Summary of Senate Bill 150 Sub 1: Transportation Governance and Funding Amendments (Sen. Harper)

SB150 Sub1 enhances the coordination of transportation, housing, and land use at TOD sites; and modifies provisions related to TIF/TTIF, TRZs, UDOT’s RUC program, car rental tax, local option transportation sales taxes, registration fees, class B&C road funds, and tollways.

Transit Oriented Development (TOD), UTA, and Transportation Funding
● Eliminates the cap on the number of TODs UTA can participate in (was 8). (lines 436-438)
● Establishes requirements for UTA board of trustees when approving UTA participation in TODs, in addition to the requirements already in law. (lines 467-475). New requirements:
  ○ The municipality or unincorporated county where the TOD is located must be in compliance with the requirements to develop and report on their moderate income housing plan in their general plan (pursuant to SB34 (2019)). (lines 470-475)
  ○ The municipality or county where the TOD is located must have developed and adopted a “station area plan” that establishes and preserves a vision for areas within one-half mile of a UTA fixed guideway station, the development of which includes: a) involvement of all relevant stakeholders who have an interest in the station area, including relevant metropolitan planning organizations; b) identification of major infrastructural and policy constraints and a course of action to address those constraints; and c) other criteria as determined by the board of trustees of the relevant public transit district. (lines 350-358, 467-469). (Note: the Transportation and Land Use Connection (TLC) Program, jointly funded by WFRC, UDOT, UTA, and Salt Lake County, can help communities in developing their station area plans.)
● UTA may request, in writing, that a municipality or county provide UTA with an electronic notice of each land use application received by the municipality/county that may impact the development of a major transit investment corridor. Municipalities/counties that receive a written request shall provide UTA with timely electronic notice of each land use application requested. (lines 105-111, 284-290) (Note: this is consistent with the notice requirements municipalities now provide to UDOT.)
● When prioritizing new capacity public transit projects, the State Transportation Commission may give priority consideration to projects that are part of a transit-oriented/supportive development. (lines 1287-1289)
● Makes technical adjustments to the limitations on the use of UDOT Transportation Investment Fund (TIF) and Transit Transportation Investment Fund (TTIF) funds in municipalities not in compliance with their moderate income housing plan requirements. (lines 1484-1538)

Road Usage Charge (RUC) Program
● No later than 6/1/21, UDOT to provide a written plan to enroll all vehicles registered in the state in the RUC program by 12/31/31. Beginning 2021, UDOT will identify how it will expand the program and submit an annual report on the program’s revenues, participation rate, and department costs from preceding and current fiscal years. (lines 1177-1196)

Car Rental Tax
● Increases the sales tax on all short-term leases and rentals of motor vehicles from 2.5% to 4.0% -- with 2.5% of funds to continue to be used for corridor preservation and 1.5% to go

Prepared by WFRC 2/24/20
to Transit Transportation Investment Fund (TTIF); $4.5M estimated additional total annual revenue. (lines 793; 830-834)

**Transportation Reinvestment Zone (TRZ):** Under current law, local governments and transportation agencies may enter into TRZs to coordinate infrastructure investment and related development, and agree to commit incremental local sales and property taxes to pay the costs of the infrastructure. (Note: here is a white paper on TRZs.) But the state, as the largest sales taxing entity, is not contemplated as a potential party to contribute incremental state sales taxes in the area. This bill initiates a mechanism to facilitate the state’s participation in a TRZ by contributing incremental state sales taxes in the TRZ area that would not have been generated but for the infrastructure investment. This bill does not require state participation, rather it authorizes the concept and creates the fund.

- The state may only contribute incremental sales taxes in a TRZ if the proposed transportation infrastructure improvement serves a statewide public purpose. (lines 128-133)
- Creates a Transportation Reinvestment Zone fund that may be funded by Legislative appropriations and revenue generated by a portion of state sales and use tax within a TRZ in which the state is a party. (lines 1576-1582)
- The terms of each TRZ in which the state contributes incremental sales tax revenues is subject to approval by the Legislature, and the contribution of such funds is subject to appropriation. (lines 1588-1591). With such approvals, UDOT may expend money from the fund for transportation or public transit capacity infrastructure that is subject to the TRZ agreement. (lines 1585-1587)

**Hybrid Electric Registration Fees, Local Option Transportation Sales Taxes; Class B&C Road Funds; Miscellaneous**

- Holds registration fees for hybrid electric motor vehicles at 2020 level (no increase in 2021). (lines 703-743)
- Makes the referendum requirement optional for city imposition under 59-12-2215 (1st quarter) (lines 883-885); county establishment of uses under 59-12-2214 (2nd quarter) (lines 863-874) which is consistent with provisions for 3rd and 4th quarter. Clarifies that funds under 59-12-2217 (3rd quarter) can be used on collector roads. (line 901)
- Authorizes UDOT to use class B&C road funds for the costs of administering the B&C program. (lines 1324-1325) Beginning 7/1/21, modifies the allocation of class B&C road funds in Salt Lake County. Under the B&C formula, funds are distributed -- based on population and weighted lane miles. When less than 14% of a county’s population is in unincorporated areas, the current formula sets a floor of 14% population for purposes of calculating the county distribution. This will reduce that floor to 7% in Salt Lake County. (lines 1375-1389) Adds alleys within a master planned community greater than 3,500 acres to the definition of city roads for purposes of the B&C formula. (lines 999-1007, 1034-1037, 1595)
- Allows airport operators to perform random safety checks of transportation network company vehicles (lines 187 - 189) and increases insurance requirements. (line 201)
- Increases flexibility of tollway revenue -- can now be used for any transportation purpose. (lines 1715-1721)