

## WASATCH FRONT REGIONAL COUNCIL 2023 LEGISLATIVE SESSION WRAP-UP

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The Legislature adjourned sine-die around 10 PM on Friday, March 3rd as the marathon 45-day Legislative Session came to an end. At its close, the Legislature had passed a record number of 575 bills, and appropriated a \$29.4B state budget for fiscal year 2024 (see the Legislature's Budget [Quick Facts](#) and [Summary](#) for additional details).

In this legislative wrap-up, you can find appropriation highlights and descriptions, as well as a number of brief summaries (and detailed fact sheets) of significant legislation which passed. Additionally, you can refer to our full [WFRC 2023 Bill Tracker](#) that shows which bills passed and which did not, as well as our [WFRC 2023 Appropriations Tracker](#) which shares funding details on some notable appropriations. Included in this summary are the following key items:

1. 2023 GS Overview: A Successful Session for Growth and Transportation
2. Funding and Appropriations
  - a. Transportation Appropriations
    - i. \$800M one-time and up to \$1.1B for future transportation debt service
    - ii. \$45M one time and \$45M ongoing for the Active Transportation Investment Fund / Utah Trail Network
    - iii. \$60M one time for Corridor Preservation
    - iv. \$200M one time for Commuter Rail Improvements
    - v. \$40M one time and \$6M ongoing for Rural Transportation Investment Fund
    - vi. \$977K one time for a Regional Roadway Grid Network Study
    - vii. \$150M one time for Cottonwood Canyons enhanced bus service and tolling
    - viii. \$241M+ one time in Various Transportation Projects
  - b. Growth, Planning, and Other Appropriations
    - i. \$1.58M ongoing for a shared Local Administrative Advisor
    - ii. \$108M one time for The Point Backbone Infrastructure
    - iii. Housing, water, and other infrastructure
3. Priority Legislation
  - a. [SB 185, Transportation Amendments](#) creates the Active Transportation Investment Fund (ATIF), providing a stable funding source for the [Utah Trail Network](#) proposed by the Governor and UDOT.
  - b. [SB 260, Transportation Funding Requirements](#) modifies the .20% local option transportation sales tax, also known as the "5th 5th", to eliminate the imposition deadline and give more flexibility to fund transit as well as city and county transportation needs.
  - c. [SB 84, Housing and Transit Reinvestment Zone Amendments](#) modifies the HTRZ statute that enables tax increment to be captured around transit stations.

- d. [HB 301, Transportation Tax Amendments](#) provides temporary gas tax relief over the next few years, while also establishing a 12.5% tax on the retail sale of electricity at an electric vehicle charging station, and increases vehicle registration fees by \$7.
- e. [SB 175, Rural Transportation Infrastructure Fund](#) creates the Rural Transportation Investment Fund (RTIF) for rural road maintenance.
- f. [SB 27, Transportation Revisions](#) includes clean-up language to the station area planning (SAP) statute requirements.
- g. [HB 44, Corridor Preservation Amendments](#) allows UDOT to preserve corridors 40 years ahead of the need, and use corridor preservation funds for administrative costs.
- h. [SB125, Transportation Infrastructure Amendments](#) designates the ASPIRE research center at Utah State University as the lead entity to develop a comprehensive transportation electrification plan in Utah.
- i. [HB 433, Public Land Geographic Data Amendments](#) requires UGRC and GOPB to create a statewide interactive map and dataset depicting publicly owned property in Utah.

At the end of another great 45 days we applaud the dedicated efforts of the [Utah Legislature](#), and in particular recognize WFRC members [Representative Mike Schultz](#) and [Senator Wayne Harper](#), who led and passed numerous high-impact bills described below. We appreciate the leadership of [Governor Spencer Cox](#). We give special thanks to the members of [WFRC](#) and its committees -- the city and county local officials in the region. And we thank our partner organizations, the Utah League of Cities and Towns ([ULCT](#)), the Utah Association of Counties ([UAC](#)), the Mountainland Association of Governments ([MAG](#)) and all of Utah's seven Associations of Government, the Governor's Office of Planning and Budget ([GOPB](#)), the Utah Department of Transportation ([UDOT](#)), the Utah Transit Authority ([UTA](#)), the Governor's Office of Economic Opportunity ([GOEO](#)), and the Unified Economic Opportunity Commission ([UEOC](#)). Collectively, these people and organizations are motivated by a mission to serve all of Utah's communities, and ensure great quality of life now and for generations to come. Thank you!

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## **2023 GS OVERVIEW: A SUCCESSFUL SESSION FOR GROWTH & TRANSPORTATION**

It was an impactful session for growth-related issues in the 2023 General Legislative Session, which we expected it would be with the priorities expressed by the Governor and Legislative leaders prior to the start of session as outlined in the [House Caucus priorities](#), [Senate priorities](#), and [Governor's Budget](#). The House Majority Caucus also released a post-session [accomplishments highlight report](#). A number of these priorities also came from the Unified Economic Opportunity Commission (UEOC), which were a key driver in many of the Growth and Transportation related policy outcomes during the 2023 session.

**The Legislature continues to prioritize investment in multimodal transportation infrastructure**, providing a balance between investment in roadway, transit, and active transportation. Most notably, for the first time ever, the Legislature funded and prioritized ongoing funding for active transportation, recognizing the importance of active lifestyles and promoting alternate modes of transportation. Additionally, **the Legislature prioritized local transportation funding** by expanding the use of a county-imposed local option sales tax, allowing for the distribution of revenues from the State's Road Usage Charge program to local governments, and establishing a rural fund for city and county transportation needs.

These transportation-related issues couple with **funding and policy enhancements for other growth-related issues like water development and conservation, affordable housing, air quality, and land use**.

The Governor and Legislature, in collaboration with many stakeholders, are looking at the long-term future of the state, and investing in generational projects, with the intent to enhance the quality of life in Utah for generations to come.

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## **FUNDING AND APPROPRIATIONS**

Despite predictions of economic slowdowns and increased risk and volatility nationwide, the State of Utah maintained a strong fiscal position, situating the Legislature with another year of significant state surplus. With updated [Joint Consensus Revenue Estimates](#) for Fiscal Year 2023 and 2024 released in late February, legislators had roughly an additional \$817 million in one-time, and \$410 million ongoing in combined General Funds and Income Tax Funds available for appropriation during the 2023 legislative session. The [press release](#) from the Governor, Senate President, and Speaker of the House share their thoughts on the revenue estimates, and the [statement from the Executive Appropriations Committee](#) share thoughts on the final appropriation actions of the state budget (which is included in this high level [summary of the entire budget](#)).

### **Transportation Appropriations**

It was another historic session for transportation with the Legislature appropriating roughly \$2 billion for multimodal transportation needs in the state (roadway, transit, and active transportation). We are thrilled that the Governor and Legislature's actions this session continue to be consistent with the [shred principles for infrastructure investment](#) developed by WFRC and its partners:

1. *Invest in infrastructure*: this year's actions are another historic investment in Utah transportation, helping to address Utah's nation-leading growth.
2. *Support multi-modal transportation choices*: this year's actions continue the success from previous years on state funding being invested in roads, transit, and active transportation.

3. *Utilize the professional planning and prioritization process:* these investments rely on the professional planning and prioritization processes that are used to develop [Utah's Unified Transportation Plan](#).
4. *Be fiscally prudent - balance current infrastructure investment needs with long-term fiscal stability:* these investments prudently use one-time revenue available to Utah to pay for existing outstanding debt and make generational investments in infrastructure.

Highlights:

- **\$800M one-time for Transportation Debt Service:** The Legislature has invested significant funding to pay for a portion of Utah's outstanding general obligation transportation debt. Note that this does not mean pre-paying existing debt; the debt will be paid on the same schedule but out of these newly appropriated funds. This will free up existing Transportation Investment Funds (TIF) that are currently used to pay debt service, at around \$300M per year for the first few years, to be used for transportation investments. Unlike in past years where similar amounts of funding have been used to pay for specific projects, or additional new project programming capacity at the Utah Transportation Commission, this fiscally prudent approach to managing the State's debt gives the Utah Department of Transportation breathing room in the TIF to cover inflationary cost increases, new impacts on the TIF like the creation of the Active Transportation Investment Fund 5% transfer, and potential acceleration of projects.
- **\$400M one-time and \$300M ongoing (up to \$1.1B) for future transportation debt service (FY25):** The legislature identified future funding set asides to be put towards transportation debt service, dependent upon economic performance of revenue trends. This new funding is considered "high-risk" funding, meaning that if there is an economic downturn, these funds could instead be used as potential working rainy day reserves.
- **\$45M one-time and \$45M ongoing for the new Active Transportation Investment Fund / Utah Trail Network:** This funding is divided into two elements, first \$45M one-time to seed the new Active Transportation Investment Fund (ATIF), as created by [SB185](#). That bill (described in detail below), would also create an ongoing transfer of transportation dollars into the ATIF, funded at \$45 million ongoing in FY24 (and capped at \$45 million each year). This would provide an ongoing, predictable, and stable funding source to build and maintain state-owned paved trails throughout the state through UDOT's Utah Trail Network. This is a historic appropriation in that active transportation now has a dedicated, ongoing source of funding in the state. Many stakeholders worked together to make this happen.
- **\$60M one-time for Corridor Preservation:** \$60M for the Marda Dillree Corridor Preservation Fund. These additional funds would give UDOT additional capacity to purchase land and right-of-way now to better plan for and accommodate growth in our transportation system well into the future.

- **\$200M one-time for Commuter Rail Improvements:** The Legislature provided funding to cover a portion of the costs of constructing a new FrontRunner Station by the Point of the Mountain site, and for associated strategic doubletracking of FrontRunner. With plans for development at The Point well underway, and transportation solutions a critical piece of those plans, this dedicated funding will allow commuter rail to increase connectivity in the area. It will also increase reliability and frequency of FrontRunner service between Provo and Salt Lake City. Note that this should not be confused with other planned transit improvements at The Point for light rail or bus rapid transit.
- **\$977K one-time for a Regional Roadway Grid Network Study:** This is for a coordinated study among Utah's Metropolitan Planning Organizations, including WFRC. The Study is intended to help planners develop a grid network plan to outline possible freeway corridors, collector roads, and arterials needed for driving, transit, and active transportation to handle projected population growth and transportation needs in Utah. Our partners at the Mountainland Association of Governments will be taking the lead on this study.
- **\$150M one-time for Cottonwood Canyons Transportation:** This funding is to provide enhanced bus service, tolling, a mobility hub, and resort bus stops for Big and Little Cottonwood Canyons.
- **\$241M+ one time in Various Transportation Projects**
  - \$100M for the Payson I-15 Interchange and West Davis Corridor EIS
  - \$14M for a Herriman Roadway (12600S to 6400 W @ 1300 S)
  - \$2M 13400 S. Bangerter Highway Interchange in Riverton
  - \$4M for 8600 S improvements Between U-111 and 6400 W in West Jordan
  - \$17M for the Provo Canyon Trail
  - \$4M for Santaquin Mainstreet I-15 EIS
  - Corridor Preservation for the Cedar Valley Freeway in Eagle Mountain
  - Corridor preservation for the westward extension of SR-92 in Lehi
  - Corridor preservation for FrontRunner extension between Provo and Payson

### **Growth, Planning, and Other Appropriations**

- **\$1.58M ongoing for a shared Local Administrative Advisor:** Throughout Utah, there are approximately 147 small cities and towns who lack the resources to hire administrative and managerial staff to oversee important planning, public safety, infrastructure, and other operational services, and fulfill expanding statutory requirements. This appropriation would provide ten new FTEs, including two at the Utah League of Cities and Towns, and eight at Utah's seven Associations of Governments (AOGs) to provide support to these cities and towns. The regionally based FTEs will advise and assist local governments as needed, with administrative support and training from the ULCT program managers.
- **\$108M one-time for The Point Backbone Infrastructure:** This appropriation provides the needed funding for the Point site infrastructure, including utilities and roadway construction through the Point. This funding does not include transit funding for light rail or bus rapid transit improvements through the site.

- **\$33M one-time for Middle Mile Fiber Project:** This is a federal match for broadband projects administered through the Utah Department of Transportation
  - **\$50M one-time for a First Time Homebuyer Assistance program:** This program, included in SB240, would provide down payment assistance through the Utah Housing Corporation for first time homebuyers.
  - **\$500M (total) for water conservation and development**
  - **\$200M (total) for housing programs**
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## PRIORITY LEGISLATION

### **SB 185, Transportation Amendments (Sen. Wayne Harper / Rep. Kay Christofferson)**

The key policies included in this bill came out of extensive discussions in the Unified Economic Opportunity Commission's Growth and Transportation Working Group, including (1) The creation of the Active Transportation Investment Fund (ATIF) that provides the ongoing, stable funding source for the [Utah Trail Network](#) proposed by the UDOT and the Governor, (2) Expands the uses of the State Infrastructure Bank to greenfield development, and (3) Provides a way for Road Usage Charge (RUC) revenue to be distributed to local governments.

- **Active Transportation Investment Fund (ATIF):** As included in the [Utah Trail Network](#) proposal from the Governor and UDOT, and supported by 500 public, private, and community partners with [this letter](#), this bill creates the Active Transportation Investment Fund (ATIF). The fund receives a 5% annual transfer of the deposit into the Transportation Investment Fund (TIF), which is estimated at, and is capped at, \$45M. These funds will be used for planning, design, construction, maintenance, reconstruction or renovation of regionally significant paved pedestrian or paved non-motorized trail projects. This network will tie into local trail networks at the city and county level. In the coming weeks and months, UDOT will be establishing their processes and policies for administering the ATIF and the Utah Trail Network, in collaboration with Utah's Metropolitan Planning Organizations (MPOs). This will ensure that we create a world-class bicycle and pedestrian-friendly network of paved trails to continue to maintain and improve quality of life for all Utahns. We are thrilled about this historical investment in active transportation in the state!
- **Road Usage Charge (RUC) Account:** Provides that revenues from the Road Usage Charge (RUC) will be divided in the same manner as the motor fuel tax: 70% to UDOT, and 30% to cities and counties via the B&C road fund distribution. UDOT's administrative costs for the RUC program are covered before the RUC funds are split 70/30%.

Here is our [detailed summary of SB185](#).

### **SB260, Transportation Funding Requirements (Sen. Kirk Cullimore / Rep. Val Peterson)**

This bill modifies the .20% local option transportation sales tax, also known as the “5th 5th.” [SB136](#) in 2018 created this new county-imposed sales tax option specifically for public transit capital expenses and service delivery. Therefore, it is only eligible to be imposed in counties that have or are planning to have transit service; to date, the 5th 5th has only been imposed in one County (Summit). The statutory authorization for imposition expires June 30, 2023.

[SB 260](#) allows (but does not require) any county to impose the .20% local option sales tax, if and when the timing makes sense for their communities, with distribution of revenues dependent upon the class of county and presence of transit. SB260 (1) eliminates the imposition deadline, (2) allows counties *with* transit service to impose the .20% and divide the funds between transit, cities, and counties, (3) allow counties *without* transit service to impose the .20% and divide the funds between cities and counties for transportation purposes.

Here is our [detailed summary of SB260](#).

#### **[SB84, HTRZ Amendments](#) (Sen. Harper / Rep. Christofferson)**

SB84 makes a number of changes to the Housing and Transit Reinvestment Zone statute, as was created in [SB217](#) (2021 GS), and amended in [SB140](#) (2022 GS). HTRZ enables a portion of incremental tax revenue growth to be captured over a period of time to support costs of development around light rail, commuter rail, and bus rapid transit (BRT) stations. SB84 makes the following changes:

- Requires that a proposed HTRZ be at a BRT, light rail, or commuter rail station that is included in the respective metropolitan planning organization’s adopted long-range transportation plan and the transit district’s five-year plan.
- Adds additional objectives that an HTRZ should promote, including walkability, improvement in parking, and fulfillment of moderate income housing plans.
- Clarifies the number of allowable HTRZ at bus rapid transit stations.
- Requires GOEO to provide notice to certain entities upon receipt of an HTRZ proposal.
- Clarifies membership of an HTRZ committee.
- And allows the HTRZ committee to request certain changes to an HTRZ proposal.

Here is our detailed [Summary of SB84](#).

#### **[HB 301, Transportation Tax Amendments](#) (Rep. Schultz / Sen. Harper)**

This bill was also a concept that came out of the UEOC Growth and Transportation Working Group, and does three main things: (1) provides temporary gas tax relief over the next few years, (2) increases vehicle registration fees by \$7, and (3) establishes a 12.5% tax on the retail sale of electricity at an electric vehicle charging station. The bill is designed to provide



temporary tax relief because of high inflation, and provide long-term, broad-based stability in transportation funding.

- **Temporary Gas Tax Cut:** With inflationary pressures and recent high gas prices impacting Utah's families, and causing the indexed gas tax to increase more quickly than expected, this bill provides temporary relief in gas taxes for Utah's drivers. The bill decreases the tax by ~2 cents per gallon (cpg) on July 1, 2023, from the current rate of 36.4 cpg to 34.5 cpg. Then it establishes a more gradual increase over time than what would have happened under current law. The cpg will go to 36.5 in calendar 2024, 38.5 in calendar 2025, 40 in calendar 2026, and 42 in calendar 2028 and thereafter. Ultimately, this change equates to a \$32M tax cut in 2024, and \$24M in 2025 per the fiscal note.
- **Vehicle Registration Fee Increase:** To partially offset the gas tax reduction, and also provide long term transportation funding stability, the bill increases the existing vehicle registration fee by \$7. \$5 of the increase is to be distributed per the standard 70% UDOT and 30% B&C road funds split, and \$2 of the increase is to be distributed to the Rural Transportation Investment Fund created by [SB175](#) for 3rd-6th class counties.
- **Electric Vehicle Charging Tax:** The bill creates a tax on the retail sale of an electric charge at an EV charging station, or what we're referring to as "a charge on a charge for a charge". This would not impact at-home, residential charging, and is intended to primarily tax interstate electric vehicle drivers who arguably do not pay for the wear and tear they contribute to Utah's roadways.

#### **[SB175, Rural Transportation Infrastructure Fund \(Sen. Owens / Rep. Albrecht\)](#)**

This bill creates and funds the Rural Transportation Investment Fund (RTIF) which provides transportation funding for 3rd-6th class counties. This bill is designed to help rural communities that have limited tax bases have an increase in funding to maintain their transportation infrastructure.

- The fund will receive \$40M in one-time general funds appropriated in SB175, and roughly \$3.1M in ongoing revenue from \$2 of the vehicle registration fee increase included in HB301.
- RTIF funds would be distributed to cities and counties in rural areas based on the B&C formula of weighted lane miles and population, and may be used for B&C eligible projects / expenses.
- Counties (and cities within those counties) are only eligible to receive their RTIF distribution if they have imposed the 3rd or 4th "quarter" local option transportation sales tax.
- Note that in order to be eligible for the distribution of the \$40M in one-time funds, the county must have taken action to impose the 3rd or 4th quarter local option transportation sales tax by October 1, 2023



### **SB27, Transportation Revisions (Sen. Harper / Rep. Christofferson)**

This bill provides a number of transportation related changes, including the following:

- Clarifies the Station Area Planning (SAP) statute, which was passed in HB462 of the 2022 General Session, which requires cities to plan around their fixed guideway transit stations. The changes include:
  - Clarifies the number of moderate income housing strategies required for cities with fixed guideway transit
  - Clarifies the percentage of acreage in a qualifying land use application that must be within a station area
  - Clarifies how previous actions are treated in meeting SAP requirements, specifically for cities that have already developed plans for their station areas
- Requires that a municipality send their adopted or modified general plans or qualifying land use applications to an Association of Government (AOG).
- Reduces the Transit Transportation Investment Fund (TTIF) local match rate from 40% to 30%.
- Allows members of the Utah Transit Authority Board of Trustees to receive compensation increases based on cost-of-living adjustments.
- Allows UDOT to sell/transfer a property in a transit station area to UTA.
- Makes various technical changes to Utah Department of Transportation code, including safety measures in relation to snowplows and towing provision.

### **HB44, Corridor Preservation Amendments (Rep. Christofferson / Sen. Harper)**

The concept of this bill emerged from Transportation Interim Committee discussions, as well as the Unified Economic Opportunity Commission Growth and Transportation Working Group, and the desire for UDOT to more proactively preserve and purchase certain corridors, particularly in areas of high growth. However, with minimal staff resources, the Department of Transportation's ability to preserve these corridors has been limited.

This bill allows UDOT to preserve corridors 40 years ahead of the need, as opposed to the current 30 year purchasing outlook allowed, and provides that UDOT can utilize corridor preservation funds to be used for administrative costs of the fund.

In addition to the bill is an appropriation of \$60M in one-time funds to be deposited into the Marda Dilree Corridor Preservation fund to provide UDOT additional capacity for corridor purchase and administration. That appropriation has been included in [SB2](#), the New Fiscal Year Supplemental Appropriations Act.

### **SB125, Transportation Infrastructure Amendments (Sen. Wilson / Rep. Moss)**

This bill designates the ASPIRE Engineering Research Center at Utah State University as the research center for strategic planning and electrification for transportation infrastructure in the state. The bill creates a steering committee and includes membership with individuals from UDOT, DEQ, Office of Energy Development, GOEO, major power providers, and other organizations. The bill also creates an industry advisory board with a number of relevant private sector, governmental, educational, and other partners. The primary task will be to develop a **strategic master plan for transportation electrification in Utah**.

This bill is a key piece in Utah's electric transportation infrastructure future moving forward. As we move toward greater adoption of these technologies, it is important that we ensure the highest level of coordination and collaboration among industry and government partners, and this bill provides a path for that.

In addition to the \$2.1M in ongoing funding that USU received for this new charge, they also received a \$6M appropriation for electric train research.

#### **HB433, Public Land Geographic Data Amendments (Rep. Spendlove / Sen. Ipson)**

HB433 builds on the great work that County Recorders and Assessors do to keep track of property records and characteristics. It tasks the state GIS coordination office (Utah Geographical Resource Center, or UGRC) and the Governor's Office of Planning and Budget (GOPB) to coordinate with these County offices to provide a one-stop, statewide interactive map and dataset depicting all property in Utah owned by state, local, and federal government entities in Utah, in an internet-accessible, searchable, and map format.

This enhanced coordination between public agencies and the private sector will make this information more accessible, facilitating better coordination and exploration of opportunities of mutual benefit. This bill also ensures that basic information about all publicly held land is available to the general public for greater transparency.

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