

H.B.433 - Amendments Related to Infrastructure Funding
(with [HB1008](#) adjustments incorporated)
Rep. Mike Schultz / Senator Kirk Cullimore

Summary of HB433

HB433 authorizes \$1.1 billion in investments in roads, public transit, and active transportation, through a combination of the authorization of new bonding and the appropriation of available one-time revenues.

WFRC and Utah's other MPOs, along with ULCT and UAC, developed a [letter of support and principles](#) for infrastructure investment (a similar letter was also submitted to Governor Cox and Lieutenant Governor Henderson):

1. *Invest in infrastructure.*
HB433 authorizes investment of \$1.1 billion in Utah's infrastructure. This is coupled with the significant ongoing investment of State funds in Utah's transportation system.
2. *Support multi-modal transportation choices.*
HB433 and related appropriation bills invest in state roads, and make an unprecedented investment of state funding in transit and active transportation. The investment in active transportation is consistent with [this letter](#) that was signed by over 400 public, private, and community stakeholders across Utah urging the Governor and Legislature to invest in constructing high-priority, regionally important active transportation projects throughout the State.
3. *Utilize the professional planning and prioritization process.*
The projects and funding in HB433 are included in [Utah's Unified Transportation Plan](#) and/or the State Transportation Commission [TIF Highway Projects Ranked List](#) which is developed utilizing the State Transportation Commission [prioritization process](#).
4. *Be fiscally prudent - balance current infrastructure investment needs with long-term fiscal stability.*
HB433 uses a mix of one-time cash (general fund appropriations) and bonding against future transportation revenues.

Details of HB433 and related appropriations

From one-time general funds, appropriates the following:

- **\$869.6M total.**
- **\$705M** (that goes into the TIF) for the costs of right-of-way acquisition, construction, reconstruction, or renovation of or improvement to the following **state highway projects**

(note that funding is not specified project-by-project; rather the total amount is appropriated to UDOT, who will administer the funding):

- The connector road between Main Street and 1600 North in the city of Vineyard
 - Geneva Road from University Parkway to 1800 South in Utah County
 - The SR-97 interchange at 5600 South on I-15 in Weber County
 - Two lanes on U-111 from Herriman Parkway to 11800 South in Salt Lake County
 - Widening I-15 between mileposts 10 and 13 and the interchange at milepost 11 in Washington City
 - Improvements to 1600 North in Orem from 1200 West to State Street
 - Widening I-15 between mileposts 6 and 8 in St. George
 - Widening 1600 South from Main Street in the city of Spanish Fork to SR-51
 - Widening US 6 from Sheep Creek to Mill Fork between mileposts 195 and 197 in Spanish Fork Canyon
 - I-15 northbound between mileposts 43 and 56, south of Cedar City, near Kanarraville
 - A passing lane on SR-132 between mileposts 41.1 and 43.7 between mileposts 43 and 45.1 between Nephi and Fountain Green
 - East Zion SR-9 improvements
 - Toquerville Parkway in Washington County
 - An environmental study on Foothill Boulevard in the city of Saratoga Springs in Utah County
 - For construction of an interchange on Bangerter Highway at 13400 South
 - An environmental impact study for Kimball Junction in Summit County
- **\$28M** (that goes into the TIF) as pass-through funds to **local governments** for the following projects in the following amounts:
 - \$5M for Payson Main Street repair and replacement.
 - \$8M for a Bluffdale 14600 South railroad bypass.
 - \$5M for improvements to 4700 South in Taylorsville.
 - \$10M for improvements to the west side frontage roads adjacent to U.S. 40 between mile markers 7 and 10 Summit County.
- **\$101.6M** (that goes into the TTIF) for **transit** projects:
 - \$68M to pay to double-track strategic sections of the FrontRunner commuter rail system. In combination with bond funding authorized (see below), this will allow for enhanced speed, frequency, capacity, and reliability of FrontRunner service.
 - \$12M to pay for construction and improvements to the S-Line streetcar facilities in Salt Lake City (new in substitute bill).
 - \$11M for bus rapid transit (BRT) in the Salt Lake midvalley area.
 - \$5M for an environmental study at the point of the mountain area.
 - \$4M for a Utah Transit Authority and Sharp-Tintic railroad consolidation project in Utah County.
 - \$1.6M to pay for a rail station in the city of Vineyard.

- **\$35M** (that goes into the TIF) for **active transportation** “paved pedestrian or paved nonmotorized transportation projects.” This is from [Senate Bill 2](#) (New Fiscal Year Supplemental Appropriations Act), line 493. The bill does not specify projects, so these will be prioritized by the State Transportation Commission, based on projects in Utah's Unified Transportation Plan. The bill reduces the required local match for these projects from 40% to 20% of the costs needed for construction, reconstruction, or renovation; this will help local communities participate in advancing these projects.

Authorizes additional bonding for transportation:

- **\$264M total.**
- **\$232M to double track strategic sections of the FrontRunner**, bonded against future Transit Transportation Investment Fund (TTIF) revenues. This will consume a portion of the anticipated TTIF revenues to pay debt service on the bonds as UTA will pay \$5M per year towards debt service costs, for 15 years.
- **\$32M for rail projects**, to be paid from an existing locomotive fuel sales tax from the Rail Transportation Restricted Account.
 - \$29M for UDOT to pass through to Brigham City to be used for the Forest Street rail bridge project.
 - \$3M for UDOT to pass through to the City of North Salt Lake for an environmental study for a grade separation at 1100 North in North Salt Lake.
- **Longer-term programming of regular transportation funding without additional bonding:** The bill sets an expectation that the [State Transportation Commission](#) will prioritize projects beyond the normal programming time horizon of 4-6 years. Annually, over \$700M (the FY21 amount is \$765M) in State funding is transferred into the UDOT Transportation Investment Fund (TIF). These funds are used to pay debt service on previously issued bonds and to deliver new projects as programmed by the State Transportation Commission. The Commission will identify the timing for the delivery of prioritized projects by extending the programming time horizon of the ongoing funding that flows into the TIF. (As a reminder, the introduced version of HB433 anticipated issuing bonds over the next four or so years, to be paid off over a 15-year period out of future TIF revenues. This would have enabled the acceleration of some projects, and also would have resulted in additional interest costs.)
- The bill provides that bonds will not be issued that would cause total current outstanding general obligation debt of the state to exceed 50% of the [constitutional limitation](#). (In fact, even with the larger bond issuance authorized in the introduced version of HB433, the debt-limit percentage was expected to decline to below 30% over the next five years.)

Funding for Cottonwood Canyons Transportation

- Creates a Cottonwood Canyons Transportation Investment Fund (CCTIF) within UDOT's TIF for public transit or transportation projects. The projects to be funded are not specified in the bill.
- Funds the CCTIF at an amount up to \$20M per year, beginning in FY21 and continuing indefinitely, from the incremental growth in state sales taxes.
- Currently, 20.68% of the state sales tax is deposited into UDOT's Transportation Investment Fund. If the revenue from that transfer grows by more than 3% per year, then an amount equivalent to 25% of the revenue growth over the 3% will be transferred to the CCTIF, additively, up to a maximum of \$20M.

Employment impacts -- the bill also contains the following statement of legislative intent:

- The Legislature recognizes the tremendous employment opportunities that this bill will bring to Utah's skilled work force and to Utah's business community. The Legislature encourages the employment of Utah workers and the proliferation of Utah business in carrying out the projects made possible by the funding provided in this bill.