

REVISIONS TO TRANSPORTATION FUNDING

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Johnny Anderson

Senate Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill modifies provisions relating to transportation funding.

Highlighted Provisions:

This bill:

- ▶ amends the allowable uses for revenue in the County of the First Class Highway Projects Fund;
- ▶ provides that a portion of the revenue in the County of the First Class Highway Projects Fund shall be transferred to the legislative body of a county of the first class to be used for certain purposes;
- ▶ provides that a portion of the revenue in the County of the First Class Highway Projects Fund shall be transferred to the Transportation Investment Fund of 2005;
- ▶ provides that for fiscal years 2015-16 only, a portion of the revenues in the Transportation Investment Fund of 2005 shall be transferred to the County of the First Class Highway Projects Fund;
- ▶ requires the Transportation Commission to develop a funding plan and identify a program that meets long-term transportation needs beyond the normal four year programming horizon;
- ▶ requires the Transportation Commission to report the funding plan and program to the Transportation Interim Committee of the Legislature; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **41-1a-1222**, as last amended by Laws of Utah 2012, Chapter 397

35 **59-12-2214**, as enacted by Laws of Utah 2010, Chapter 263

36 **59-12-2217**, as last amended by Laws of Utah 2012, Chapter 400

37 **72-2-121**, as last amended by Laws of Utah 2013, Chapter 389

38 **72-2-121.3**, as last amended by Laws of Utah 2013, Chapter 389

39 **72-2-121.4**, as last amended by Laws of Utah 2012, Chapter 131

40 **72-2-124**, as last amended by Laws of Utah 2013, Chapters 389 and 400



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

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

44 **41-1a-1222. Local option highway construction and transportation corridor**
45 **preservation fee -- Exemptions -- Deposit -- Transfer -- County ordinance -- Notice.**

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

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

52 (iii) A fee imposed under Subsection (1)(a)(i) or (ii) shall be set in whole dollar
53 increments.

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

58 (c) The following are exempt from the fee required under Subsection (1)(a):
59 (i) a motor vehicle that is exempt from the registration fee under Section 41-1a-1209 or
60 Subsection 41-1a-419(3);
61 (ii) a commercial vehicle with an apportioned registration under Section 41-1a-301;
62 and
63 (iii) a motor vehicle with a Purple Heart special group license plate issued in
64 accordance with Section 41-1a-421.

65 (2) (a) Except as provided in Subsection (2)(b), the revenue generated under this
66 section shall be:

67 (i) deposited in the Local Transportation Corridor Preservation Fund created in Section
68 72-2-117.5;
69 (ii) credited to the county from which it is generated; and
70 (iii) used and distributed in accordance with Section 72-2-117.5.

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

73 (i) 50% of the revenue shall be:

74 (A) deposited in the County of the First Class [State] Highway Projects Fund created in
75 Section 72-2-121; and
76 (B) used in accordance with Section 72-2-121;

77 (ii) 20% of the revenue shall be:

78 (A) transferred to the legislative body of a city of the first class:

79 (I) located in a county of the first class; and
80 (II) that has:

81 (Aa) an international airport within its boundaries; and
82 (Bb) a United States customs office on the premises of the international airport
83 described in Subsection (2)(b)(ii)(A)(II)(Aa); and
84 (B) used by the city described in Subsection (2)(b)(ii)(A) for highway construction,
85 reconstruction, or maintenance projects; and

86 (iii) 30% of the revenue shall be deposited, credited, and used as provided in
87 Subsection (2)(a).

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

90 (a) approving the fee;

91 (b) setting the amount of the fee; and

92 (c) providing an effective date for the fee as provided in Subsection (4).

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

96 (b) The notice described in Subsection (4)(a) shall:

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

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

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

101 Section 2. Section **59-12-2214** is amended to read:

102 **59-12-2214. County, city, or town option sales and use tax to fund a system for**
103 **public transit, an airport facility, a water conservation project, or to be deposited into the**
104 **County of the First Class Highway Projects Fund -- Base -- Rate -- Voter approval**
105 **exception.**

106 (1) Subject to the other provisions of this part, a county, city, or town may impose a
107 sales and use tax of .25% on the transactions described in Subsection [59-12-103\(1\)](#) located
108 within the county, city, or town.

109 (2) Subject to Subsection (3), a county, city, or town that imposes a sales and use tax
110 under this section shall expend the revenues collected from the sales and use tax:

111 (a) to fund a system for public transit;

112 (b) to fund a project or service related to an airport facility for the portion of the project
113 or service that is performed within the county, city, or town within which the sales and use tax

114 is imposed:

115 (i) for a county that imposes the sales and use tax, if the airport facility is part of the
116 regional transportation plan of the area metropolitan planning organization if a metropolitan
117 planning organization exists for the area; or

118 (ii) for a city or town that imposes the sales and use tax, if:

119 (A) that city or town is located within a county of the second class;

120 (B) that city or town owns or operates the airport facility; and

121 (C) an airline is headquartered in that city or town; or

122 (c) for a combination of Subsections (2)(a) and (b).

123 (3) A county of the first class that imposes a sales and use tax under this section shall
124 expend the revenues collected from the sales and use tax as follows:

125 (a) 80% of the revenues collected from the sales and use tax shall be expended to fund
126 a system for public transit; and

127 (b) 20% of the revenues collected from the sales and use tax shall be deposited into the
128 County of the First Class [State] Highway Projects Fund created by Section 72-2-121.

129 (4) Notwithstanding Section 59-12-2208, a county, city, or town legislative body is not
130 required to submit an opinion question to the county's, city's, or town's registered voters in
131 accordance with Section 59-12-2208 to impose a sales and use tax under this section if:

132 (a) the county, city, or town imposes the sales and use tax under this section on or after
133 July 1, 2010, but on or before July 1, 2011;

134 (b) on July 1, 2010, the county, city, or town imposes a sales and use tax under:

135 (i) Section 59-12-2213; or

136 (ii) Section 59-12-2215; and

137 (c) the county, city, or town obtained voter approval to impose the sales and use tax
138 under:

139 (i) Section 59-12-2213; or

140 (ii) Section 59-12-2215.

141 Section 3. Section 59-12-2217 is amended to read:

142 **59-12-2217. County option sales and use tax for transportation -- Base -- Rate --**
143 **Written prioritization process -- Approval by county legislative body.**

144 (1) Subject to the other provisions of this part, a county legislative body may impose a
145 sales and use tax of up to .25% on the transactions described in Subsection 59-12-103(1)
146 within the county, including the cities and towns within the county.

147 (2) Subject to Subsections (3) through (8) and Section 59-12-2207, the revenues
148 collected from a sales and use tax under this section may only be expended for:

149 (a) a project or service:

150 (i) relating to a regionally significant transportation facility for the portion of the
151 project or service that is performed within the county;

152 (ii) for new capacity or congestion mitigation if the project or service is performed
153 within a county:

154 (A) of the first or second class; or

155 (B) if that county is part of an area metropolitan planning organization; and

156 (iii) that is on a priority list:

157 (A) created by the county's council of governments in accordance with Subsection (7);

158 and

159 (B) approved by the county legislative body in accordance with Subsection (7);

160 (b) corridor preservation for a project or service described in Subsection (2)(a) as
161 provided in Subsection (8); or

162 (c) debt service or bond issuance costs related to a project or service described in
163 Subsection (2)(a)(i) or (ii).

164 (3) If a project or service described in Subsection (2) is for:

165 (a) a principal arterial highway or a minor arterial highway in a county of the first or
166 second class or a collector road in a county of the second class, that project or service shall be
167 part of the:

168 (i) county and municipal master plan; and

169 (ii) (A) statewide long-range plan; or

170 (B) regional transportation plan of the area metropolitan planning organization if a
171 metropolitan planning organization exists for the area; or

172 (b) a fixed guideway or an airport, that project or service shall be part of the regional
173 transportation plan of the area metropolitan planning organization if a metropolitan planning
174 organization exists for the area.

175 (4) In a county of the first or second class, a regionally significant transportation
176 facility project or service described in Subsection (2)(a)(i) shall have a funded year priority
177 designation on a Statewide Transportation Improvement Program and Transportation
178 Improvement Program if the project or service described in Subsection (2)(a)(i) is:

179 (a) a principal arterial highway;

180 (b) a minor arterial highway;

181 (c) a collector road in a county of the second class; or

182 (d) a major collector highway in a rural area.

183 (5) Of the revenues collected from a sales and use tax imposed under this section
184 within a county of the first or second class, 25% or more shall be expended for the purpose
185 described in Subsection (2)(b).

186 (6) (a) As provided in this Subsection (6), a council of governments shall:

187 (i) develop a written prioritization process for the prioritization of projects to be funded
188 by revenues collected from a sales and use tax under this section;

189 (ii) create a priority list of regionally significant transportation facility projects or
190 services described in Subsection (2)(a)(i) in accordance with Subsection (7); and

191 (iii) present the priority list to the county legislative body for approval in accordance
192 with Subsection (7).

193 (b) The written prioritization process described in Subsection (6)(a)(i) shall include:

194 (i) a definition of the type of projects to which the written prioritization process
195 applies;

196 (ii) subject to Subsection (6)(c), the specification of a weighted criteria system that the
197 council of governments will use to rank proposed projects and how that weighted criteria

198 system will be used to determine which proposed projects will be prioritized;

199 (iii) the specification of data that is necessary to apply the weighted criteria system;

200 (iv) application procedures for a project to be considered for prioritization by the

201 council of governments; and

202 (v) any other provision the council of governments considers appropriate.

203 (c) The weighted criteria system described in Subsection (6)(b)(ii) shall include the

204 following:

205 (i) the cost effectiveness of a project;

206 (ii) the degree to which a project will mitigate regional congestion;

207 (iii) the compliance requirements of applicable federal laws or regulations;

208 (iv) the economic impact of a project;

209 (v) the degree to which a project will require tax revenues to fund maintenance and

210 operation expenses; and

211 (vi) any other provision the council of governments considers appropriate.

212 (d) A council of governments of a county of the first or second class shall submit the

213 written prioritization process described in Subsection (6)(a)(i) to the Executive Appropriations

214 Committee for approval prior to taking final action on:

215 (i) the written prioritization process; or

216 (ii) any proposed amendment to the written prioritization process.

217 (7) (a) A council of governments shall use the weighted criteria system adopted in the

218 written prioritization process developed in accordance with Subsection (6) to create a priority

219 list of regionally significant transportation facility projects or services for which revenues

220 collected from a sales and use tax under this section may be expended.

221 (b) Before a council of governments may finalize a priority list or the funding level of a

222 project, the council of governments shall conduct a public meeting on:

223 (i) the written prioritization process; and

224 (ii) the merits of the projects that are prioritized as part of the written prioritization

225 process.

226 (c) A council of governments shall make the weighted criteria system ranking for each
227 project prioritized as part of the written prioritization process publicly available before the
228 public meeting required by Subsection (7)(b) is held.

229 (d) If a council of governments prioritizes a project over another project with a higher
230 rank under the weighted criteria system, the council of governments shall:

231 (i) identify the reasons for prioritizing the project over another project with a higher
232 rank under the weighted criteria system at the public meeting required by Subsection (7)(b);
233 and

234 (ii) make the reasons described in Subsection (7)(d)(i) publicly available.

235 (e) Subject to Subsections (7)(f) and (g), after a council of governments finalizes a
236 priority list in accordance with this Subsection (7), the council of governments shall:

237 (i) submit the priority list to the county legislative body for approval; and

238 (ii) obtain approval of the priority list from a majority of the members of the county
239 legislative body.

240 (f) A council of governments may only submit one priority list per calendar year to the
241 county legislative body.

242 (g) A county legislative body may only consider and approve one priority list submitted
243 under Subsection (7)(e) per calendar year.

244 (8) (a) Except as provided in Subsection (8)(b), revenues collected from a sales and use
245 tax under this section that a county allocates for a purpose described in Subsection (2)(b) shall
246 be:

247 (i) deposited in or transferred to the Local Transportation Corridor Preservation Fund
248 created by Section 72-2-117.5; and

249 (ii) expended as provided in Section 72-2-117.5.

250 (b) In a county of the first class, revenues collected from a sales and use tax under this
251 section that a county allocates for a purpose described in Subsection (2)(b) shall be:

252 (i) deposited in or transferred to the County of the First Class [State] Highway Projects
253 Fund created by Section 72-2-121; and

254 (ii) expended as provided in Section 72-2-121.

255 Section 4. Section 72-2-121 is amended to read:

256 **72-2-121. County of the First Class Highway Projects Fund.**

257 (1) There is created a special revenue fund within the Transportation Fund known as
258 the "County of the First Class [State] Highway Projects Fund."

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

260 (a) any voluntary contributions received for new construction, major renovations, and
261 improvements to [state] highways within a county of the first class;

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

264 (c) the portion of the sales and use tax described in Subsection 59-12-2217(2)(b) and
265 required by Subsection 59-12-2217(8)(b) to be deposited in or transferred to the fund; and

266 (d) a portion of the local option highway construction and transportation corridor
267 preservation fee imposed in a county of the first class under Section 41-1a-1222 deposited in or
268 transferred to the fund.

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

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

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

272 (a) to pay debt service and bond issuance costs for bonds issued under Sections
273 63B-16-102 and 63B-18-402;

274 (b) for right-of-way acquisition, new construction, major renovations, and
275 improvements to [state] highways within a county of the first class and to pay any debt service
276 and bond issuance costs related to those projects, including improvements to a highway located
277 within a municipality in a county of the first class where the municipality is located within the
278 boundaries of more than a single county;

279 (c) for the construction, maintenance, or operation of an active transportation facility
280 that is for nonmotorized vehicles and multimodal transportation and connects an origin with a
281 destination;

282 ~~[(e)]~~ (d) for fiscal year 2012-13 only, to pay for or to provide funds to a municipality or
 283 county to pay for a portion of right-of-way acquisition, construction, reconstruction,
 284 renovations, and improvements to highways described in Subsections 72-2-121.4(7), (8), and
 285 (9);

286 ~~[(d)]~~ (e) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created
 287 by Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the amounts
 288 transferred in accordance with Subsection 72-2-124(4)(a)(iv);

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

292 ~~[(f)]~~ (g) for a fiscal year beginning on or after July 1, 2013, and after the department
 293 has verified that the amount required under Subsection 72-2-121.3(4)(c) is available in the
 294 fund, to transfer an amount equal to 50% of the revenue generated by the local option highway
 295 construction and transportation corridor preservation fee imposed under Section 41-1a-1222 in
 296 a county of the first class:

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

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

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

300 (B) the enforcement of state motor vehicle and traffic laws~~[-]~~;

301 (h) for fiscal year 2015 only, and after the department has verified that the amount
 302 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
 303 Subsection (4)(f) has been made, to transfer an amount equal to the remainder of the revenue
 304 available in the fund for the 2015 fiscal year:

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

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

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

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

309 (i) for fiscal year 2015-16 only, and after the department has verified that the amount

310 required under Subsection 72-2-121.3(4)(c) is available in the fund and the transfer under
311 Subsection (4)(f) has been made, to transfer an amount equal to \$25,000,000:

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

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

314 (j) for a fiscal year beginning on or after July 1, 2015, after the department has verified

315 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund and the

316 transfer under Subsection (4)(f) has been made, to annually transfer an amount equal to up to

317 42.5% of the sales and use tax revenue imposed in a county of the first class and deposited into

318 the fund in accordance with Subsection 59-12-2214(3)(b) to the Transportation Investment

319 Fund of 2005 created in Section 72-2-124 until \$28,079,000 has been deposited into the

320 Transportation Investment Fund of 2005;

321 (k) for a fiscal year beginning after the amount described in Subsection (4)(j) has been

322 repaid to the Transportation Investment Fund of 2005 until fiscal year 2030, and after the

323 department has verified that the amount required under Subsection 72-2-121.3(4)(c) is

324 available in the fund and the transfer under Subsection (4)(f) has been made, to annually

325 transfer an amount equal to up to 42.5% of the sales and use tax revenue imposed in a county

326 of the first class and deposited into the fund in accordance with Subsection 59-12-2214(3)(b):

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

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

329 (5) The revenues described in Subsections (2)(b), (c), and (d) that are deposited in the

330 fund and bond proceeds from bonds issued under Sections 63B-16-102 and 63B-18-402 are

331 considered a local matching contribution for the purposes described under Section 72-2-123.

332 (6) The additional administrative costs of the department to administer this fund shall

333 be paid from money in the fund.

334 (7) Notwithstanding any statutory or other restrictions on the use or expenditure of the

335 revenue sources deposited into this fund, the Department of Transportation may use the money

336 in this fund for any of the purposes detailed in Subsection (4).

337 Section 5. Section 72-2-121.3 is amended to read:

338 **72-2-121.3. Special revenue fund -- 2010 Salt Lake County Revenue Bond**

339 **Sinking Fund.**

340 (1) There is created a special revenue fund within the County of the First Class [State]
341 Highway Projects Fund entitled "2010 Salt Lake County Revenue Bond Sinking Fund."

342 (2) The fund consists of:

343 (a) money transferred into the fund from the County of the First Class [State] Highway
344 Projects Fund in accordance with Subsection 72-2-121(4)(~~d~~)(e); and

345 (b) for a fiscal year beginning on or after July 1, 2013, money transferred into the fund
346 from the Transportation Investment Fund of 2005 in accordance with Subsection
347 72-2-124(4)(a)(iv).

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

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

350 (4) (a) The director of the Division of Finance may use fund money only as provided in
351 this section.

352 (b) The director of the Division of Finance may not distribute any money from the fund
353 under this section until the director has received a formal opinion from the attorney general that
354 Salt Lake County has entered into a binding agreement with the state of Utah containing all of
355 the terms required by Section 72-2-121.4.

356 (c) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake
357 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, on
358 July 1 of each year beginning July 1, 2011, the director of the Division of Finance shall transfer
359 from the County of the First Class [State] Highway Projects Fund and the Transportation
360 Investment Fund of 2005 to the 2010 Salt Lake County Revenue Bond Sinking Fund the
361 amount certified by Salt Lake County that is necessary to pay:

362 (i) up to two times the debt service requirement necessary to pay debt service on the
363 revenue bonds issued by Salt Lake County for that fiscal year; and

364 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,
365 and fund any debt service reserve requirements.

366 (d) Except as provided in Subsection (4)(b), and until the bonds issued by Salt Lake
367 County as provided in the interlocal agreement required by Section 72-2-121.4 are paid off, the
368 director of the Division of Finance shall, upon request from Salt Lake County, transfer to Salt
369 Lake County or its designee from the 2010 Salt Lake County Revenue Bond Sinking Fund the
370 amount certified by Salt Lake County as necessary to pay:

371 (i) the debt service on the revenue bonds issued by Salt Lake County as provided in the
372 interlocal agreement required by Section 72-2-121.4; and

373 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,
374 and fund any debt service reserve requirements.

375 (5) Any money remaining in the 2010 Salt Lake County Revenue Bond Sinking Fund
376 at the end of the fiscal year lapses to the County of the First Class [State] Highway Projects
377 Fund.

378 Section 6. Section 72-2-121.4 is amended to read:

379 **72-2-121.4. 2010 interlocal agreement governing state highway projects in Salt**
380 **Lake County.**

381 (1) Under the direction of the attorney general, the state of Utah and Salt Lake County
382 may enter into an interlocal agreement that includes, at minimum, the provisions specified in
383 this section.

384 (2) The attorney general shall ensure that, in the agreement, Salt Lake County
385 covenants to:

386 (a) issue revenue bonds in an amount generating proceeds of at least \$77,000,000,
387 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,
388 and fund any debt service reserve requirements, and secured by revenues received from the
389 state of Utah under Section 72-2-121.3;

390 (b) transfer at least \$68,500,000 to the Department of Transportation to be used for
391 state highway projects in Salt Lake County as provided in the interlocal agreement; and

392 (c) use or transfer to a municipality to use \$8,500,000 to pay all or part of the costs of
393 the following highway construction projects in Salt Lake County in the following amounts:

394 (i) \$2,000,000 to Salt Lake County for 2300 East in Salt Lake County;
395 (ii) \$3,500,000 to Salt Lake City for North Temple;
396 (iii) \$1,500,000 to Murray City for 4800 South; and
397 (iv) \$1,500,000 to Riverton City for 13400 South -- 4000 West to 4570 West.
398 (3) The attorney general shall ensure that, in the agreement, the state of Utah covenants
399 to:
400 (a) use the money transferred by Salt Lake County under Subsection (2)(b) to pay all or
401 part of the costs of the following state highway construction or reconstruction projects within
402 Salt Lake County:
403 (i) 5400 South -- Bangerter Highway to 4000 West;
404 (ii) Bangerter Highway at SR-201;
405 (iii) 12300 South at State Street;
406 (iv) Bangerter Highway at 6200 South;
407 (v) Bangerter Highway at 7000 South;
408 (vi) Bangerter Highway at 3100 South;
409 (vii) 5400 South -- 4000 West to past 4800 West;
410 (viii) 9400 South and Wasatch Boulevard; and
411 (ix) I-215 West Interchange -- 3500 South to 3800 South and ramp work;
412 (b) widen and improve US-89 between 7200 South and 9000 South with available
413 highway funding identified by the commission; and
414 (c) transfer to Salt Lake County or its designee from the 2010 Salt Lake County
415 Revenue Bond Sinking Fund the amount certified by Salt Lake County as necessary to pay:
416 (i) the debt service on the revenue bonds issued by Salt Lake County; and
417 (ii) any additional amounts necessary to pay costs of issuance, pay capitalized interest,
418 and fund any debt service reserve requirements.
419 (4) The costs under Subsections (2)(c) and (3)(a) may include the cost of acquiring
420 land, interests in land, easements and rights-of-way, improving sites, and making all
421 improvements necessary, incidental, or convenient to the facilities and all related engineering,

422 architectural, and legal fees.

423 (5) In preparing the agreement required by this section, the attorney general and Salt
424 Lake County shall:

425 (a) review each existing interlocal agreement with Salt Lake County concerning Salt
426 Lake County revenues received by the state for state highway projects within Salt Lake County;
427 and

428 (b) as necessary, modify those agreements or draft a new interlocal agreement
429 encompassing all of the provisions necessary to reflect the state of Utah's and Salt Lake
430 County's obligations for those revenues and projects.

431 (6) If project savings are identified by the Department of Transportation from the funds
432 provided to the Department of Transportation as described in Subsection (2)(b) and if the use
433 of funds is not in violation of any agreement, the Department of Transportation shall provide
434 \$1,000,000 of the funds described in Subsection (2)(b) to Draper City to pay for highway
435 improvements to 13490 South.

436 (7) If project savings are identified from the funds provided to the Department of
437 Transportation as described in Subsection (2)(b) and if the use of funds is not in violation of
438 any agreement, the Department of Transportation shall provide \$3,000,000 of the funds
439 described in Subsection (2)(b) and from funds in the County of the First Class [State] Highway
440 Projects Fund created by Section 72-2-121 to fund the following highway projects:

441 (a) \$2,000,000 to West Valley City to pay for highway improvements to SR-201
442 Frontage Road at Bangerter Highway and associated roads to ease traffic flow onto Bangerter
443 Highway between SR-201 and Lake Park Boulevard; and

444 (b) \$1,000,000 to West Valley City for improvements to SR-201 Frontage Road at
445 7200 West.

446 (8) If project savings are identified by the Department of Transportation from the funds
447 provided to the Department of Transportation as described in Subsection (2)(b) and if the use
448 of funds is not in violation of any agreement, the Department of Transportation shall provide
449 \$1,100,000 of the funds described in Subsection (2)(b) and from funds in the County of the

450 First Class [State] Highway Projects Fund created by Section 72-2-121 to West Jordan City for
451 highway improvements on 4000 West from 7800 South to Old Bingham Highway.

452 (9) If project savings are identified by the Department of Transportation from the funds
453 provided to the Department of Transportation as described in Subsection (2)(b) and if the use
454 of funds is not in violation of any agreement, the Department of Transportation shall provide
455 \$1,000,000 of the funds described in Subsection (2)(b) and from funds in the County of the
456 First Class [State] Highway Projects Fund created by Section 72-2-121 to Midvale City to fund
457 the following highway projects:

458 (a) \$500,000 to Midvale City for improvements to Union Park Avenue from I-215 exit
459 south to Creek Road and Wasatch Boulevard; and

460 (b) \$500,000 to Midvale City for improvements to 7200 South from I-15 to 700 West.

461 (10) (a) (i) Before providing funds to a municipality or county under Subsections (7),
462 (8), and (9), the Department of Transportation shall obtain from the municipality or county:

463 (A) a written certification signed by the county or city mayor or the mayor's designee
464 certifying that the municipality or county will use the funds provided under Subsections (7),
465 (8), and (9) solely for the projects described in Subsections (7), (8), and (9); and

466 (B) other documents necessary to protect the state and the bondholders and to ensure
467 that all legal requirements are met.

468 (ii) Except as provided in Subsection (10)(b), by January 1 of each year, the
469 municipality or county receiving funds described in Subsections (7), (8), and (9) shall submit to
470 the Department of Transportation a statement of cash flow for the current fiscal year detailing
471 the funds necessary to pay project costs for the projects described in Subsections (7), (8), and
472 (9).

473 (iii) Except as provided in Subsection (10)(b), after receiving the statement required
474 under Subsection (10)(a)(ii) and after July 1, the Department of Transportation shall provide
475 funds to the municipality or county necessary to pay project costs for the current fiscal year
476 based upon the statement of cash flow submitted by the municipality or county.

477 (iv) Upon the financial close of each project described in Subsections (7), (8), and (9),

478 the municipality or county receiving funds under Subsections (7), (8), and (9) shall submit a
479 statement to the Department of Transportation detailing the expenditure of funds received for
480 each project.

481 (b) For calendar year 2012 only:

482 (i) the municipality or county shall submit to the Department of Transportation a
483 statement of cash flow as provided in Subsection (10)(a)(ii) as soon as possible; and

484 (ii) the Department of Transportation shall provide funds to the municipality or county
485 necessary to pay project costs based upon the statement of cash flow.

486 (c) The commission or the state treasurer may make any statement of intent relating to
487 a reimbursement under this Subsection (10) that is necessary or desirable to comply with
488 federal tax law.

489 Section 7. Section **72-2-124** is amended to read:

490 **72-2-124. Transportation Investment Fund of 2005.**

491 (1) There is created a capital projects fund entitled the Transportation Investment Fund
492 of 2005.

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

494 (a) any voluntary contributions received for the maintenance, construction,
495 reconstruction, or renovation of state and federal highways;

496 (b) appropriations made to the fund by the Legislature;

497 (c) the sales and use tax revenues deposited into the fund in accordance with Section
498 [59-12-103](#); and

499 (d) registration fees designated under Section [41-1a-1201](#).

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

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

502 (4) (a) Except as provided in Subsection (4)(b), the executive director may use fund
503 money only to pay:

504 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
505 federal highways prioritized by the Transportation Commission through the prioritization

506 process for new transportation capacity projects adopted under Section 72-1-304;

507 (ii) the costs of maintenance, construction, reconstruction, or renovation to the highway

508 projects described in Subsections 63B-18-401(2), (3), and (4);

509 (iii) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401

510 minus the costs paid from the County of the First Class [State] Highway Projects Fund in

511 accordance with Subsection 72-2-121(4)(~~e~~)(f); [and]

512 (iv) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt

513 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the amount certified

514 by Salt Lake County in accordance with Subsection 72-2-121.3(4)(c) as necessary to pay the

515 debt service on \$30,000,000 of the revenue bonds issued by Salt Lake County;

516 (v) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101

517 for projects prioritized in accordance with Section 72-2-125;

518 (vi) all highway general obligation bonds that are intended to be paid from revenues in

519 the Centennial Highway Fund created by Section 72-2-118; and

520 (vii) for fiscal year [~~2013-14~~] 2015-16 only, to transfer [~~up to \$13,250,000~~]

521 \$25,000,000 to the County of the First Class [State] Highway Projects Fund created in Section

522 72-2-121 to be used for the purposes described in Section 72-2-121.

523 (b) The executive director may use fund money to exchange for an equal or greater

524 amount of federal transportation funds to be used as provided in Subsection (4)(a).

525 (5) (a) Before bonds authorized by Section 63B-18-401 may be issued in any fiscal

526 year, the department and the commission shall appear before the Executive Appropriations

527 Committee of the Legislature and present the amount of bond proceeds that the department

528 needs to provide funding for the projects identified in Subsections 63B-18-401(2), (3), and (4)

529 for the next fiscal year.

530 (b) The Executive Appropriations Committee of the Legislature shall review and

531 comment on the amount of bond proceeds needed to fund the projects.

532 (6) The Division of Finance shall, from money deposited into the fund, transfer the

533 amount of funds necessary to pay principal, interest, and issuance costs of bonds authorized by

534 Section [63B-18-401](#) in the current fiscal year to the appropriate debt service or sinking fund.

535 (7) (a) The commission shall develop prior to June 30, 2015, a funding plan and
536 identify a highway construction program using the prioritization process for new transportation
537 capacity projects adopted under Section [72-1-304](#) that meets long-term transportation needs
538 beyond the normal four year programming horizon.

539 (b) The commission shall report the plan and program established under Subsection
540 (7)(a) to the Transportation Interim Committee of the Legislature by no later than September
541 30, 2015.