

TRANSPORTATION BONDING AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karen Kwan

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions related to general obligation bonds.

Highlighted Provisions:

This bill:

- ▶ removes bonding authorization for some sections of double tracking for the FrontRunner commuter rail and related provisions; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63B-31-101, as last amended by Laws of Utah 2021, First Special Session, Chapter 8

72-2-131, as last amended by Laws of Utah 2021, Chapter 387

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

Section 1. Section **63B-31-101** is amended to read:

63B-31-101. General obligation bonds -- Maximum amount -- Use of proceeds for projects.



28 (1) (a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
29 under this section may not exceed \$264,000,000 for acquisition and construction proceeds, plus
30 additional amounts as provided in Subsection (1)(b).

31 (b) When the Department of Transportation certifies to the commission the amount of
32 bond proceeds needed to provide funding for the projects described in this section, the
33 commission may issue and sell general obligation bonds in an amount equal to the certified
34 amount, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest,
35 and to fund any existing debt service reserve requirements, not to exceed 1% of the certified
36 amount.

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

41 (2) Proceeds from the bonds issued under this section shall be provided to the
42 Department of Transportation to pay for, or to provide funds in accordance with this section to
43 pay for, the costs of right-of-way acquisition, construction, reconstruction, renovations, or
44 improvements with respect to projects described in this section.

45 (3) It is the intent of the Legislature that as transportation projects are prioritized under
46 Section 72-2-124, the Transportation Commission give consideration to projects beyond the
47 normal programming horizon.

48 ~~[(4) (a) Two hundred thirty-two million dollars of the proceeds of bonds issued under
49 this section shall be used to double track strategic sections of the FrontRunner commuter rail
50 system, to be repaid from the Transit Transportation Investment Fund under Subsection
51 72-2-124(9).]~~

52 ~~[(b) The issuance of the bonds for the purpose described in Subsection (4)(a) is
53 contingent upon the establishment of an agreement between the Department of Transportation
54 and the Utah Transit Authority whereby the Utah Transit Authority agrees to pay \$5,000,000
55 per year for 15 years toward repayment of the bonds.]~~

56 [(5)] (4) (a) Twenty-nine million dollars of the proceeds of bonds issued under this
57 section shall be provided to the Department of Transportation to pass through to Brigham City
58 to be used for a Forest Street rail bridge project in Brigham City.

59 (b) Payments shall be made from the Rail Transportation Restricted Account created in
60 Section 72-2-131, from the amount designated under Subsection 72-2-131(4)(c), in the amount
61 per year of the principal and interest payments due under the bonds issued under Subsection
62 ~~[(5)(a)]~~ (4)(a) until those bonds have been repaid in full.

63 ~~[(6)]~~ (5) (a) Three million dollars of the proceeds of bonds issued under this section
64 shall be provided to the Department of Transportation to pass through to the city of North Salt
65 Lake for an environmental study for a grade separation at 1100 North in North Salt Lake.

66 (b) Payments shall be made from the Rail Transportation Restricted Account created in
67 Section 72-2-131, from the amount designated under Subsection 72-2-131(4)(b), in the amount
68 per year of the principal and interest payments due under the bonds issued under Subsection
69 ~~[(6)(a)]~~ (5)(a) until those bonds have been repaid in full.

70 ~~[(7)]~~ (6) The costs under Subsection (2) may include the costs of studies necessary to
71 make transportation infrastructure improvements, the costs of acquiring land, interests in land,
72 and easements and rights-of-way, the costs of improving sites and making all improvements
73 necessary, incidental, or convenient to the facilities, and the costs of interest estimated to
74 accrue on these bonds during the period to be covered by construction of the projects plus a
75 period of six months after the end of the construction period, interest estimated to accrue on
76 any bond anticipation notes issued under the authority of this title, and all related engineering,
77 architectural, and legal fees.

78 ~~[(8)]~~ (7) The commission or the state treasurer may make any statement of intent
79 relating to a reimbursement that is necessary or desirable to comply with federal tax law.

80 ~~[(9) The Department of Transportation may enter into agreements related to the~~
81 ~~projects described in Subsection (4) before the receipt of proceeds of bonds issued under this~~
82 ~~section.]~~

83 Section 2. Section 72-2-131 is amended to read:

84 **72-2-131. Rail Transportation Restricted Account -- Grants for railroad crossing**
85 **safety.**

86 (1) As used in this section, "eligible entity" means:

87 (a) a public entity; or

88 (b) a private entity that is exempt from federal income taxation under Section
89 501(c)(3), Internal Revenue Code.

90 (2) There is created in the Transit Transportation Investment Fund, created in Section
91 [72-2-124](#), the Rail Transportation Restricted Account.

92 (3) The account shall be funded by:

- 93 (a) appropriations to the account by the Legislature;
- 94 (b) private contributions;
- 95 (c) donations or grants from public or private entities; and
- 96 (d) interest earned on money in the account.

97 (4) Upon appropriation, the department shall:

98 (a) use an amount equal to 10% of the money deposited into the account to provide
99 grants in accordance with Subsection (5);

100 (b) use an amount equal to 10% of the money deposited into the account to pay:

101 (i) the costs of performing environmental impact studies in connection with
102 construction, reconstruction, or renovation projects related to railroad crossings on class A,
103 class B, or class C roads; or

104 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
105 under Subsection [~~63B-31-101(6)~~] [63B-31-101\(5\)](#); and

106 (c) use the remaining money deposited into the account to pay:

107 (i) the costs of construction, reconstruction, or renovation projects related to railroad
108 crossings on class A, class B, or class C roads;

109 (ii) debt service related to a project described in Subsection (4)(b); or

110 (iii) the appropriate debt service or sinking fund for the repayment of bonds issued
111 under Subsection [~~63B-31-101(5)~~] [63B-31-101\(4\)](#).

112 (5) (a) The department may award grants to one or more eligible entities to be used for
113 the purpose of improving safety at railroad crossings on class A, class B, or class C roads.

114 (b) An eligible entity may use grant money for any expense related to improving safety
115 at railroad crossings on class A, class B, or class C roads, including:

- 116 (i) signage; and
- 117 (ii) safety enhancements to a railroad crossing.

118 (c) The department shall prioritize, in the following order, grants to applicants that
119 propose projects impacting railroad crossings that:

120 (i) have demonstrated safety concerns, including emergency services access; and

121

(ii) have high levels of vehicular and pedestrian traffic.