

Senator Wayne A. Harper proposes the following substitute bill:

**REVISIONS TO TRANSPORTATION FUNDING**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Johnny Anderson**

Senate Sponsor: Wayne A. Harper

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**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; and
- ▶ 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



26 the Transportation Interim Committee of the Legislature; and  
27       ▶ makes technical changes.

28 **Money Appropriated in this Bill:**

29       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 ~~[(c)]~~ (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) 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.