

Wayne A. Harper proposes the following substitute bill:

Transportation Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Wayne A. Harper

House Sponsor: Kay J. Christofferson

LONG TITLE

General Description:

This bill amends provisions related to transportation, including road usage charge, towing dispatch, and local option sales tax use.

Highlighted Provisions:

This bill:

- requires commercial electric vehicles with a gross weight of 6,001 pounds or more to pay a road usage charge with a higher road usage charge cap;
- exempts buses operating on the bus's planned route to temporarily cross lane lines to stop at a bus stop;
- exempts the Department of Transportation from certain requirements related to receiving a conveyance of real property;
- provides a sales tax exemption for construction materials purchased by the Department of Transportation for certain public transit capital development projects;
- phases out certain allowed uses of local option sales taxes for transportation to direct the revenue to the respective county for public transit purposes;
- increases bonding authorization related to commuter rail expansion;
- defines the Utah trail network;
- delegates certain authority to the executive director of the Department of Transportation during a natural disaster;
- requires local governments that receive funds from the County of the First Class Highway Projects Fund to report on the expenditure of funds and the progress of projects;
- allows the Transportation Commission to prioritize the use of Transit Transportation Investment Fund revenue for corridor preservation purposes and provides parameters for the use of the revenue;
- allows certain rail road transportation funds to be used to repair tracks and rail

- 29 infrastructure located on state lands;
- 30 ▸ allows the Department of Transportation to waive sovereign immunity for public transit
31 projects;
- 32 ▸ amends the definition of "state transportation purposes";
- 33 ▸ amends provisions related to the ability to charge towing dispatch service fees and pass
34 through a reasonable towing dispatch service fee;
- 35 ▸ repeals the study required by the Department of Transportation and Salt Lake City
36 regarding highway reduction strategies;
- 37 ▸ codifies certain requirements based on the findings and results of the study on highway
38 reduction strategies; and
- 39 ▸ makes technical and conforming changes.

40 **Money Appropriated in this Bill:**

41 None

42 **Other Special Clauses:**

43 This bill provides a special effective date.

44 **Utah Code Sections Affected:**

45 AMENDS:

46 **41-1a-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 294

47 **41-1a-1206 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapters 215,
48 279

49 **41-6a-710 (Effective 05/06/26) (Partially Repealed 07/01/27)**, as last amended by Laws
50 of Utah 2025, Chapter 527

51 **53-1-106.2 (Effective 05/06/26)**, as repealed and reenacted by Laws of Utah 2023,
52 Chapter 219

53 **57-1-48 (Effective 05/06/26)**, as enacted by Laws of Utah 2025, Chapter 399

54 **59-12-104 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
55 Session, Chapter 17

56 **59-12-2220 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
57 Session, Chapter 15

58 **63B-31-101 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 452

59 **63I-1-272 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 391

60 **72-1-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 373

61 **72-1-202 (Effective 05/06/26)**, as last amended by Laws of Utah 2023, Chapters 22, 219

62 **72-1-207 (Effective 05/06/26)**, as last amended by Laws of Utah 2015, Chapter 144

63 **72-1-213.1 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 452
 64 **72-1-217 (Effective 05/06/26) (Partially Repealed 07/01/29)**, as last amended by Laws of
 65 Utah 2025, Chapter 452
 66 **72-2-110 (Effective 05/06/26)**, as last amended by Laws of Utah 2018, Second Special
 67 Session, Chapter 8
 68 **72-2-121 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, First Special
 69 Session, Chapter 17
 70 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26)**, as last amended by Laws of Utah
 71 2025, First Special Session, Chapter 15
 72 **72-2-124 (Effective 07/01/26)**, as last amended by Laws of Utah 2025, First Special
 73 Session, Chapter 15
 74 **72-2-131 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 531
 75 **72-2-201 (Effective 05/06/26)**, as last amended by Laws of Utah 2023, Chapter 16
 76 **72-2-301 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 501
 77 **72-2-302 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 502
 78 **72-5-102 (Effective 05/06/26)**, as last amended by Laws of Utah 2023, Chapter 22
 79 **72-6-120 (Effective 05/06/26)**, as last amended by Laws of Utah 2018, Chapter 424
 80 **72-9-604 (Effective 05/06/26)**, as last amended by Laws of Utah 2025, Chapter 378
 81 **72-19-401 (Effective 05/06/26)**, as renumbered and amended by Laws of Utah 2025,
 82 Chapter 512

83 ENACTS:

84 **72-1-219 (Effective 05/06/26)**, Utah Code Annotated 1953
 85 **72-20-101 (Effective 05/06/26)**, Utah Code Annotated 1953
 86 **72-20-102 (Effective 05/06/26)**, Utah Code Annotated 1953

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

89 Section 1. Section **41-1a-202** is amended to read:

90 **41-1a-202 (Effective 05/06/26). Definitions -- Vehicles exempt from registration**
 91 **-- Registration of vehicles after establishing residency.**

92 (1) As used in this section:

- 93 (a) "Designated agent" means the same as that term is defined in Section 41-12a-803.
 94 (b) "Domicile" means the place:
 95 (i) where an individual has a fixed permanent home and principal establishment;
 96 (ii) to which the individual if absent, intends to return; and

- 97 (iii) in which the individual and his family voluntarily reside, not for a special or
98 temporary purpose, but with the intention of making a permanent home.
- 99 (c)(i) "Resident" means any of the following:
- 100 (A) an individual who:
- 101 (I) has established a domicile in this state;
- 102 (II) regardless of domicile, remains in this state for an aggregate period of six
103 months or more during any calendar year;
- 104 (III) engages in a trade, profession, or occupation in this state or who accepts
105 employment in other than seasonal work in this state and who does not
106 commute into the state;
- 107 (IV) declares himself to be a resident of this state for the purpose of obtaining a
108 driver license or motor vehicle registration; or
- 109 (V) declares himself a resident of Utah to obtain privileges not ordinarily
110 extended to nonresidents, including going to school, or placing children in
111 school without paying nonresident tuition or fees; or
- 112 (B) any individual, partnership, limited liability company, firm, corporation,
113 association, or other entity that:
- 114 (I) maintains a main office, branch office, or warehouse facility in this state
115 and that bases and operates a motor vehicle in this state; or
- 116 (II) operates a motor vehicle in intrastate transportation for other than seasonal
117 work.
- 118 (ii) "Resident" does not include any of the following:
- 119 (A) a member of the military temporarily stationed in Utah;
- 120 (B) an out-of-state student, as classified by the institution of higher education,
121 enrolled with the equivalent of seven or more quarter hours, regardless of
122 whether the student engages in a trade, profession, or occupation in this state or
123 accepts employment in this state; and
- 124 (C) an individual domiciled in another state or a foreign country that:
- 125 (I) is engaged in public, charitable, educational, or religious services for a
126 government agency or an organization that qualifies for tax-exempt status
127 under Internal Revenue Code Section 501(c)(3);
- 128 (II) is not compensated for services rendered other than expense
129 reimbursements; and
- 130 (III) is temporarily in Utah for a period not to exceed 24 months.

- 131 (iii) Notwithstanding Subsections (1)(c)(i) and (ii), "resident" includes the owner of a
132 vehicle equipped with an automated driving system as defined in Section
133 41-26-102.1 if the vehicle is physically present in the state for more than 30
134 consecutive days in a calendar year.
- 135 (2)(a) Registration under this chapter is not required for any:
- 136 (i) vehicle registered in another state and owned by a nonresident of the state or
137 operating under a temporary registration permit issued by the division or a dealer
138 authorized by this chapter, driven or moved upon a highway in conformance with
139 the provisions of this chapter relating to manufacturers, transporters, dealers, lien
140 holders, or interstate vehicles;
- 141 (ii) vehicle driven or moved upon a highway only for the purpose of crossing the
142 highway from one property to another;
- 143 (iii) implement of husbandry, whether of a type otherwise subject to registration or
144 not, that is only incidentally operated or moved upon a highway;
- 145 (iv) special mobile equipment;
- 146 (v) vehicle owned or leased by the federal government;
- 147 (vi) motor vehicle not designed, used, or maintained for the transportation of
148 passengers for hire or for the transportation of property if the motor vehicle is
149 registered in another state and is owned and operated by a nonresident of this state;
- 150 (vii) vehicle or combination of vehicles designed, used, or maintained for the
151 transportation of persons for hire or for the transportation of property if the
152 vehicle or combination of vehicles is registered in another state and is owned and
153 operated by a nonresident of this state and if the vehicle or combination of
154 vehicles has a gross laden weight of 26,000 pounds or less;
- 155 (viii) trailer of 750 pounds or less unladen weight and not designed, used, and
156 maintained for hire for the transportation of property or person;
- 157 (ix) single-axle trailer unless that trailer is:
- 158 (A) a commercial vehicle;
- 159 (B) a trailer designed, used, and maintained for hire for the transportation of
160 property or person; or
- 161 (C) a travel trailer, camping trailer, or fifth wheel trailer of 750 pounds or more
162 laden weight;
- 163 (x) manufactured home or mobile home;
- 164 (xi) off-highway vehicle currently registered under Section 41-22-3 if the

- 165 off-highway vehicle is:
- 166 (A) being towed;
- 167 (B) operated on a street or highway designated as open to off-highway vehicle
- 168 use; or
- 169 (C) operated in the manner prescribed in Subsections 41-22-10.3(1) through (3);
- 170 (xii) off-highway implement of husbandry operated in the manner prescribed in
- 171 Subsections 41-22-5.5(3) through (5);
- 172 (xiii) modular and prebuilt homes conforming to the uniform building code and
- 173 presently regulated by the United States Department of Housing and Urban
- 174 Development that are not constructed on a permanent chassis;
- 175 (xiv) electric assisted bicycle defined under Section 41-6a-102;
- 176 (xv) motor assisted scooter defined under Section 41-6a-102; or
- 177 (xvi) electric personal assistive mobility device defined under Section 41-6a-102.
- 178 (b) For purposes of an implement of husbandry as described in Subsection (2)(a)(iii),
- 179 incidental operation on a highway includes operation that is:
- 180 (i) transportation of raw agricultural materials or other agricultural related operations;
- 181 and
- 182 (ii) limited to 100 miles round trip on a highway.
- 183 (3)(a) Unless otherwise exempted under Subsection (2), registration under this chapter is
- 184 required for any motor vehicle, combination of vehicles, trailer, semitrailer, vintage
- 185 vehicle, or restored-modified vehicle within 60 days of the owner establishing
- 186 residency in this state.
- 187 (b)(i) The commission may contract with a designated agent described in Chapter
- 188 12a, Part 8, Uninsured Motorist Identification Database Program, to determine the
- 189 address for which a contract for owner's or operator's security pertaining to a
- 190 certain vehicle or vessel is tied.
- 191 (ii) If the information provided by the designated agent under Subsection (3)(b)(i)
- 192 indicates that the owner of a vehicle or vessel is a resident of this state, the
- 193 commission may investigate to ensure compliance with this chapter, Chapter 22,
- 194 Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, and Title 73,
- 195 Chapter 18, State Boating Act.
- 196 (c) If the commission's investigation described in Subsection (3)(b)(ii) determines that
- 197 the owner of the vehicle or vessel is not in compliance with this chapter, Chapter 22,
- 198 Off-highway Vehicles, Title 59, Chapter 12, Sales and Use Tax Act, or Title 73,

- 199 Chapter 18, State Boating Act, the commission:
- 200 (i) may impose a penalty on the owner of the vehicle or vessel of \$150; and
- 201 (ii) shall provide notice of noncompliance to the owner of the vehicle or vessel and
- 202 allow 60 days after the date on which the notice was issued for the owner of the
- 203 vehicle or vessel to comply with the provisions identified in the commission's
- 204 investigation described in Subsection (3)(b)(ii).
- 205 (d) If the owner of a vehicle or vessel fails to comply as directed within the time period
- 206 described in Subsection (3)(c), the commission[~~created in Section 41-3-104~~] may
- 207 impose on the owner of the vehicle or vessel a penalty equal to the greater of:
- 208 (i) if the commission finds there was an underpayment of tax under Title 59, Chapter
- 209 12, Sales and Use Tax Act, a penalty as provided in Subsection 59-1-401(7); or
- 210 (ii) \$500.
- 211 (e) Upon making a record of the commission's actions, and upon reasonable cause
- 212 shown, the commission may waive, reduce, or compromise any penalty imposed
- 213 under Subsection (3)(c) or (3)(d).
- 214 (f)(i) The commission shall deposit money from a penalty under Subsections (3)(c)(i)
- 215 and (3)(d)(ii) for failure to properly register or title a vehicle or vessel [~~pursuant to~~
- 216 in accordance with this chapter, Chapter 22, Off-highway Vehicles, or Title 73,
- 217 Chapter 18, State Boating Act, into the Uninsured Motorist Identification
- 218 Restricted Account created in Section 41-12a-806.
- 219 (ii) The commission shall deposit money from a penalty under this Subsection
- 220 (3)(d)(i) for failure to pay a sales and use tax under Title 59, Chapter 12, Sales and
- 221 Use Tax Act, into the General Fund.
- 222 (4) A motor vehicle that is registered under Section 41-3-306 is exempt from the
- 223 registration requirements of this part for the time period that the registration under
- 224 Section 41-3-306 is valid.
- 225 (5) A vehicle that has been issued a nonrepairable certificate may not be registered under
- 226 this chapter.
- 227 Section 2. Section **41-1a-1206** is amended to read:
- 228 **41-1a-1206 (Effective 05/06/26). Registration fees -- Fees by gross laden weight.**
- 229 (1) Except as provided in Subsections (2) and (3), at the time application is made for
- 230 registration or renewal of registration of a vehicle or combination of vehicles under this
- 231 chapter, a registration fee shall be paid to the division as follows:
- 232 (a) \$46.00 for each motorcycle;

- 233 (b) \$44 for each motor vehicle of 14,000 pounds or less gross laden weight, excluding
234 motorcycles;
- 235 (c) unless the semitrailer or trailer is exempt from registration under Section 41-1a-202
236 or is registered under Section 41-1a-301:
- 237 (i) \$31 for each trailer or semitrailer over 750 pounds gross unladen weight; or
238 (ii) \$28.50 for each commercial trailer or commercial semitrailer of 750 pounds or
239 less gross unladen weight;
- 240 (d)(i) \$53 for each farm truck over 14,000 pounds, but not exceeding 16,000 pounds
241 gross laden weight; plus
- 242 (ii) \$9 for each 2,000 pounds over 16,000 pounds gross laden weight;
- 243 (e)(i) \$69.50 for each motor vehicle or combination of motor vehicles, excluding
244 farm trucks, over 14,000 pounds, but not exceeding 16,000 pounds gross laden
245 weight; plus
- 246 (ii) \$19 for each 2,000 pounds over 16,000 pounds gross laden weight;
- 247 (f)(i) \$69.50 for each park model recreational vehicle over 14,000 pounds, but not
248 exceeding 16,000 pounds gross laden weight; plus
- 249 (ii) \$19 for each 2,000 pounds over 16,000 pounds gross laden weight;
- 250 (g) \$45 for each vintage vehicle that has a model year of 1983 or newer;
- 251 (h) in addition to the fee described in Subsection (1)(b):
- 252 (i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:
- 253 (A) each electric motor vehicle; [~~and~~]
- 254 (B) each electric vehicle with a gross combined weight rating of 6,001 pounds or
255 more that is a commercial vehicle; and
- 256 [~~(B)~~] (C) [Each] each motor vehicle not described in this Subsection (1)(h) that is
257 fueled exclusively by a source other than motor fuel, diesel fuel, natural gas, or
258 propane;
- 259 (ii) \$21.75 for each hybrid electric motor vehicle; and
- 260 (iii) \$56.50 for each plug-in hybrid electric motor vehicle;
- 261 (i) in addition to the fee described in Subsection (1)(g), for a vintage vehicle that has a
262 model year of 1983 or newer, 50 cents; and
- 263 (j) \$28.50 for each roadable aircraft.
- 264 (2)(a) At the time application is made for registration or renewal of registration of a
265 vehicle under this chapter for a six-month registration period under Section
266 41-1a-215.5, a registration fee shall be paid to the division as follows:

- 267 (i) \$34.50 for each motorcycle; and
- 268 (ii) \$33.50 for each motor vehicle of 14,000 pounds or less gross laden weight,
- 269 excluding motorcycles.
- 270 (b) In addition to the fee described in Subsection (2)(a)(ii), for registration or renewal of
- 271 registration of a vehicle under this chapter for a six-month registration period under
- 272 Section 41-1a-215.5 a registration fee shall be paid to the division as follows:
- 273 (i) an amount equal to the road usage charge cap described in Section 72-1-213.1 for:
- 274 (A) each electric motor vehicle; [~~and~~]
- 275 (B) each electric vehicle with a gross combined weight rating of 6,001 pounds or
- 276 more that is a commercial vehicle; and
- 277 [~~(B)~~] (C) each motor vehicle not described in this Subsection (2)(b) that is fueled
- 278 exclusively by a source other than motor fuel, diesel fuel, natural gas, or
- 279 propane;
- 280 (ii) \$16.50 for each hybrid electric motor vehicle; and
- 281 (iii) \$43.50 for each plug-in hybrid electric motor vehicle.
- 282 (3)(a) Beginning on January 1, 2024, at the time of registration:
- 283 (i) in addition to the amounts described in Subsections (1)(a), (1)(b), (1)(c)(i),
- 284 (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (1)(h), (4)(a), and (7), the individual
- 285 shall also pay an additional \$7 as part of the registration fee; and
- 286 (ii) in addition to the amounts described in Subsection (2)(a), the individual shall also
- 287 pay an additional \$5 as part of the registration fee.
- 288 (b)(i) Beginning on January 1, 2019, the commission shall, on January 1, annually
- 289 adjust the registration fees described in Subsections (1)(a), (1)(b), (1)(c)(i),
- 290 (1)(c)(ii), (1)(d)(i), (1)(e)(i), (1)(f)(i), (1)(g), (1)(j), (2)(a), (3)(a), (4)(a), and (7),
- 291 by taking the registration fee rate for the previous year and adding an amount
- 292 equal to the greater of:
- 293 (A) an amount calculated by multiplying the registration fee of the previous year
- 294 by the actual percentage change during the previous fiscal year in the
- 295 Consumer Price Index; and
- 296 (B) 0.
- 297 (ii) Beginning on January 1, 2024, the commission shall, on January 1, annually
- 298 adjust the registration fees described in Subsections (1)(h)(ii) and (iii) and
- 299 (2)(b)(ii) and (iii) by taking the registration fee rate for the previous year and
- 300 adding an amount equal to the greater of:

- 301 (A) an amount calculated by multiplying the registration fee of the previous year
302 by the actual percentage change during the previous fiscal year in the
303 Consumer Price Index; and
- 304 (B) 0.
- 305 (c) The amounts calculated as described in Subsection (3)(b) shall be rounded up to the
306 nearest 25 cents.
- 307 (4)(a) The initial registration fee for a vintage vehicle that has a model year of 1982 or
308 older is \$40.
- 309 (b) A vintage vehicle that has a model year of 1982 or older is exempt from the renewal
310 of registration fees under Subsection (1).
- 311 (c) A vehicle with a Purple Heart special group license plate issued on or before
312 December 31, 2023, or issued in accordance with Part 16, Sponsored Special Group
313 License Plates, is exempt from the registration fees under Subsection (1).
- 314 (d) A camper is exempt from the registration fees under Subsection (1).
- 315 (5) If a motor vehicle is operated in combination with a semitrailer or trailer, each motor
316 vehicle shall register for the total gross laden weight of all units of the combination if the
317 total gross laden weight of the combination exceeds 14,000 pounds.
- 318 (6)(a) Registration fee categories under this section are based on the gross laden weight
319 declared in the licensee's application for registration.
- 320 (b) Gross laden weight shall be computed in units of 2,000 pounds. A fractional part of
321 2,000 pounds is a full unit.
- 322 (7) The owner of a trailer described in Section 41-1a-228 may, as an alternative to
323 registering under Subsection (1)(c), apply for and obtain a special registration and
324 license plate, as provided in Section 41-1a-228, for a fee of \$130.
- 325 (8) For a vehicle registered for a 24-month period as provided in Section 41-1a-215.5, the
326 fee amounts are double the amounts due for a 12-month registration of the same vehicle.
- 327 (9) Except as provided in Section 41-6a-1642, a truck may not be registered as a farm truck
328 unless:
- 329 (a) the truck meets the definition of a farm truck under Section 41-1a-102; and
- 330 (b)(i) the truck has a gross vehicle weight rating of more than 14,000 pounds; or
331 (ii) the truck has a gross vehicle weight rating of 14,000 pounds or less and the owner
332 submits to the division a certificate of emissions inspection or a waiver in
333 compliance with Section 41-6a-1642.
- 334 (10) A violation of Subsection (9) is an infraction that shall be punished by a fine of not

335 less than \$200.

336 (11) A motor vehicle registered as a street-legal all-terrain vehicle is:

337 (a) subject to the registration and other fees described in Section 41-22-9; and

338 (b) not required to pay an additional registration fee under this section.

339 (12) Trucks used exclusively to pump cement, bore wells, or perform crane services with a
340 crane lift capacity of five or more tons, are exempt from 50% of the amount of the fees
341 required for those vehicles under this section.

342 Section 3. Section **41-6a-710** is amended to read:

343 **41-6a-710 (Effective 05/06/26) (Partially Repealed 07/01/27). Roadway divided**
344 **into marked lanes -- Provisions -- Traffic-control devices.**

345 On a roadway divided into two or more clearly marked lanes for traffic the following
346 provisions apply and any violation of this section is an infraction:

347 (1)(a) Except as provided in Subsection (1)(c), a person operating a vehicle:

348 (i) shall keep the vehicle as nearly as practical entirely within a single lane; and

349 (ii) may not move the vehicle from the lane until the operator has reasonably
350 determined the movement can be made safely.

351 (b) A determination under Subsection (1)(a)(ii) is reasonable if a reasonable person
352 acting under the same conditions and having regard for actual and potential hazards
353 then existing would determine that the movement could be made safely.

354 (c) Subsection (1)(a) does not apply to:

355 (i) an individual operating a motorcycle engaging in lane filtering as described in
356 Section 41-6a-704[-] ;

357 (ii) a school bus that temporarily impedes a parking or bike lane while operating
358 along the school bus's planned route and schedule; or

359 (iii) a public transit vehicle, as defined in Section 17B-2a-802, that temporarily
360 impedes a parking or bike lane while operating along the public transit vehicle's
361 planned route and schedule.

362 (2)(a) On a roadway divided into three or more lanes and providing for two-way
363 movement of traffic, a person operating a vehicle may not drive in the center lane
364 except:

365 (i) when overtaking and passing another vehicle traveling in the same direction, and
366 when the center lane is:

367 (A) clear of traffic within a safe distance; and

368 (B) not a two-way left turn lane;

- 369 (ii) in preparation of making or completing a left turn in compliance with Section
370 41-6a-801; or
- 371 (iii) where the center lane is allocated exclusively to traffic moving in the same
372 direction that the vehicle is proceeding as indicated by traffic-control devices.
- 373 (b) Notwithstanding Subsection (2)(a)(i) and in accordance with Subsection (1)(a), a
374 person operating a vehicle may drive in a center lane that is a two-way left turn lane
375 if:
- 376 (i) the center lane is:
- 377 (A) on a roadway divided into three or more lanes that provides for two-way
378 movement of traffic; and
- 379 (B) clear of traffic within a safe distance;
- 380 (ii) there is only one lane of travel in the direction the person operating the vehicle is
381 traveling; and
- 382 (iii) the person operating the vehicle is overtaking and passing a bicycle or moped
383 that is moving at less than the reasonable speed of traffic that is present.
- 384 (3)(a) A highway authority may erect traffic-control devices directing specified traffic to
385 use a designated lane or designating those lanes to be used by traffic moving in a
386 particular direction regardless of the center of the roadway.
- 387 (b) An operator of a vehicle shall obey the directions of a traffic-control device erected
388 under Subsection (3)(a).
- 389 (4)(a) A person operating a motor vehicle may not drive within a bicycle lane except:
- 390 (i) to cross a bicycle lane when turning into an intersection, street, alley, driveway, or
391 other parking area;
- 392 (ii) when responding to striping, traffic control devices, or emergency conditions; or
- 393 (iii) while operating:
- 394 (A) an authorized emergency vehicle;
- 395 (B) a snow removal vehicle;
- 396 (C) a vehicle providing municipal-type services, as defined in Section 19-3-303;
- 397 (D) a school bus or transit vehicle, as defined in Section 17B-2a-802, ~~[to load or~~
398 unload passengers] along the school bus's or transit vehicle's planned route and
399 schedule; or
- 400 (E) a vehicle used by a postal service, as defined in Section 76-6-1001.
- 401 (b) A person operating a motor vehicle within a bicycle lane as described in Subsection
402 (4)(a)(i) shall yield the right of way to all bicycle traffic within the lane.

403 Section 4. Section **53-1-106.2** is amended to read:

404 **53-1-106.2 (Effective 05/06/26). Towing dispatch program.**

- 405 (1) As used in this section, "towing dispatch vendor" means a vendor that provides a
406 product or technology capable of increasing efficiency, effectiveness, and transparency
407 in the dispatching of towing providers and management of towing rotations.
- 408 (2) An interlocal agency established [~~pursuant to~~] under Title 11, Chapter 13, Interlocal
409 Cooperation Act, a special service district established [~~pursuant to~~] under Title 17D,
410 Chapter 1, Special Service District Act, a political subdivision, or a state agency may
411 enter into a contract with a [~~vendor that provides a product or technology capable of~~
412 ~~increasing efficiency, effectiveness, and transparency in the dispatching of towing~~
413 ~~providers and management of towing rotations.~~] towing dispatch vendor.
- 414 [(2)] (3) [~~The~~] A product or technology [described in Subsection (1)] provided by a towing
415 dispatch vendor shall comply with the following requirements and capabilities:
- 416 (a) decreasing delays associated with requesting and dispatching a tow truck motor
417 carrier from an established tow rotation;
- 418 (b) increasing information, transparency, and data collection associated with tow
419 rotation operations[~~, including dispatching, response time, completion, clearance, and~~
420 ~~storage]; and~~
- 421 (c) increasing responder and traffic safety by reducing secondary crashes, responder
422 time on scene, and the impacts of traffic accidents on traffic flow and safety.
- 423 (4) A product or technology provided by a towing dispatch vendor may not require a tow
424 truck operator to manipulate a wireless communication device in a manner that violates
425 Section 41-6a-1716.
- 426 (5)(a) A towing entity may require a tow truck motor carrier, or tow truck operator to
427 enter the following into a database controlled by the towing dispatch vendor:
- 428 (i) information about the vehicle, vessel, or outboard motor that is the subject of the
429 tow;
- 430 (ii) information about the owner of the vehicle, vessel, or outboard motor that is the
431 subject of the tow; and
- 432 (iii) other information about the circumstances and timing of the towing operation.
- 433 (b) If a towing dispatch vendor that receives from a towing entity, tow truck motor
434 carrier, or tow truck operator any personal or other information about the owner of a
435 vehicle that is the subject of the towing dispatch service, the towing dispatch vendor
436 may not:

- 437 (i) share the personal information with a third party;
 438 (ii) sell the personal information to a third party;
 439 (iii) use the information for any purpose other than dispatching for the tow or
 440 removal; or
 441 (iv) retain the information longer than the administrative need.

442 [(3)] (6) A vendor selected to provide towing dispatch management services as described in
 443 this section may not also provide towing, storage, impounding, or other services related
 444 to the operation of a towing provider.

445 Section 5. Section **57-1-48** is amended to read:

446 **57-1-48 (Effective 05/06/26). Conveyance by deed to a public entity.**

- 447 (1) [A] Subject to Subsection (5), a grantor may convey real property by deed to a public
 448 entity, and a public entity may accept real property conveyed by deed from a grantor, as
 449 described in this section.
- 450 (2) Real property conveyed to a public entity shall be conveyed by:
- 451 (a) if the conveyance is between two public entities, recording a deed conveying real
 452 property;
- 453 (b) if there is no purchaser for a property offered at a tax sale, complying with the
 454 procedure described in Section 59-2-1351.3; and
- 455 (c) if the grantor is not a public entity:
- 456 (i) recording a deed conveying real property along with a public entity affidavit that
 457 complies with Subsection (4); or
- 458 (ii) recording a deed that has been notarized and signed by:
- 459 (A) the grantor of the property; and
- 460 (B) an authorized representative of the public entity.
- 461 (3) A conveyance of real property by deed that is recorded in a county recorder's office
 462 after [~~July 1, 2025~~] May 6, 2026, is voidable by the public entity intended to receive the
 463 real property until the earlier of the day on which:
- 464 (a) a public entity affidavit approving the transfer is recorded; or
- 465 (b) the deed conveying the real property is signed by an authorized employee or officer
 466 of the public entity.
- 467 (4) A public entity affidavit shall be in substantially the following form:
- 468 "PUBLIC ENTITY AFFIDAVIT
- 469 I, _____(insert name), being of legal age and authorized by _____ (name
 470 of public entity), hereafter "public entity," being first duly sworn, depose and state as follows:

471 The public entity consents to the conveyance of real property by deed from _____
 472 (name of grantor(s)). By signing this Public Entity Affidavit, the public entity accepts the
 473 ownership of the real property described in the attached legal description.

474 The public entity does not guarantee or provide an opinion as to the proper form or validity
 475 of any conveyance document related to the real property described in the attached legal
 476 description.

477 This Public Entity Affidavit is intended to evidence that the public entity consents to
 478 _____ (name of grantor(s)) conveying the real property described in the attached legal
 479 description to the public entity."

480 (5) As used in this section, "public entity" does not include the Department of
 481 Transportation.

482 Section 6. Section **59-12-104** is amended to read:

483 **59-12-104 (Effective 07/01/26). Exemptions.**

484 Exemptions from the taxes imposed by this chapter are as follows:

485 (1) sales of aviation fuel, motor fuel, and special fuel subject to a Utah state excise tax
 486 under Chapter 13, Motor and Special Fuel Tax Act;

487 (2) subject to Section 59-12-104.6, sales to the state, [its] the state's institutions, and [its] the
 488 state's political subdivisions[;] , however, this exemption does not apply to sales of:

489 (a) construction materials except:

490 (i) construction materials purchased by or on behalf of institutions of the public
 491 education system as defined in Utah Constitution, Article X, Section 2, provided
 492 the construction materials are clearly identified and segregated and installed or
 493 converted to real property which is owned by institutions of the public education
 494 system;[-and]

495 (ii) construction materials purchased by the state, its institutions, or its political
 496 subdivisions which are installed or converted to real property by employees of the
 497 state, its institutions, or its political subdivisions; [or] and

498 (iii) construction materials purchased by or on behalf of the Department of
 499 Transportation as part of a fixed guideway capital development project for which
 500 the department has oversight and supervision as described in Section 72-1-203; or

501 (b) tangible personal property in connection with the construction, operation,
 502 maintenance, repair, or replacement of a project, as defined in Section 11-13-103, or
 503 facilities providing additional project capacity, as defined in Section 11-13-103;

504 (3)(a) sales of an item described in Subsection (3)(b) from a vending machine if:

- 505 (i) the proceeds of each sale do not exceed \$1; and
- 506 (ii) the seller or operator of the vending machine reports an amount equal to 150% of
- 507 the cost of the item described in Subsection (3)(b) as goods consumed; and
- 508 (b) Subsection (3)(a) applies to:
- 509 (i) food and food ingredients; or
- 510 (ii) prepared food;
- 511 (4)(a) sales of the following to a commercial airline carrier for in-flight consumption:
- 512 (i) alcoholic beverages;
- 513 (ii) food and food ingredients; or
- 514 (iii) prepared food;
- 515 (b) sales of tangible personal property or a product transferred electronically:
- 516 (i) to a passenger;
- 517 (ii) by a commercial airline carrier; and
- 518 (iii) during a flight for in-flight consumption or in-flight use by the passenger; or
- 519 (c) services related to Subsection (4)(a) or (b);
- 520 (5) sales of parts and equipment for installation in an aircraft operated by a common carrier
- 521 in interstate or foreign commerce;
- 522 (6) sales of commercials, motion picture films, prerecorded audio program tapes or records,
- 523 and prerecorded video tapes by a producer, distributor, or studio to a motion picture
- 524 exhibitor, distributor, or commercial television or radio broadcaster;
- 525 (7)(a) except as provided in Subsection (85) and subject to Subsection (7)(b), sales of
- 526 cleaning or washing of tangible personal property if the cleaning or washing of the
- 527 tangible personal property is not assisted cleaning or washing of tangible personal
- 528 property;
- 529 (b) if a seller that sells at the same business location assisted cleaning or washing of
- 530 tangible personal property and cleaning or washing of tangible personal property that
- 531 is not assisted cleaning or washing of tangible personal property, the exemption
- 532 described in Subsection (7)(a) applies if the seller separately accounts for the sales of
- 533 the assisted cleaning or washing of the tangible personal property; and
- 534 (c) for purposes of Subsection (7)(b) and in accordance with Title 63G, Chapter 3, Utah
- 535 Administrative Rulemaking Act, the commission may make rules:
- 536 (i) governing the circumstances under which sales are at the same business location;
- 537 and
- 538 (ii) establishing the procedures and requirements for a seller to separately account for

- 539 sales of assisted cleaning or washing of tangible personal property;
- 540 (8) sales made to or by religious or charitable institutions in the conduct of their regular
541 religious or charitable functions and activities, if the requirements of Section 59-12-104.1
542 are fulfilled;
- 543 (9) sales of a vehicle of a type required to be registered under the motor vehicle laws of this
544 state if:
- 545 (a) the sale is not from the vehicle's lessor to the vehicle's lessee;
- 546 (b) the vehicle is not registered in this state; and
- 547 (c)(i) the vehicle is not used in this state; or
- 548 (ii) the vehicle is used in this state:
- 549 (A) if the vehicle is not used to conduct business, for a time period that does not
550 exceed the longer of:
- 551 (I) 30 days in any calendar year; or
- 552 (II) the time period necessary to transport the vehicle to the borders of this
553 state; or
- 554 (B) if the vehicle is used to conduct business, for the time period necessary to
555 transport the vehicle to the borders of this state;
- 556 (10)(a) amounts paid for an item described in Subsection (10)(b) if:
- 557 (i) the item is intended for human use; and
- 558 (ii)(A) a prescription was issued for the item; or
- 559 (B) the item was purchased by a hospital or other medical facility; and
- 560 (b)(i) Subsection (10)(a) applies to:
- 561 (A) a drug;
- 562 (B) a syringe; or
- 563 (C) a stoma supply; and
- 564 (ii) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
565 the commission may by rule define the terms:
- 566 (A) "syringe"; or
- 567 (B) "stoma supply";
- 568 (11) purchases or leases exempt under Section 19-12-201;
- 569 (12)(a) sales of an item described in Subsection (12)(c) served by:
- 570 (i) the following if the item described in Subsection (12)(c) is not available to the
571 general public:
- 572 (A) a church; or

- 573 (B) a charitable institution; or
- 574 (ii) an institution of higher education if:
- 575 (A) the item described in Subsection (12)(c) is not available to the general public;
- 576 or
- 577 (B) the item described in Subsection (12)(c) is prepaid as part of a student meal
- 578 plan offered by the institution of higher education;
- 579 (b) sales of an item described in Subsection (12)(c) provided for a patient by:
- 580 (i) a medical facility; or
- 581 (ii) a nursing facility; and
- 582 (c) Subsections (12)(a) and (b) apply to:
- 583 (i) food and food ingredients;
- 584 (ii) prepared food; or
- 585 (iii) alcoholic beverages;
- 586 (13)(a) except as provided in Subsection (13)(b), the sale of tangible personal property
- 587 or a product transferred electronically by a person:
- 588 (i) regardless of the number of transactions involving the sale of that tangible
- 589 personal property or product transferred electronically by that person; and
- 590 (ii) not regularly engaged in the business of selling that type of tangible personal
- 591 property or product transferred electronically;
- 592 (b) this Subsection (13) does not apply if:
- 593 (i) the sale is one of a series of sales of a character to indicate that the person is
- 594 regularly engaged in the business of selling that type of tangible personal property
- 595 or product transferred electronically;
- 596 (ii) the person holds that person out as regularly engaged in the business of selling
- 597 that type of tangible personal property or product transferred electronically;
- 598 (iii) the person sells an item of tangible personal property or product transferred
- 599 electronically that the person purchased as a sale that is exempt under Subsection
- 600 (25); or
- 601 (iv) the sale is of a vehicle or vessel required to be titled or registered under the laws
- 602 of this state in which case the tax is based upon:
- 603 (A) the bill of sale, lease agreement, or other written evidence of value of the
- 604 vehicle or vessel being sold; or
- 605 (B) in the absence of a bill of sale, lease agreement, or other written evidence of
- 606 value, the fair market value of the vehicle or vessel being sold at the time of the

- 607 sale as determined by the commission; and
- 608 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
609 commission shall make rules establishing the circumstances under which:
- 610 (i) a person is regularly engaged in the business of selling a type of tangible personal
611 property or product transferred electronically;
- 612 (ii) a sale of tangible personal property or a product transferred electronically is one
613 of a series of sales of a character to indicate that a person is regularly engaged in
614 the business of selling that type of tangible personal property or product
615 transferred electronically; or
- 616 (iii) a person holds that person out as regularly engaged in the business of selling a
617 type of tangible personal property or product transferred electronically;
- 618 (14) amounts paid or charged for a purchase or lease of machinery, equipment, normal
619 operating repair or replacement parts, or materials, except for office equipment or office
620 supplies, by:
- 621 (a) a manufacturing facility that:
- 622 (i) is located in the state; and
- 623 (ii) uses or consumes the machinery, equipment, normal operating repair or
624 replacement parts, or materials:
- 625 (A) in the manufacturing process to manufacture an item sold as tangible personal
626 property, as the commission may define that phrase in accordance with Title
627 63G, Chapter 3, Utah Administrative Rulemaking Act; or
- 628 (B) for a scrap recycler, to process an item sold as tangible personal property, as
629 the commission may define that phrase in accordance with Title 63G, Chapter 3,
630 Utah Administrative Rulemaking Act;
- 631 (b) an establishment, as the commission defines that term in accordance with Title 63G,
632 Chapter 3, Utah Administrative Rulemaking Act, that:
- 633 (i) is described in NAICS Subsector 212, Mining (except Oil and Gas), or NAICS
634 Code 213113, Support Activities for Coal Mining, 213114, Support Activities for
635 Metal Mining, or 213115, Support Activities for Nonmetallic Minerals (except
636 Fuels) Mining, of the 2002 North American Industry Classification System of the
637 federal Executive Office of the President, Office of Management and Budget;
- 638 (ii) is located in the state; and
- 639 (iii) uses or consumes the machinery, equipment, normal operating repair or
640 replacement parts, or materials in:

- 641 (A) the production process to produce an item sold as tangible personal property,
642 as the commission may define that phrase in accordance with Title 63G,
643 Chapter 3, Utah Administrative Rulemaking Act;
- 644 (B) research and development, as the commission may define that phrase in
645 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- 646 (C) transporting, storing, or managing tailings, overburden, or similar waste
647 materials produced from mining;
- 648 (D) developing or maintaining a road, tunnel, excavation, or similar feature used
649 in mining; or
- 650 (E) preventing, controlling, or reducing dust or other pollutants from mining; or
- 651 (c) an establishment, as the commission defines that term in accordance with Title 63G,
652 Chapter 3, Utah Administrative Rulemaking Act, that:
- 653 (i) is described in NAICS Code 518112, Web Search Portals, of the 2002 North
654 American Industry Classification System of the federal Executive Office of the
655 President, Office of Management and Budget;
- 656 (ii) is located in the state; and
- 657 (iii) uses or consumes the machinery, equipment, normal operating repair or
658 replacement parts, or materials in the operation of the web search portal;
- 659 (15)(a) sales of the following if the requirements of Subsection (15)(b) are met:
- 660 (i) tooling;
- 661 (ii) special tooling;
- 662 (iii) support equipment;
- 663 (iv) special test equipment; or
- 664 (v) parts used in the repairs or renovations of tooling or equipment described in
665 Subsections (15)(a)(i) through (iv); and
- 666 (b) sales of tooling, equipment, or parts described in Subsection (15)(a) are exempt if:
- 667 (i) the tooling, equipment, or parts are used or consumed exclusively in the
668 performance of any aerospace or electronics industry contract with the United
669 States government or any subcontract under that contract; and
- 670 (ii) under the terms of the contract or subcontract described in Subsection (15)(b)(i),
671 title to the tooling, equipment, or parts is vested in the United States government
672 as evidenced by:
- 673 (A) a government identification tag placed on the tooling, equipment, or parts; or
674 (B) listing on a government-approved property record if placing a government

- 675 identification tag on the tooling, equipment, or parts is impractical;
- 676 (16) sales of newspapers or newspaper subscriptions;
- 677 (17)(a) except as provided in Subsection (17)(b), tangible personal property or a product
- 678 transferred electronically traded in as full or part payment of the purchase price,
- 679 except that for purposes of calculating sales or use tax upon vehicles not sold by a
- 680 vehicle dealer, trade-ins are limited to other vehicles only, and the tax is based upon:
- 681 (i) the bill of sale or other written evidence of value of the vehicle being sold and the
- 682 vehicle being traded in; or
- 683 (ii) in the absence of a bill of sale or other written evidence of value, the then existing
- 684 fair market value of the vehicle being sold and the vehicle being traded in, as
- 685 determined by the commission; and
- 686 (b) Subsection (17)(a) does not apply to the following items of tangible personal
- 687 property or products transferred electronically traded in as full or part payment of the
- 688 purchase price:
- 689 (i) money;
- 690 (ii) electricity;
- 691 (iii) water;
- 692 (iv) gas; or
- 693 (v) steam;
- 694 (18)(a)(i) except as provided in Subsection (18)(b), sales of tangible personal
- 695 property or a product transferred electronically used or consumed primarily and
- 696 directly in farming operations, regardless of whether the tangible personal
- 697 property or product transferred electronically:
- 698 (A) becomes part of real estate; or
- 699 (B) is installed by a farmer, contractor, or subcontractor; or
- 700 (ii) sales of parts used in the repairs or renovations of tangible personal property or a
- 701 product transferred electronically if the tangible personal property or product
- 702 transferred electronically is exempt under Subsection (18)(a)(i); and
- 703 (b) amounts paid or charged for the following are subject to the taxes imposed by this
- 704 chapter:
- 705 (i)(A) subject to Subsection (18)(b)(i)(B), machinery, equipment, materials, or
- 706 supplies if used in a manner that is incidental to farming; and
- 707 (B) tangible personal property that is considered to be used in a manner that is
- 708 incidental to farming includes:

- 709 (I) hand tools; or
- 710 (II) maintenance and janitorial equipment and supplies;
- 711 (ii)(A) subject to Subsection (18)(b)(ii)(B), tangible personal property or a product
- 712 transferred electronically if the tangible personal property or product
- 713 transferred electronically is used in an activity other than farming; and
- 714 (B) tangible personal property or a product transferred electronically that is
- 715 considered to be used in an activity other than farming includes:
- 716 (I) office equipment and supplies; or
- 717 (II) equipment and supplies used in:
- 718 (Aa) the sale or distribution of farm products;
- 719 (Bb) research; or
- 720 (Cc) transportation; or
- 721 (iii) a vehicle required to be registered by the laws of this state during the period
- 722 ending two years after the date of the vehicle's purchase;
- 723 (19) sales of hay;
- 724 (20) exclusive sale during the harvest season of seasonal crops, seedling plants, or garden,
- 725 farm, or other agricultural produce if the seasonal crops are, seedling plants are, or
- 726 garden, farm, or other agricultural produce is sold by:
- 727 (a) the producer of the seasonal crops, seedling plants, or garden, farm, or other
- 728 agricultural produce;
- 729 (b) an employee of the producer described in Subsection (20)(a); or
- 730 (c) a member of the immediate family of the producer described in Subsection (20)(a);
- 731 (21) purchases made using a coupon as defined in 7 U.S.C. Sec. 2012 that is issued under
- 732 the Food Stamp Program, 7 U.S.C. Sec. 2011 et seq.;
- 733 (22) sales of nonreturnable containers, nonreturnable labels, nonreturnable bags,
- 734 nonreturnable shipping cases, and nonreturnable casings to a manufacturer, processor,
- 735 wholesaler, or retailer for use in packaging tangible personal property to be sold by that
- 736 manufacturer, processor, wholesaler, or retailer;
- 737 (23) a product stored in the state for resale;
- 738 (24)(a) purchases of a product if:
- 739 (i) the product is:
- 740 (A) purchased outside of this state;
- 741 (B) brought into this state:
- 742 (I) at any time after the purchase described in Subsection (24)(a)(i)(A); and

- 743 (II) by a nonresident person who is not living or working in this state at the
744 time of the purchase;
- 745 (C) used for the personal use or enjoyment of the nonresident person described in
746 Subsection (24)(a)(i)(B)(II) while that nonresident person is within the state;
747 and
- 748 (D) not used in conducting business in this state; and
- 749 (ii) for:
- 750 (A) a product other than a boat described in Subsection (24)(a)(ii)(B), the first use
751 of the product for a purpose for which the product is designed occurs outside of
752 this state;
- 753 (B) a boat, the boat is registered outside of this state; or
- 754 (C) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
755 registered outside of this state;
- 756 (b) the exemption provided for in Subsection (24)(a) does not apply to:
- 757 (i) a lease or rental of a product; or
- 758 (ii) a sale of a vehicle exempt under Subsection (33); and
- 759 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
760 purposes of Subsection (24)(a), the commission may by rule define what constitutes
761 the following:
- 762 (i) conducting business in this state if that phrase has the same meaning in this
763 Subsection (24) as in Subsection (63);
- 764 (ii) the first use of a product if that phrase has the same meaning in this Subsection
765 (24) as in Subsection (63); or
- 766 (iii) a purpose for which a product is designed if that phrase has the same meaning in
767 this Subsection (24) as in Subsection (63);
- 768 (25) a product purchased for resale in the regular course of business, either in the product's
769 original form or as an ingredient or component part of a manufactured or compounded
770 product;
- 771 (26) a product upon which a sales or use tax was paid to some other state, or one of another
772 state's subdivisions, except that the state shall be paid any difference between the tax
773 paid and the tax imposed by this part and Part 2, Local Sales and Use Tax Act, and no
774 adjustment is allowed if the tax paid was greater than the tax imposed by this part and
775 Part 2, Local Sales and Use Tax Act;
- 776 (27) any sale of a service described in Subsections 59-12-103(1)(b), (c), and (d) to a person

- 777 for use in compounding a service taxable under the subsections;
- 778 (28) purchases made in accordance with the special supplemental nutrition program for
779 women, infants, and children established in 42 U.S.C. Sec. 1786;
- 780 (29) sales or leases of rolls, rollers, refractory brick, electric motors, or other replacement
781 parts used in the furnaces, mills, or ovens of a steel mill described in SIC Code 3312 of
782 the 1987 Standard Industrial Classification Manual of the federal Executive Office of the
783 President, Office of Management and Budget;
- 784 (30) sales of a boat of a type required to be registered under Title 73, Chapter 18, State
785 Boating Act, a boat trailer, or an outboard motor if the boat, boat trailer, or outboard
786 motor is:
- 787 (a) not registered in this state; and
- 788 (b)(i) not used in this state; or
- 789 (ii) used in this state:
- 790 (A) if the boat, boat trailer, or outboard motor is not used to conduct business, for
791 a time period that does not exceed the longer of:
- 792 (I) 30 days in any calendar year; or
- 793 (II) the time period necessary to transport the boat, boat trailer, or outboard
794 motor to the borders of this state; or
- 795 (B) if the boat, boat trailer, or outboard motor is used to conduct business, for the
796 time period necessary to transport the boat, boat trailer, or outboard motor to
797 the borders of this state;
- 798 (31) sales of aircraft manufactured in Utah;
- 799 (32) amounts paid for the purchase of telecommunications service for purposes of
800 providing telecommunications service;
- 801 (33) sales, leases, or uses of the following:
- 802 (a) a vehicle by an authorized carrier; or
- 803 (b) tangible personal property that is installed on a vehicle:
- 804 (i) sold or leased to or used by an authorized carrier; and
- 805 (ii) before the vehicle is placed in service for the first time;
- 806 (34)(a) 45% of the sales price of any new manufactured home; and
- 807 (b) 100% of the sales price of any used manufactured home;
- 808 (35) sales relating to schools and fundraising sales;
- 809 (36) sales or rentals of durable medical equipment if:
- 810 (a) a person presents a prescription for the durable medical equipment; and

- 811 (b) the durable medical equipment is used for home use only;
- 812 (37)(a) sales to a ski resort of electricity to operate a passenger ropeway as defined in
813 Section 72-11-102; and
- 814 (b) the commission shall by rule determine the method for calculating sales exempt
815 under Subsection (37)(a) that are not separately metered and accounted for in utility
816 billings;
- 817 (38) sales to a ski resort of:
- 818 (a) snowmaking equipment;
- 819 (b) ski slope grooming equipment;
- 820 (c) passenger ropeways as defined in Section 72-11-102; or
- 821 (d) parts used in the repairs or renovations of equipment or passenger ropeways
822 described in Subsections (38)(a) through (c);
- 823 (39) subject to Subsection 59-12-103(2)(j), sales of natural gas, electricity, heat, coal, fuel
824 oil, or other fuels for industrial use;
- 825 (40)(a) subject to Subsection (40)(b), sales or rentals of the right to use or operate for
826 amusement, entertainment, or recreation an unassisted amusement device as defined
827 in Section 59-12-102;
- 828 (b) if a seller that sells or rents at the same business location the right to use or operate
829 for amusement, entertainment, or recreation one or more unassisted amusement
830 devices and one or more assisted amusement devices, the exemption described in
831 Subsection (40)(a) applies if the seller separately accounts for the sales or rentals of
832 the right to use or operate for amusement, entertainment, or recreation for the assisted
833 amusement devices; and
- 834 (c) for purposes of Subsection (40)(b) and in accordance with Title 63G, Chapter 3, Utah
835 Administrative Rulemaking Act, the commission may make rules:
- 836 (i) governing the circumstances under which sales are at the same business location;
837 and
- 838 (ii) establishing the procedures and requirements for a seller to separately account for
839 the sales or rentals of the right to use or operate for amusement, entertainment, or
840 recreation for assisted amusement devices;
- 841 (41)(a) sales of photocopies by:
- 842 (i) a governmental entity; or
- 843 (ii) an entity within the state system of public education, including:
844 (A) a school; or

- 845 (B) the State Board of Education; or
- 846 (b) sales of publications by a governmental entity;
- 847 (42) amounts paid for admission to an athletic event at an institution of higher education
- 848 that is subject to the provisions of Title IX of the Education Amendments of 1972, 20
- 849 U.S.C. Sec. 1681 et seq.;
- 850 (43)(a) sales made to or by:
- 851 (i) an area agency on aging; or
- 852 (ii) a senior citizen center owned by a county, city, or town; or
- 853 (b) sales made by a senior citizen center that contracts with an area agency on aging;
- 854 (44) sales or leases of semiconductor fabricating, processing, research, or development
- 855 materials regardless of whether the semiconductor fabricating, processing, research, or
- 856 development materials:
- 857 (a) actually come into contact with a semiconductor; or
- 858 (b) ultimately become incorporated into real property;
- 859 (45) an amount paid by or charged to a purchaser for accommodations and services
- 860 described in Subsection 59-12-103(1)(i) to the extent the amount is exempt under
- 861 Section 59-12-104.2;
- 862 (46) the lease or use of a vehicle issued a temporary sports event registration certificate in
- 863 accordance with Section 41-3-306 for the event period specified on the temporary sports
- 864 event registration certificate;
- 865 (47)(a) sales or uses of electricity, if the sales or uses are made under a retail tariff
- 866 adopted by the Public Service Commission only for purchase of electricity produced
- 867 from a new alternative energy source built after January 1, 2016, as designated in the
- 868 tariff by the Public Service Commission; and
- 869 (b) for a residential use customer only, the exemption under Subsection (47)(a) applies
- 870 only to the portion of the tariff rate a customer pays under the tariff described in
- 871 Subsection (47)(a) that exceeds the tariff rate under the tariff described in Subsection
- 872 (47)(a) that the customer would have paid absent the tariff;
- 873 (48) sales or rentals of mobility enhancing equipment if a person presents a prescription for
- 874 the mobility enhancing equipment;
- 875 (49) sales of water in a:
- 876 (a) pipe;
- 877 (b) conduit;
- 878 (c) ditch; or

- 879 (d) reservoir;
- 880 (50) sales of currency or coins that constitute legal tender of a state, the United States, or a
881 foreign nation;
- 882 (51)(a) sales of an item described in Subsection (51)(b) if the item:
- 883 (i) does not constitute legal tender of a state, the United States, or a foreign nation;
- 884 and
- 885 (ii) has a gold, silver, or platinum content of 50% or more; and
- 886 (b) Subsection (51)(a) applies to a gold, silver, or platinum:
- 887 (i) ingot;
- 888 (ii) bar;
- 889 (iii) medallion; or
- 890 (iv) decorative coin;
- 891 (52) amounts paid on a sale-leaseback transaction;
- 892 (53) sales of a prosthetic device:
- 893 (a) for use on or in a human; and
- 894 (b)(i) for which a prescription is required; or
- 895 (ii) if the prosthetic device is purchased by a hospital or other medical facility;
- 896 (54)(a) except as provided in Subsection (54)(b), purchases, leases, or rentals of
897 machinery or equipment by an establishment described in Subsection (54)(c) if the
898 machinery or equipment is primarily used in the production or postproduction of the
899 following media for commercial distribution:
- 900 (i) a motion picture;
- 901 (ii) a television program;
- 902 (iii) a movie made for television;
- 903 (iv) a music video;
- 904 (v) a commercial;
- 905 (vi) a documentary; or
- 906 (vii) a medium similar to Subsections (54)(a)(i) through (vi) as determined by the
907 commission by administrative rule made in accordance with Subsection (54)(d);
- 908 (b) purchases, leases, or rentals of machinery or equipment by an establishment
909 described in Subsection (54)(c) that is used for the production or postproduction of
910 the following are subject to the taxes imposed by this chapter:
- 911 (i) a live musical performance;
- 912 (ii) a live news program; or

- 913 (iii) a live sporting event;
- 914 (c) the following establishments listed in the 1997 North American Industry
915 Classification System of the federal Executive Office of the President, Office of
916 Management and Budget, apply to Subsections (54)(a) and (b):
- 917 (i) NAICS Code 512110; or
918 (ii) NAICS Code 51219; and
- 919 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
920 commission may by rule:
- 921 (i) prescribe what constitutes a medium similar to Subsections (54)(a)(i) through (vi);
922 or
923 (ii) define:
- 924 (A) "commercial distribution";
925 (B) "live musical performance";
926 (C) "live news program"; or
927 (D) "live sporting event";
- 928 (55)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
929 or before June 30, 2027, of tangible personal property that:
- 930 (i) is leased or purchased for or by a facility that:
- 931 (A) is an alternative energy electricity production facility;
932 (B) is located in the state; and
933 (C)(I) becomes operational on or after July 1, 2004; or
934 (II) has its generation capacity increased by one or more megawatts on or after
935 July 1, 2004, as a result of the use of the tangible personal property;
- 936 (ii) has an economic life of five or more years; and
937 (iii) is used to make the facility or the increase in capacity of the facility described in
938 Subsection (55)(a)(i) operational up to the point of interconnection with an
939 existing transmission grid including:
- 940 (A) a wind turbine;
941 (B) generating equipment;
942 (C) a control and monitoring system;
943 (D) a power line;
944 (E) substation equipment;
945 (F) lighting;
946 (G) fencing;

- 947 (H) pipes; or
- 948 (I) other equipment used for locating a power line or pole; and
- 949 (b) this Subsection (55) does not apply to:
- 950 (i) tangible personal property used in construction of:
- 951 (A) a new alternative energy electricity production facility; or
- 952 (B) the increase in the capacity of an alternative energy electricity production
- 953 facility;
- 954 (ii) contracted services required for construction and routine maintenance activities;
- 955 and
- 956 (iii) unless the tangible personal property is used or acquired for an increase in
- 957 capacity of the facility described in Subsection (55)(a)(i)(C)(II), tangible personal
- 958 property used or acquired after:
- 959 (A) the alternative energy electricity production facility described in Subsection
- 960 (55)(a)(i) is operational as described in Subsection (55)(a)(iii); or
- 961 (B) the increased capacity described in Subsection (55)(a)(i) is operational as
- 962 described in Subsection (55)(a)(iii);
- 963 (56)(a) leases of seven or more years or purchases made on or after July 1, 2004, but on
- 964 or before June 30, 2027, of tangible personal property that:
- 965 (i) is leased or purchased for or by a facility that:
- 966 (A) is a waste energy production facility;
- 967 (B) is located in the state; and
- 968 (C)(I) becomes operational on or after July 1, 2004; or
- 969 (II) has its generation capacity increased by one or more megawatts on or after
- 970 July 1, 2004, as a result of the use of the tangible personal property;
- 971 (ii) has an economic life of five or more years; and
- 972 (iii) is used to make the facility or the increase in capacity of the facility described in
- 973 Subsection (56)(a)(i) operational up to the point of interconnection with an
- 974 existing transmission grid including:
- 975 (A) generating equipment;
- 976 (B) a control and monitoring system;
- 977 (C) a power line;
- 978 (D) substation equipment;
- 979 (E) lighting;
- 980 (F) fencing;

- 981 (G) pipes; or
- 982 (H) other equipment used for locating a power line or pole; and
- 983 (b) this Subsection (56) does not apply to:
- 984 (i) tangible personal property used in construction of:
- 985 (A) a new waste energy facility; or
- 986 (B) the increase in the capacity of a waste energy facility;
- 987 (ii) contracted services required for construction and routine maintenance activities;
- 988 and
- 989 (iii) unless the tangible personal property is used or acquired for an increase in
- 990 capacity described in Subsection (56)(a)(i)(C)(II), tangible personal property used
- 991 or acquired after:
- 992 (A) the waste energy facility described in Subsection (56)(a)(i) is operational as
- 993 described in Subsection (56)(a)(iii); or
- 994 (B) the increased capacity described in Subsection (56)(a)(i) is operational as
- 995 described in Subsection (56)(a)(iii);
- 996 (57)(a) leases of five or more years or purchases made on or after July 1, 2004, but on or
- 997 before June 30, 2027, of tangible personal property that:
- 998 (i) is leased or purchased for or by a facility that:
- 999 (A) is located in the state;
- 1000 (B) produces fuel from alternative energy, including:
- 1001 (I) methanol; or
- 1002 (II) ethanol; and
- 1003 (C)(I) becomes operational on or after July 1, 2004; or
- 1004 (II) has its capacity to produce fuel increase by 25% or more on or after July 1,
- 1005 2004, as a result of the installation of the tangible personal property;
- 1006 (ii) has an economic life of five or more years; and
- 1007 (iii) is installed on the facility described in Subsection (57)(a)(i);
- 1008 (b) this Subsection (57) does not apply to:
- 1009 (i) tangible personal property used in construction of:
- 1010 (A) a new facility described in Subsection (57)(a)(i); or
- 1011 (B) the increase in capacity of the facility described in Subsection (57)(a)(i);
- 1012 (ii) contracted services required for construction and routine maintenance activities;
- 1013 and
- 1014 (iii) unless the tangible personal property is used or acquired for an increase in

1015 capacity described in Subsection (57)(a)(i)(C)(II), tangible personal property used
1016 or acquired after:

1017 (A) the facility described in Subsection (57)(a)(i) is operational; or

1018 (B) the increased capacity described in Subsection (57)(a)(i) is operational;

1019 (58)(a) subject to Subsection (58)(b), sales of tangible personal property or a product

1020 transferred electronically to a person within this state if that tangible personal

1021 property or product transferred electronically is subsequently shipped outside the

1022 state and incorporated [~~pursuant to~~] in accordance with contract into and becomes a

1023 part of real property located outside of this state; and

1024 (b) the exemption under Subsection (58)(a) is not allowed to the extent that the other

1025 state or political entity to which the tangible personal property is shipped imposes a

1026 sales, use, gross receipts, or other similar transaction excise tax on the transaction

1027 against which the other state or political entity allows a credit for sales and use taxes

1028 imposed by this chapter;

1029 (59) purchases:

1030 (a) of one or more of the following items in printed or electronic format:

1031 (i) a list containing information that includes one or more:

1032 (A) names; or

1033 (B) addresses; or

1034 (ii) a database containing information that includes one or more:

1035 (A) names; or

1036 (B) addresses; and

1037 (b) used to send direct mail;

1038 (60) redemptions or repurchases of a product by a person if that product was:

1039 (a) delivered to a pawnbroker as part of a pawn transaction; and

1040 (b) redeemed or repurchased within the time period established in a written agreement

1041 between the person and the pawnbroker for redeeming or repurchasing the product;

1042 (61)(a) purchases or leases of an item described in Subsection (61)(b) if the item:

1043 (i) is purchased or leased by, or on behalf of, a telecommunications service provider;

1044 and

1045 (ii) has a useful economic life of one or more years; and

1046 (b) the following apply to Subsection (61)(a):

1047 (i) telecommunications enabling or facilitating equipment, machinery, or software;

1048 (ii) telecommunications equipment, machinery, or software required for 911 service;

- 1049 (iii) telecommunications maintenance or repair equipment, machinery, or software;
1050 (iv) telecommunications switching or routing equipment, machinery, or software; or
1051 (v) telecommunications transmission equipment, machinery, or software;
- 1052 (62)(a) beginning on July 1, 2006, and ending on June 30, 2027, purchases of tangible
1053 personal property or a product transferred electronically that are used in the research
1054 and development of alternative energy technology; and
- 1055 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
1056 commission may, for purposes of Subsection (62)(a), make rules defining what
1057 constitutes purchases of tangible personal property or a product transferred
1058 electronically that are used in the research and development of alternative energy
1059 technology;
- 1060 (63)(a) purchases of tangible personal property or a product transferred electronically if:
1061 (i) the tangible personal property or product transferred electronically is:
1062 (A) purchased outside of this state;
1063 (B) brought into this state at any time after the purchase described in Subsection
1064 (63)(a)(i)(A); and
1065 (C) used in conducting business in this state; and
1066 (ii) for:
1067 (A) tangible personal property or a product transferred electronically other than
1068 the tangible personal property described in Subsection (63)(a)(ii)(B), the first
1069 use of the property for a purpose for which the property is designed occurs
1070 outside of this state; or
1071 (B) a vehicle other than a vehicle sold to an authorized carrier, the vehicle is
1072 registered outside of this state and not required to be registered in this state
1073 under Section 41-1a-202 or 73-18-9 based on residency;
- 1074 (b) the exemption provided for in Subsection (63)(a) does not apply to:
1075 (i) a lease or rental of tangible personal property or a product transferred
1076 electronically; or
1077 (ii) a sale of a vehicle exempt under Subsection (33); and
- 1078 (c) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for
1079 purposes of Subsection (63)(a), the commission may by rule define what constitutes
1080 the following:
1081 (i) conducting business in this state if that phrase has the same meaning in this
1082 Subsection (63) as in Subsection (24);

- 1083 (ii) the first use of tangible personal property or a product transferred electronically if
1084 that phrase has the same meaning in this Subsection (63) as in Subsection (24); or
1085 (iii) a purpose for which tangible personal property or a product transferred
1086 electronically is designed if that phrase has the same meaning in this Subsection
1087 (63) as in Subsection (24);
- 1088 (64) sales of disposable home medical equipment or supplies if:
- 1089 (a) a person presents a prescription for the disposable home medical equipment or
1090 supplies;
- 1091 (b) the disposable home medical equipment or supplies are used exclusively by the
1092 person to whom the prescription described in Subsection (64)(a) is issued; and
- 1093 (c) the disposable home medical equipment and supplies are listed as eligible for
1094 payment under:
- 1095 (i) Title XVIII, federal Social Security Act; or
1096 (ii) the state plan for medical assistance under Title XIX, federal Social Security Act;
- 1097 (65) sales:
- 1098 (a) to a public transit district under Title 17B, Chapter 2a, Part 8, Public Transit District
1099 Act; or
- 1100 (b) of tangible personal property to a subcontractor of a public transit district, if the
1101 tangible personal property is:
- 1102 (i) clearly identified; and
1103 (ii) installed or converted to real property owned by the public transit district;
- 1104 (66) sales of construction materials:
- 1105 (a) purchased on or after July 1, 2010;
- 1106 (b) purchased by, on behalf of, or for the benefit of an international airport:
- 1107 (i) located within a county of the first class; and
1108 (ii) that has a United States customs office on its premises; and
- 1109 (c) if the construction materials are:
- 1110 (i) clearly identified;
1111 (ii) segregated; and
1112 (iii) installed or converted to real property:
- 1113 (A) owned or operated by the international airport described in Subsection (66)(b);
1114 and
1115 (B) located at the international airport described in Subsection (66)(b);
- 1116 (67) sales of construction materials:

- 1117 (a) purchased on or after July 1, 2008;
- 1118 (b) purchased by, on behalf of, or for the benefit of a new airport:
- 1119 (i) located within a county of the second or third class, as classified in Section
- 1120 17-60-104; and
- 1121 (ii) that is owned or operated by a city in which an airline as defined in Section
- 1122 59-2-102 is headquartered; and
- 1123 (c) if the construction materials are:
- 1124 (i) clearly identified;
- 1125 (ii) segregated; and
- 1126 (iii) installed or converted to real property:
- 1127 (A) owned or operated by the new airport described in Subsection (67)(b);
- 1128 (B) located at the new airport described in Subsection (67)(b); and
- 1129 (C) as part of the construction of the new airport described in Subsection (67)(b);
- 1130 (68) except for the tax imposed by Subsection 59-12-103(2)(d), sales of fuel to a common
- 1131 carrier that is a railroad for use in a locomotive engine;
- 1132 (69) purchases and sales described in Section 63H-4-111;
- 1133 (70)(a) sales of tangible personal property to an aircraft maintenance, repair, and
- 1134 overhaul provider for use in the maintenance, repair, overhaul, or refurbishment in
- 1135 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 1136 aircraft's registration lists a state or country other than this state as the location of
- 1137 registry of the fixed wing turbine powered aircraft; or
- 1138 (b) sales of tangible personal property by an aircraft maintenance, repair, and overhaul
- 1139 provider in connection with the maintenance, repair, overhaul, or refurbishment in
- 1140 this state of a fixed wing turbine powered aircraft if that fixed wing turbine powered
- 1141 aircraft's registration lists a state or country other than this state as the location of
- 1142 registry of the fixed wing turbine powered aircraft;
- 1143 (71) subject to Section 59-12-104.4, sales of a textbook for a higher education course:
- 1144 (a) to a person admitted to an institution of higher education; and
- 1145 (b) by a seller, other than a bookstore owned by an institution of higher education, if
- 1146 51% or more of that seller's sales revenue for the previous calendar quarter are sales
- 1147 of a textbook for a higher education course;
- 1148 (72) a license fee or tax a municipality imposes in accordance with Subsection 10-1-203(5)
- 1149 on a purchaser from a business for which the municipality provides an enhanced level of
- 1150 municipal services;

- 1151 (73) amounts paid or charged for construction materials used in the construction of a new or
1152 expanding life science research and development facility in the state, if the construction
1153 materials are:
- 1154 (a) clearly identified;
 - 1155 (b) segregated; and
 - 1156 (c) installed or converted to real property;
- 1157 (74) amounts paid or charged for:
- 1158 (a) a purchase or lease of machinery and equipment that:
 - 1159 (i) are used in performing qualified research:
 - 1160 (A) as defined in Section 41(d), Internal Revenue Code; and
 - 1161 (B) in the state; and
 - 1162 (ii) have an economic life of three or more years; and
 - 1163 (b) normal operating repair or replacement parts:
 - 1164 (i) for the machinery and equipment described in Subsection (74)(a); and
 - 1165 (ii) that have an economic life of three or more years;
- 1166 (75) a sale or lease of tangible personal property used in the preparation of prepared food if:
- 1167 (a) for a sale:
 - 1168 (i) the ownership of the seller and the ownership of the purchaser are identical; and
 - 1169 (ii) the seller or the purchaser paid a tax under this chapter on the purchase of that
1170 tangible personal property [~~prior to~~] before making the sale; or
 - 1171 (b) for a lease:
 - 1172 (i) the ownership of the lessor and the ownership of the lessee are identical; and
 - 1173 (ii) the lessor or the lessee paid a tax under this chapter on the purchase of that
1174 tangible personal property [~~prior to~~] before making the lease;
- 1175 (76)(a) purchases of machinery or equipment if:
- 1176 (i) the purchaser is an establishment described in NAICS Subsector 713, Amusement,
1177 Gambling, and Recreation Industries, of the 2012 North American Industry
1178 Classification System of the federal Executive Office of the President, Office of
1179 Management and Budget;
 - 1180 (ii) the machinery or equipment:
 - 1181 (A) has an economic life of three or more years; and
 - 1182 (B) is used by one or more persons who pay admission or user fees described in
1183 Subsection 59-12-103(1)(f) to the purchaser of the machinery and equipment;
1184 and

- 1185 (iii) 51% or more of the purchaser's sales revenue for the previous calendar quarter is:
- 1186 (A) amounts paid or charged as admission or user fees described in Subsection
- 1187 59-12-103(1)(f); and
- 1188 (B) subject to taxation under this chapter; and
- 1189 (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 1190 commission may make rules for verifying that 51% of a purchaser's sales revenue for
- 1191 the previous calendar quarter is:
- 1192 (i) amounts paid or charged as admission or user fees described in Subsection
- 1193 59-12-103(1)(f); and
- 1194 (ii) subject to taxation under this chapter;
- 1195 (77) purchases of a short-term lodging consumable by a business that provides
- 1196 accommodations and services described in Subsection 59-12-103(1)(i);
- 1197 (78) amounts paid or charged to access a database:
- 1198 (a) if the primary purpose for accessing the database is to view or retrieve information
- 1199 from the database; and
- 1200 (b) not including amounts paid or charged for a:
- 1201 (i) digital audio work;
- 1202 (ii) digital audio-visual work; or
- 1203 (iii) digital book;
- 1204 (79) amounts paid or charged for a purchase or lease made by an electronic financial
- 1205 payment service, of:
- 1206 (a) machinery and equipment that:
- 1207 (i) are used in the operation of the electronic financial payment service; and
- 1208 (ii) have an economic life of three or more years; and
- 1209 (b) normal operating repair or replacement parts that:
- 1210 (i) are used in the operation of the electronic financial payment service; and
- 1211 (ii) have an economic life of three or more years;
- 1212 (80) sales of a fuel cell as defined in Section 54-15-102;
- 1213 (81) amounts paid or charged for a purchase or lease of tangible personal property or a
- 1214 product transferred electronically if the tangible personal property or product transferred
- 1215 electronically:
- 1216 (a) is stored, used, or consumed in the state; and
- 1217 (b) is temporarily brought into the state from another state:
- 1218 (i) during a disaster period as defined in Section 53-2a-1202;

- 1219 (ii) by an out-of-state business as defined in Section 53-2a-1202;
- 1220 (iii) for a declared state disaster or emergency as defined in Section 53-2a-1202; and
- 1221 (iv) for disaster- or emergency-related work as defined in Section 53-2a-1202;
- 1222 (82) sales of goods and services at a morale, welfare, and recreation facility, as defined in
- 1223 Section 39A-7-102, made ~~[pursuant to]~~ in accordance with Title 39A, Chapter 7, Morale,
- 1224 Welfare, and Recreation Program;
- 1225 (83) amounts paid or charged for a purchase or lease of molten magnesium;
- 1226 (84) amounts paid or charged for a purchase or lease made by a qualifying data center or an
- 1227 occupant of a qualifying data center of machinery, equipment, or normal operating
- 1228 repair or replacement parts, if the machinery, equipment, or normal operating repair or
- 1229 replacement parts:
- 1230 (a) are used in:
- 1231 (i) the operation of the qualifying data center; or
- 1232 (ii) the occupant's operations in the qualifying data center; and
- 1233 (b) have an economic life of one or more years;
- 1234 (85) sales of cleaning or washing of a vehicle, except for cleaning or washing of a vehicle
- 1235 that includes cleaning or washing of the interior of the vehicle;
- 1236 (86) amounts paid or charged for a purchase or lease of machinery, equipment, normal
- 1237 operating repair or replacement parts, catalysts, chemicals, reagents, solutions, or
- 1238 supplies used or consumed:
- 1239 (a) by a refiner who owns, leases, operates, controls, or supervises a refinery as defined
- 1240 in Section 79-6-701 located in the state;
- 1241 (b) if the machinery, equipment, normal operating repair or replacement parts, catalysts,
- 1242 chemicals, reagents, solutions, or supplies are used or consumed in:
- 1243 (i) the production process to produce gasoline or diesel fuel, or at which blendstock is
- 1244 added to gasoline or diesel fuel;
- 1245 (ii) research and development;
- 1246 (iii) transporting, storing, or managing raw materials, work in process, finished
- 1247 products, and waste materials produced from refining gasoline or diesel fuel, or
- 1248 adding blendstock to gasoline or diesel fuel;
- 1249 (iv) developing or maintaining a road, tunnel, excavation, or similar feature used in
- 1250 refining; or
- 1251 (v) preventing, controlling, or reducing pollutants from refining; and
- 1252 (c) if the person holds a valid refiner tax exemption certification as defined in Section

- 1253 79-6-701;
- 1254 (87) amounts paid to or charged by a proprietor for accommodations and services, as
1255 defined in Section 63H-1-205, if the proprietor is subject to the MIDA accommodations
1256 tax imposed under Section 63H-1-205;
- 1257 (88) amounts paid or charged for a purchase or lease of machinery, equipment, normal
1258 operating repair or replacement parts, or materials, except for office equipment or office
1259 supplies, by an establishment, as the commission defines that term in accordance with
1260 Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:
- 1261 (a) is described in NAICS Code 621511, Medical Laboratories, of the 2017 North
1262 American Industry Classification System of the federal Executive Office of the
1263 President, Office of Management and Budget;
- 1264 (b) is located in this state; and
- 1265 (c) uses the machinery, equipment, normal operating repair or replacement parts, or
1266 materials in the operation of the establishment;
- 1267 (89) amounts paid or charged for an item exempt under Section 59-12-104.10;
- 1268 (90) sales of a note, leaf, foil, or film, if the item:
- 1269 (a) is used as currency;
- 1270 (b) does not constitute legal tender of a state, the United States, or a foreign nation; and
- 1271 (c) has a gold, silver, or platinum metallic content of 50% or more, exclusive of any
1272 transparent polymer holder, coating, or encasement;
- 1273 (91) amounts paid or charged for admission to an indoor skydiving, rock climbing, or
1274 surfing facility, if a trained instructor:
- 1275 (a) is present with the participant, in person or by video, for the duration of the activity;
1276 and
- 1277 (b) actively instructs the participant, including providing observation or feedback;
- 1278 (92) amounts paid or charged in connection with the construction, operation, maintenance,
1279 repair, or replacement of facilities owned by or constructed for:
- 1280 (a) a distribution electrical cooperative, as defined in Section 54-2-1; or
1281 (b) a wholesale electrical cooperative, as defined in Section 54-2-1;
- 1282 (93) amounts paid by the service provider for tangible personal property, other than
1283 machinery, equipment, parts, office supplies, electricity, gas, heat, steam, or other fuels,
1284 that:
- 1285 (a) is consumed in the performance of a service that is subject to tax under Subsection
1286 59-12-103(1)(b), (f), (g), (h), (i), or (j);

- 1287 (b) has to be consumed for the service provider to provide the service described in
1288 Subsection (93)(a); and
- 1289 (c) will be consumed in the performance of the service described in Subsection (93)(a),
1290 to one or more customers, to the point that the tangible personal property disappears
1291 or cannot be used for any other purpose;
- 1292 (94) sales of rail rolling stock manufactured in Utah;
- 1293 (95) amounts paid or charged for sales of sand, gravel, rock aggregate, cement products, or
1294 construction materials between establishments, as the commission defines that term in
1295 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, if:
- 1296 (a) the establishments are related directly or indirectly through 100% common
1297 ownership or control; and
- 1298 (b) each establishment is described in one of the following subsectors of the 2022 North
1299 American Industry Classification System of the federal Executive Office of the
1300 President, Office of Management and Budget:
- 1301 (i) NAICS Subsector 237, Heavy and Civil Engineering Construction; or
1302 (ii) NAICS Subsector 327, Nonmetallic Mineral Product Manufacturing;
- 1303 (96) sales of construction materials used for the construction of a qualified stadium, as
1304 defined in Section 11-70-101;
- 1305 (97) amounts paid or charged for sales of a cannabinoid product as that term is defined in
1306 Section 4-41-102;
- 1307 (98) amounts paid or charged by an operator of a qualifying energy storage manufacturing
1308 facility for:
- 1309 (a) a purchase of tangible personal property if the tangible personal property is
1310 incorporated into equipment or a device that stores and discharges energy at the
1311 qualifying energy storage manufacturing facility; and
- 1312 (b) a purchase or lease of machinery, equipment, or normal operating repair or
1313 replacement parts if the machinery, equipment, or normal operating repair or
1314 replacement parts are used exclusively in the operation of the qualifying energy
1315 storage manufacturing facility;
- 1316 (99) amounts paid or charged for sales of adaptive driving equipment if the adaptive driving
1317 equipment is not yet installed in a motor vehicle;
- 1318 (100) amounts paid or charged for sales of adaptive driving equipment if the adaptive
1319 driving equipment is installed in a motor vehicle by a previous owner and the
1320 requirements of Section 59-12-104.11 are met; and

1321 (101) sales of construction materials used for the construction, remodeling, or refurbishing
1322 of a major sporting event venue, as defined in Section 63N-3-1701, within an approved
1323 major sporting event venue zone.

1324 Section 7. Section **59-12-2220** is amended to read:

1325 **59-12-2220 (Effective 07/01/26). County option sales and use tax to fund**
1326 **highways or a system for public transit -- Base -- Rate.**

1327 (1) Subject to the other provisions of this part and subject to the requirements of this
1328 section, the following counties may impose a sales and use tax under this section:

1329 (a) a county legislative body may impose the sales and use tax on the transactions
1330 described in Subsection 59-12-103(1) located within the county, including the cities
1331 and towns within the county if:

1332 (i) the entire boundary of a county is annexed into a large public transit district; and

1333 (ii) the maximum amount of sales and use tax authorizations allowed in accordance
1334 with Section 59-12-2203 and authorized under the following sections has been
1335 imposed:

1336 (A) Section 59-12-2213;

1337 (B) Section 59-12-2214;

1338 (C) Section 59-12-2215;

1339 (D) Section 59-12-2216;

1340 (E) Section 59-12-2217;

1341 (F) Section 59-12-2218; and

1342 (G) Section 59-12-2219;

1343 (b) if the county is not annexed into a large public transit district, the county legislative
1344 body may impose the sales and use tax on the transactions described in Subsection
1345 59-12-103(1) located within the county, including the cities and towns within the
1346 county if:

1347 (i) the county is an eligible political subdivision; or

1348 (ii) a city or town within the boundary of the county is an eligible political
1349 subdivision; or

1350 (c) a county legislative body of a county not described in Subsection (1)(a) or (1)(b) may
1351 impose the sales and use tax on the transactions described in Subsection 59-12-103(1)
1352 located within the county, including the cities and towns within the county.

1353 (2) For purposes of Subsection (1) and subject to the other provisions of this section, a
1354 county legislative body that imposes a sales and use tax under this section may impose

- 1355 the tax at a rate of .2%.
- 1356 (3)(a) The commission shall distribute sales and use tax revenue collected under this
1357 section as determined by a county legislative body as described in Subsection (3)(b).
- 1358 (b) If a county legislative body imposes a sales and use tax as described in this section,
1359 the county legislative body may elect to impose a sales and use tax revenue
1360 distribution as described in Subsection (4), (5), (6), or (7), depending on the class of
1361 county, and presence and type of a public transit provider in the county.
- 1362 (4) Subject to Subsection (11), and after application of Subsection 59-12-2206(5), if a
1363 county legislative body imposes a sales and use tax as described in this section, and the
1364 entire boundary of the county is annexed into a large public transit district, and the
1365 county is a county of the first class, the commission shall distribute the sales and use tax
1366 revenue as follows:
- 1367 (a) .10% to a public transit district as described in Subsection (11);
1368 (b) .05% to the cities and towns as provided in Subsection (8); and
1369 (c) .05% to the county legislative body.
- 1370 (5) Subject to Subsection (11), if a county legislative body imposes a sales and use tax as
1371 described in this section and the entire boundary of the county is annexed into a large
1372 public transit district, and the county is a county not described in Subsection (4), the
1373 commission shall distribute the sales and use tax revenue as follows:
- 1374 (a) .10% to a public transit district as described in Subsection (11);
1375 (b) .05% to the cities and towns as provided in Subsection (8); and
1376 (c) .05% to the county legislative body.
- 1377 (6)(a) Except as provided in Subsection (14)(c), if the entire boundary of a county that
1378 imposes a sales and use tax as described in this section is not annexed into a single
1379 public transit district, but a city or town within the county is annexed into a single
1380 public transit district, or if the city or town is an eligible political subdivision, the
1381 commission shall distribute the sales and use tax revenue collected within the county
1382 as provided in Subsection (6)(b) or (c).
- 1383 (b) For a city, town, or portion of the county described in Subsection (6)(a) that is
1384 annexed into the single public transit district, or an eligible political subdivision, the
1385 commission shall distribute the sales and use tax revenue collected within the portion
1386 of the county that is within a public transit district or eligible political subdivision as
1387 follows:
- 1388 (i) .05% to a public transit provider as described in Subsection (11);

- 1389 (ii) .075% to the cities and towns as provided in Subsection (8); and
1390 (iii) .075% to the county legislative body.
- 1391 (c) Except as provided in Subsection (14)(c), for a city, town, or portion of the county
1392 described in Subsection (6)(a) that is not annexed into a single public transit district
1393 or eligible political subdivision in the county, the commission shall distribute the
1394 sales and use tax revenue collected within that portion of the county as follows:
1395 (i) .08% to the cities and towns as provided in Subsection (8); and
1396 (ii) .12% to the county legislative body.
- 1397 (7) For a county without a public transit service that imposes a sales and use tax as
1398 described in this section, the commission shall distribute the sales and use tax revenue
1399 collected within the county as follows:
1400 (a) .08% to the cities and towns as provided in Subsection (8); and
1401 (b) .12% to the county legislative body.
- 1402 (8)(a) Subject to Subsections (8)(b) and (c), the commission shall make the distributions
1403 required by Subsections (4)(b), (5)(b), (6)(b)(ii), (6)(c)(i), and (7)(a) as follows:
1404 (i) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
1405 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
1406 through (7) shall be distributed to the unincorporated areas, cities, and towns
1407 within those counties on the basis of the percentage that the population of each
1408 unincorporated area, city, or town bears to the total population of all of the
1409 counties that impose a tax under this section; and
1410 (ii) 50% of the total revenue collected under Subsections (4)(b), (5)(b), (6)(b)(ii),
1411 (6)(c)(i), and (7)(a) within the counties that impose a tax under Subsections (4)
1412 through (7) shall be distributed to the unincorporated areas, cities, and towns
1413 within those counties on the basis of the location of the transaction as determined
1414 under Sections 59-12-211 through 59-12-215.
- 1415 (b)(i) Population for purposes of this Subsection (8) shall be based on, to the extent
1416 not otherwise required by federal law:
1417 (A) the most recent estimate from the Utah Population Committee created in
1418 Section 63C-20-103; or
1419 (B) if the Utah Population Committee estimate is not available for each
1420 municipality and unincorporated area, the adjusted sub-county population
1421 estimate provided by the Utah Population Committee in accordance with
1422 Section 63C-20-104.

- 1423 (ii) If a needed population estimate is not available from the United States Census
 1424 Bureau, population figures shall be derived from an estimate from the Utah
 1425 Population Estimates Committee created by executive order of the governor.
- 1426 (c)(i) Beginning on January 1, 2024, if the Housing and Community Development
 1427 Division within the Department of Workforce Services determines that a city or
 1428 town is ineligible for funds in accordance with Subsection 10-21-202(6),
 1429 beginning the first day of the calendar quarter after receiving 90 days' notice, the
 1430 commission shall distribute the distribution that city or town would have received
 1431 under Subsection (8)(a) to cities or towns to which Subsection 10-21-202(6) does
 1432 not apply.
- 1433 (ii) Beginning on January 1, 2024, if the Housing and Community Development
 1434 Division within the Department of Workforce Services determines that a county is
 1435 ineligible for funds in accordance with Subsection 17-80-202(6), beginning the
 1436 first day of the calendar quarter after receiving 90 days' notice, the commission
 1437 shall distribute the distribution that county would have received under Subsection
 1438 (8)(a) to counties to which Subsection 17-80-202(6) does not apply.
- 1439 (9) If a public transit service is organized after the date a county legislative body first
 1440 imposes a tax under this section, a change in a distribution required by this section may
 1441 not take effect until the first distribution the commission makes under this section after a
 1442 90-day period that begins on the date the commission receives written notice from the
 1443 public transit provider that the public transit service has been organized.
- 1444 (10)(a) Except as provided in Subsections (10)(b) and (c), a county, city, or town that
 1445 received distributions described in Subsections (4)(b), (4)(c), (5)(b), (5)(c), (6)(b)(ii),
 1446 (6)(b)(iii), (6)(c), and (7) may only expend those funds for a purpose described in
 1447 Section 59-12-2212.2.
- 1448 (b) If a county described in Subsection (1)(a) that is a county of the first class imposes
 1449 the sales and use tax authorized in this section, the county may also use funds
 1450 distributed in accordance with Subsection (4)(c) for public safety purposes.
- 1451 (c) If a county described in Subsection (1)(a) that is a county of the second class imposes
 1452 the sales and use tax authorized in this section, the county may also use funds
 1453 distributed in accordance with Subsection (5)(c) for public safety purposes.
- 1454 [(e)] (d) In addition to the purposes described in Subsections (10)(a) and (b), for a city
 1455 relevant to a project area, as that term is defined in Section 63N-3-1401, an allowable
 1456 use of revenue from a sales and use tax under this section includes the revitalization

1457 of a convention center owned by the county within a city of the first class and
 1458 surrounding revitalization projects related to the convention center.

1459 (11)(a) Subject to Subsections (11)(b), (c), and (d), revenue designated for public transit
 1460 as described in this section may be used for capital expenses and service delivery
 1461 expenses of:

1462 (i) a public transit district;

1463 (ii) an eligible political subdivision; or

1464 (iii) another entity providing a service for public transit or a transit facility within the
 1465 relevant county, as those terms are defined in Section 17B-2a-802.

1466 (b)(i)(A) If a county of the first class imposes a sales and use tax described in this
 1467 section, beginning on the date on which the county imposes the sales and use
 1468 tax under this section, and for a three-year period after at least three counties
 1469 described in Subsections (4) and (5) have imposed a tax under this section, or
 1470 until June 30, 2030, whichever comes first, revenue designated for public
 1471 transit within a county of the first class as described in Subsection (4)(a) shall
 1472 be transferred to the County of the First Class Highway Projects Fund created
 1473 in Section 72-2-121.

1474 (B) Revenue deposited into the County of the First Class Highway Projects Fund
 1475 created in Section 72-2-121 as described in Subsection (11)(b)(i)(A) may be
 1476 used for public transit innovation grants as provided in Title 72, Chapter 2, Part
 1477 4, Public Transit Innovation Grants.

1478 (ii) If a county of the first class imposes a sales and use tax described in this section,
 1479 beginning on the day three years after the date on which at least three counties
 1480 described in Subsections (4) and (5) have imposed a tax under this section, or
 1481 beginning on July 1, 2030, whichever comes first, for revenue designated for
 1482 public transit as described in Subsection (4)(a)[:], the revenue \$→ shall be
 1482a **transferred into the County of the First Class Highway Projects Fund created in**
 1482b **Section 72-2-121 and ←\$ shall be used for a**
 1483 purpose described in Subsection (11)(a).

1484 [~~(A) 50% of the revenue from a sales and use tax imposed under this section in a~~
 1485 ~~county of the first class shall be transferred to the County of the First Class~~
 1486 ~~Highway Projects Fund created in Section 72-2-121; and]~~

1487 [~~(B) 50% of the revenue from a sales and use tax imposed under this section in a~~
 1488 ~~county of the first class shall be transferred to the Transit Transportation~~

Investment Fund created in Subsection 72-2-124(9).]

(c)[(†)] If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the date on which the county imposes the sales and use tax under this section[, and for a three-year period following the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or until June 30, 2030, whichever comes first,] revenue designated for public transit as described in Subsection (5)(a) shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

[(ii) If a county that is not a county of the first class for which the entire boundary of the county is annexed into a large public transit district imposes a sales and use tax described in this section, beginning on the day three years after the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section, or beginning on July 1, 2030, whichever comes first, for the revenue that is designated for public transit in Subsection (5)(a):]

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

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

(d) Except as provided in Subsection [(13)(e)] (14)(c), for a county that imposes a sales and use tax under this section, for revenue designated for public transit as described in Subsection (6)(b)(i), the revenue shall be transferred to the relevant county legislative body to be used for a purpose described in Subsection (11)(a).

(12) A large public transit district shall send notice to the commission at least 90 days before the earlier of:

(a) the date that is three years after the date on which at least three counties described in Subsections (4) and (5) have imposed a tax under this section; or

(b) June 30, 2030.

(13) For a city described in Subsection (10)(c), during the bondable term of a revitalization project described in Subsection (10)(c), the city shall transfer at least 50%, and may transfer up to 100%, of any revenue the city receives from a distribution under Subsection (4)(b) to a convention center public infrastructure district created in accordance with Section 17D-4-202.1 for revitalization of a convention center owned by

1523 the county within a city of the first class and surrounding revitalization projects related
 1524 to the convention center as permitted in Subsection (10)(c).

1525 (14)(a) Notwithstanding Section 59-12-2208, a county legislative body may, but is not
 1526 required to, submit an opinion question to the county's registered voters in
 1527 accordance with Section 59-12-2208 to impose a sales and use tax under this section.

1528 (b) If a county passes an ordinance to impose a sales and use tax as described in this
 1529 section, the sales and use tax shall take effect on the first day of the calendar quarter
 1530 after a 90-day period that begins on the date the commission receives written notice
 1531 from the county of the passage of the ordinance.

1532 (c) A county that imposed the local option sales and use tax described in this section
 1533 before January 1, 2023, may maintain that county's distribution allocation in place as
 1534 of January 1, 2023.

1535 (15)(a) Revenue collected from a sales and use tax under this section may not be used to
 1536 supplant existing General Fund appropriations that a county, city, or town budgeted
 1537 for transportation or public transit as of the date the tax becomes effective for a
 1538 county, city, or town.

1539 (b) The limitation under Subsection (15)(a) does not apply to a designated transportation
 1540 or public transit capital or reserve account a county, city, or town established before
 1541 the date the tax becomes effective.

1542 Section 8. Section **63B-31-101** is amended to read:

1543 **63B-31-101 (Effective 05/06/26). General obligation bonds -- Maximum amount**
 1544 **-- Use of proceeds for projects.**

1545 (1)(a) Subject to the restriction in Subsection (1)(c), the total amount of bonds issued
 1546 under this section may not exceed \$264,000,000 for acquisition and construction
 1547 proceeds, plus additional amounts as provided in Subsection (1)(b).

1548 (b) When the Department of Transportation certifies to the commission the amount of
 1549 bond proceeds needed to provide funding for the projects described in this section,
 1550 the commission may issue and sell general obligation bonds in an amount equal to
 1551 the certified amount, plus additional amounts necessary to pay costs of issuance, to
 1552 pay capitalized interest, and to fund any existing debt service reserve requirements,
 1553 not to exceed 1% of the certified amount.

1554 (c) The commission may not issue general obligation bonds authorized under this
 1555 section if the issuance of the general obligation bonds would result in the total current
 1556 outstanding general obligation debt of the state exceeding 50% of the limitation

- 1557 described in the Utah Constitution, Article XIV, Section 1.
- 1558 (2) Proceeds from the bonds issued under this section shall be provided to the Department
1559 of Transportation to pay for, or to provide funds in accordance with this section to pay
1560 for, the costs of right-of-way acquisition, construction, reconstruction, renovations, or
1561 improvements with respect to projects described in this section.
- 1562 (3) It is the intent of the Legislature that as transportation projects are prioritized under
1563 Section 72-2-124, the Transportation Commission give consideration to projects beyond
1564 the normal programming horizon.
- 1565 (4)(a) [~~Two hundred thirty-two~~] Five-hundred thirty million dollars of the proceeds of
1566 bonds issued under this section shall be used to double track strategic sections of the
1567 FrontRunner commuter rail system, to be repaid from the Transit Transportation
1568 Investment Fund under Subsection 72-2-124(10).
- 1569 (b) The issuance of the bonds for the purpose described in Subsection (4)(a) is
1570 contingent upon the establishment of an agreement between the Department of
1571 Transportation and the Utah Transit Authority whereby the Utah Transit Authority
1572 agrees to pay \$5,000,000 per year for 15 years toward repayment of the bonds.
- 1573 (5)(a) Twenty-nine million dollars of the proceeds of bonds issued under this section
1574 shall be provided to the Department of Transportation to pass through to Brigham
1575 City to be used for a Forest Street rail bridge project in Brigham City.
- 1576 (b) Payments shall be made from the Rail Transportation Restricted Account created in
1577 Section 72-2-131, from the amount designated under Subsection 72-2-131(4)(c), in
1578 the amount per year of the principal and interest payments due under the bonds
1579 issued under Subsection (5)(a) until those bonds have been repaid in full.
- 1580 (6)(a) Three million dollars of the proceeds of bonds issued under this section shall be
1581 provided to the Department of Transportation to pass through to the city of North Salt
1582 Lake for an environmental study for a grade separation at 1100 North in North Salt
1583 Lake.
- 1584 (b) Payments shall be made from the Rail Transportation Restricted Account created in
1585 Section 72-2-131, from the amount designated under Subsection 72-2-131(4)(b), in
1586 the amount per year of the principal and interest payments due under the bonds
1587 issued under Subsection (6)(a) until those bonds have been repaid in full.
- 1588 (7) The costs under Subsection (2) may include the costs of studies necessary to make
1589 transportation infrastructure improvements, the costs of acquiring land, interests in land,
1590 and easements and rights-of-way, the costs of improving sites and making all

1591 improvements necessary, incidental, or convenient to the facilities, and the costs of
 1592 interest estimated to accrue on these bonds during the period to be covered by
 1593 construction of the projects plus a period of six months after the end of the construction
 1594 period, interest estimated to accrue on any bond anticipation notes issued under the
 1595 authority of this title, and all related engineering, architectural, and legal fees.

1596 (8) The commission or the state treasurer may make any statement of intent relating to a
 1597 reimbursement that is necessary or desirable to comply with federal tax law.

1598 (9) The Department of Transportation may enter into agreements related to the projects
 1599 described in Subsection (4) before the receipt of proceeds of bonds issued under this
 1600 section.

1601 Section 9. Section **63I-1-272** is amended to read:

1602 **63I-1-272 (Effective 05/06/26). Repeal dates: Title 72.**

1603 [~~(1) Subsection 72-1-217(4), regarding highway reduction strategies within Salt Lake City,~~
 1604 ~~is repealed July 1, 2029.]~~

1605 [~~(2) (1) Section 72-2-134, Transportation Infrastructure General Fund Support Subfund, is~~
 1606 ~~repealed July 1, 2028.~~]

1607 [~~(3) (2) Title 72, Chapter 4, Part 3, Utah State Scenic Byway Program, is repealed January~~
 1608 ~~2, 2030.~~]

1609 [~~(4) (3) Title 72, Chapter 10, Part 13, Spaceport Exploration Committee, is repealed July 1,~~
 1610 ~~2027.~~]

1611 Section 10. Section **72-1-102** is amended to read:

1612 **72-1-102 (Effective 05/06/26). Definitions.**

1613 As used in this title:

1614 (1) "Circulator alley" means a publicly owned passageway:

1615 (a) with a right-of-way width of 20 feet or greater;

1616 (b) located within a master planned community;

1617 (c) established by the city having jurisdictional authority as part of the street network for
 1618 traffic circulation that may also be used for:

1619 (i) garbage collection;

1620 (ii) access to residential garages; or

1621 (iii) access rear entrances to a commercial establishment; and

1622 (d) constructed with a bituminous or concrete pavement surface.

1623 (2) "Commission" means the Transportation Commission created under Section 72-1-301.

1624 (3) "Construction" means the construction, reconstruction, replacement, and improvement

- 1625 of the highways, including the acquisition of rights-of-way and material sites.
- 1626 (4) "Department" means the Department of Transportation created in Section 72-1-201.
- 1627 (5) "Executive director" means the executive director of the department appointed under
1628 Section 72-1-202.
- 1629 (6) "Farm tractor" [~~has the meaning set forth~~] means the same as that term is defined in
1630 Section 41-1a-102.
- 1631 (7) "Federal aid primary highway" means that portion of connected main highways located
1632 within this state officially designated by the department and approved by the United
1633 States Secretary of Transportation under Title 23, Highways, U.S.C.
- 1634 (8) "Fixed guideway" means the same as that term is defined in Section 59-12-102.
- 1635 (9)(a) "Fixed guideway capital development" means a project to construct or reconstruct
1636 a public transit fixed guideway facility that will add capacity to a fixed guideway
1637 public transit facility.
- 1638 (b) "Fixed guideway capital development" includes:
- 1639 (i) a project to strategically double track commuter rail lines; and
- 1640 (ii) a project to develop and construct public transit facilities and related
1641 infrastructure pertaining to the Point of the Mountain State Land Authority created
1642 in Section 11-59-201.
- 1643 (10) "Greenfield" means the same as that term is defined in Section 17C-1-102.
- 1644 (11) "Highway" means any public road, street, alley, lane, court, place, viaduct, tunnel,
1645 culvert, bridge, or structure laid out or erected for public use, or dedicated or abandoned
1646 to the public, or made [-]public in an action for the partition of real property, including
1647 the entire area within the right-of-way.
- 1648 (12) "Highway authority" means the department or the legislative, executive, or governing
1649 body of a county or municipality.
- 1650 (13) "Housing and transit reinvestment zone" means the same as that term is defined in
1651 Section 63N-3-602.
- 1652 (14) "Implement of husbandry" [~~has the meaning set forth~~] means the same as that term is
1653 defined in Section 41-1a-102.
- 1654 (15) "Interstate system" means any highway officially designated by the department and
1655 included as part of the national interstate and defense highways, as provided in the
1656 Federal Aid Highway Act of 1956 and any supplemental acts or amendments.
- 1657 (16) "Large public transit district" means the same as that term is defined in Section
1658 17B-2a-802.

- 1659 (17) "Limited-access facility" means a highway especially designated for through traffic,
1660 and over, from, or to which neither owners nor occupants of abutting lands nor other
1661 persons have any right or easement, or have only a limited right or easement of access,
1662 light, air, or view.
- 1663 (18) "Master planned community" means a land use development:
1664 (a) designated by the city as a master planned community; and
1665 (b) comprised of a single development agreement for a development larger than 500
1666 acres.
- 1667 (19) "Motor vehicle" [~~has the same meaning set forth~~] means the same as that term is defined
1668 in Section 41-1a-102.
- 1669 (20) "Municipality" [~~has the same meaning set forth~~] means the same as that term is defined
1670 in Section 10-1-104.
- 1671 (21) "National highway systems highways" means that portion of connected main highways
1672 located within this state officially designated by the department and approved by the
1673 United States Secretary of Transportation under Title 23, Highways, U.S.C.
- 1674 (22)(a) "Port-of-entry" means a fixed or temporary facility constructed, operated, and
1675 maintained by the department where drivers, vehicles, and vehicle loads are checked
1676 or inspected for compliance with state and federal laws as specified in Section
1677 72-9-501.
- 1678 (b) "Port-of-entry" includes inspection and checking stations and weigh stations.
- 1679 (23) "Port-of-entry agent" means a person employed at a port-of-entry to perform the duties
1680 specified in Section 72-9-501.
- 1681 (24) "Public transit" means the same as that term is defined in Section 17B-2a-802.
- 1682 (25) "Public transit facility" means a fixed guideway, transit vehicle, transit station, depot,
1683 passenger loading or unloading zone, parking lot, or other facility:
1684 (a) leased by or operated by or on behalf of a public transit district; and
1685 (b) related to the public transit services provided by the district, including:
1686 (i) railway or other right-of-way;
1687 (ii) railway line; and
1688 (iii) a reasonable area immediately adjacent to a designated stop on a route traveled
1689 by a transit vehicle.
- 1690 (26) "Right-of-way" means real property or an interest in real property, usually in a strip,
1691 acquired for or devoted to state transportation purposes.
- 1692 (27) "Sealed" does not preclude acceptance of electronically sealed and submitted bids or

- 1693 proposals in addition to bids or proposals manually sealed and submitted.
- 1694 (28) "Semitrailer" [~~has the meaning set forth~~] means the same as that term is defined in
1695 Section 41-1a-102.
- 1696 (29) "SR" means state route and [~~has the same meaning as state highway as~~] means the same
1697 as the term "state highway" is defined in this section.
- 1698 (30) "State highway" means those highways designated as state highways in Title 72,
1699 Chapter 4, Designation of State Highways Act.
- 1700 (31) "State transportation purposes" [~~has the meaning set forth~~] means the same as that term
1701 is defined in Section 72-5-102.
- 1702 (32) "State transportation systems" means all streets, alleys, roads, highways, pathways, and
1703 thoroughfares of any kind, including connected structures, airports, aerial corridor
1704 infrastructure, spaceports, public transit facilities, and all other modes and forms of
1705 conveyance used by the public.
- 1706 (33) "Trailer" [~~has the meaning set forth~~] means the same as that term is defined in Section
1707 41-1a-102.
- 1708 (34)(a) "Transportation corridor" means the path or proposed path of a transportation
1709 facility that exists or that may exist in the future.
- 1710 (b) "Transportation corridor" may include:
- 1711 (i) the land occupied or that may be occupied by a transportation facility; and
1712 (ii) any other land that may be needed for expanding, operating, or controlling access
1713 to the transportation facility.
- 1714 (35) "Transportation facility" means:
- 1715 (a) a highway; or
1716 (b) a fixed guideway.
- 1717 (36) "Transportation reinvestment zone" means a transportation reinvestment zone created [
1718 ~~pursuant to~~] in accordance with Section 11-13-227.
- 1719 (37) "Truck tractor" [~~has the meaning set forth~~] means the same as that term is defined in
1720 Section 41-1a-102.
- 1721 (38) "UDOT" means the Utah Department of Transportation.
- 1722 (39)(a) "Utah trail network" means a system of paved or other hard-surface trails
1723 designated by the department that:
- 1724 (i) serves a regional transportation purpose; and
1725 (ii) is included in the department's Utah Trail Network master plan.
- 1726 (b) "Utah trail network" includes:

1727 (i) the full width of the trail surface and all land and structures necessary to support
 1728 the trail; and

1729 (ii) trailheads and amenities designated by the department that are contiguous to or
 1730 adjacent to the designated trail.

1731 [~~(39)~~] (40) "Vehicle" [~~has the same meaning set forth~~] means the same as that term is defined
 1732 in Section 41-1a-102.

1733 Section 11. Section **72-1-202** is amended to read:

1734 **72-1-202 (Effective 05/06/26). Executive director of department -- Appointment**
 1735 **-- Qualifications -- Term -- Responsibility -- Power to bring suits -- Salary.**

1736 (1)(a) The governor, with the advice and consent of the Senate, shall appoint an
 1737 executive director to be the chief executive officer of the department.

1738 (b) The executive director shall be a registered professional engineer and qualified
 1739 executive with technical and administrative experience and training appropriate for
 1740 the position.

1741 (c) The executive director shall remain in office until a successor is appointed.

1742 (d) The executive director may be removed by the governor.

1743 (2) In addition to the other functions, powers, duties, rights, and responsibilities prescribed
 1744 in this chapter, the executive director shall:

1745 (a) have responsibility for the administrative supervision of the state transportation
 1746 systems and the various operations of the department;

1747 (b) have the responsibility for the implementation of rules, priorities, and policies
 1748 established by the department and the commission;

1749 (c) have the responsibility for the oversight and supervision of any transportation project
 1750 for which state funds are expended;

1751 (d) have the authority to determine funding priorities during a natural disaster as
 1752 described in Section 72-1-219;

1753 [~~(d)~~] (e) have full power to bring suit in courts of competent jurisdiction in the name of
 1754 the department as the executive director considers reasonable and necessary for the
 1755 proper attainment of the goals of this chapter;

1756 [~~(e)~~] (f) receive a salary, to be established by the governor within the salary range fixed
 1757 by the Legislature in Title 67, Chapter 22, State Officer Compensation, together with
 1758 actual traveling expenses while away from the executive director's office on official
 1759 business;

1760 [~~(f)~~] (g) purchase all equipment, services, and supplies necessary to achieve the

1761 department's functions, powers, duties, rights, and responsibilities delegated under
 1762 Section 72-1-201;
 1763 ~~[(g)]~~ (h) have the responsibility to determine whether a purchase from, contribution to, or
 1764 other participation with a public entity or association of public entities in a pooled
 1765 fund program to acquire, develop, or share information, data, reports, or other
 1766 services related to the department's mission are procurement items under Title 63G,
 1767 Chapter 6a, Utah Procurement Code;
 1768 ~~[(h)]~~ (i) have responsibility for administrative supervision of the Comptroller Division,
 1769 the Internal Audit Division, and the Communications Division; and
 1770 ~~[(i)]~~ (j) appoint assistants, to serve at the discretion of the executive director, to
 1771 administer the divisions of the department.

- 1772 (3) The executive director may employ other assistants and advisers as the executive
 1773 director finds necessary and fix salaries in accordance with the salary standards adopted
 1774 by the Division of Human Resource Management.

1775 Section 12. Section **72-1-207** is amended to read:

1776 **72-1-207 (Effective 05/06/26). Department may sue and be sued -- Legal adviser**
 1777 **of department -- Partial waiver of Eleventh Amendment immunity.**

- 1778 (1) The department may sue, and it may be sued only on written contracts made by it or
 1779 under its authority.
 1780 (2) The department may sue in the name of the state.
 1781 (3) In all matters requiring legal advice in the performance of ~~[its]~~ the commission's or the
 1782 department's duties and in the prosecution or defense of any action growing out of the
 1783 performance of ~~[its]~~ the commission's or the department's duties, the attorney general is
 1784 the legal adviser of the commission, and the department, and shall perform any and all
 1785 legal services required by the commission and the department without other
 1786 compensation than ~~[his]~~ the attorney general's salary.
 1787 (4) Upon request of the department, the attorney general shall aid in any investigation,
 1788 hearing, or trial under the provisions of Chapter 9, Motor Carrier Safety Act, and
 1789 institute and prosecute actions or proceedings for the enforcement of the provisions of
 1790 the Constitution and statutes of this state or any rule or order of the department affecting
 1791 motor carriers of persons and property.
 1792 (5)(a) The state waives its immunity under the 11th Amendment of the United States
 1793 Constitution and consents to suit in a federal court for lawsuits arising out of the
 1794 department's compliance, discharge, or enforcement of responsibilities assumed [

1795 ~~pursuant to~~ in accordance with 23 U.S.C. Secs. 326 and 327.

1796 (b) The waiver of immunity under this Subsection (5) is valid only if:

1797 (i) the executive director or the executive director's designee executes a memorandum
1798 of understanding with the United States Department of Transportation accepting
1799 the jurisdiction of the federal courts as required by 23 U.S.C. Secs. 326(c) and
1800 327(c);

1801 (ii) before execution of the memorandum of understanding under Subsection (5)(b)(i),
1802 the attorney general has issued an opinion letter to the executive director and the [
1803 ~~administrator of the Federal Highway Administration~~] relevant administrator
1804 within the United States Department of Transportation that the memorandum of
1805 understanding and the waiver of immunity are valid and binding upon the state;

1806 (iii) the act or omission that is the subject of the lawsuit arises out of or relates to
1807 compliance, discharge, or enforcement of responsibilities assumed by the
1808 department [~~pursuant to~~] in accordance with 23 U.S.C. Secs. 326 and 327; and

1809 (iv) the memorandum of understanding is in effect when the act or omission that is
1810 the subject of the federal lawsuit occurred.

1811 Section 13. Section **72-1-213.1** is amended to read:

1812 **72-1-213.1 (Effective 05/06/26). Road usage charge program.**

1813 (1) As used in this section:

1814 (a) "Account manager" means an entity under contract with the department to administer
1815 and manage the road usage charge program.

1816 (b) "Alternative fuel vehicle" means:

1817 (i) an electric motor vehicle as defined in Section 41-1a-102; or

1818 (ii) a motor vehicle powered exclusively by a fuel other than:

1819 (A) motor fuel;

1820 (B) diesel fuel;

1821 (C) natural gas; or

1822 (D) propane.

1823 (c) "Payment period" means the interval during which an owner is required to report
1824 mileage and pay the appropriate road usage charge according to the terms of the
1825 program.

1826 (d) "Program" means the road usage charge program established and described in this
1827 section.

1828 (e) "Road usage charge cap" means the maximum fee charged to a participant in the

- 1829 program for a registration period.
- 1830 (f) "Road usage charge rate" means the per-mile usage fee charged to a participant in the
1831 program.
- 1832 (2) There is established a road usage charge program as described in this section.
- 1833 (3)(a) The department shall implement and oversee the administration of the program,
1834 which shall begin on January 1, 2020.
- 1835 (b) To implement and administer the program, the department may contract with an
1836 account manager.
- 1837 (4)(a) The owner or lessee of an alternative fuel vehicle may apply for enrollment of the
1838 alternative fuel vehicle in the program.
- 1839 (b) If an application for enrollment into the program is approved by the department, the
1840 owner or lessee of an alternative fuel vehicle may participate in the program in lieu of
1841 paying the fee described in Subsection 41-1a-1206(1)(h) or (2)(b).
- 1842 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
1843 consistent with this section, the department:
- 1844 (a) shall make rules to establish:
- 1845 (i) processes and terms for enrollment into and withdrawal or removal from the
1846 program;
- 1847 (ii) payment periods and other payment methods and procedures for the program;
- 1848 (iii) standards for mileage reporting mechanisms for an owner or lessee of an
1849 alternative fuel vehicle to report mileage as part of participation in the program;
- 1850 (iv) standards for program functions for mileage recording, payment processing,
1851 account management, and other similar aspects of the program;
- 1852 (v) contractual terms between an owner or lessee of an alternative fuel vehicle owner
1853 and an account manager for participation in the program;
- 1854 (vi) contractual terms between the department and an account manager, including
1855 authority for an account manager to enforce the terms of the program;
- 1856 (vii) procedures to provide security and protection of personal information and data
1857 connected to the program, and penalties for account managers for violating
1858 privacy protection rules;
- 1859 (viii) penalty procedures for a program participant's failure to pay a road usage
1860 charge or tampering with a device necessary for the program; and
- 1861 (ix) department oversight of an account manager, including privacy protection of
1862 personal information and access and auditing capability of financial and other

1863 records related to administration of the program; and

1864 (b) may make rules to establish:

1865 (i) an enrollment cap for certain alternative fuel vehicle types to participate in the
1866 program;

1867 (ii) a process for collection of an unpaid road usage charge or penalty; or

1868 (iii) integration of the program with other similar programs, such as tolling.

1869 (6) Revenue generated by the road usage charge program and relevant penalties shall be
1870 deposited into the Road Usage Charge Program Special Revenue Fund.

1871 (7)(a) The department may:

1872 (i)(A) impose a penalty for failure to timely pay a road usage charge according to
1873 the terms of the program or tampering with a device necessary for the program;
1874 and

1875 (B) request that the Division of Motor Vehicles place a hold on the registration of
1876 the owner's or lessee's alternative fuel vehicle for failure to pay a road usage
1877 charge or penalty according to the terms of the program;

1878 (ii) send correspondence to the owner of an alternative fuel vehicle to inform the
1879 owner or lessee of:

1880 (A) the road usage charge program, implementation, and procedures;

1881 (B) an unpaid road usage charge and the amount of the road usage charge to be
1882 paid to the department;

1883 (C) the penalty for failure to pay a road usage charge within the time period
1884 described in Subsection (7)(a)(iii); and

1885 (D) a hold being placed on the owner's or lessee's registration for the alternative
1886 fuel vehicle, if the road usage charge and penalty are not paid within the time
1887 period described in Subsection (7)(a)(iii), which would prevent the renewal of
1888 the alternative fuel vehicle's registration; and

1889 (iii) require that the owner or lessee of the alternative fuel vehicle pay the road usage
1890 charge to the department within 30 days of the date when the department sends
1891 written notice of the road usage charge to the owner or lessee.

1892 (b) The department shall send the correspondence and notice described in Subsection
1893 (7)(a) to the owner of the alternative fuel vehicle according to the terms of the
1894 program.

1895 (8)(a) The Division of Motor Vehicles and the department shall share and provide access
1896 to information pertaining to an alternative fuel vehicle and participation in the

- 1897 program including:
- 1898 (i) registration and ownership information pertaining to an alternative fuel vehicle;
- 1899 (ii) information regarding the failure of an alternative fuel vehicle owner or lessee to
- 1900 pay a road usage charge or penalty imposed under this section within the time
- 1901 period described in Subsection (7)(a)(iii); and
- 1902 (iii) the status of a request for a hold on the registration of an alternative fuel vehicle.
- 1903 (b) If the department requests a hold on the registration in accordance with this section,
- 1904 the Division of Motor Vehicles may not renew the registration of a motor vehicle
- 1905 under Title 41, Chapter 1a, Part 2, Registration, until the department withdraws the
- 1906 hold request.
- 1907 (9) The owner of an alternative fuel vehicle may apply for enrollment in the program or
- 1908 withdraw from the program according to the terms established by the department [
- 1909 ~~pursuant to~~] in accordance with rules made under Subsection (5).
- 1910 (10) If enrolled in the program, the owner or lessee of an alternative fuel vehicle shall:
- 1911 (a) report mileage driven as required by the department [~~pursuant to~~] in accordance with
- 1912 Subsection (5);
- 1913 (b) pay the road usage fee for each payment period in accordance with Subsection (5);
- 1914 and
- 1915 (c) comply with all other provisions of this section and other requirements of the
- 1916 program.
- 1917 (11) The department shall submit annually, on or before October 1, to the Transportation
- 1918 Interim Committee, an electronic report that:
- 1919 (a) states for the preceding fiscal year:
- 1920 (i) the amount of revenue collected from the program;
- 1921 (ii) the participation rate in the program; and
- 1922 (iii) the department's costs to administer the program; and
- 1923 (b) provides for the current fiscal year, an estimate of:
- 1924 (i) the revenue that will be collected from the program;
- 1925 (ii) the participation rate in the program; and
- 1926 (iii) the department's costs to administer the program.
- 1927 (12)[(a) ~~Beginning on January 1, 2023:~~]
- 1928 [~~(i) the road usage charge rate is 1.0 cent per mile; and~~]
- 1929 [~~(ii) the road usage charge cap is:~~]
- 1930 [~~(A) \$130.25 for an annual registration period; and~~]

- 1931 [~~(B)~~ \$100.75 for a six-month registration period.]
- 1932 [~~(b)~~] (a) Beginning on January 1, 2026:
- 1933 (i) the road usage charge rate is 1.25 cents per mile; and
- 1934 (ii) except as provided in Subsection (12)(c), the road usage charge cap is:
- 1935 (A) \$180 for an annual registration period; and
- 1936 (B) \$139 for a six-month registration period.
- 1937 [~~(c)~~] (b) Beginning on January 1, 2032:
- 1938 (i) the road usage charge rate is 1.5 cents per mile, unless the commission establishes
- 1939 a different road usage charge rate in accordance with Subsection (13); and
- 1940 (ii) except as provided in Subsection (12)(c), the road usage charge cap is:
- 1941 (A) \$240 for an annual registration period; and
- 1942 (B) \$185 for a six-month registration period.
- 1943 (c) Beginning on January 1, 2027, for an electric vehicle with a gross combined weight
- 1944 rating of 6,001 pounds or more that is a commercial vehicle, as defined in Section
- 1945 41-1a-102, the road usage charge cap is:
- 1946 (i) \$500 for an annual registration period; and
- 1947 (ii) \$385 for a six-month registration period.
- 1948 (d) Beginning in 2024, the department shall, on January 1, annually adjust the road
- 1949 usage charge rates described in this Subsection (12) by taking the road usage charge
- 1950 rate for the previous year and adding an amount equal to the greater of:
- 1951 (i) an amount calculated by multiplying the road usage charge rate of the previous
- 1952 year by the actual percentage change during the previous fiscal year in the
- 1953 Consumer Price Index as determined by the State Tax Commission; and
- 1954 (ii) 0.
- 1955 (e) Beginning in 2024, the State Tax Commission shall, on January 1, annually adjust
- 1956 the road usage charge caps described in this Subsection (12) by taking the road usage
- 1957 charge cap for the previous year and adding an amount equal to the greater of:
- 1958 (i) an amount calculated by multiplying the road usage charge cap of the previous
- 1959 year by the actual percentage change during the previous fiscal year in the
- 1960 Consumer Price Index; and
- 1961 (ii) 0.
- 1962 (f) The amounts calculated as described in Subsection (12)(d) shall be rounded up to the
- 1963 nearest .01 cent.
- 1964 (g) The amounts calculated as described in Subsection (12)(e) shall be rounded up to the

- 1965 nearest 25 cents.
- 1966 (h) On or before January 1 of each year, the department shall publish:
- 1967 (i) the adjusted road usage charge rate described in Subsection (12)(d); and
- 1968 (ii) adjusted road usage charge cap described in Subsection (12)(e).
- 1969 (13)(a) Beginning January 1, 2032, the commission may establish by rule made in
- 1970 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the road
- 1971 usage charge rate for each type of alternative fuel vehicle.
- 1972 (b)(i) Before making rules in accordance with Subsection (13)(a), the commission
- 1973 shall consult with the department regarding the road usage charge rate for each
- 1974 type of alternative fuel vehicle.
- 1975 (ii) The department shall cooperate with and make recommendations to the
- 1976 commission regarding the road usage charge rate for each type of alternative fuel
- 1977 vehicle.

1978 Section 14. Section **72-1-217** is amended to read:

1979 **72-1-217 (Effective 05/06/26) (Partially Repealed 07/01/29). Department of**
 1980 **Transportation study items.**

- 1981 (1) The department shall carry out transportation studies described in this section as
- 1982 resources allow.
- 1983 (2)(a) The department shall study items related to advanced air mobility as described in
- 1984 this Subsection (2).
- 1985 (b) The department shall study vertiport locations and infrastructure, including:
- 1986 (i) identification of suitable locations for vertiport infrastructure and parking
- 1987 infrastructure for vertiports in metropolitan areas;
- 1988 (ii) identification of commuter rail stations that may be suitable for vertiport
- 1989 placement; and
- 1990 (iii) identification of underutilized parking lots and parking structures for vertiport
- 1991 infrastructure placement.
- 1992 (c) The department shall study best practices and implementation of advanced air
- 1993 mobility technologies, including:
- 1994 (i) seeking input through community engagement;
- 1995 (ii) state and local regulations;
- 1996 (iii) unmanned aircraft system traffic management; and
- 1997 (iv) weather reporting and monitoring for advanced air mobility safety.
- 1998 (d) The department shall study unmanned aircraft traffic management infrastructure,

- 1999 including:
- 2000 (i) unmanned aircraft system traffic management development, implementation,
- 2001 procedures, policies, and infrastructure; and
- 2002 (ii) obtaining a full understanding of unmanned aircraft system traffic management,
- 2003 including:
- 2004 (A) designation of airspace for advanced air mobility;
- 2005 (B) creation of geographic categorical areas;
- 2006 (C) identifying the appropriate number and location of advanced air mobility
- 2007 sensors; and
- 2008 (D) other state specific details regarding unmanned aircraft system traffic
- 2009 management.
- 2010 (e) The department shall study the creation of an advanced air mobility sandbox,
- 2011 including:
- 2012 (i) potential locations for the sandbox testing area and desirable attributes of a
- 2013 suitable sandbox location;
- 2014 (ii) requirements to create a geographical advanced air mobility testing area and the
- 2015 parameters for the types of technology that may be utilized in the testing area; and
- 2016 (iii) testing and studying different types of advanced air mobility transportation of
- 2017 manned and unmanned aerial vehicles, including:
- 2018 (A) aerial vehicle size;
- 2019 (B) aerial vehicles that carry cargo, including medical cargo;
- 2020 (C) commercial aerial vehicles; and
- 2021 (D) public transportation aerial vehicles.
- 2022 (f) On or before September 30, 2023, the department shall provide a report to the
- 2023 Transportation Interim Committee of the department's findings from the study items
- 2024 described in Subsections (2)(b) through (2)(e).
- 2025 (g) The department may only use existing funds to cover the expenses incurred from the
- 2026 study of items described in Subsections (2)(b) through (2)(e).
- 2027 (3)(a) The department and a large public transit district shall jointly study programs
- 2028 offered by government entities related to human services transportation, including:
- 2029 (i) coordinated mobility services;
- 2030 (ii) paratransit services;
- 2031 (iii) nonemergency medical transportation;
- 2032 (iv) youth transportation programs, excluding school bus transportation; and

- 2033 (v) other similar fare-based or fee-based programs provided or coordinated within the
 2034 boundary of the large public transit district, including those involving the
 2035 department, a large public transit district, local governments, or other government
 2036 agencies and nonprofit entities that provide similar services.
- 2037 (b) The study shall evaluate strategies to consolidate the transportation services
 2038 described in Subsection (3)(a) to improve efficiency and service.
- 2039 (c) The department and large public transit district shall:
- 2040 (i) provide a preliminary report on the study to the Transportation Interim Committee
 2041 on or before November 1, 2025; and
- 2042 (ii) prepare and present recommendations to the Transportation Interim Committee
 2043 on or before November 1, 2026, for the consolidation of the services described in
 2044 Subsection (3)(a).
- 2045 ~~[(4)(a) As used in this Subsection (4):]~~
- 2046 ~~[(i) "City" means Salt Lake City.]~~
- 2047 ~~[(ii) "Highway reduction strategy" means any strategy that has the potential to~~
 2048 ~~permanently decrease the number of vehicles that can travel on an arterial or a~~
 2049 ~~collector highway per hour, including:]~~
- 2050 ~~[(A) reducing the number of motorized vehicle travel lanes on an arterial or~~
 2051 ~~collector highway;]~~
- 2052 ~~[(B) narrowing existing motorized vehicle travel lanes on an arterial or collector~~
 2053 ~~highway; or]~~
- 2054 ~~[(C) any other strategy that when implemented may increase congestion or impede~~
 2055 ~~traffic flow for motor vehicles driving on an arterial or collector highway.]~~
- 2056 ~~[(iii) "Mobility and environmental impact analysis" means a study that assesses the~~
 2057 ~~impacts within the study area of implementing a highway reduction strategy on~~
 2058 ~~arterial or collector highways, including the impacts to other state and local~~
 2059 ~~highways, mobility, traffic flow, pedestrian and nonmotorized vehicle flow, the~~
 2060 ~~economy, public health, quality of life, air quality, maintenance, and operations.]~~
- 2061 ~~[(iv) "Study area" means the area within Salt Lake City that is west of Foothill Drive,~~
 2062 ~~north of 2100 South, east of I-15, and south of 600 North.]~~
- 2063 ~~[(b)(i) Except as described in Subsection (4)(c), a city may not implement or begin a~~
 2064 ~~project as part of a highway reduction strategy on an arterial or a collector~~
 2065 ~~highway within the study area unless the project is part of a mobility plan~~
 2066 ~~approved by the department as described in this Subsection (4)(b).]~~

- 2067 ~~[(ii) For a mobility plan described under Subsection (4)(b)(i), the city shall:]~~
- 2068 ~~[(A) assess the alternate routes for traffic and impacts on surrounding highways~~
- 2069 ~~due to any lane reduction;]~~
- 2070 ~~[(B) evaluate impacts to vehicle trip time;]~~
- 2071 ~~[(C) evaluate impacts to air quality;]~~
- 2072 ~~[(D) evaluate the cumulative multimodal and safety impact of the proposed~~
- 2073 ~~highway reduction strategies, including the cumulative impact from previous~~
- 2074 ~~highway reduction strategies implemented over the previous five years;]~~
- 2075 ~~[(E) provide options to mitigate negative impacts to vehicle traffic, vehicle trip~~
- 2076 ~~time, air quality, or adjacent travel routes;]~~
- 2077 ~~[(F) in collaboration with the department, assess impacts to state highways;]~~
- 2078 ~~[(G) proactively seek out and consult with relevant stakeholders, including~~
- 2079 ~~business owners, commuters, and residents impacted by the mobility plan and~~
- 2080 ~~each proposed project within the mobility plan;]~~
- 2081 ~~[(H) present the plan in an open and public meeting, including public comment;]~~
- 2082 ~~[(I) provide an open house or other event to allow public interaction and feedback~~
- 2083 ~~regarding the impacts of the mobility plan;]~~
- 2084 ~~[(J) present the plan to the membership of the city's chamber of commerce and~~
- 2085 ~~other business groups; and]~~
- 2086 ~~[(K) provide the plan to the department for the department's review.]~~
- 2087 ~~[(iii)(A) After the department receives a complete mobility plan as described in~~
- 2088 ~~Subsection (4)(b)(ii), the department shall determine if the mobility plan and~~
- 2089 ~~each project included in the mobility plan meet the requirements of this section~~
- 2090 ~~and shall approve or reject the plan within two months of receiving the~~
- 2091 ~~mobility plan.]~~
- 2092 ~~[(B) As part of the mobility plan, the city shall demonstrate to the department the~~
- 2093 ~~manners in which the city involved and received input from the business~~
- 2094 ~~community, the public, and other stakeholders as required in Subsection~~
- 2095 ~~(4)(b)(ii).]~~
- 2096 ~~[(e)(i) The city may begin or continue construction on an arterial or collector~~
- 2097 ~~highway project related to any reduction strategy within the study area if the~~
- 2098 ~~project has been advertised on or before February 25, 2025.]~~
- 2099 ~~[(ii)(A) For a project related to any highway reduction strategy that was~~
- 2100 ~~programmed by the department on or before July 1, 2024, but has not been~~

- 2101 advertised on or before February 25, 2025, the department may conduct an
 2102 expedited review of the project.]
- 2103 [~~(B) If the department approves a project after an expedited review as described in
 2104 Subsection (4)(c)(ii)(A), the city may begin or continue construction on the
 2105 project.]~~
- 2106 [~~(d) The department shall, in partnership with the city, conduct a mobility and
 2107 environmental impact analysis to determine the impacts of highway reduction
 2108 strategies within the study area that the city has implemented on or after July 1, 2015,
 2109 or has plans to implement on or before July 1, 2035.]~~
- 2110 [~~(e) As part of the mobility and environmental impact analysis, the department shall:~~
- 2111 [~~(i) assess the cumulative impact of each highway reduction strategy within the study
 2112 area that the city has implemented or has plans to implement between July 1,
 2113 2015, and July 1, 2035; and]~~
- 2114 [~~(ii) consult with relevant stakeholders, including business owners, commuters, and
 2115 residents impacted by the highway reduction strategy.]~~
- 2116 [~~(f) A city subject to a mobility and environmental impact analysis under this Subsection
 2117 (4) shall provide to the department any information the department determines
 2118 necessary for conducting the mobility and environmental impact analysis, including
 2119 any plans that city has adopted or discussed with regards to a highway reduction
 2120 strategy.]~~
- 2121 [~~(g)(i) The department shall provide the mobility and environmental impact analysis
 2122 to the Transportation Interim Committee on or before October 15, 2025.]~~
- 2123 [~~(ii) The city shall provide a response to the mobility and environmental impact
 2124 analysis to the Transportation Interim Committee on or before November 1, 2025.]~~
- 2125 [~~(h)(i) As provided in Section 63I-1-272, this Subsection (4) is subject to a sunset
 2126 review by the Transportation Interim Committee during the 2028 interim.]~~
- 2127 [~~(ii) The Transportation Interim Committee may also evaluate the mobility plan
 2128 process described in this Subsection (4) during the 2027 interim.]~~

2129 Section 15. Section **72-1-219** is enacted to read:

2130 **72-1-219 (Effective 05/06/26). Executive director authority during a natural**
 2131 **disaster.**

2132 (1) As used in this section, "natural disaster" means the same as that term is defined in
 2133 Section 63G-6a-803.

2134 (2) Subject to Subsection (3), the executive director may determine priorities and funding

- 2135 levels of projects and programs in the state transportation systems during and after a
 2136 natural disaster.
- 2137 (3) The executive director may only determine priorities and funding levels of a project or
 2138 program as described in Subsection (2) if:
- 2139 (a) the project or program is necessary to:
- 2140 (i) repair existing transportation infrastructure that was damaged during the natural
 2141 disaster; or
- 2142 (ii) provide temporary transportation infrastructure or a program that facilitates a
 2143 response to the natural disaster;
- 2144 (b)(i) the commission is unable to meet in a timely manner to approve the priority
 2145 and funding level of the projects; and
- 2146 (ii) the executive director makes reasonable efforts to facilitate a meeting of the
 2147 commission;
- 2148 (c) as soon as practicable, the executive director notifies the governor, Legislature, and
 2149 commission of a determination described under Subsection (2); and
- 2150 (d) the funding approved by the executive director for the project is less than
 2151 \$10,000,000.
- 2152 (4) Following a determination described under Subsection (2), the executive director shall
 2153 ensure that any priorities and funding approved by the executive director is placed on the
 2154 agenda of the next commission meeting for consideration.
- 2155 (5) The executive director shall report, as requested by the governor, Legislature, or
 2156 commission, regarding any action taken under Subsection (2).

2157 Section 16. Section **72-2-110** is amended to read:

2158 **72-2-110 (Effective 05/06/26). Funds allocated to class B and class C roads --**
 2159 **Matching federal funds -- R.S. 2477 rights.**

2160 A county or municipality may:

- 2161 (1) use funds which are allocated to class B and class C roads for matching federal funds
 2162 for the construction of secondary roads now available or which may later become
 2163 available in accordance with the provisions of law;[-and]
- 2164 (2) use funds for construction of a park-and-ride facility; and
- 2165 [(2)] (3) use up to 30% of the class B and class C road funds allocated to the county or
 2166 municipality to:
- 2167 (a) pay the costs of asserting, defending, or litigating local government rights under R.S.
 2168 2477 on class B, class C, or class D roads; or

2169 (b) maintain class D roads.

2170 Section 17. Section **72-2-121** is amended to read:

2171 **72-2-121 (Effective 05/06/26). County of the First Class Highway Projects Fund.**

2172 (1) There is created a special revenue fund within the Transportation Fund known as the
2173 "County of the First Class Highway Projects Fund."

2174 (2) The fund consists of money generated from the following revenue sources:

2175 (a) any voluntary contributions received for new construction, major renovations, and
2176 improvements to highways within a county of the first class;

2177 (b) the portion of the sales and use tax described in Subsection 59-12-2214(3)(b)
2178 deposited into or transferred to the fund;

2179 (c) the portion of the sales and use tax described in Section 59-12-2217 deposited into or
2180 transferred to the fund;

2181 (d) a portion of the local option highway construction and transportation corridor
2182 preservation fee imposed in a county of the first class under Section 41-1a-1222
2183 deposited into or transferred to the fund; and

2184 (e) the portion of the sales and use tax transferred into the fund as described in
2185 Subsections 59-12-2220(4)(a) and 59-12-2220(11)(b).

2186 (3)(a) The fund shall earn interest.

2187 (b) All interest earned on fund money shall be deposited into the fund.

2188 (4) Subject to Subsection (11), the executive director shall use the fund money only:

2189 (a) to pay debt service and bond issuance costs for bonds issued under Sections
2190 63B-16-102, 63B-18-402, and 63B-27-102;

2191 (b) for right-of-way acquisition, new construction, major renovations, and improvements
2192 to highways within a county of the first class and to pay any debt service and bond
2193 issuance costs related to those projects, including improvements to a highway located
2194 within a municipality in a county of the first class where the municipality is located
2195 within the boundaries of more than a single county;

2196 (c) for the construction, acquisition, use, maintenance, or operation of:

2197 (i) an active transportation facility for nonmotorized vehicles;

2198 (ii) multimodal transportation that connects an origin with a destination; or

2199 (iii) a facility that may include a:

2200 (A) pedestrian or nonmotorized vehicle trail;

2201 (B) nonmotorized vehicle storage facility;

2202 (C) pedestrian or vehicle bridge; or

- 2203 (D) vehicle parking lot or parking structure;
- 2204 (d) to transfer to the 2010 Salt Lake County Revenue Bond Sinking Fund created by
2205 Section 72-2-121.3 the amount required in Subsection 72-2-121.3(4)(c) minus the
2206 amounts transferred in accordance with Subsection 72-2-124(4)(a)(v);
- 2207 (e) for a fiscal year beginning on or after July 1, 2013, to pay debt service and bond
2208 issuance costs for \$30,000,000 of the bonds issued under Section 63B-18-401 for the
2209 projects described in Subsection 63B-18-401(4)(a);
- 2210 (f) for a fiscal year beginning on or after July 1, 2013, and after the department has
2211 verified that the amount required under Subsection 72-2-121.3(4)(c) is available in
2212 the fund, to transfer an amount equal to 50% of the revenue generated by the local
2213 option highway construction and transportation corridor preservation fee imposed
2214 under Section 41-1a-1222 in a county of the first class:
- 2215 (i) to the legislative body of a county of the first class; and
2216 (ii) to be used by a county of the first class for:
- 2217 (A) highway construction, reconstruction, or maintenance projects; or
2218 (B) the enforcement of state motor vehicle and traffic laws;
- 2219 (g) for a fiscal year beginning on or after July 1, 2015, after the department has verified
2220 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
2221 and the transfer under Subsection (4)(e) has been made, to annually transfer an
2222 amount of the sales and use tax revenue imposed in a county of the first class and
2223 deposited into the fund in accordance with Subsection 59-12-2214(3)(b) equal to an
2224 amount needed to cover the debt to:
- 2225 (i) the appropriate debt service or sinking fund for the repayment of bonds issued
2226 under Section 63B-27-102; and
2227 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
2228 under Sections 63B-31-102 and 63B-31-103;
- 2229 (h) after the department has verified that the amount required under Subsection
2230 72-2-121.3(4)(c) is available in the fund and after the transfer under Subsection (4)(d),
2231 the payment under Subsection (4)(e), and the transfer under Subsection (4)(g)(i) has
2232 been made, to annually transfer \$2,000,000 to a public transit district in a county of
2233 the first class to fund a system for public transit;
- 2234 (i) for a fiscal year beginning on or after July 1, 2018, after the department has verified
2235 that the amount required under Subsection 72-2-121.3(4)(c) is available in the fund
2236 and after the transfer under Subsection (4)(d), the payment under Subsection (4)(e),

2237 and the transfer under Subsection (4)(g)(i) has been made, through fiscal year 2027,
2238 to annually transfer 20%, and beginning with fiscal year 2028, and each year
2239 thereafter for 20 years, to annually transfer 33% of the amount deposited into the
2240 fund under Subsection (2)(b) to the legislative body of a county of the first class for
2241 the following purposes:

- 2242 (i) to fund parking facilities in a county of the first class that facilitate significant
2243 economic development and recreation and tourism within the state; and
- 2244 (ii) to be used for purposes allowed in Section 17-78-702;

2245 (j) subject to Subsection (5), for a fiscal year beginning on or after July 1, 2021, and for
2246 15 years thereafter, to annually transfer the following amounts to the following cities
2247 and the county of the first class for priority projects to mitigate congestion and
2248 improve transportation safety:

- 2249 (i) \$2,000,000 to Sandy;
- 2250 (ii) \$2,300,000 to Taylorsville;
- 2251 (iii) \$1,100,000 to Salt Lake City;
- 2252 (iv) \$1,100,000 to West Jordan;
- 2253 (v) \$1,100,000 to West Valley City;
- 2254 (vi) \$800,000 to Herriman;
- 2255 (vii) \$700,000 to Draper;
- 2256 (viii) \$700,000 to Riverton;
- 2257 (ix) \$700,000 to South Jordan;
- 2258 (x) \$500,000 to Bluffdale;
- 2259 (xi) \$500,000 to Midvale;
- 2260 (xii) \$500,000 to Millcreek;
- 2261 (xiii) \$500,000 to Murray;
- 2262 (xiv) \$400,000 to Cottonwood Heights; and
- 2263 (xv) \$300,000 to Holladay;

2264 (k) for the 2024-25, 2025-26, and 2026-27 fiscal years, and subject to revenue balances
2265 after the distributions under Subsection (4)(j), to reimburse the following
2266 municipalities for the amounts and projects indicated, as each project progresses and
2267 as revenue balances allow:

- 2268 (i) \$3,200,000 to South Jordan for improvements to Bingham Rim Road from
2269 Grandville Avenue to Mountain View Corridor;
- 2270 (ii) \$1,960,000 to Midvale for improvements to Center Street between State Street

- 2271 and 700 West;
- 2272 (iii) \$3,500,000 to Salt Lake City for first and last mile public transit improvements
2273 throughout Salt Lake City;
- 2274 (iv) \$1,500,000 to Cottonwood Heights for improvements to Fort Union Boulevard
2275 and 2300 East;
- 2276 (v) \$3,450,000 to Draper for improvements to Bangerter Highway between 13800
2277 South and I-15;
- 2278 (vi) \$10,500,000 to Herriman to construct a road between U-111 and 13200 South;
- 2279 (vii) \$3,000,000 to West Jordan for improvements to 1300 West;
- 2280 (viii) \$1,050,000 to Riverton for improvements to the Welby Jacob Canal Trail
2281 between 11800 South and 13800 South;
- 2282 (ix) \$3,500,000 to Taylorsville for improvements to Bangerter Highway and 4700
2283 South;
- 2284 (x) \$470,000 to the department for construction of a sound wall on Bangerter
2285 Highway at approximately 11200 South;
- 2286 (xi) \$1,250,000 to Murray for improvements to Murray Boulevard between 4800
2287 South and 5300 South;
- 2288 (xii) \$1,840,000 to Magna for construction and improvements to 8400 West and 4100
2289 South;
- 2290 (xiii) \$1,000,000 to South Jordan for construction of arterial roads connecting U-111
2291 and Old Bingham Highway;
- 2292 (xiv) \$1,200,000 to Millcreek for reconstruction of and improvements to 2000 East
2293 between 3300 South and Atkin Avenue;
- 2294 (xv) \$1,230,000 to Holladay for improvements to Highland Drive between Van
2295 Winkle Expressway and Arbor Lane;
- 2296 (xvi) \$1,000,000 to Taylorsville for improvements to 4700 South at the I-215
2297 interchange;
- 2298 (xvii) \$3,750,000 to West Valley City for improvements to 4000 West between 4100
2299 South and 4700 South and improvements to 4700 South from 4000 West to
2300 Bangerter Highway;
- 2301 (xviii) \$1,700,000 to South Jordan for improvements to Prosperity Road between
2302 Crimson View Drive and Copper Hawk Drive;
- 2303 (xix) \$2,300,000 to West Valley City for a road connecting U-111 at approximately
2304 6200 South, then east and turning north and connecting to 5400 South;

- 2305 (xx) \$1,400,000 to Magna for improvements to 8000 West between 3500 South to
2306 4100 South;
- 2307 (xxi) \$1,300,000 to Taylorsville for improvements on 4700 South between Redwood
2308 Road and 2700 West; and
- 2309 (xxii) \$3,000,000 to West Jordan for improvements to 1300 West between 6600
2310 South and 7800 South; and
- 2311 (l) for a fiscal year beginning on or after July 1, 2026, and for 15 years thereafter, to pay
2312 debt service and bond issuance costs for \$70,000,000 of the bonds issued under
2313 Section 63B-34-201 for the grants awarded under Part 5, Affordable Housing
2314 Infrastructure Grants.
- 2315 (5)(a) If revenue in the fund is insufficient to satisfy all of the transfers described in
2316 Subsection (4)(j), the executive director shall proportionately reduce the amounts
2317 transferred as described in Subsection (4)(j).
- 2318 (b) A local government may not use revenue described in Subsection (4)(j) to supplant
2319 existing class B or class C road funds that a local government has budgeted for
2320 transportation projects.
- 2321 (6) The revenues described in Subsections (2)(b), (c), and (d) that are deposited into the
2322 fund and bond proceeds from bonds issued under Sections 63B-16-102, 63B-18-402,
2323 and 63B-27-102 are considered a local matching contribution for the purposes described
2324 under Section 72-2-123.
- 2325 (7) The department may expend up to \$3,000,000 of revenue deposited into the account as
2326 described in Subsection 59-12-2220(11)(b) for public transit innovation grants, as
2327 provided in Part 4, Public Transit Innovation Grants.
- 2328 (8) The additional administrative costs of the department to administer this fund shall be
2329 paid from money in the fund.
- 2330 (9) Subject to Subsection (11), and notwithstanding any statutory or other restrictions on
2331 the use or expenditure of the revenue sources deposited into this fund, the Department of
2332 Transportation may use the money in this fund for any of the purposes detailed in
2333 Subsection (4).
- 2334 (10) Subject to Subsection (11), any revenue deposited into the fund as described in
2335 Subsection (2)(e) shall be used to provide funding or loans for public transit projects,
2336 operations, and supporting infrastructure in the county of the first class.
- 2337 (11) For the first three years after a county of the first class imposes a sales and use tax
2338 authorized in Section 59-12-2220, revenue deposited into the fund as described in

2339 Subsection (2)(e) shall be allocated as follows:

- 2340 (a) 10% to the department [~~to construct~~] for an express bus facility on 5600 West; and
 2341 (b) 90% into the County of the First Class Infrastructure Bank Fund created in Section
 2342 72-2-302.

2343 (12) A local government that receives an allocation from the fund shall annually provide to
 2344 the Transportation and Infrastructure Appropriations Subcommittee a report that
 2345 accounts for the money received, how the money has been spent, and the status of each
 2346 project for which money was allocated to the local government.

2347 Section 18. Section **72-2-124** is amended to read:

2348 **72-2-124 (Effective 05/06/26) (Superseded 07/01/26). Transportation Investment**
 2349 **Fund of 2005.**

2350 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
 2351 2005.

2352 (2) The fund consists of money generated from the following sources:

- 2353 (a) any voluntary contributions received for the maintenance, construction,
 2354 reconstruction, or renovation of state and federal highways;
 2355 (b) appropriations made to the fund by the Legislature;
 2356 (c) registration fees designated under Section 41-1a-1201;
 2357 (d) the sales and use tax revenues deposited into the fund in accordance with Section
 2358 59-12-103;
 2359 (e) revenues transferred to the fund in accordance with Section 72-2-106;
 2360 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
 2361 (g) revenue from bond proceeds described in Section 63B-34-101.

2362 (3)(a) The fund shall earn interest.

2363 (b) All interest earned on fund money shall be deposited into the fund.

2364 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
 2365 money to pay:

- 2366 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
 2367 federal highways prioritized by the Transportation Commission through the
 2368 prioritization process for new transportation capacity projects adopted under
 2369 Section 72-1-304;
 2370 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
 2371 highway projects described in Subsections 63B-18-401(2), (3), and (4);
 2372 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in

- 2373 Section 72-5-401;
- 2374 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
2375 minus the costs paid from the County of the First Class Highway Projects Fund in
2376 accordance with Subsection 72-2-121(4)(e);
- 2377 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
2378 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
2379 amount certified by Salt Lake County in accordance with Subsection
2380 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
2381 revenue bonds issued by Salt Lake County;
- 2382 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
2383 for projects prioritized in accordance with Section 72-2-125;
- 2384 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
2385 Class Highway Projects Fund created in Section 72-2-121 to be used for the
2386 purposes described in Section 72-2-121;
- 2387 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
2388 the costs needed for construction, reconstruction, or renovation of paved
2389 pedestrian or paved nonmotorized transportation for projects that:
- 2390 (A) mitigate traffic congestion on the state highway system;
- 2391 (B) are part of an active transportation plan approved by the department; and
- 2392 (C) are prioritized by the commission through the prioritization process for new
2393 transportation capacity projects adopted under Section 72-1-304;
- 2394 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
2395 reconstruction, or renovation of or improvement to the following projects:
- 2396 (A) the connector road between Main Street and 1600 North in the city of
2397 Vineyard;
- 2398 (B) Geneva Road from University Parkway to 1800 South;
- 2399 (C) the SR-97 interchange at 5600 South on I-15;
- 2400 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
2401 South Jordan Parkway;
- 2402 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 2403 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 2404 (G) widening I-15 between mileposts 6 and 8;
- 2405 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 2406 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197

- 2407 in Spanish Fork Canyon;
- 2408 (J) I-15 northbound between mileposts 43 and 56;
- 2409 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 2410 43 and 45.1;
- 2411 (L) east Zion SR-9 improvements;
- 2412 (M) Toquerville Parkway;
- 2413 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 2414 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
- 2415 for construction of an interchange on Bangerter Highway at 13400 South; and
- 2416 (P) an environmental impact study for Kimball Junction in Summit County;
- 2417 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 2418 costs based upon a statement of cash flow that the local jurisdiction where the
- 2419 project is located provides to the department demonstrating the need for money
- 2420 for the project, for the following projects in the following amounts:
- 2421 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 2422 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 2423 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 2424 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 2425 40 between mile markers 7 and 10;
- 2426 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
- 2427 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
- 2428 over the railroad and to U.S. Highway 6;
- 2429 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
- 2430 revenue deposited into the fund in accordance with Section 59-12-103, for the
- 2431 following projects:
- 2432 (A) \$3,000,000 for the department to perform an environmental study for the I-15
- 2433 Salem and Benjamin project; and
- 2434 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
- 2435 Dunes Road project; and
- 2436 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
- 2437 right-of-way acquisition and construction for improvements on SR-89 in a county
- 2438 of the first class.
- 2439 (b) The executive director may use fund money to exchange for an equal or greater
- 2440 amount of federal transportation funds to be used as provided in Subsection (4)(a).

- 2441 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
2442 not commence until a right-of-way not owned by a federal agency that is required
2443 for the realignment and extension of U-111, as described in the department's 2023
2444 environmental study related to the project, is dedicated to the department.
- 2445 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
2446 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
2447 department may proceed with the project, except that the project will be limited to
2448 two lanes on U-111 from Herriman Parkway to 11800 South.
- 2449 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
2450 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
2451 director may not program fund money to a project prioritized by the commission
2452 under Section 72-1-304, including fund money from the Transit Transportation
2453 Investment Fund, within the boundaries of the municipality until the department
2454 receives notification from the Housing and Community Development Division within
2455 the Department of Workforce Services that ineligibility under this Subsection (5) no
2456 longer applies to the municipality.
- 2457 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
2458 director:
- 2459 (i) may program fund money in accordance with Subsection (4)(a) for a
2460 limited-access facility or interchange connecting limited-access facilities;
- 2461 (ii) may not program fund money for the construction, reconstruction, or renovation
2462 of an interchange on a limited-access facility;
- 2463 (iii) may program Transit Transportation Investment Fund money for a
2464 multi-community fixed guideway public transportation project; and
- 2465 (iv) may not program Transit Transportation Investment Fund money for the
2466 construction, reconstruction, or renovation of a station that is part of a fixed
2467 guideway public transportation project.
- 2468 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
2469 director before July 1, 2022, for projects prioritized by the commission under Section
2470 72-1-304.
- 2471 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
2472 ineligibility for a county as described in Subsection 17-80-202(8), the executive
2473 director may not program fund money to a project prioritized by the commission
2474 under Section 72-1-304, including fund money from the Transit Transportation

- 2475 Investment Fund, within the boundaries of the unincorporated area of the county until
2476 the department receives notification from the Housing and Community Development
2477 Division within the Department of Workforce Services that ineligibility under this
2478 Subsection (6) no longer applies to the county.
- 2479 (b) Within the boundaries of the unincorporated area of a county described in Subsection
2480 (6)(a), the executive director:
- 2481 (i) may program fund money in accordance with Subsection (4)(a) for a
2482 limited-access facility to a project prioritized by the commission under Section
2483 72-1-304;
- 2484 (ii) may not program fund money for the construction, reconstruction, or renovation
2485 of an interchange on a limited-access facility;
- 2486 (iii) may program Transit Transportation Investment Fund money for a
2487 multi-community fixed guideway public transportation project; and
- 2488 (iv) may not program Transit Transportation Investment Fund money for the
2489 construction, reconstruction, or renovation of a station that is part of a fixed
2490 guideway public transportation project.
- 2491 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
2492 director before July 1, 2022, for projects prioritized by the commission under Section
2493 72-1-304.
- 2494 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
2495 any fiscal year, the department and the commission shall appear before the Executive
2496 Appropriations Committee of the Legislature and present the amount of bond
2497 proceeds that the department needs to provide funding for the projects identified in
2498 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
2499 or next fiscal year.
- 2500 (b) The Executive Appropriations Committee of the Legislature shall review and
2501 comment on the amount of bond proceeds needed to fund the projects.
- 2502 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
2503 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
2504 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
2505 service or sinking fund.
- 2506 (9) The executive director may only use money in the fund for corridor preservation as
2507 described in Subsection (4)(a)(iii):
- 2508 (a) if the project has been prioritized by the commission, including the use of fund

- 2509 money for corridor preservation; or
- 2510 (b) for a project that has not been prioritized by the commission, if the commission:
- 2511 (i) approves the use of fund money for the corridor preservation; and
- 2512 (ii) finds that the use of fund money for corridor preservation will not result in any
- 2513 delay to a project that has been prioritized by the commission.
- 2514 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
- 2515 Transportation Investment Fund.
- 2516 (b) The fund shall be funded by:
- 2517 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 2518 (ii) appropriations into the account by the Legislature;
- 2519 (iii) deposits of sales and use tax increment related to a housing and transit
- 2520 reinvestment zone as described in Section 63N-3-610;
- 2521 (iv) transfers of local option sales and use tax revenue as described in Subsection
- 2522 59-12-2220(11)(b) or (c);
- 2523 (v) private contributions; and
- 2524 (vi) donations or grants from public or private entities.
- 2525 (c)(i) The fund shall earn interest.
- 2526 (ii) All interest earned on fund money shall be deposited into the fund.
- 2527 (d) [~~Subject to Subsection (10)(e), the~~] The commission may prioritize money from the
- 2528 fund:
- 2529 (i) subject to Subsection (10)(e), for public transit capital development of new
- 2530 capacity projects and fixed guideway capital development projects to be used as
- 2531 prioritized by the commission through the prioritization process adopted under
- 2532 Section 72-1-304;
- 2533 (ii) to the department for oversight of a fixed guideway capital development project
- 2534 for which the department has responsibility;~~[-or]~~
- 2535 (iii) up to \$500,000 per year, to be used for a public transit study~~[-]~~ ; or
- 2536 (iv) subject to Subsection (10)(k), to the department for corridor preservation, as that
- 2537 term is defined in Section 72-5-401.
- 2538 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
- 2539 money from the fund for a public transit capital development project or pedestrian
- 2540 or nonmotorized transportation project that provides connection to the public
- 2541 transit system if the public transit district or political subdivision provides funds of
- 2542 equal to or greater than 30% of the costs needed for the project.

- 2543 (ii) A public transit district or political subdivision may use money derived from a
2544 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
2545 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
2546 (A) the loan is approved by the commission as required in Part 2, State
2547 Infrastructure Bank Fund; and
2548 (B) the proposed capital project has been prioritized by the commission [pursuant
2549 to] in accordance with Section 72-1-303.
- 2550 (f) Before July 1, 2022, the department and a large public transit district shall enter into
2551 an agreement for a large public transit district to pay the department \$5,000,000 per
2552 year for 15 years to be used to facilitate the purchase of zero emissions or low
2553 emissions rail engines and trainsets for regional public transit rail systems.
- 2554 (g) For any revenue transferred into the fund in accordance with Subsection
2555 59-12-2220(11)(b):
2556 (i) the commission may prioritize money from the fund for public transit projects,
2557 operations, or maintenance within the county of the first class; and
2558 (ii) Subsection (10)(e) does not apply.
- 2559 (h) For any revenue transferred into the fund in accordance with Subsection
2560 59-12-2220(11)(c):
2561 (i) the commission may prioritize public transit projects, operations, or maintenance
2562 in the county from which the revenue was generated; and
2563 (ii) Subsection (10)(e) does not apply.
- 2564 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
2565 the project described in Subsection (10)(e) does not apply to a public transit capital
2566 development project or pedestrian or nonmotorized transportation project that the
2567 department proposes.
- 2568 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
2569 prioritize money from the fund for public transit innovation grants, as defined in
2570 Section 72-2-401, for public transit capital development projects requested by a
2571 political subdivision within a public transit district.
- 2572 (k) The executive director may only use money in the fund for corridor preservation as
2573 described in Subsection (10)(d)(iv):
2574 (i) if the project has been prioritized by the commission, including the use of fund
2575 money for corridor preservation; or
2576 (ii) for a project that has not been prioritized by the commission, if the commission:

- 2577 (A) approves the use of fund money for the corridor preservation; and
 2578 (B) determines that the use of fund money for corridor preservation will not result
 2579 in any delay to a project that has been prioritized by the commission.

2580 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
 2581 Canyons Transportation Investment Fund.

2582 (b) The fund shall be funded by:

2583 (i) money deposited into the fund in accordance with Section 59-12-103;

2584 (ii) appropriations into the account by the Legislature;

2585 (iii) private contributions; and

2586 (iv) donations or grants from public or private entities.

2587 (c)(i) The fund shall earn interest.

2588 (ii) All interest earned on fund money shall be deposited into the fund.

2589 (d) The Legislature may appropriate money from the fund for public transit or
 2590 transportation projects in the Cottonwood Canyons of Salt Lake County.

2591 (e) The department may use up to 2% of the revenue deposited into the account under
 2592 Subsection 59-12-103(7)(b) to contract with local governments as necessary for
 2593 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.

2594 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
 2595 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
 2596 to fund projects to provide ingress and egress for a public transit hub, including
 2597 construction of the public transit hub, in the Big Cottonwood Canyon area.

2598 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
 2599 Transportation Investment Fund.

2600 (b) The fund shall be funded by:

2601 (i) money deposited into the fund in accordance with Section 59-12-103;

2602 (ii) appropriations into the account by the Legislature; and

2603 (iii) donations or grants from public or private entities.

2604 (c)(i) The fund shall earn interest.

2605 (ii) All interest earned on fund money shall be deposited into the fund.

2606 (d) The executive director may only use fund money to pay the costs needed for:

2607 [~~(i) the planning, design, construction, maintenance, reconstruction, or renovation of~~
 2608 ~~paved pedestrian or paved nonmotorized trail projects that:]~~

2609 [~~(A) are prioritized by the commission through the prioritization process for new~~
 2610 ~~transportation capacity projects adopted under Section 72-1-304;]~~

- 2611 [~~(B)~~ serve a regional purpose; and]
- 2612 [~~(C)~~ are part of an active transportation plan approved by the department or the
- 2613 plan described in Subsection (12)(d)(ii);]
- 2614 [(ii) the development of a plan for a statewide network of paved pedestrian or paved
- 2615 nonmotorized trails that serve a regional purpose; and]
- 2616 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 2617 Utah trail network projects as prioritized by the commission using the
- 2618 prioritization process described in Section 72-1-304;
- 2619 (ii) the development of a plan for the Utah trail network;
- 2620 (iii) the preservation of future Utah trail network corridor; and
- 2621 [~~(iii)~~] (iv) the administration of the fund, including staff and overhead costs.
- 2622 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
- 2623 defined in Section 63N-3-602.
- 2624 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 2625 Subaccount.
- 2626 (c) The subaccount shall be funded by:
- 2627 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 2628 (ii) appropriations into the subaccount by the Legislature;
- 2629 (iii) private contributions; and
- 2630 (iv) donations or grants from public or private entities.
- 2631 (d)(i) The subaccount shall earn interest.
- 2632 (ii) All interest earned on money in the subaccount shall be deposited into the
- 2633 subaccount.
- 2634 (e) As prioritized by the commission through the prioritization process adopted under
- 2635 Section 72-1-304 or as directed by the Legislature, the department may only use
- 2636 money from the subaccount for projects that improve the state's commuter rail
- 2637 infrastructure, including the building or improvement of grade-separated crossings
- 2638 between commuter rail lines and public highways.
- 2639 (f) Appropriations made in accordance with this section are nonlapsing in accordance
- 2640 with Section 63J-1-602.1.
- 2641 Section 19. Section **72-2-124** is amended to read:
- 2642 **72-2-124 (Effective 07/01/26). Transportation Investment Fund of 2005.**
- 2643 (1) There is created a capital projects fund entitled the Transportation Investment Fund of
- 2644 2005.

- 2645 (2) The fund consists of money generated from the following sources:
- 2646 (a) any voluntary contributions received for the maintenance, construction,
- 2647 reconstruction, or renovation of state and federal highways;
- 2648 (b) appropriations made to the fund by the Legislature;
- 2649 (c) registration fees designated under Section 41-1a-1201;
- 2650 (d) the sales and use tax revenues deposited into the fund in accordance with Section
- 2651 59-12-103;
- 2652 (e) revenues transferred to the fund in accordance with Section 72-2-106;
- 2653 (f) revenues transferred into the fund in accordance with Subsection 72-2-121(4)(l); and
- 2654 (g) revenue from bond proceeds described in Section 63B-34-201.
- 2655 (3)(a) The fund shall earn interest.
- 2656 (b) All interest earned on fund money shall be deposited into the fund.
- 2657 (4)(a) Except as provided in Subsection (4)(b), the executive director may only use fund
- 2658 money to pay:
- 2659 (i) the costs of maintenance, construction, reconstruction, or renovation to state and
- 2660 federal highways prioritized by the Transportation Commission through the
- 2661 prioritization process for new transportation capacity projects adopted under
- 2662 Section 72-1-304;
- 2663 (ii) the costs of maintenance, construction, reconstruction, or renovation to the
- 2664 highway projects described in Subsections 63B-18-401(2), (3), and (4);
- 2665 (iii) subject to Subsection (9), costs of corridor preservation, as that term is defined in
- 2666 Section 72-5-401;
- 2667 (iv) principal, interest, and issuance costs of bonds authorized by Section 63B-18-401
- 2668 minus the costs paid from the County of the First Class Highway Projects Fund in
- 2669 accordance with Subsection 72-2-121(4)(e);
- 2670 (v) for a fiscal year beginning on or after July 1, 2013, to transfer to the 2010 Salt
- 2671 Lake County Revenue Bond Sinking Fund created by Section 72-2-121.3 the
- 2672 amount certified by Salt Lake County in accordance with Subsection
- 2673 72-2-121.3(4)(c) as necessary to pay the debt service on \$30,000,000 of the
- 2674 revenue bonds issued by Salt Lake County;
- 2675 (vi) principal, interest, and issuance costs of bonds authorized by Section 63B-16-101
- 2676 for projects prioritized in accordance with Section 72-2-125;
- 2677 (vii) for fiscal year 2015-16 only, to transfer \$25,000,000 to the County of the First
- 2678 Class Highway Projects Fund created in Section 72-2-121 to be used for the

- 2679 purposes described in Section 72-2-121;
- 2680 (viii) if a political subdivision provides a contribution equal to or greater than 40% of
- 2681 the costs needed for construction, reconstruction, or renovation of paved
- 2682 pedestrian or paved nonmotorized transportation for projects that:
- 2683 (A) mitigate traffic congestion on the state highway system;
- 2684 (B) are part of an active transportation plan approved by the department; and
- 2685 (C) are prioritized by the commission through the prioritization process for new
- 2686 transportation capacity projects adopted under Section 72-1-304;
- 2687 (ix) \$705,000,000 for the costs of right-of-way acquisition, construction,
- 2688 reconstruction, or renovation of or improvement to the following projects:
- 2689 (A) the connector road between Main Street and 1600 North in the city of
- 2690 Vineyard;
- 2691 (B) Geneva Road from University Parkway to 1800 South;
- 2692 (C) the SR-97 interchange at 5600 South on I-15;
- 2693 (D) subject to Subsection (4)(c), two lanes on U-111 from Herriman Parkway to
- 2694 South Jordan Parkway;
- 2695 (E) widening I-15 between mileposts 10 and 13 and the interchange at milepost 11;
- 2696 (F) improvements to 1600 North in Orem from 1200 West to State Street;
- 2697 (G) widening I-15 between mileposts 6 and 8;
- 2698 (H) widening 1600 South from Main Street in the city of Spanish Fork to SR-51;
- 2699 (I) widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197
- 2700 in Spanish Fork Canyon;
- 2701 (J) I-15 northbound between mileposts 43 and 56;
- 2702 (K) a passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts
- 2703 43 and 45.1;
- 2704 (L) east Zion SR-9 improvements;
- 2705 (M) Toquerville Parkway;
- 2706 (N) an environmental study on Foothill Boulevard in the city of Saratoga Springs;
- 2707 (O) using funds allocated in this Subsection (4)(a)(ix), and other sources of funds,
- 2708 for construction of an interchange on Bangerter Highway at 13400 South; and
- 2709 (P) an environmental impact study for Kimball Junction in Summit County;
- 2710 (x) \$28,000,000 as pass-through funds, to be distributed as necessary to pay project
- 2711 costs based upon a statement of cash flow that the local jurisdiction where the
- 2712 project is located provides to the department demonstrating the need for money

- 2713 for the project, for the following projects in the following amounts:
- 2714 (A) \$5,000,000 for Payson Main Street repair and replacement;
- 2715 (B) \$8,000,000 for a Bluffdale 14600 South railroad bypass;
- 2716 (C) \$5,000,000 for improvements to 4700 South in Taylorsville; and
- 2717 (D) \$10,000,000 for improvements to the west side frontage roads adjacent to U.S.
- 2718 40 between mile markers 7 and 10;
- 2719 (xi) \$13,000,000 as pass-through funds to Spanish Fork for the costs of right-of-way
- 2720 acquisition, construction, reconstruction, or renovation to connect Fingerhut Road
- 2721 over the railroad and to U.S. Highway 6;
- 2722 (xii) for a fiscal year beginning on July 1, 2025, only, as pass-through funds from
- 2723 revenue deposited into the fund in accordance with Section 59-12-103, for the
- 2724 following projects:
- 2725 (A) \$3,000,000 for the department to perform an environmental study for the I-15
- 2726 Salem and Benjamin project; and
- 2727 (B) \$2,000,000, as pass-through funds, to Kane County for the Coral Pink Sand
- 2728 Dunes Road project; and
- 2729 (xiii) for a fiscal year beginning on July 1, 2025, up to \$300,000,000 for the costs of
- 2730 right-of-way acquisition and construction for improvements on SR-89 in a county
- 2731 of the first class.
- 2732 (b) The executive director may use fund money to exchange for an equal or greater
- 2733 amount of federal transportation funds to be used as provided in Subsection (4)(a).
- 2734 (c)(i) Construction related to the project described in Subsection (4)(a)(ix)(D) may
- 2735 not commence until a right-of-way not owned by a federal agency that is required
- 2736 for the realignment and extension of U-111, as described in the department's 2023
- 2737 environmental study related to the project, is dedicated to the department.
- 2738 (ii) Notwithstanding Subsection (4)(c)(i), if a right-of-way is not dedicated for the
- 2739 project as described in Subsection (4)(c)(i) on or before October 1, 2024, the
- 2740 department may proceed with the project, except that the project will be limited to
- 2741 two lanes on U-111 from Herriman Parkway to 11800 South.
- 2742 (5)(a) Except as provided in Subsection (5)(b), if the department receives a notice of
- 2743 ineligibility for a municipality as described in Subsection 10-21-202(8), the executive
- 2744 director may not program fund money to a project prioritized by the commission
- 2745 under Section 72-1-304, including fund money from the Transit Transportation
- 2746 Investment Fund, within the boundaries of the municipality until the department

- 2747 receives notification from the Housing and Community Development Division within
2748 the Department of Workforce Services that ineligibility under this Subsection (5) no
2749 longer applies to the municipality.
- 2750 (b) Within the boundaries of a municipality described in Subsection (5)(a), the executive
2751 director:
- 2752 (i) may program fund money in accordance with Subsection (4)(a) for a
2753 limited-access facility or interchange connecting limited-access facilities;
- 2754 (ii) may not program fund money for the construction, reconstruction, or renovation
2755 of an interchange on a limited-access facility;
- 2756 (iii) may program Transit Transportation Investment Fund money for a
2757 multi-community fixed guideway public transportation project; and
- 2758 (iv) may not program Transit Transportation Investment Fund money for the
2759 construction, reconstruction, or renovation of a station that is part of a fixed
2760 guideway public transportation project.
- 2761 (c) Subsections (5)(a) and (b) do not apply to a project programmed by the executive
2762 director before July 1, 2022, for projects prioritized by the commission under Section
2763 72-1-304.
- 2764 (6)(a) Except as provided in Subsection (6)(b), if the department receives a notice of
2765 ineligibility for a county as described in Subsection 17-80-202(8), the executive
2766 director may not program fund money to a project prioritized by the commission
2767 under Section 72-1-304, including fund money from the Transit Transportation
2768 Investment Fund, within the boundaries of the unincorporated area of the county until
2769 the department receives notification from the Housing and Community Development
2770 Division within the Department of Workforce Services that ineligibility under this
2771 Subsection (6) no longer applies to the county.
- 2772 (b) Within the boundaries of the unincorporated area of a county described in Subsection
2773 (6)(a), the executive director:
- 2774 (i) may program fund money in accordance with Subsection (4)(a) for a
2775 limited-access facility to a project prioritized by the commission under Section
2776 72-1-304;
- 2777 (ii) may not program fund money for the construction, reconstruction, or renovation
2778 of an interchange on a limited-access facility;
- 2779 (iii) may program Transit Transportation Investment Fund money for a
2780 multi-community fixed guideway public transportation project; and

- 2781 (iv) may not program Transit Transportation Investment Fund money for the
2782 construction, reconstruction, or renovation of a station that is part of a fixed
2783 guideway public transportation project.
- 2784 (c) Subsections (6)(a) and (b) do not apply to a project programmed by the executive
2785 director before July 1, 2022, for projects prioritized by the commission under Section
2786 72-1-304.
- 2787 (7)(a) Before bonds authorized by Section 63B-18-401 or 63B-27-101 may be issued in
2788 any fiscal year, the department and the commission shall appear before the Executive
2789 Appropriations Committee of the Legislature and present the amount of bond
2790 proceeds that the department needs to provide funding for the projects identified in
2791 Subsections 63B-18-401(2), (3), and (4) or Subsection 63B-27-101(2) for the current
2792 or next fiscal year.
- 2793 (b) The Executive Appropriations Committee of the Legislature shall review and
2794 comment on the amount of bond proceeds needed to fund the projects.
- 2795 (8) The Division of Finance shall, from money deposited into the fund, transfer the amount
2796 of funds necessary to pay principal, interest, and issuance costs of bonds authorized by
2797 Section 63B-18-401 or 63B-27-101 in the current fiscal year to the appropriate debt
2798 service or sinking fund.
- 2799 (9) The executive director may only use money in the fund for corridor preservation as
2800 described in Subsection (4)(a)(iii):
- 2801 (a) if the project has been prioritized by the commission, including the use of fund
2802 money for corridor preservation; or
- 2803 (b) for a project that has not been prioritized by the commission, if the commission:
- 2804 (i) approves the use of fund money for the corridor preservation; and
- 2805 (ii) finds that the use of fund money for corridor preservation will not result in any
2806 delay to a project that has been prioritized by the commission.
- 2807 (10)(a) There is created in the Transportation Investment Fund of 2005 the Transit
2808 Transportation Investment Fund.
- 2809 (b) The fund shall be funded by:
- 2810 (i) contributions deposited into the fund in accordance with Section 59-12-103;
- 2811 (ii) appropriations into the account by the Legislature;
- 2812 (iii) deposits of sales and use tax increment related to a housing and transit
2813 reinvestment zone as described in Section 63N-3-610;
- 2814 (iv) transfers of local option sales and use tax revenue as described in Subsection

- 2815 59-12-2220(11)(b) or (c);
- 2816 (v) private contributions; and
- 2817 (vi) donations or grants from public or private entities.
- 2818 (c)(i) The fund shall earn interest.
- 2819 (ii) All interest earned on fund money shall be deposited into the fund.
- 2820 (d) ~~[Subject to Subsection (10)(e), the]~~ The commission may prioritize money from the
- 2821 fund:
- 2822 (i) subject to Subsection (10)(e), for public transit capital development of new
- 2823 capacity projects and fixed guideway capital development projects to be used as
- 2824 prioritized by the commission through the prioritization process adopted under
- 2825 Section 72-1-304;
- 2826 (ii) to the department for oversight of a fixed guideway capital development project
- 2827 for which the department has responsibility; or
- 2828 (iii) up to \$500,000 per year, to be used for a public transit study[-] ; or
- 2829 (iv) subject to Subsection (10)(k), to the department for corridor preservation, as that
- 2830 term is defined in Section 72-5-401.
- 2831 (e)(i) Subject to Subsections (10)(g), (h), and (i), the commission may only prioritize
- 2832 money from the fund for a public transit capital development project or pedestrian
- 2833 or nonmotorized transportation project that provides connection to the public
- 2834 transit system if the public transit district or political subdivision provides funds of
- 2835 equal to or greater than 30% of the costs needed for the project.
- 2836 (ii) A public transit district or political subdivision may use money derived from a
- 2837 loan granted in accordance with Part 2, State Infrastructure Bank Fund, to provide
- 2838 all or part of the 30% requirement described in Subsection (10)(e)(i) if:
- 2839 (A) the loan is approved by the commission as required in Part 2, State
- 2840 Infrastructure Bank Fund; and
- 2841 (B) the proposed capital project has been prioritized by the commission [~~pursuant~~
- 2842 ~~to~~] in accordance with Section 72-1-303.
- 2843 (f) Before July 1, 2022, the department and a large public transit district shall enter into
- 2844 an agreement for a large public transit district to pay the department \$5,000,000 per
- 2845 year for 15 years to be used to facilitate the purchase of zero emissions or low
- 2846 emissions rail engines and trainsets for regional public transit rail systems.
- 2847 (g) For any revenue transferred into the fund in accordance with Subsection
- 2848 59-12-2220(11)(b):

- 2849 (i) the commission may prioritize money from the fund for public transit projects,
2850 operations, or maintenance within the county of the first class; and
- 2851 (ii) Subsection (10)(e) does not apply.
- 2852 (h) For any revenue transferred into the fund in accordance with Subsection
2853 59-12-2220(11)(c):
- 2854 (i) the commission may prioritize public transit projects, operations, or maintenance
2855 in the county from which the revenue was generated; and
- 2856 (ii) Subsection (10)(e) does not apply.
- 2857 (i) The requirement to provide funds equal to or greater than 30% of the costs needed for
2858 the project described in Subsection (10)(e) does not apply to a public transit capital
2859 development project or pedestrian or nonmotorized transportation project that the
2860 department proposes.
- 2861 (j) In accordance with Part 4, Public Transit Innovation Grants, the commission may
2862 prioritize money from the fund for public transit innovation grants, as defined in
2863 Section 72-2-401, for public transit capital development projects requested by a
2864 political subdivision within a public transit district.
- 2865 (k) The executive director may only use money in the fund for corridor preservation as
2866 described in Subsection (10)(d)(iv):
- 2867 (i) if the project has been prioritized by the commission, including the use of fund
2868 money for corridor preservation; or
- 2869 (ii) for a project that has not been prioritized by the commission, if the commission:
2870 (A) approves the use of fund money for the corridor preservation; and
2871 (B) determines that the use of fund money for corridor preservation will not result
2872 in any delay to a project that has been prioritized by the commission.
- 2873 (l)(i) The commission may, beginning July 1, 2026, prioritize up to \$3,000,000 from
2874 the fund to provide bus-replacement funding to one or more public transit
2875 providers that:
- 2876 (A) have not received funding from the Transit Transportation Investment Fund
2877 for a new project described in Subsection (10)(e)(i) within the previous 36
2878 months; and
- 2879 (B) are located in a county of the third, fourth, fifth, or sixth class.
- 2880 (ii) To be eligible for bus-replacement funding under this Subsection (10)(l), the
2881 public transit provider shall provide a local match as follows:
- 2882 (A) a 50% local match if the county and municipality in which the public transit

- 2883 provider is located has imposed a total of five of the optional sales and use
2884 taxes described in Section 59-12-2203;
2885 (B) a 60% local match if the county and municipality in which the public transit
2886 provider is located has imposed a total of four of the optional sales and use
2887 taxes described in Section 59-12-2203; or
2888 (C) a 70% local match if the county and municipality in which the public transit
2889 provider is located has imposed a total of three or fewer of the optional sales
2890 and use taxes described in Section 59-12-2203.
- 2891 (iii) The department shall determine a process and deadlines for receiving
2892 applications for the bus-replacement funding.
- 2893 (iv) Under this Subsection (10)(l), if total applications for bus-replacement funding
2894 exceed \$3,000,000, the commission shall establish a process to prioritize the
2895 award of funding.
- 2896 (11)(a) There is created in the Transportation Investment Fund of 2005 the Cottonwood
2897 Canyons Transportation Investment Fund.
- 2898 (b) The fund shall be funded by:
- 2899 (i) money deposited into the fund in accordance with Section 59-12-103;
- 2900 (ii) appropriations into the account by the Legislature;
- 2901 (iii) private contributions; and
- 2902 (iv) donations or grants from public or private entities.
- 2903 (c)(i) The fund shall earn interest.
- 2904 (ii) All interest earned on fund money shall be deposited into the fund.
- 2905 (d) The Legislature may appropriate money from the fund for public transit or
2906 transportation projects in the Cottonwood Canyons of Salt Lake County.
- 2907 (e) The department may use up to 2% of the revenue deposited into the account under
2908 Subsection 59-12-103(4)(f) to contract with local governments as necessary for
2909 public safety enforcement related to the Cottonwood Canyons of Salt Lake County.
- 2910 (f) Beginning with fiscal year beginning on July 1, 2025, the department shall use any
2911 sales and use tax growth over sales and use tax collections during the 2025 fiscal year
2912 to fund projects to provide ingress and egress for a public transit hub, including
2913 construction of the public transit hub, in the Big Cottonwood Canyon area.
- 2914 (12)(a) There is created in the Transportation Investment Fund of 2005 the Active
2915 Transportation Investment Fund.
- 2916 (b) The fund shall be funded by:

- 2917 (i) money deposited into the fund in accordance with Section 59-12-103;
- 2918 (ii) appropriations into the account by the Legislature; and
- 2919 (iii) donations or grants from public or private entities.
- 2920 (c)(i) The fund shall earn interest.
- 2921 (ii) All interest earned on fund money shall be deposited into the fund.
- 2922 (d) The executive director may only use fund money to pay the costs needed for:
- 2923 ~~[(i) the planning, design, construction, maintenance, reconstruction, or renovation of~~
- 2924 ~~paved pedestrian or paved nonmotorized trail projects that:]~~
- 2925 ~~[(A) are prioritized by the commission through the prioritization process for new~~
- 2926 ~~transportation capacity projects adopted under Section 72-1-304;]~~
- 2927 ~~[(B) serve a regional purpose; and]~~
- 2928 ~~[(C) are part of an active transportation plan approved by the department or the~~
- 2929 ~~plan described in Subsection (12)(d)(ii);]~~
- 2930 ~~[(ii) the development of a plan for a statewide network of paved pedestrian or paved~~
- 2931 ~~nonmotorized trails that serve a regional purpose; and]~~
- 2932 (i) the planning, design, construction, maintenance, reconstruction, or renovation of
- 2933 Utah trail network projects as prioritized by the commission using the
- 2934 prioritization process described in Section 72-1-304;
- 2935 (ii) the development of a plan for the Utah trail network;
- 2936 (iii) the preservation of future Utah trail network corridor; and
- 2937 ~~[(iii)]~~ (iv) the administration of the fund, including staff and overhead costs.
- 2938 (13)(a) As used in this Subsection (13), "commuter rail" means the same as that term is
- 2939 defined in Section 63N-3-602.
- 2940 (b) There is created in the Transit Transportation Investment Fund the Commuter Rail
- 2941 Subaccount.
- 2942 (c) The subaccount shall be funded by:
- 2943 (i) contributions deposited into the subaccount in accordance with Section 59-12-103;
- 2944 (ii) appropriations into the subaccount by the Legislature;
- 2945 (iii) private contributions; and
- 2946 (iv) donations or grants from public or private entities.
- 2947 (d)(i) The subaccount shall earn interest.
- 2948 (ii) All interest earned on money in the subaccount shall be deposited into the
- 2949 subaccount.
- 2950 (e) As prioritized by the commission through the prioritization process adopted under

2951 Section 72-1-304 or as directed by the Legislature, the department may only use
 2952 money from the subaccount for projects that improve the state's commuter rail
 2953 infrastructure, including the building or improvement of grade-separated crossings
 2954 between commuter rail lines and public highways.

2955 (f) Appropriations made in accordance with this section are nonlapsing in accordance
 2956 with Section 63J-1-602.1.

2957 Section 20. Section **72-2-131** is amended to read:

2958 **72-2-131 (Effective 05/06/26). Rail Transportation Subaccount -- Grants for**
 2959 **railroad crossing safety.**

2960 (1) As used in this section, "eligible entity" means:

2961 (a) a public entity, as defined in Section 72-2-301; or

2962 (b) a private entity that is exempt from federal income taxation under Section 501(c)(3),
 2963 Internal Revenue Code.

2964 (2) There is created in the Transit Transportation Investment Fund, created in Section
 2965 72-2-124, the Rail Transportation Subaccount.

2966 (3) The subaccount shall be funded by:

2967 (a) appropriations to the subaccount by the Legislature;

2968 (b) private contributions;

2969 (c) donations or grants from public or private entities; and

2970 (d) interest earned on money in the account.

2971 (4) Upon appropriation, the department shall:

2972 (a) use an amount equal to 10% of the money deposited into the subaccount to provide
 2973 grants in accordance with Subsection (5);

2974 (b) use an amount equal to 10% of the money deposited into the subaccount to pay:

2975 (i) the costs of performing environmental impact studies in connection with
 2976 construction, reconstruction, or renovation projects related to railroad crossings on
 2977 class A, class B, or class C roads; or

2978 (ii) the appropriate debt service or sinking fund for the repayment of bonds issued
 2979 under Subsection 63B-31-101(6); and

2980 (c) use the remaining money deposited into the subaccount to pay:

2981 (i) the costs of construction, reconstruction, or renovation projects related to:

2982 (A) railroad crossings on class A, class B, or class C roads; or

2983 (B) railroad infrastructure owned by the state that has been damaged or impacted
 2984 by erosion;

- 2985 (ii) debt service related to a project described in Subsection (4)(b);
 2986 (iii) the appropriate debt service or sinking fund for the repayment of bonds issued
 2987 under Subsection 63B-31-101(5); or
 2988 (iv) ongoing maintenance costs of at-grade crossings between rail lines and public
 2989 highways.

2990 (5)(a) The department may award grants to one or more eligible entities to be used for
 2991 the purpose of improving safety at railroad crossings on class A, class B, or class C
 2992 roads.

2993 (b) An eligible entity may use grant money for any expense related to improving safety
 2994 at railroad crossings on class A, class B, or class C roads, including:

- 2995 (i) signage; and
 2996 (ii) safety enhancements to a railroad crossing.

2997 (c) The department shall prioritize, in the following order, grants to applicants that
 2998 propose projects impacting railroad crossings that:

- 2999 (i) have demonstrated safety concerns, including emergency services access; and
 3000 (ii) have high levels of vehicular and pedestrian traffic.

3001 Section 21. Section **72-2-201** is amended to read:

3002 **72-2-201 (Effective 05/06/26). Definitions.**

3003 As used in this part:

- 3004 (1) "Fund" means the State Infrastructure Bank Fund created under Section 72-2-202.
 3005 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure loan,
 3006 to provide financial assistance for transportation projects or publicly owned
 3007 infrastructure projects, including:
 3008 (a) capital reserves and other security for bond or debt instrument financing; or
 3009 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by a
 3010 public entity to finance transportation projects.
 3011 (3) "Infrastructure loan" means a loan of fund money to finance a transportation project or
 3012 publicly owned infrastructure project.
 3013 (4) "Public entity" means a state agency, county, municipality, [-]special district, special
 3014 service district, an intergovernmental entity organized under state law, an independent
 3015 entity as defined in Section 63E-1-102, or the military installation development authority
 3016 created in Section 63H-1-201.
 3017 (5) "Publicly owned infrastructure project" means a project to improve sewer or water
 3018 infrastructure that is owned by a public entity.

- 3019 (6) "Transportation project":
- 3020 (a) means a project:
- 3021 (i) to improve a state or local highway;
- 3022 (ii) to improve a public transportation facility or nonmotorized transportation facility;
- 3023 (iii) to construct or improve parking facilities;
- 3024 (iv) that is subject to a transportation reinvestment zone agreement [~~pursuant to~~] in
- 3025 accordance with Section 11-13-227 if the state is party to the agreement; or
- 3026 (v) that is part of a housing and transit reinvestment zone created [~~pursuant to~~] in
- 3027 accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment
- 3028 Zone Act;
- 3029 (b) includes the costs of acquisition, construction, reconstruction, rehabilitation,
- 3030 equipping, and fixturing; and
- 3031 (c) may only include a project if the project is part of:
- 3032 (i) the statewide long range plan;
- 3033 (ii) a regional transportation plan of the area metropolitan planning organization if a
- 3034 metropolitan planning organization exists for the area; or
- 3035 (iii) a local government general plan or economic development initiative.
- 3036 Section 22. Section **72-2-301** is amended to read:
- 3037 **72-2-301 (Effective 05/06/26). Definitions.**
- 3038 As used in this part:
- 3039 (1) "Fund" means the County of the First Class Infrastructure Bank Fund created under
- 3040 Section [~~72-2-402~~] 72-2-302.
- 3041 (2) "Infrastructure assistance" means any use of fund money, except an infrastructure loan,
- 3042 to provide financial assistance for transportation projects or publicly owned
- 3043 infrastructure projects, including:
- 3044 (a) capital reserves and other security for bond or debt instrument financing; or
- 3045 (b) any letters of credit, lines of credit, bond insurance, or loan guarantees obtained by a
- 3046 public entity to finance transportation projects.
- 3047 (3) "Infrastructure loan" means a loan of fund money to finance a transportation project or
- 3048 publicly owned infrastructure project.
- 3049 (4) "Public entity" means a county of the first class or any of the following located within a
- 3050 county of the first class:
- 3051 (a) a municipality;
- 3052 (b) an independent entity, as defined in Section 63E-1-102;

- 3053 ~~[(b)]~~ (c) a special district;
- 3054 ~~[(e)]~~ (d) a special service district; or
- 3055 ~~[(d)]~~ (e) an intergovernmental entity organized under state law.
- 3056 (5) "Publicly owned infrastructure project" means a project to improve sewer or water
- 3057 infrastructure that is owned by a public entity.
- 3058 (6)~~(a)~~ "Transportation project" means a project:
- 3059 ~~[(a)]~~ (i) to improve a state or local highway;
- 3060 ~~[(b)]~~ (ii) to improve a public transportation facility or nonmotorized transportation
- 3061 facility;
- 3062 ~~[(e)]~~ (iii) to construct or improve parking facilities;
- 3063 ~~[(d)]~~ (iv) that is subject to a transportation reinvestment zone agreement [~~pursuant to~~]
- 3064 in accordance with Section 11-13-227 if the state is party to the agreement; or
- 3065 ~~[(e)]~~ (v) that is part of a housing and transit reinvestment zone created [~~pursuant to~~] in
- 3066 accordance with Title 63N, Chapter 3, Part 6, Housing and Transit Reinvestment
- 3067 Zone Act.
- 3068 ~~[(7)]~~ (b) "Transportation project" includes the costs of acquisition, construction,
- 3069 reconstruction, rehabilitation, equipping, and fixturing.
- 3070 ~~[(8)]~~ (c) "Transportation project" may only include a project if the project is part of:
- 3071 ~~[(a)]~~ (i) the statewide long range plan;
- 3072 ~~[(b)]~~ (ii) a regional transportation plan of the area metropolitan planning organization
- 3073 if a metropolitan planning organization exists for the area; or
- 3074 ~~[(e)]~~ (iii) a local government general plan or economic development initiative.
- 3075 Section 23. Section **72-2-302** is amended to read:
- 3076 **72-2-302 (Effective 05/06/26). County of the First Class Infrastructure Bank**
- 3077 **Fund -- Creation -- Use of money.**
- 3078 (1) There is created a revolving loan fund entitled the County of the First Class
- 3079 Infrastructure Bank Fund.
- 3080 (2)(a) The fund consists of money generated from the following revenue sources:
- 3081 (i) deposits into the fund in accordance with Subsection 72-2-121(9);
- 3082 (ii) appropriations made to the fund by the Legislature;
- 3083 (iii) federal money and grants that are deposited into the fund;
- 3084 (iv) money transferred to the fund by the commission from other money available to
- 3085 the department;
- 3086 (v) state grants that are deposited into the fund;

- 3087 (vi) contributions or grants from any other private or public sources for deposit into
3088 the fund; and
- 3089 (vii) subject to Subsection (2)(b) and Section 72-2-306, all money collected from
3090 repayments of fund money used for infrastructure loans or infrastructure
3091 assistance.
- 3092 (b) When a loan from the fund is repaid, the department may request and the Legislature
3093 may transfer from the fund to the source from which the money originated an amount
3094 equal to the repaid loan.
- 3095 (3)(a) The fund shall earn interest.
- 3096 (b) All interest earned on fund money shall be deposited into the fund.
- 3097 (4)(a) Except as provided in Subsection (4)(b), money in the fund shall be used by the
3098 department, as prioritized by the commission, only to:
- 3099 (i) provide infrastructure loans or infrastructure assistance; and
3100 (ii) pay the department for the costs of administering the fund, providing
3101 infrastructure loans or infrastructure assistance, monitoring transportation projects
3102 and publicly owned infrastructure projects, and obtaining repayments of
3103 infrastructure loans or infrastructure assistance.
- 3104 (b) Notwithstanding Subsection (4)(a), money in the fund shall be used by the
3105 department to provide funds in the following order of priority:
- 3106 (i) a \$20,000,000 loan to Draper for the renovation of existing water pipelines and the
3107 expansion of drinking water infrastructure;
- 3108 [~~(ii) a \$5,000,000 loan to Herriman for the mitigation and replacement of impacted
3109 soils;~~]
- 3110 (ii) a \$30,000,000 grant to Bluffdale for the construction of multiple lane
3111 grade-separated rail crossing at 1000 West and 14600 South;
- 3112 (iii) a \$9,000,000 grant to the County of the First Class Highway Projects Fund
3113 created in Section 72-2-121;
- 3114 (iv) a \$4,000,000 grant to Metropolitan Water District of Salt Lake and Sandy for the
3115 Little Cottonwood Creek conduit connecting to the water treatment plant;
- 3116 (v) a \$2,000,000 grant to Draper for construction, expansion, and renovation of new
3117 and existing drinking water infrastructure;
- 3118 (vi) a \$2,000,000 grant to West Jordan for improvements to 6700 West between 9000
3119 South and New Bingham Highway;
- 3120 (vii) a \$2,500,000 grant to Riverton for improvements to 2700 West between 13400

3121 South and Bangerter Highway; [~~and~~]
 3122 (viii) a \$2,750,000 grant to Midvale for improvements to Center Street between State
 3123 Street and Bingham Junction Boulevard; and
 3124 (ix) a \$2,250,000 grant to Taylorsville for improvements to 5313 South to lift station
 3125 and corresponding improvements between Bangerter Highway and 4015 West.
 3126 [~~(viii) a \$30,000,000 grant to Bluffdale for construction of a multiple lane,~~
 3127 ~~grade-separated rail crossing at 1000 West and 14600 South.]~~

3128 (5)(a) The department may establish separate accounts in the fund for infrastructure
 3129 loans, infrastructure assistance, administrative and operating expenses, or any other
 3130 purpose to implement this part.
 3131 (b) Prioritization of infrastructure loans described in Subsection (5)(a) shall follow the
 3132 same process as described in Section 72-2-303.
 3133 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 3134 department may make rules governing how the fund and its accounts may be held by
 3135 an escrow agent.

3136 (6) Fund money shall be invested by the state treasurer as provided in Title 51, Chapter 7,
 3137 State Money Management Act, and the earnings from the investments shall be credited
 3138 to the fund.

3139 Section 24. Section **72-5-102** is amended to read:

3140 **72-5-102 (Effective 05/06/26). Definitions.**

3141 As used in this part, "state transportation purposes" includes:

- 3142 (1) highway, public transit facility, and transportation rights-of-way, including those
 3143 necessary within cities and towns;
 3144 (2) the construction, reconstruction, relocation, improvement, maintenance, and mitigation
 3145 from the effects of these activities on state highways and other transportation facilities,
 3146 including parking facilities, under the control of the department;
 3147 (3) limited access facilities, including rights of access, air, light, and view and frontage and
 3148 service roads to highways;
 3149 (4) adequate drainage in connection with any highway, cut, fill, or channel change and the
 3150 maintenance of any highway, cut, fill, or channel change;
 3151 (5) weighing stations, shops, offices, storage buildings and yards, and road maintenance or
 3152 construction sites;
 3153 (6) road material sites, sites for the manufacture of road materials, and access roads to the
 3154 sites;

- 3155 (7) the maintenance of an unobstructed view of any portion of a highway to promote the
 3156 safety of the traveling public;
- 3157 (8) the placement of traffic signals, directional signs, and other signs, fences, curbs,
 3158 barriers, and obstructions for the convenience of the traveling public;
- 3159 (9) the construction and maintenance of storm sewers, sidewalks, and highway illumination;
- 3160 (10) the construction and maintenance of livestock highways;
- 3161 (11) the construction and maintenance of roadside rest areas adjacent to or near any
 3162 highway;[~~and~~]
- 3163 (12) the mitigation of impacts from transportation projects[-] ; and
- 3164 (13) any other transportation purpose for which the department has responsibility under this
 3165 title.

3166 Section 25. Section **72-6-120** is amended to read:

3167 **72-6-120 (Effective 05/06/26). Department authorized to participate in federal**
 3168 **program assuming responsibility for environmental review of transportation projects --**
 3169 **Rulemaking authority.**

- 3170 (1) The department may:
- 3171 (a) assume responsibilities under 23 U.S.C. Sec. 326 for:
- 3172 (i) determining whether [~~state highway~~] transportation design and construction
 3173 projects are categorically excluded from requirements for environmental
 3174 assessments or environmental impact statements; and
- 3175 (ii) environmental review, consultation, or other actions required under federal law
 3176 for categorically excluded projects;
- 3177 (b) assume responsibilities under 23 U.S.C. Sec. 327 with respect to one or more
 3178 railroad, public transportation, highway, or multimodal projects within the state under
 3179 the National Environmental Policy Act of 1969 for environmental review,
 3180 consultation, or other action required under any federal environmental law pertaining
 3181 to the review or approval of a specific [~~highway~~] transportation project;
- 3182 (c) enter one or more memoranda of understanding with the United States Department of
 3183 Transportation related to [~~federal highway~~] transportation programs as provided in 23
 3184 U.S.C. Secs. 326 and 327 subject to the requirements of Subsection 72-1-207(5);
- 3185 (d) accept, receive, and administer grants, other money, or gifts from public and private
 3186 agencies, including the federal government, for the purpose of carrying out the
 3187 programs authorized under this section; and
- 3188 (e) cooperate with the federal government in implementing this section and any

- 3189 memorandum of understanding entered into under Subsection 72-1-207(5).
 3190 (2) Notwithstanding any other provision of law, in implementing a program under this
 3191 section that is approved by the United States Department of Transportation, the
 3192 department is authorized to:
- 3193 (a) perform or conduct any of the activities described in a memorandum of
 - 3194 understanding entered into under Subsection 72-1-207(5);
 - 3195 (b) take actions necessary to implement the program; and
 - 3196 (c) adopt relevant federal environmental standards as the standards for this state for
 - 3197 categorically excluded projects.
- 3198 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 3199 department may make rules to implement the provisions of this section.

3200 Section 26. Section **72-9-604** is amended to read:

3201 **72-9-604 (Effective 05/06/26). Preemption of local authorities -- Tow trucks.**

- 3202 (1) As used in this section:
- 3203 (a) "Abandoned" means a vehicle, vessel, or outboard motor for which a party described
 - 3204 in Subsection 41-6a-1406(6)(a) with an interest in the vehicle, vessel, or outboard
 - 3205 motor does not, within 30 days after the day on which notice is issued that the
 - 3206 vehicle, vessel, or outboard motor was towed by a towing entity:
 - 3207 (i) pay the relevant fees; and
 - 3208 (ii) remove the vehicle, vessel, or outboard motor from the secure storage facility.
 - 3209 (b) "Towing dispatch vendor" means the same as that term is defined in Section
 - 3210 53-1-106.2.
 - 3211 [(b)] (c) "Towing entity" means:
 - 3212 (i) a political subdivision of this state;
 - 3213 (ii) a state agency;
 - 3214 (iii) an interlocal agency created under Title 11, Chapter 13, Interlocal Cooperation
 - 3215 Act; or
 - 3216 (iv) a special service district created under Title 17D, Chapter 1, Special Service
 - 3217 District Act.
 - 3218 (2)(a) Notwithstanding any other provision of law, a political subdivision of this state
 - 3219 may ~~[neither]~~ not enact ~~[nor]~~ or enforce any ordinance, regulation, or rule pertaining
 - 3220 to a tow truck motor carrier, tow truck operator, or tow truck that:
 - 3221 (i) conflicts with:
 - 3222 (A) any provision of this part;

- 3223 (B) Section 41-6a-1401;
- 3224 (C) Section 41-6a-1407; or
- 3225 (D) rules made by the department under this part; or
- 3226 (ii) imposes a maximum rate that deviates from the maximum rates set in rules made
- 3227 by the department pursuant to Subsection 72-9-603(16).
- 3228 (b) A county or municipal legislative governing body may not charge a fee for the
- 3229 storage of an impounded vehicle, vessel, or outboard motor if the county or
- 3230 municipality:
- 3231 (i) is holding the vehicle, vessel, or outboard motor as evidence; and
- 3232 (ii) will not release the vehicle, vessel, or outboard motor to the registered owner, lien
- 3233 holder, or the owner's agent even if the registered owner, lien holder, or the
- 3234 owner's agent satisfies the requirements to release the vehicle, vessel, or outboard
- 3235 motor under Section 41-6a-1406.
- 3236 (3) A tow truck motor carrier that has a county or municipal business license for a place of
- 3237 business located within that county or municipality may not be required to obtain
- 3238 another business license in order to perform a tow truck service in another county or
- 3239 municipality if there is not a business location in the other county or municipality.
- 3240 (4) A county or municipal legislative or governing body may not require a tow truck motor
- 3241 carrier, tow truck, or tow truck operator that has been issued a current, authorized
- 3242 towing certificate by the department, as described in Section 72-9-602, to obtain an
- 3243 additional towing certificate.
- 3244 (5) A county or municipal legislative body may require an annual tow truck safety
- 3245 inspection in addition to the inspections required under Sections 53-8-205 and 72-9-602
- 3246 if:
- 3247 (a) no fee is charged for the inspection; and
- 3248 (b) the inspection complies with federal motor carrier safety regulations.
- 3249 (6)(a) A tow truck shall be subject to only one annual safety inspection under Subsection
- 3250 (5)(b).
- 3251 (b) A county or municipality that requires ~~[the-]~~ an additional annual safety inspection
- 3252 shall accept the same inspection performed by another county or municipality.
- 3253 (7)~~[(a)(i) If a towing entity uses a towing dispatch vendor described in Section~~
- 3254 ~~53-1-106.2, the towing entity may charge a fee to cover costs associated with the~~
- 3255 ~~use of a dispatch vendor as described in Section 53-1-106.2.]~~
- 3256 ~~[(ii) Except as provided in Subsection (8), a fee described in Subsection (7)(a)(i) may~~

3257 not exceed the actual costs of the dispatch vendor contracted to provide the
3258 dispatch service.]

3259 [(b)(i) Except as provided in Subsection (7)(b)(ii), if a towing entity does not use a
3260 towing dispatch vendor described in Section 53-1-106.2, the towing entity may
3261 not charge a fee to cover costs associated with providing towing dispatch and
3262 rotation service.]

3263 [(ii) A special service district created under Title 17D, Chapter 1, Special Service
3264 District Act, that charges a dispatch fee on or before January 1, 2023, may
3265 continue to charge a fee related to dispatch costs.]

3266 [(iii) Except as provided in Subsection (8), a fee described in Subsection (7)(b)(ii)
3267 may not exceed an amount reasonably reflective to the actual costs of providing
3268 the towing dispatch and rotation service.]

3269 [(e) A towing entity may not charge a fee described in Subsection (7)(a)(i) or (7)(b)(ii)
3270 unless the relevant governing body of the towing entity has approved the fee amount.]

3271 (a) A towing entity may charge a fee to cover costs associated with dispatching for
3272 towing operations.

3273 (b) The fee described in Subsection (7)(a) may not exceed 50% of the administrative fee
3274 described in Subsection 72-9-603(16)(d).

3275 [(d)] (c) In addition to fees set by the department in rules made in accordance with
3276 Subsection 72-9-603(16), a tow truck operator or a tow truck motor carrier may pass
3277 through a fee described in this Subsection (7) to owners, lien holders, or insurance
3278 providers of towed vehicles, vessels, or outboard motors.

3279 (8)(a) In addition to the fees described in Subsection (7), a tow truck operator or tow
3280 truck motor carrier may charge an additional fee to absorb unrecovered costs of
3281 abandoned vehicles related to the fees described in [~~Subsections (7)(a)(i) and~~
3282 ~~(7)(b)(ii)~~] Subsection (7)(a).

3283 (b) [~~Beginning May 3, 2023, and ending on June 30, 2025, a~~] A tow truck operator or
3284 tow truck motor carrier may charge a fee described in Subsection (8)(a) in an amount
3285 not to exceed an amount greater than [25% of the relevant] 40% of the fee described
3286 in Subsection [(7)(a)(i) or (7)(b)(ii)] (7)(a).

3287 [(e)(i) Beginning January 1, 2025, and annually thereafter, the towing entity shall,
3288 based on data provided by the State Tax Commission, determine the percentage of
3289 vehicles, vessels, or outboard motors that were abandoned during the previous
3290 year by:]

- 3291 [~~(A) determining the total number of vehicles, vessels, or outboard motors that~~
3292 ~~were towed as part of a towing entity's towing rotation during the previous~~
3293 ~~calendar year that were also abandoned; and]~~
- 3294 [~~(B) dividing the number described in Subsection (8)(c)(i)(A) by the total number~~
3295 ~~of vehicles, vessels, or outboard motors that were towed as part of the towing~~
3296 ~~entity's towing rotation during the previous calendar year.]~~
- 3297 [~~(ii) No later than March 31, 2025, and each year thereafter, the towing entity shall~~
3298 ~~publish:]~~
- 3299 [~~(A) the relevant fee amount described in Subsection (7)(a)(i) or (7)(b)(ii); and]~~
3300 [~~(B) the percentage described in Subsection (8)(c)(i).]~~
- 3301 [~~(iii) Beginning on July 1, 2025, and each year thereafter, a tow truck operator or a~~
3302 ~~tow truck motor carrier may charge a fee authorized in Subsection (8)(a) in an~~
3303 ~~amount equal to the percentage described in Subsection (8)(c)(i) multiplied by the~~
3304 ~~relevant fee amount described in Subsection (7)(a)(i) or (7)(b)(ii).]~~
- 3305 [~~(d)~~] (c) A tow truck operator or tow truck motor carrier shall list on a separate line on
3306 the towing invoice any fee described in this Subsection (8).
- 3307 (9) A towing entity may not require a tow truck operator who has received an authorized
3308 towing certificate from the department to submit additional criminal background check
3309 information for inclusion of the tow truck motor carrier on a rotation.
- 3310 (10) If a tow truck motor carrier is dispatched as part of a towing rotation, the tow truck
3311 operator that responds may not respond to the location in a tow truck that is owned by a
3312 tow truck motor carrier that is different than the tow truck motor carrier that was
3313 dispatched.
- 3314 (11) If a towing entity receives a notice from the department as described in Subsection
3315 72-9-602(6), the towing entity shall remove the tow truck motor carrier from the towing
3316 entity's towing rotation, contract, or request for proposal as provided in the notice from
3317 the department.
- 3318 (12) A towing entity may not contract with a towing dispatch vendor that requires a tow
3319 truck motor carrier or tow truck operator to manipulate a wireless communication device
3320 in violation of Section 41-6a-1716.
- 3321 (13) A towing entity may require a tow truck motor carrier, or tow truck operator to enter
3322 the following into a database controlled by the towing dispatch vendor:
- 3323 (a) information about the vehicle, vessel, or outboard motor that is the subject of the tow;
3324 (b) information about the owner of the vehicle, vessel, or outboard motor that is the

- 3325 subject of the tow; and
- 3326 (c) other information about the circumstances and timing of the towing operation.
- 3327 (14) If a towing dispatch vendor that receives from a towing entity, tow truck motor carrier,
- 3328 or tow truck operator any personal or other information about the owner of a vehicle that
- 3329 is the subject of the towing dispatch service, the towing dispatch vendor may not:
- 3330 (a) share the personal information with a third party;
- 3331 (b) sell the personal information to a third party;
- 3332 (c) use the information for any purpose other than dispatching for the tow or removal; or
- 3333 (d) retain the information longer than the administrative need.

3334 Section 27. Section **72-19-401** is amended to read:

3335 **72-19-401 (Effective 05/06/26). Creation of Broadband Equity Access and**

3336 **Deployment Grant Program.**

- 3337 (1) There is established a grant program known as the Broadband Equity Access and
- 3338 Deployment Grant Program that is administered by the broadband center in accordance
- 3339 with:
- 3340 (a) this part; and
- 3341 (b) the requirements of the National Telecommunications and Information
- 3342 Administration's Broadband Equity Access and Deployment Program, 47 U.S.C. Sec.
- 3343 1702 et seq.
- 3344 (2) The broadband center shall:
- 3345 (a) prepare and submit the state's Broadband Equity Access and Deployment application,
- 3346 including the letter of intent, initial proposal, and final proposal to the National
- 3347 Telecommunications and Information Administration;
- 3348 (b) administer the Broadband Equity Access and Deployment Grant Program in
- 3349 accordance with this section and as approved by the National Telecommunications
- 3350 and Information Administration;
- 3351 (c) accept and process an application for subgranted funds; and
- 3352 (d) ensure that a subgrantee complies with the state's final proposal to the National
- 3353 Telecommunications and Information Administration.
- 3354 (3) The department, in coordination with the broadband center, may make rules in
- 3355 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to
- 3356 administer the grant program.
- 3357 (4) The broadband center may approve an application for subgranted funds if:
- 3358 (a) the application meets the requirements of this section;

- 3359 (b) the application meets any rule made [~~pursuant to~~] in accordance with this section;
- 3360 (c) the application meets the requirements of the National Telecommunications and
- 3361 Information Administration's Broadband Equity Access and Deployment Program, 47
- 3362 U.S.C. Sec. 1702 et seq.; and
- 3363 (d) the broadband center has informed the Transportation Commission about the
- 3364 application described in Subsection (2)(c).
- 3365 (5) After the broadband center completes a competitive application process for subgranted
- 3366 funds[~~but before the broadband center notifies the applicant of the award~~], the
- 3367 broadband center shall present to the Transportation Commission on the subgrant award.
- 3368 Section 28. Section **72-20-101** is enacted to read:

3369 **CHAPTER 20. Local Highway Mobility Plans**

3370 **72-20-101 (Effective 05/06/26). Definitions.**

3371 As used in this chapter:

- 3372 (1) "City" means Salt Lake City.
- 3373 (2) "Critical capacity routes map" means the map adopted by the city designating roadways
- 3374 within the study area by tiers to preserve motor vehicle capacity as described in the city's
- 3375 transportation plans.
- 3376 (3) "Highway reduction strategy" means a strategy that:
- 3377 (a) has the potential to permanently decrease the number of vehicles that can travel on an
- 3378 arterial or a collector highway per hour, including:
- 3379 (i) reducing the number of motorized vehicle travel lanes on an arterial or collector
- 3380 highway;
- 3381 (ii) narrowing existing motorized vehicle travel lanes on an arterial or collector
- 3382 highway; or
- 3383 (iii) any other strategy that when implemented may reasonably be expected to
- 3384 increase congestion or impede traffic flow for motor vehicles driving on an
- 3385 arterial or collector highway; or
- 3386 (b) has the potential to permanently reduce the availability of on-street parking.
- 3387 (4) "Study area" means the area within Salt Lake City that is west of Foothill Drive, east of
- 3388 Redwood Road, south of 600 North, and extends to the southern boundary of the city.
- 3389 (5) "Tier four road" means a low-volume, residential or similar road.
- 3390 (6) "Tier one road" means a regionally significant transportation facility.
- 3391 (7) "Tier three road" means a low-priority, low-volume street with minimal regional
- 3392 significance within the transportation network.

- 3393 (8) "Tier two road" means a corridor important to the transportation network but not
 3394 designed or anticipated to carry as much motor vehicle volume as a tier one road.
- 3395 (9) "Traffic calming measures" means permanent physical or regulatory measures intended
 3396 to reduce vehicle speeds or volumes on roadways.
- 3397 Section 29. Section **72-20-102** is enacted to read:
- 3398 **72-20-102 (Effective 05/06/26). Adoption and codification of critical capacity**
 3399 **routes map -- Agreement.**
- 3400 (1) On or before January 1, 2027, the city shall:
- 3401 (a) enter into an agreement with the department that:
- 3402 (i) identifies and designates each road within the study area as a tier one, tier two, tier
 3403 three, or tier four road;
- 3404 (ii) designates regionally significant highways within the study area as tier one roads
 3405 for which, except as provided in Subsection (2)(a), the city may not implement a
 3406 project that includes a highway reduction strategy;
- 3407 (iii) designates highways within the study area as tier two roads for which the city
 3408 may implement a project that includes a highway reduction strategy only after the
 3409 city:
- 3410 (A) completes a thorough data collection and impact analysis;
- 3411 (B) completes a thorough community and business engagement campaign that
 3412 includes engagement with key stakeholders; and
- 3413 (C) receives approval for the project by the department;
- 3414 (iv) designates highways within the study area as tier three roads for which the city
 3415 may implement a project that includes a highway reduction strategy as determined
 3416 necessary by the city, consistent with the terms of the agreement;
- 3417 (v) includes plans and timelines for the city to mitigate the impacts of traffic calming
 3418 measures and highway reduction strategies previously implemented on:
- 3419 (A) 300 West from 400 South to 900 South;
- 3420 (B) 200 South from 300 West to 300 East; and
- 3421 (C) 400 South from West Temple to Interstate 15; and
- 3422 (vi) the city will continually evaluate roads of all tiers within the study area for
 3423 safety, efficiency, and effectiveness for all modes of transportation; and
- 3424 (b) adopt and codify a critical capacity routes map into the city's transportation plans and
 3425 ordinances.
- 3426 (2)(a)(i) The agreement described in Subsection (1)(a) may allow for implementation

- 3427 of one or more safety improvements on a tier one road described in Subsection
3428 (1)(a)(ii), if the safety improvements are primarily intended to enhance the safety
3429 of all roadway users and do not materially reduce travel capacity or the number of
3430 motorized vehicle travel lanes.
- 3431 (ii) Before implementing a safety improvement under this Subsection (2), the city
3432 shall:
- 3433 (A) complete a thorough data collection and impact analysis;
3434 (B) complete a thorough community and business engagement campaign that
3435 includes engagement with key stakeholders; and
3436 (C) receive approval for the project from the department.
- 3437 (b)(i) Where possible, the city shall maintain the width of a vehicle travel lane on a
3438 tier one road and tier two road within the study area at a width of at least 11 feet.
- 3439 (ii) The city may not implement a highway reduction strategy on a tier three road
3440 within the study area that permanently reduces the width of a highway lane below
3441 10 feet.
- 3442 (iii) The department may reject a proposed highway reduction strategy on a tier one
3443 road or tier two road within the study area that, in the department's discretion, is
3444 not in the best interest of traffic management, flow, or safety.
- 3445 (c)(i) Before the city may reduce parking by three or more parking stalls on a block
3446 face of a tier one or tier two road within the study area, the city shall:
- 3447 (A) engage with the stakeholders in the immediate vicinity of the block face to
3448 assess potential impacts and alternatives; and
- 3449 (B) inform the department if the stakeholder engagement described in Subsection
3450 (2)(c)(i)(A) results in a determination to reduce parking by three or more stalls.
- 3451 (ii) In determining whether a strategy has the potential to permanently impact
3452 availability and accessibility to on-street parking:
- 3453 (A) a parking fee or hour restriction is not considered a permanent reduction of
3454 parking stalls on a block face; and
- 3455 (B) if a strategy that reduces on-street parking provides additional parking due to
3456 construction or access to a new parking structure, the proposed project is not
3457 considered a reduction in on-street parking if the aggregate availability of
3458 parking does not decrease.
- 3459 (iii) The city shall follow the requirements and guidelines of the agreement described
3460 in Subsection (1)(a) with regard to permanent parking reduction.

- 3461 (d) To develop the plan for mitigation described in Subsection (1)(a)(v), the city:
3462 (i) may engage and consult with stakeholders and the department to assess potential
3463 impacts and alternatives; and
3464 (ii) shall obtain approval from the department of the proposed plan for each highway.
- 3465 (3)(a) On or before November 30, 2027, and annually thereafter, the city, in consultation
3466 with the department, shall provide a written report to the Transportation Interim
3467 Committee with an update on the agreement and the status of highway reduction
3468 strategies and projects within the study area.
- 3469 (b) On or before November 30, 2028, the Transportation Interim Committee shall review
3470 the reports required in Subsection (3)(a) and determine whether the report should
3471 continue.
- 3472 (4) The city may exercise the city's discretion with regard to any tier four road.
3473 (5) The city shall publish the critical capacity routes map on the city website.
3474 (6) The city mayor and the executive director shall sign and approve the agreement.
- 3475 Section 30. **Effective Date.**
- 3476 (1) Except as provided in Subsection (2), this bill takes effect May 6, 2026.
3477 (2) The actions affecting the following sections take effect on July 1, 2026:
3478 (a) Section 59-12-104 (Effective 07/01/26);
3479 (b) Section 59-12-2220 (Effective 07/01/26); and
3480 (c) Section 72-2-124 (Effective 07/01/26).