) for right-of-way acquisition, new construction, major renovations, and
- 622 improvements to highways within a county of the first class and to pay any debt service and
- 623 bond issuance costs related to those projects, including improvements to a highway located
- 624 within a municipality in a county of the first class where the municipality is located within the
- 625 boundaries of more than a single county;
- 626 (c) for the construction, acquisition, use, maintenance, or operation of:
- 627 (i) an active transportation facility for nonmotorized vehicles;
- 628 (ii) multimodal transportation that connects an origin with a destination; or
- 629 (iii) a facility that may include a:
- 630 (A) pedestrian or nonmotorized vehicle trail;
- 631 (B) nonmotorized vehicle storage facility;
- 632 (C) pedestrian or vehicle bridge; or
- 633 (D) vehicle parking lot or parking structure;
- 634 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
- 635 Section [72-2-121.3](#) the amount required in Subsection [72-2-121.3\(4\)\(c\)](#) minus the amounts
- 636 transferred in accordance with Subsection [72-2-124\(4\)\(a\)\(iv\)](#);
- 637 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
- 638 issuance costs for \$30,000,000 of the bonds issued under Section [63B-18-401](#) for the projects
- 639 described in Subsection [63B-18-401\(4\)\(a\)](#);
- 640 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
- 641 verified that the amount required under Subsection [72-2-121.3\(4\)\(c\)](#) is available in the fund, to
- 642 transfer an amount equal to 50% of the revenue generated by the local option highway
- 643 construction and transportation corridor preservation fee imposed under Section [41-1a-1222](#) in
- 644 a county of the first class:
- 645 (i) to the legislative body of a county of the first class; and

646 (ii) to be used by a county of the first class for:  
647 (A) highway construction, reconstruction, or maintenance projects; or  
648 (B) the enforcement of state motor vehicle and traffic laws;  
649 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified  
650 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the  
651 transfer under Subsection (4)(e) has been made, to annually transfer an amount of the sales and  
652 use tax revenue imposed in a county of the first class and deposited into the fund in accordance  
653 with Subsection 59-12-2214(3)(b) equal to an amount needed to cover the debt to:  
654 (i) the appropriate debt service or sinking fund for the repayment of bonds issued under  
655 Section 63B-27-102; and  
656 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued  
657 under Sections 63B-31-102 and 63B-31-103;  
658 (h) after the department has verified that the amount required under Subsection  
659 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d), the  
660 payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has been made, to  
661 annually transfer \$2,000,000 to a public transit district in a county of the first class to fund a  
662 system for public transit;  
663 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified  
664 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and after  
665 the transfer under Subsection (4)(d), the payment under Subsection (4)(e), and the transfer  
666 under Subsection (4)(g)(i) has been made, to annually transfer 20% of the amount deposited  
667 into the fund under Subsection (2)(b):  
668 (i) to the legislative body of a county of the first class; and  
669 (ii) to fund parking facilities in a county of the first class that facilitate significant  
670 economic development and recreation and tourism within the state;  
671 (j) for the 2018-19 fiscal year only, after the department has verified that the amount  
672 required under Subsection 72-2-121.3(4)(c) is available in the fund and after the transfer under  
673 Subsection (4)(d), the payment under Subsection (4)(e), and the transfers under Subsections  
674 (4)(g), (h), and (i) have been made, to transfer \$12,000,000 to the department to distribute for  
675 the following projects:  
676 (i) \$2,000,000 to West Valley City for highway improvement to 4100 South;

- 677 (ii) \$1,000,000 to Herriman for highway improvements to Herriman Boulevard from  
678 6800 West to 7300 West;
- 679 (iii) \$1,100,000 to South Jordan for highway improvements to Grandville Avenue;
- 680 (iv) \$1,800,000 to Riverton for highway improvements to Old Liberty Way from 13400  
681 South to 13200 South;
- 682 (v) \$1,000,000 to Murray City for highway improvements to 5600 South from State  
683 Street to Van Winkle;
- 684 (vi) \$1,000,000 to Draper for highway improvements to Lone Peak Parkway from  
685 11400 South to 12300 South;
- 686 (vii) \$1,000,000 to Sandy City for right-of-way acquisition for Monroe Street;
- 687 (viii) \$900,000 to South Jordan City for right-of-way acquisition and improvements to  
688 10200 South from 2700 West to 3200 West;
- 689 (ix) \$1,000,000 to West Jordan for highway improvements to 8600 South near  
690 Mountain View Corridor;
- 691 (x) \$700,000 to South Jordan right-of-way improvements to 10550 South; and
- 692 (xi) \$500,000 to Salt Lake County for highway improvements to 2650 South from  
693 7200 West to 8000 West; and
- 694 (k) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and  
695 for 15 years thereafter, to annually transfer the following amounts to the following cities, metro  
696 townships, and the county of the first class for priority projects to mitigate congestion and  
697 improve transportation safety:
- 698 (i) \$2,000,000 to Sandy;
- 699 (ii) \$2,000,000 to Taylorsville;
- 700 (iii) \$1,100,000 to Salt Lake City;
- 701 (iv) \$1,100,000 to West Jordan;
- 702 (v) \$1,100,000 to West Valley City;
- 703 (vi) \$800,000 to Herriman;
- 704 (vii) \$700,000 to Draper;
- 705 (viii) \$700,000 to Riverton;
- 706 (ix) \$700,000 to South Jordan;
- 707 (x) \$500,000 to Bluffdale;

- 708 (xi) \$500,000 to Midvale;
- 709 (xii) \$500,000 to Millcreek;
- 710 (xiii) \$500,000 to Murray;
- 711 (xiv) \$400,000 to Cottonwood Heights; and
- 712 (xv) \$300,000 to Holladay.

713 (5) (a) If revenue in the fund is insufficient to satisfy all of the transfers described in  
714 Subsection (4)(k), the executive director shall proportionately reduce the amounts transferred  
715 as described in Subsection (4)(k).

716 (b) A local government entity, as that term is defined in Section 63J-1-220, is exempt  
717 from entering into an agreement as described in Section 63J-1-220 pertaining to the receipt or  
718 expenditure of any funding described in Subsection (4)(k).

719 (c) A local government may not use revenue described in Subsection (4)(k) to supplant  
720 existing class B or class C road funds that a local government has budgeted for transportation  
721 projects.

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

725 (ii) After the department is satisfied that the municipality or county described in  
726 Subsection (4)(j) has made substantial progress and the expenditure of funds is programmed  
727 and imminent, the department may transfer to the same municipality or county the respective  
728 amounts described in Subsection (4)(k).

729 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the  
730 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402, and  
731 63B-27-102 are considered a local matching contribution for the purposes described under  
732 Section 72-2-123.

733 (7) The additional administrative costs of the department to administer this fund shall  
734 be paid from money in the fund.

735 (8) ~~[Notwithstanding]~~ Subject to Subsection (9), notwithstanding any statutory or other  
736 restrictions on the use or expenditure of the revenue sources deposited into this fund, the  
737 Department of Transportation may use the money in this fund for any of the purposes detailed  
738 in Subsection (4).



739           ~~[(9) As resources allow, the department shall study in 2020 transportation connectivity~~  
740 ~~in the southwest valley of Salt Lake County, including the feasibility of connecting major~~  
741 ~~east-west corridors to U-111.]~~

742           (9) Any revenue deposited into the fund as described in Subsection (2)(e) shall be used  
743 to provide funding or loans for public transit projects and supporting infrastructure in the  
744 county of the first class.

745           Section 6. **Effective date.**

746           This bill takes effect on July 1, 2023.