

**UTAH LEAGUE OF CITIES & TOWNS
BOARD OF DIRECTORS MEETING
ZIONS BANK BUILDING, CAPITOL VIEW ROOM (18TH FLOOR)
1 SOUTH MAIN STREET, SALT LAKE CITY, UT 84133
TUESDAY SEPTEMBER 13, 2016 @ 4:00 PM**

1. Welcome and Introductions – Council Member Lynn Pace, ULCT President

2. Review & Approval of Minutes – Council Member Lynn Pace, ULCT President

ACTION: Review & Approval of Minutes

HANDOUT: June 24, 2016 Minutes

3. Report on 109th Annual Convention – Susan Wood, Krysten Olson, Nick Jarvis

- Conference Overview – Susan Wood
- Auxiliary Program – Krysten Olson
- Conference App – Nick Jarvis
- Board Nominations – Nick Jarvis

ACTION: For Information Only

HANDOUT: Conference Agenda At-a-Glance, Conference App Handout, Board Vacancies & Nominees

4. Board Review & Confirmation of ULCT Appointments – Ken Bullock

ACTION: Ratification of Appointments

HANDOUT: None

5. Report from Executive Committee – ULCT President Council Member Lynn Pace

ACTION: For Information Only

HANDOUT: None

6. Long Term Goals & Priorities – ULCT President Council Member Lynn Pace

ACTION: For Discussion Only

HANDOUT: None

7. Overview of Legislative Issues – ULCT Legislative Team

- Business Session – Cameron Diehl
- Legislative Overview – Cameron Diehl, Jodi Hoffman, Roger Tew
- B&C Distribution -- Cameron Diehl, Nick Jarvis, Brandon Smith

ACTION: For Information Only

HANDOUTS: B&C Discussion Documents

8. Financial Update – Ken Bullock

- Audit Status

ACTION: For Information Only

HANDOUT: None

9. ULCT Staff Update – Ken Bullock

ACTION: For Information Only

HANDOUTS: None

10. Metro Townships & League Membership – Ken Bullock, David Church

ACTION: For Discussion Only

HANDOUT: None

11. Other Business – ULCT President Council Member Lynn Pace

ACTION: For Discussion Only

HANDOUT: None

MINUTES OF THE UTAH LEAGUE OF CITIES & TOWNS
BOARD OF DIRECTORS MEETING
50 SOUTH 600 EAST, SUITE 150
SALT LAKE CITY, UT 84102
FRIDAY, JUNE 24, 2016
12:00 PM

CONDUCTING: ULCT Board of Directors President, Council Member Lynn Pace, Holladay.

EXECUTIVE BOARD

Council Member Lynn Pace, President, City of Holladay
Mayor Steve Hiatt, 1st Vice President, Kaysville
Council Member Beth Holbrook, 2nd Vice President, Bountiful
Mayor JoAnn Seghini, Treasurer, Midvale
Mayor John Curtis, Immediate Past President, Provo

BOARD OF DIRECTORS

Council Member Mike Mendenhall, Spanish Fork
Mayor Dean Baker, Naples
Council Member Andy Beerman, Park City
Mayor Mike Caldwell, Ogden City
Mayor Carmen Freeman, Herriman
Mayor Gary Gygi, Cedar Hills

ULCT STAFF

Kenneth Bullock, Executive Director
Cameron Diehl, Director of Legislative Affairs
Michelle Reilly, Director of Administrative Services
Susan Wood, Director of Communications and Training
Brandon Smith, Legislative Research Analyst
Meg Ryan, Planning Consultant
Nick Jarvis, Director of Research and Technology
Roger Tew, Senior Policy Analyst
Ashley Morfin, Executive Assistant and Staff Photographer
Jodi Hoffman, Land Use

EX-OFFICIO MEMBERS

JJ Allen, Clearfield, UCMA
David Church, Legal Counsel
Leigh Ann Warnock, UMCA

OTHERS PRESENT

Mayor John Spuhler, Garden City
Bob Peterson, Garden City

WELCOME AND INTRODUCTIONS

President Lynn Pace opened the meeting at 12:00 p.m. and called for introductions of those present.

REVIEW AND APPROVAL OF MINUTES

The Board reviewed the minutes of the April 6, 2016 ULCT Board Meeting. It was pointed out Susan Wood should replace Meg Ryan in the minutes as having updated the Board on the “Making Life Better” series.

Board Member Beth Holbrook moved to approve the April 6, 2016 ULCT Board Meeting minutes with the correction outlined above. The motion was seconded by Council Member Carmen Freeman. The vote was unanimous. The motion carried.

END OF YEAR FINANCIAL REPORT

Ken Bullock wished to make two points. 1) The Executive Committee requested an additional audit with all issues with Local governments for an additional \$5,000. 2) An inordinate amount of time is spent on the Budget.

Mayor Seghini presented the end of year financial report to the Board.

Board Member Mike Caldwell moved to approve the end of year financial report as presented. The motion was seconded by Board Member Mike Mendenhall. The vote was unanimous. The motion carried.

2016-2017 BUDGET

Mayor Seghini presented the 2016-2017 Budget to the members of the Board, reviewing all changes made since the last review in April. Total revenue and expenditures projected for the 2017 fiscal year is \$3,137,074 which represents a 16% increase in total revenue from the ULCT 2015-2016 adopted budget.

Board President Lynn Pace moved to approve the amended budget. The motion was seconded by Past President, John Curtis.

Next year’s budget:

1. A donation was received from an anonymous donor for the project that relates to Deseret News. Ken Bullock and Susan Wood have working on getting stories submitted to their webpage. Negotiations have been ongoing and a grant was received allowing the purchase of a reserved section on the page and more control over how long the story will stay there.
2. Salaries - \$54,000 increase with benefits. A salary and benefit study is currently underway.

3. IHC's Wellness. No expenditure from the League.
4. The University of Utah has started building a policy institute, of which the League has an opportunity to be a charter member. The League has been asked to give \$30,000 over a three year time period, buying a seat at the table of their Board of Directors with a voice on policy emphasis for that year's projects.

Past President John Curtis moved to approve the 2016-2017 budget as presented. The motion was seconded by Board Member Mike Caldwell. The vote was unanimous. The motion carried.

ULCT STAFF UPDATE

The Board was asked to review the staff update sent out previously by email. There was also a list of Board positions and which positions are expiring. A change has been made requiring no term limitations. An email will be sent to all elected officials in the state making them aware of the Board openings. Lynn Pace encouraged the current Board Members to serve on the Nominating Committee if not up for expiration.

LEGISLATIVE ISSUES REVIEW

Cameron Diehl

Handout: HB 60: Changes to Class B&C Fund Distributions

- Short Term Rental Software – Mayor John Spuhler, Garden City

Mayor Spuhler reported how they handle their short term rentals. Bob Peterson accompanied him. He wanted to find ways to become more efficient in their community regarding large short term rentals in the city which comprises a major portion of their sales tax revenue. The biggest issues was how to track and know who is compliant. He built a tool that has been effective, maintaining 100% compliance, produces reports, and providing a whole tool for staff to manage these rentals. Bob Peterson reviewed the program, emphasizing the licensing side. A map shows those who are compliant, non-compliant, and expiring within 60 days. There is also an identification side. The map shows areas outside the City, those they are investigating, new rentals, or whatever else is needed. Data from tax revenues can be entered.

Jodi Hoffman reported on research completed and has been looking at communities with short term rentals. There are 39 different parameters and 27 different terms that refer to short term rentals. They are developing a template for inspection issues with business licensing and can give recommendations for each city and circumstances. Presentations will be made at interims next month. If anyone has enforcement complaints or questions, they should contact Cameron or Jodi.

- B&C Allocation Issues

HB 60 was supposed to say cities, towns, and counties will receive 50% of the revenues expected from the sales option sales gas tax. The League was a prime negotiator. Everyone was under the impression that the 5 cent gas tax would be distributed in the 50/50 formula. The intent of counties was to bring forward hold harmless counties but they never told us what that was. Results went out to cities expecting an increase of 17%. We have since learned the 11 hold harmless counties approached the association of counties who then approached UDOT saying they weren't getting the money expected. The language needs to be fixed. HB 60 actually shifted 8.5 million dollars from the gas tax from cities to counties and shifted 11.5 million dollars to 11 hold harmless counties. West Valley City contacted the League and said they have concerns on numbers. The League dug into it and the Association of Counties said that was their intent all along. Nobody else was aware of that information.

It has been a big frustration that data was never shared. Hold harmless counties saw 82% growth. Cities, towns and non-hold harmless counties 8.9% or about half what was expected after the increase.

All data was researched, including legal research to determine legislative intent. The Association of Counties will discuss the issues and have emailed their membership saying they now realize they were not clear in their intent and are willing to discuss the issue. From our perspective, we want them to honor the intent as understood by the Transportation Coalition, legislators, governor, cities, etc. Cameron has approached several key city leaders around the state to be on the negotiating team. There will be a presentation to senate leadership on July 12th. We want them to put money into escrow until the policy can be addressed, but we cannot talk about solutions until the membership understands the breadth of the issue. He urged cities to contact their county officials for discussions.

Past President, John Curtis, moved we express, in the strongest of terms, our disappointment in the misrepresentation in HB 60 and to call for an immediate freezing and holding of funds until the issue can be worked out, including commitment and understanding of GHB 362, and trust we can count on our partners in the county to be as cooperative as possible. The League would also like to know why those things were changed and why cities were not made aware of them. The motion was seconded by Board Member Mike Caldwell. The vote was unanimous. The motion carried.

ADJOURN

There being no further discussion, Board Member Mendenhall moved the meeting adjourn The motion was seconded by Board Member Beth Holbrook. The vote was unanimous. The motion carried.

MINUTES APPROVED:

Chairman

Date

Secretary

Date

DRAFT





UTAH LEAGUE OF CITIES AND TOWNS

2016

ANNUAL CONVENTION

MAKING THE TOUGH DECISIONS

IF NOT YOU



WHO

IF NOT NOW



WHEN

SEPTEMBER 14-16 SALT LAKE CITY

Visit **ULCT.org**
for instructions to download
the **Conference App** and get
complete conference details
and updates

AGENDA AT A GLANCE

Wednesday, September 14, 2016

DELEGATE TRACKS

7:00 am – 8:30 am **Continental Breakfast**

7:00 am – 3:00 pm **Registration Desk Open**

8:00 am – 3:00 pm **Exhibits Open, Hallways**

9:00 am – 10:00 am
CONFERENCE KICK-OFF SESSION
 Bryan Miller
 “Power, Productivity, and Peace”
 Ballroom

10:15 am – 11:15 am
WORKSHOP 1
FINANCING ECONOMIC DEVELOPMENT
 Alta/Brighton

10:15 am – 11:15 am
WORKSHOP 2
PROCUREMENT AND THE RESOURCE OF STATE CONTRACTS
 Snowbird/Powder Mountain

10:15 am – 11:15 am
WORKSHOP 3
SPLIT SESSION
 1) Get to Know Your Government
 South Jordan University
 2) Creating a Youth Council
 Solitude/Sundance

10:15 am – 11:15 am
WORKSHOP 4
“OPPORTUNITY KNOCKS” NEW ERA FOR NEWS MEDIA
 Deer Valley

11:30 am – 1:45 pm
OPENING LUNCH
 SPONSORED BY ZIONS BANK—ULCT SPEAKER SERIES
Keynote Speaker: Michael Murphy “What’s Next—America’s Political Future”
 Ballroom

2:00 pm – 3:00 pm
WORKSHOP 5
THE VALUE OF ARTS AND HERITAGE TO UTAH COMMUNITIES
 Alta/Brighton

2:00 pm – 3:00 pm
WORKSHOP 6
AFFORDABLE HOUSING
 Snowbird/Powder Mountain

2:00 pm – 3:00 pm
WORKSHOP 7
LAWSUITS HAPPEN – ARE YOU IMMUNE?
 Solitude/Sundance

2:00 pm – 3:00 pm
WORKSHOP 8
UNLEASH THE POWER OF OUTLOOK AND OFFICE 365
 Deer Valley

2:00 pm – 3:30 pm
MOBILE TOUR
PUBLIC SAFETY IN UTAH COMMUNITIES
 SL Public Safety Building;
 Walk, drive, or take shuttle
 (leaves at 1:45 from outside
 Sheraton East Lobby)

3:15 pm – 4:15 pm
WORKSHOP 9
SECURING FINANCIAL STABILITY
 Alta/Brighton

3:15 pm – 4:15 pm
WORKSHOP 10
MAKING MUNICIPAL FIBER A SUCCESS
 Solitude/Sundance

3:15 pm – 4:30 pm
ROUNDTABLE DISCUSSIONS
 1) Meeting Utah’s Water Needs 2) Solar Simplified 3) Brownfields—
 New Opportunities for Communities 4) Wildland Fire Policy Changes
 5) Economic Vitality through Arts and Culture
 6) Vacation Rental Sharing 7) Making an Awesome Government
 Ballroom

6:00 pm – 8:30 pm
DINNER & ENTERTAINMENT
 SPONSORED BY THE SALT LAKE CITY COUNCIL
 Featuring **Alex Boye**
 Ballroom

SESSION CONTENT

	General sessions		Back to Basics		Rural Issues		Money Matters
	Lunch, dinner, and entertainment		Land Use		Sponsored		Clerks and Recorders
	Mobile Tours				Communications and Technology		

AGENDA AT A GLANCE

Thursday, September 15, 2016

DELEGATE TRACKS

7:00 am – 8:30 am Continental Breakfast

7:00 am – 3:00 pm Registration Desk Open

8:00 am – 3:00 pm Exhibits Open, Hallways

Office Hours
Room: Orion
 Individual consultations with the experts

8:00 am – 9:00 am
WORKSHOP 11
SMALL COMMUNITY BUDGETING IN UTAH
 Alta/Brighton

8:00 am – 9:00 am
WORKSHOP 12
IDENTIFY AND CREATE A COMMUNITY VISION
 Snowbird/Powder Mountain

8:00 am – 9:00 am
WORKSHOP 13
RETAIL TRENDS AND ATTRACTING RETAIL TO YOUR COMMUNITY
 Solitude/Sundance

8:00 am – 9:00 am
WORKSHOP 14
DISRUPTIVE TRANSPORTATION TECHNOLOGIES AND TRENDS
 Deer Valley

8:00-9:00 am
Wildland Fire
 Corresponding with Round Table Discussions

9:15 am – 10:30 am
GENERAL SESSION
 SPONSORED BY BALLARD SPAHR & CHAPMAN AND CUTLER
Charles Marohn, Strong Towns “A Curbside Chat” (1.5 hrs APA CM)
 Ballroom

9:15 am – 11:45 am
WORKSHOP 15
PUBLIC RECORDS REQUEST (GRAMA CERTIFICATION TRAINING)
 (2.75 hrs per IIMC)*
 Deer Valley

9:00-10:00 am
ULCT Legislative Team

10:00-10:30 am
Bringing Retail to Your Community
 Corresponding with workshop #13

10:30 am – 12:00 pm
MOBILE TOUR
GREENbike Tour: Implementing Active Transportation in an Urban Environment
 Meet at 500 South GREENbike Station south of Sheraton main lobby

11:00 am – 12:00 pm
WORKSHOP 16
BUDGETING FOR OUTCOMES
 Alta/Brighton

11:00 am – 12:00 pm
WORKSHOP 17
TRANSPORTATION IN THE NEXT AMERICAN CITY (1 hr APA CM)
 Snowbird/Powder Mountain

11:00 am – 12:00 pm
WORKSHOP 18
CONDITIONAL USE PERMITS (1 hr APA CM)
 Solitude/Sundance

10:30-11:00 am
Live Stream Your Meetings
 Corresponding with workshop #33

12:00 pm – 1:45 pm
LUNCH & GENERAL SESSION
 SPONSORED BY ROCKY MOUNTAIN POWER
Bill Taylor “Simply Brilliant: Essential Principles for Exceptional Performance”
 Ballroom

11:00-11:30 am
Short Term Rentals
 Corresponding with workshop #31

2:00 pm – 3:00 pm
WORKSHOP 19
EVIDENCE-BASED PLANNING AND CREATIVE PLACEMAKING
 Alta/Brighton

2:00 pm – 3:00 pm
WORKSHOP 20
PUBLIC MEETING MISMANAGEMENT
 Snowbird/Powder Mountain

2:00 pm – 3:00 pm
WORKSHOP 21
COMMUNICATIONS STRATEGIES FOR CITIES LARGE AND SMALL
 Solitude/Sundance

2:00 pm – 3:00 pm
WORKSHOP 22
ELECTION UPDATES (1 hr per IIMC)*
 Deer Valley

2:00-2:30 pm
Budgeting
 Corresponding with workshop #11 and #16

2:00 pm – 4:00 pm
MOBILE TOUR
SLC Airport VIP Renovation Tour
 Take shuttle service outside Sheraton Main Lobby on 500 South

2:30-3:00 pm
HR Issues
 Corresponding with workshop #28

3:15 pm – 4:15 pm
WORKSHOP 23
ARE FORM BASED CODES SHAPING UP?
 Alta/Brighton

3:15 pm – 4:15 pm
WORKSHOP 24
PLANNING AND CITY MANAGEMENT TOOLS
 Snowbird/Powder Mountain

3:15 pm – 4:15 pm
WORKSHOP 25
THE BENEFITS OF LOCAL FOOD PRODUCTION
 Solitude/Sundance

3:15 pm – 4:15 pm
WORKSHOP 26
AVOIDING THE LIABILITIES THAT COME FROM CONTRACTED WORK (1 hr per IIMC)*
 Deer Valley

2:00 pm – 3:00 pm
WORKSHOP 27
POWERS AND DUTIES WITH DAVID CHURCH
 Wasatch

3:30-4:00 pm
Communications Strategies
 Corresponding with workshop #21

***Clerks and Recorders**

IIMC Total hours possible = 4.75 Total points possible = 1.2 CMC Education, 1.2 MMC Advanced Education with completed learning assessment

AGENDA AT A GLANCE

Friday, September 16, 2016

DELEGATE TRACKS

7:00 am – 8:30 am Continental Breakfast

7:00 am – 2:00 pm Registration Desk Open

8:00 am – 1:00 pm Exhibits Open, Hallways

8:00 am – 11:00 am
ULCT BUSINESS SESSION

Ballroom

11:15 am – 12:15 pm
WORKSHOP 28
PREVENTING A HOSTILE WORK ENVIRONMENT
Alta/Brighton

11:15 am – 12:15 pm
WORKSHOP 29
ENDING THE CYCLE OF POVERTY
Snowbird/Powder Mountain

11:15 am – 12:15 pm
WORKSHOP 30
SEC ENFORCEMENT-ACTIONS AGAINST MUNICIPALITIES
Solitude/Sundance

11:15 am – 12:15 pm
WORKSHOP 31
SHORT TERM RENTALS
Deer Valley

12:15 pm – 2:00 pm
LUNCH WITH ESSAY CONTEST PRESENTATION
Remarks from Chris Lee, President, Deseret Digital Media
Ballroom

2:00 pm – 3:00 pm
WORKSHOP 32
STRATEGIES TO MAXIMIZE YOUR STATE RETIREMENT BENEFITS
Alta/Brighton

2:00 pm – 3:00 pm
WORKSHOP 33
LIVE STREAM LIVE MEETINGS
Snowbird/Powder Mountain

2:00 pm – 3:00 pm
WORKSHOP 34
UNDERSTANDING JUSTICE COURTS
Solitude/Sundance

2:30 pm – 4:00 pm
MOBILE TOUR
ECCLES THEATRE TOUR: ARTS AND CULTURE IN YOUR COMMUNITY
Walk, ride, take Trax, or use GREENbikes to Eccles Theatre at 131 South Main (GREENbike drop off station at 136 S. Main)

3:15 pm – 4:15 pm
WORKSHOP 35
OPMA, POWERS AND DUTIES, AND THEN SOME!
Alta/Brighton, Snowbird/Powder Mountain

3:15 pm – 4:15 pm
WORKSHOP 36
THE THIRD BRANCH – AN OPEN DISCUSSION
Solitude/Sundance

6:00 pm – 8:30 pm
PRESIDENT'S RECEPTION AND BUFFET DINNER
SPONSORED IN PART BY COMCAST
Entertainment Featuring: *The Oak Ridge Boys* (wristband required)
Ballroom

AUXILIARY SESSIONS

WEDNESDAY, SEPTEMBER 14

2:00 pm – 4:00 pm Room: Wasatch
Service Project- Homeless Shelter Kits

THURSDAY, SEPTEMBER 15

10:00 am (Board bus on 500 South at 9:30)
Visit to This is the Place Heritage Park

12:30 pm
Lunch at The Pointe (Huntsman Cancer Institute)

1:30 pm
Cathedral of the Madeleine Tour

FRIDAY, SEPTEMBER 16

8:00 am Room: Wasatch
President's Breakfast and Business

12:00 pm – 4:00 pm Room: Wasatch
Hair and Nails with the Paul Mitchell Hair School



ULCT ANNUAL CONVENTION 2016

SEPTEMBER 14-16
SALT LAKE CITY, UTAH

ULCT Annual Convention Mobile App

Use our **CrowdCompass** mobile app to look through the full conference agenda where you will be able to:

- Set up your own person schedule with workshops that appeal to you
- Rate the workshops you attend
- Share photos of the convention through social media
- Contact other conference attendees
- And much, much more!

Use the Conference App a number of ways!

Mobile App Download:

- 1) Type <https://crowd.cc/s/ldbml> in web browser on your mobile device
- 2) Click "Download iPhone/iPad App" to load Apple's App Store and download the app, or Click "Download Android App" to load the Google Play Store and download the app
- 3) Search for or scroll to find the "2016 ULCT Annual Convention" event
- 4) Log in with the email you used to register, and you're good to go!

-OR-

- 1) Search for "CrowdCompass Directory" in the Apple App store or Google Play Store and download the CrowdCompass Directory App
- 2) Search for or scroll to find the "2016 ULCT Annual Convention" event
- 3) Log in with the email you used to register, and you're good to go!

Use the App in a Web Browser:

- 1) Just go to <https://event.crowdcompass.com/ulct-annual-2016/>
- 2) Log in with the email you used to register, and you're good to go!

If you can't remember the email you used to register don't fret! You can set up a login with any email address you have access to, and will be able to edit your profile there. Stop by the registration desk if you have any questions, and enjoy the conference!



Term Expires	First	Last	Title	Organization	Board Position	BrdArea
			Executive Board			
N/A	Lynn	Pace	Council Member	Holladay	1st Vice President	3
N/A	Steve	Hiatt	Mayor	Kaysville	2nd Vice President	2
N/A	Beth	Holbrook	Council Member	Bountiful	Board of Directors	2
N/A	JoAnn	Seghini	Mayor	Midvale	Treasurer	3
N/A	John	Curtis	Mayor	Provo	Immediate Past President	4
2016	Margie	Anderson	Council Member	Ephraim	Board of Directors	6
2017	Dean	Baker	Mayor	Naples	Board of Directors	5
2016	Andy	Beerman	Council Member	Park City	Board of Directors	4
2016	Mike	Caldwell	Mayor	Ogden	Board of Directors	2
2016	Bryan	Cox	Mayor	Hyde Park	Board of Directors	1
2016	Ted	Eyre	Mayor	Murray	Board of Directors	3
2017	Carmen	Freeman	Mayor	Herriman	Board of Directors	3
2016	Gary	Gygi	Mayor	Cedar Hills	Board of Directors	4
2017	Curtis	Ludvigson	Council Member	Sterling	Board of Directors	6
2017	Mike	Mendenhall	Council Member	Spanish Fork	Board of Directors	4
2016	Jon	Pike	Mayor	St. George	Board of Directors	7
2017	Dave	Sakrison	Mayor	Moab	Board of Directors	8

Those highlighted in yellow term expires this year

Contents

Tab 1

- I. 2016 Nominations Committee Meeting Agenda
- II. Nominations Committee Contact Information
- III. ULCT Bylaws - Section Governing Nominations Committee

Tab 2

- I. List of Second Vice President & Board Nominees
- II. ULCT Second Vice President Nominees & Materials – **MUST CHOOSE 1**

Council Member Dirk Burton, West Jordan
 Mayor Mike Caldwell, Ogden
 Mayor Jon Pike, St. George
 Mayor Bob Stevenson, Layton
 Mayor Brent Taylor, North Ogden

Tab 3

1. ULCT Board of Directors Nominees & Materials – **MUST CHOOSE 7**
(Must have representation from areas 1 & 7)

Title	Name	City	Area	Email
Council Member	Jewel Allen	Grantsville	3	jallen@grantsvilleut.gov
Council Member	Margie Anderson	Ephraim	6	margie.anderson@snow.edu
Council Member	Justin Atkinson	Mt. Pleasant	6	jatkinson@sunrise-eng.com
Council Member	Andy Beerman	Park City	4	andy@parkcity.org
Mayor	Richard Brunst	Orem	4	rfbrunst@orem.org
Council Member	Dirk Burton	West Jordan	3	dirkb@wjordan.com
Council Member	Kent Bush	Clearfield	2	kent.bush@clearfieldcity.org
Mayor	Mike Caldwell	Ogden	2	MikeCaldwell@ogdencity.com
Council Member	Don Christensen	West Valley	3	don.christensen@wvc-ut.gov
Mayor	Karen Cronin	Perry City	1	karen.cronin@perrycity.org
Council Member	Bruce Davis	Layton	2	bruce.davis@me.com
Council Member	M. Andy Dawson	West Point	2	adawson@iasishealthcare.com
Mayor	Bruce Densley	Virgin*	7	duckchasin@gmail.com
Mayor	Ted Eyre	Murray	3	teyre@murray.utah.gov
Mayor	Gary Gygi	Cedar Hills	4	garygygi@gmail.com
Council Member	Mark Kindred	South Salt Lake	3	mkindred@southsaltlakecity.com
Council Member	Jean Krause	Virgin*	7	jkrause@virgin.utah.gov
Council Member	Brigham Mellor	Farmington	2	bmellor@farmington.utah.gov
Mayor	Jon Pike	St. George	7	jon.pike@sgcity.org
Council Member	Kelleen Potter	Heber	4	kelleenpotter@hotmail.com
Council Member	James Rogers	Salt Lake City	3	james.rogers@slcgov.com
Mayor	Mark Shepherd	Clearfield	2	mark.shepherd@clearfieldcity.org
Mayor	John Spuhler	Garden City*	1	johns@gardencityut.us
Mayor	Bob Stevenson	Layton	2	bstevenson@laytoncity.org
Mayor	Brent Taylor	North Ogden	2	btaylor@nogden.org

*The ULCT Board must have at least one member from town. The board currently has one member from a town whose term on the board will expire next year.





UTAH LEAGUE OF CITIES AND TOWNS

B&C Distribution:

HB 362 (2015) & HB 60 (2016)

HB 362 (2015)/HB 60 (2016) Chronology

Jul 2015-Nov 2015 Hold harmless guarantee reduced

- Hold harmless entities got 103% (HB 362 actual language) instead of 120% + growth (ULCT intent)
 - Non hold harmless entities see a slight increase in the 50-50 formula, but no new gas tax yet

Nov 2015-Dec 2015 Hold harmless “claw back” per HB 60

- HB 60 retroactive to the 3rd UDOT FY 16 B&C distribution, last distribution prior to HB 362 4.9 cents

Jan 2016-Apr 2016 Expanded hold harmless in HB 60 affects HB 362 4.9 cents

- HB 60 expands HH; non-HH cities/counties receive less than anticipated from the 4.9 cent increase

May 2016-Jun 2016 6th B&C distribution delayed w/ULCT support

July 2016-beyond What happens now?

UDOT FY 16, 1st & 2nd Dist

Hold harmless guarantee reduced

- Hold harmless entities receive 103% instead of 120% plus growth
- Non hold harmless entities see a slight increase in the 50-50 formula, but no new gas tax yet

UDOT FY 16, 3rd Dist

Hold harmless claw back per HB 60

- HB 60 retroactive to the 3rd UDOT FY 16 B&C distribution, last distribution prior to HB 362 4.9 cents

UDOT FY 16, 4th & 5th Dist

Expanded hold harmless in HB 60 affects HB 362 4.9 cents

- HB 60 expands HH; non-HH cities/counties receive less than anticipated from the 4.9 cent increase
- **ULCT estimate: non-HH cities/towns/counties had an expectation gap of approx. \$4 million for all of FY 2016**

UDOT FY 16, 6th Dist

6th B&C distribution delayed with ULCT support

UDOT FY 17

What happens now?

Orange: county FY & acts(calendar); red: legislative acts; green: UDOT; blue: ULCT FY & acts

Jan 15,
UAC FY
20 15

Jan 16, UAC FY 16

Jan 17, UAC FY 17

Jul 15, UDOT/ULCT FY 16

Jul 16, UDOT/ULCT FY 17

2015
session

Jul 15, HB 362 effective
(changed HH)

Jan, 2016, 4.9 cents
2016 session: HB 60

2017 session

UDOT FY 16 & 17
B&C distributions

6th Dist
delayed

FY 16 1st & 2nd dist:
HH changes but
no 4.9 cents yet

FY 16 3rd dist:
HB 60 claw back
FY 16 4th & 5th dist:
HB 60 formula
1st – 5th dist: cities received
approx. \$4 million less
than expected

What happens in UDOT/ULCT FY 17?

ULCT: new formula will apply to:

- FY 16, 6th Dist
- UDOT/cities: FY 17, beginning in fall 2016
- Counties: FY 2016 (May-Dec)

Gas tax framework

1) All cities, towns, & counties (in aggregate) receive *17.5% increase* from FY 15 to FY 17 consistent with HB 362 projections from spring 2015

4.9 cent increase = “rising tide lifts all boats;” let 50/50 formula run the way it was intended to run

2) Hold harmless *qualification*: return to pre-HB 362

12 HB 60 HH entities become 2 HH entities

3) Hold harmless *guarantee*: 120% of FY 2015 plus annual compounded growth

\$1.2 million for 2 HH entities in FY 2017 & beyond, plus growth

HB 60: \$11.8 million shift to HH entities in FY 2017

4) *Soft landing*: brief re-allocation to 10 HH entities who naturally grow out of HH

2 more years; \$1 million(ish) off the top of B&C fund before the 50-50 formula runs

ULCT would NOT seek reimbursement for the expectation gap of \$4 million from FY 2016

ULCT and other stakeholders acknowledge unique rural needs & seek options

Timing of the framework fix

- Sep 13-16: ULCT Annual Convention
- Sep 22-23: UAC conference
- Mid to late September: ULCT and UAC will have 6th distribution data that we will provide to cities to close out their FY 2016 budget & finish audits
- Oct 5: meeting with legislative leadership
- Oct 19: October Interim
- Nov 16: November Interim (likely special session) which will distribute the 6th payment and fix formula for FY 2017

ULCT: Legislative History of the Motor Fuel Tax – August 8, 2016

Year	Gas Tax	B&C % of Trans Fund	Distribution Formula	Lane Mile Formula	Hold Harmless Qualifications	Hold Harmless Formula	Growth Component
Pre-1997	\$0.195	25%	32% Lane Miles 54% Population* 14% Land Area	All center lane miles (paved, gravel, and other/unimproved) are weighted equally	None	None	None
1997	\$0.245	25% (+dedicated sales tax for local roads)	50% Weighted Lane Miles 50% Population*	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 1	Cities or counties whose allocation would be under 110% of FY 1994-1995	Qualifying entity receives the greater of either 100% of FY 1994-1995 allocation or 110% of FY 1995-1996 allocation, and growth component	1/3 of the % growth in the overall B&C Fund (excluding future tax & fee increases – Valentine amendment)
1999	\$0.245	Same (Recodification)	Same (Recodification)	Same (Recodification)	Same (Recodification)	Qualifying entity receives 110% of FY 1996-1997 allocation, and growth component	Same (Recodification)
2007	\$0.245	30% (dedicated sales tax returned to UDOT)	Same	Same	Cities or counties with a population under 10,000 whose allocation would be under 120% of FY 1996-1997	Qualifying entity receives 120% of FY 1996-1997 allocation, and growth component	% growth in the overall B&C Fund multiplied by HH allocation (excluding future tax & fee increases) compounded annually
2008	\$0.245	30%	Same	Same	Cities or counties with a population under 14,000 whose allocation would be under 120% of FY 1996-1997	Same	% growth in the overall B&C Fund multiplied by HH allocation (Valentine amendment removed)
2015 (HB 362)	Equivalent of \$0.294 (12% tax on average rack price, with \$2.45/gallon floor)	30%	Same	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose FY 2013-2014 allocation was under 120% of FY 1996-1997	Qualifying entity receives FY 1996-1997 allocation multiplied by % growth of B&C fund from FY 1996-1997 to current year	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula
2016 (HB 60)	\$0.294	30%	50% Weighted Lane Miles 50% Population*	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose FY 2013-2014 allocation was under 120% of FY 1996-1997	Qualifying entity receives FY 1996-1997 allocation x % growth of B&C fund from FY 1996-1997 to current year plus 100% of FY 1996-1997 allocation	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula

*If the unincorporated population of a county is less than 14% of the total population of that county, then the population number for unincorporated county is adjusted to 14% of the total population of the county

ULCT & UAC: Proposed Changes to HB 60 B&C Distribution Scenarios

Scenario	Lane Mile Formula	Hold Harmless Qualifications	Hold Harmless Formula	Growth Component	Notes
ULCT 2015 + Growth	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose allocation would be under 120% of FY 1996-1997	Qualifying entity receives FY 2015 allocation x % growth of B&C fund from last 2 completed fiscal years plus 100% of FY 2015 allocation	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula	2 entities remain hold harmless in FY 2017, 10 phase out with new money
ULCT 2015 + Growth (1 Year Extra B&C Allocation)	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose allocation would be under 120% of FY 1996-1997 . HB 60 HH entities that would receive less than 19.85% growth from FY 15-FY 17 are eligible for "extra B&C allocation"	Qualifying entity receives FY 2015 allocation x % growth of B&C fund from last 2 completed fiscal years plus 100% of FY 2015 allocation. " Extra B&C allocation " entities get their statutory distribution plus an amount to guarantee 19.85% increase from FY 15-FY 17	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula	2 entities a hold harmless in FY 2017. 10 other entities are eligible for "extra B&C allocation" in FY 2017
ULCT 110% of 2015	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose allocation would be under 110% of FY 2015 .	Qualifying entity receives 110% of FY 2015 allocation	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula	4 entities are hold harmless in FY 2017, 8 phase out with new money
ULCT 110% of 2015 (1 Year Extra B&C Allocation)	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose allocation would be under 110% of FY 2015 . HB 60 HH entities that would receive less than 19.85% growth from FY 15-FY 17 are eligible for "extra B&C allocation"	Qualifying entity receives 110% of FY 2015 allocation. " Extra B&C allocation " entities get their statutory distribution plus an amount to guarantee 19.85% increase from FY 15-FY 17	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula	4 entities are hold harmless in FY 2017, 9 other entities are eligible for "extra B&C allocation" in FY 2017
ULCT 120% of 2015	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose allocation would be under 120% of FY 1996-1997	Qualifying entity receives 120% of FY 2015 allocation	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula	2 entities remain hold harmless in FY 2017, 10 phase out with new money
ULCT 120% of 2015 (1 Year Extra B&C Allocation)	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose allocation would be under 120% of FY 1996-1997 . HB 60 HH entities that would receive less than 19.85% growth from FY 15-FY 17 are eligible for "extra B&C allocation"	Qualifying entity receives 120% of FY 2015 allocation. " Extra B&C allocation " entities get their statutory distribution plus an amount to guarantee 19.85% increase from FY 15-FY 17	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula	2 entities a hold harmless in FY 2017. 10 other entities are eligible for "extra B&C allocation" in FY 2017
UAC 90%	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose FY 2013-2014 allocation was under 120% of FY 1996-1997	Qualifying entity receives FY 1996-1997 allocation x % growth of B&C fund from FY 1996-1997 to penultimate completed fiscal year plus 100% of FY 1996-1997 allocation all multiplied by 90%	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula	12 entities remain hold harmless and are permanently considered hold harmless

B&C Allocation Totals by Entity Type and Scenario

Entity	ULCT 2015 + Growth	% 15-17
Hold Harmless (12)	\$ 21,300,841	23.3%
Non hold Harmless	\$ 135,863,559	19.3%
City	\$ 100,366,713	19.3%
County	\$ 56,797,687	20.8%
Non HH County	\$ 35,518,914	19.3%
HH County	\$ 21,278,773	23.3%
Total HH	\$ 829,250	

Entity	2015+Growth Extra	% 15-17
Hold Harmless (12)	\$ 21,700,041	25.7%
Non hold Harmless	\$ 135,464,359	19.0%
City	\$ 100,071,812	19.0%
County	\$ 57,092,588	21.4%
Non HH County	\$ 35,414,551	18.9%
HH County	\$ 21,678,037	25.6%
Total HH	\$ 829,250	
Extra Allocation	\$ 429,971	
	\$ 1,259,221	

Entity	ULCT 110%	% 15-17
Hold Harmless (12)	\$ 21,457,845	24.2%
Non hold Harmless	\$ 135,706,555	19.2%
City	\$ 100,212,381	19.2%
County	\$ 56,952,019	21.1%
Non HH County	\$ 135,706,555	19.2%
HH County	\$ 21,435,811	24.2%
Total HH	\$ 1,055,750	

Entity	ULCT 110% Extra	% 15-17
Hold Harmless (12)	\$ 21,696,332	25.6%
Non hold Harmless	\$ 135,468,068	19.0%
City	\$ 100,036,271	18.9%
County	\$ 57,128,129	21.5%
Non HH County	\$ 35,453,793	19.1%
HH County	\$ 21,674,336	25.6%
Total HH	\$ 1,055,750	
Extra Allocation	\$ 256,863	
	\$ 1,312,613	

Entity	ULCT 120%	% 15-17
Hold Harmless (12)	\$ 21,611,751	25.1%
Non hold Harmless	\$ 135,552,649	19.0%
City	\$ 100,137,034	19.1%
County	\$ 57,027,366	21.2%
Non HH County	\$ 135,552,649	19.0%
HH County	\$ 21,589,733	25.1%
Total HH	\$ 1,181,711	

Entity	ULCT 120% Extra	% 15-17
Hold Harmless (12)	\$ 21,933,574	27.0%
Non hold Harmless	\$ 135,230,826	18.8%
City	\$ 99,899,293	18.8%
County	\$ 57,265,107	21.8%
Non HH County	\$ 135,230,826	18.8%
HH County	\$ 21,911,608	27.0%
Total HH	\$ 1,181,711	
Extra Allocation	\$ 354,930	
	\$ 1,536,641	

Entity	UAC 90%	% 15-17
Hold Harmless (12)	\$ 27,166,526	57.3%
Non hold Harmless	\$ 129,997,874	14.2%
City	\$ 95,975,504	14.1%
County	\$ 61,188,896	30.1%
Non HH County	\$ 34,047,371	14.3%
HH County	\$ 27,141,524	57.3%
Total HH	\$ 6,440,385	

Entity	HB 60 (Current Law)	% 15-17
Hold Harmless (12)	\$ 32,158,778	86.2%
Non hold Harmless	\$ 125,005,622	9.8%
City	\$ 92,354,902	9.8%
County	\$ 64,809,498	37.8%
Non HH County	\$ 32,680,316	9.7%
HH County	\$ 32,129,183	86.2%
Total HH	\$ 11,589,425	

HB 362 (2015), HB 60 (2016), and the B&C Fund Since 1997



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INTRODUCTION

The critical question herein: was it the intent and expectation of the Utah State Legislature, Governor, local transportation stakeholders, & the general public to distribute the majority of the Class B&C portion of the HB 362 (2015) motor fuel tax increase to 11 rural hold harmless counties?

In 2015, the Utah Legislature enacted *HB 362 Transportation Infrastructure Amendments*. HB 362 increased the motor fuel tax by the equivalent of 4.9 cents and converted the tax to a sales tax per gallon. HB 362 also authorized a county imposed local option quarter cent sales tax dedicated to transportation.

UDOT projected that the motor fuel tax increase in HB 362 would generate approximately \$76 million in new motor fuel tax revenue, split 70% for the Utah Department of Transportation and 30% for cities and counties according to the Class B&C Road Fund 50-50 formula. The local portion of the motor fuel tax increase is an estimated increase from FY 2015 to FY 2017 of about 18% or \$23,990,635.

The Utah League of Cities and Towns (ULCT), Utah Transportation Coalition, Wasatch Front Regional Council (WFRC), Salt Lake Chamber, Utah Association of Counties (UAC), and other stakeholders endorsed HB 362 and worked on data projections for the bill. ULCT believed that all stakeholders expected an approximate 17.5% increase in their motor fuel tax revenue for all counties, cities, and towns from FY 2015 to FY 2017 according to the Class B&C 50-50 formula. Additionally, the Utah Transportation Coalition and Wasatch Front Regional Council had the same expectation of an approximate 17.5% increase. Meanwhile, the Utah Association of Counties (unbeknownst to the other stakeholders) expected from FY 2015 to FY 2017 an increase of approximately 82% for 11 hold harmless counties, which would have meant an increase of approximately 8.6-8.8% for all other counties, cities, and towns.

In 2016, the Utah Legislature enacted *HB 60 Class B & Class C Road Fund Amendments*. The result of HB 60 is that the 11 hold harmless counties now receive \$14,105,258 of the \$23,990,635 motor fuel tax increase—59% of the new 4.9 cents. The HB 60 bill sponsor, Representative Johnny Anderson, said on July 5, 2016 that the specific impact of HB 60 as passed was not his legislative intent.¹

HB 60 shifted an estimated \$11,821,564 in the overall B&C fund from non-hold harmless counties, cities, and towns to the hold harmless entities of:

- Beaver County
- Box Elder County
- Emery County
- Garfield County
- Grand County
- Kane County
- Millard County
- Piute County
- Rich County
- San Juan County
- Wayne County
- Rockville Town

¹ Meeting on HB 362 (2015) and HB 362 (2016) with ULCT, UAC, UDOT, WFRC, Utah Transportation Coalition, and House of Representatives leadership at the Utah Department of Transportation, July 5, 2016.

Table 1: Estimates for Hold Harmless Counties, Non Hold Harmless Counties, and Cities and Towns (ULCT HB 362 Expectation v. HB 60)²

Entity	FY 2015 B&C Distribution	ULCT HB 362 Estimates			ULCT HB 60 Estimates		
		ULCT Estimated 2017 B&C Dist. (HB 362)	ULCT HB 362 Expected Increase	Projected % Increase 2015-2017	Estimated 2017 B&C Dist. (HB 60)	Estimated HB 60 Increase	Projected % Increase 2015-2017
11 HH Counties	\$17,253,995	\$19,548,057	\$2,294,062	13.3%	\$31,359,253	\$14,105,258	81.75%
18 non HH counties	\$29,779,559	\$35,759,464	\$5,979,905	20.1%	\$32,408,196	\$2,628,637	8.83%
All cities/towns	\$84,103,211	\$98,615,100	\$14,511,889	17.3%	\$91,359,952	\$7,256,741	8.63%

Table 2: Estimates for 3 of the 18 non-hold harmless counties who will see reduced revenues from HB 60 compared to HB 362 projections

Entity	FY 2015 B&C Distribution	ULCT HB 362 Estimates			ULCT HB 60 Estimates		
		ULCT Estimated 2017 B&C Dist. (HB 362)	ULCT HB 362 Expected Increase	Projected % Increase 2015-2017	Estimated 2017 B&C Dist. (HB 60)	Estimated HB 60 Increase	Projected % Increase 2015-2017
Salt Lake Co.	\$4,786,362	\$5,632,595	\$846,233	17.7%	\$5,137,879	\$351,527	7.3%
Sanpete Co.	\$903,530	\$1,061,941	\$158,411	17.5%	\$972,855	\$69,325	7.7%
Uintah Co.	\$3,124,241	\$3,662,706	\$538,465	17.2%	\$3,307,208	\$182,967	5.9%

Seven of the 2016 eleven hold harmless counties were initially held harmless in 1997. Four of those counties re-qualified as hold harmless because of HB 60. The 2016 hold harmless counties have a combined 124,674 people, which represents 4.2% of Utah’s population.³ The 2016 hold harmless counties have 36% of all lane miles in Utah, 25% of all weighted lanes in Utah, but only 13% of the lane miles in hold harmless counties are paved.⁴

This brief will explain the procedural disconnect between UAC and the other stakeholders such as ULCT in the process of HB 362 in 2015 and the subsequent HB 60 in 2016. The brief will also articulate the legislative and political history and composition of the Class B&C fund, particularly the 50-50 formula and hold harmless component, dating back to the 1997 legislative modifications.

² The comparison uses FY 2015 distribution and FY 2017 UDOT estimates from early June 2016. ULCT used FY 2015 because it was the last full fiscal year prior to HB 362’s 4.9 cent increase. FY 2017 is the first full fiscal year after HB 60 went into effect.

³ United States Census Bureau, July 1, 2015, www.census.gov/quickfacts/table/PST045215/49

⁴ Utah Department of Transportation Mileage Report for B & C Road Distribution, May 12, 2015, www.udot.utah.gov/main/uconowner.gf?n=24854927368776123

1. 2015: HB 362 disconnect on the intent and expectations of the stakeholders and legislators on the Class B&C portion

For nearly twenty years, transportation stakeholders had sought comprehensive transportation investment. In 2015, the Utah State Legislature passed HB 362⁵ with the enthusiastic support of the Utah League of Cities and Towns, Utah Transportation Coalition, Wasatch Front Regional Council, Salt Lake Chamber, and Utah Association of Counties. HB 362 increased the motor fuel tax by the equivalent of 4.9 cents and converted the tax to a sales tax per gallon and authorized a county imposed local option quarter cent dedicated to transportation. Overall, ULCT estimated that HB 362 could generate \$189 million in annual transportation investment in Utah.⁶ The local portion of the motor fuel tax—the Class B&C Fund—was an increase of about 18% or \$23,990,635 in FY 2017.

A) HB 362 Quarter cent local option sales tax dedicated to transportation

HB 362 authorized a county imposed quarter cent local option dedicated to transportation. Counties could put the quarter cent on the ballot for voter approval. In counties without transit, the quarter cent allocation is .15 for counties and .10 for cities. In counties with transit, the quarter cent allocation is .05 for counties, .10 for cities, & .10 for transit. ***The bill also requires municipalities and counties to maintain their current transportation infrastructure investment levels and use the HB 362 increases to enhance, not supplant, their transportation investment.***

See Chapter 1(C) below for more information about the HB 362 local option process and negotiations.

B) HB 362 Motor fuel tax changes (also see SB 160)

HB 362 also modified the motor fuel tax rate and incorporated SB 160 2nd substitute⁷ language about the weighted lane mile formula and hold harmless component. The 18% increase in the Class B&C Fund would have lifted most of the hold harmless entities above the 120% of Fiscal Year 1997 apportionment, which would have naturally phased out the 1997-2015 hold harmless classification. After all, “a rising tide lifts all boats.”

i) Rate change

- 24.5 cents was replaced with a 12% sales tax per gallon, the equivalent of a 4.9 cent tax increase (floor & ceiling on tax rate)

ii) Weighted lane mile change: doubled the value of “other, non-paved roads” (ie. dirt)

- 1 paved road mile = 5 weighted lane miles
- 1 “other” road type mile = 2 weighted lane miles (ie. gravel, dirt, etc.)
 - Previous: paved = 5, gravel = 2, other = 1 (see Chapter 3(B)(i) below)
 - ULCT estimates that the value of “other roads” increased by approximately \$4,387,946
 - 97.4% of roads previously valued at 1 are county owned roads and 77.6% are hold harmless county owned roads
 - County share of weighted lane mile value increased from 52% to 55%

iii) Hold harmless formula adjustment (started in 1997; increased in 1998, 2007, & 2008; (see Chapter 3(B)(iv) below)

HB 362 hold harmless language: If apportionment in FY 2014 to city/county of less than 14,000 people is less than 120% apportioned in 1996-97, then city/county receives an amount equal to the 96-97 apportionment multiplied by the % increase in B/C account from FY 96-97 to most recent year⁸

⁵ HB 362 6th Sub., 61st Leg., Gen. Sess. (Utah 2015).

⁶ Utah League of Cities and Towns, “HB 362: Overview, FAQs, Next Steps, and Data,” April 2015, <http://www.ulct.org/wp-content/uploads/sites/4/2015/08/HB-362-Informational-Packet-Final-Data.pdf>

⁷ SB 160 2nd Sub., 61st Leg., Gen. Sess. (Utah 2015).

⁸ Utah Code Ann. § 72-2-108(4)(a),(4)(a)(i) (HB 362, 2015), amended by § 72-2-108(4)(a) (HB 60, 2016).

C) HB 362 process and negotiations

i) Legislative process and negotiations: the local option quarter cent sales tax and motor fuel tax modification were independent of each other for the majority of the 2015 session

The local option quarter cent and the hold harmless component of the motor fuel tax modification were independent of each other until the final week of the 2015 session. During the session, the House of Representatives preferred modifying the motor fuel tax without increasing it whereas the Senate preferred a simple motor fuel tax increase of 5-10 cents (SB 160). Meanwhile, the House preferred a local option for local transportation needs while the Senate was hesitant of the local option. The Senate also passed SB 231⁹ which would have increased vehicle registration fees.

ULCT has reviewed the audio of committee hearings and floor debate on HB 362 and SB 160. The stakeholders testified in support of both bills, independent of each other. The Senate Transportation, Public Utilities, Energy, and Technology Committee on February 12, 2015 considered SB 160.¹⁰ The original version of SB 160 did NOT include any new language to adjust the hold harmless. Nevertheless, UAC testified in support of the bill without referencing a potential change to the hold harmless.

The Senate substituted SB 160 on March 4, 2015 which was the first time that the hold harmless adjustment appeared in any bill. The Senate then considered SB 160 1st Substitute and 2nd Substitute on March 9, 2015.¹¹ No Senator referenced the hold harmless adjustment during floor debate. When the House Revenue and Taxation Committee on March 3, 2015 considered HB 362, the bill did not yet include any motor fuel tax provisions.¹² No committee hearing ever occurred in 2015 to consider the hold harmless adjustment.

The two concepts merged into HB 362 3rd Substitute during the final week of the 2015 session. The House considered HB 362 3rd Substitute on March 9, 2015¹³ and the bill then included motor fuel tax provisions with a hold harmless adjustment. Nevertheless, no House member referenced the hold harmless adjustment during floor debate. Likewise, the Senate considered HB 362 3rd Substitute and 6th Substitute on March 13, 2015¹⁴ and no Senator referenced the hold harmless adjustment during the Senate floor debate.

At no point in those deliberations did any stakeholder or legislator link the conditions of the local option quarter cent with the hold harmless component of the motor fuel tax modifications.

ii) Stakeholder and legislative negotiations: there was no agreement that counties would receive a lesser share of the local option quarter cent in “exchange” for an increased share of the motor fuel tax

No legislator or stakeholder ever agreed to a “trade” of a greater share of the proposed local option sales tax for cities in exchange for a greater share of the proposed motor fuel tax increase for 11 hold harmless counties.

The stakeholders met multiple times during the 2015 session. Present at some or all of those meetings were ULCT representatives (ULCT staff members Ken Bullock, Cameron Diehl, Brandon Smith, Nick Jarvis, and Roger Tew, and other city officials), Utah Transportation Coalition representatives (Abby Albrecht and Michael Merrill Parker), Wasatch Front Regional Council representatives (Andrew Gruber, Rob Jolley, and Muriel Xochimitl), Utah Transit Authority representatives (Bruce Jones and Greg Curtis), and Utah Association of Counties representatives (UAC

⁹ SB 231 3rd Substitute, 61st Leg., Gen. Sess. (Utah 2015).

¹⁰ *Hearing on SB 160 before the S. Transp., Public Util., Energy, and Tech. Comm.*, 61st Leg. (Utah 2015).

¹¹ *Floor debate on SB 160 2nd Sub. before the Utah State Senate*, 61st Leg. (Utah 2015).

¹² *Hearing on HB 362 before H. Rev. & Tax. Comm.*, 61st Leg. (Utah 2015).

¹³ *Floor debate on HB 362 3rd Sub. before the Utah House of Rep.*, 61st Leg. (Utah 2015).

¹⁴ *Floor debate on HB 362 6th Sub. before the Utah State Senate*, 61st Leg. (Utah 2015).

staff members Adam Trupp and Lincoln Shurtz, Davis County Commissioners Bret Milburn and John Petroff, Salt Lake County's Pat Reimherr).

On February 26, the stakeholders reviewed data about the potential motor fuel tax and local option and negotiated the following items on the local option sales tax:¹⁵

- Whether the voter approval referendum would be required or optional
- The allocation of the quarter cent
 - Areas with transit (.05 to counties, .10 to transit, .10 to cities)
 - Areas without transit (rural; .15 to counties, .10 to cities)
- Whether counties or cities should impose the quarter cent
- Distribution formula for the municipal .10
 - 50-50 sales tax formula statewide
 - 50-50 B&C formula in county of origin
- Maintenance of effort requirement
- Bonding authority
- How local governments could use the money (i.e. active transportation)

The agenda focused on aspects of the local option but at no time did the stakeholders ever discuss that counties would receive less in sales tax in “exchange” for more in motor fuel tax for 11 hold harmless counties. Under such a hypothetical “exchange,” the 18 other counties such as Davis, Utah, and Salt Lake Counties would have received less in sales tax AND gas tax. Salt Lake County representatives in June 2016 have said that they would not have supported such an exchange.¹⁶ At this point, SB 160 and HB 362 were still independent of each other in the House and Senate and HB 362 did not include the hold harmless adjustment to the motor fuel tax.

Despite the hypothetical “exchange,” rural counties still benefit from the local option. 17 of 29 counties receive .15 of the local option sales tax—60% of the value—because they do not have transit agencies. At least 5 other counties receive .15 of the local option sales tax for areas of the county where transit does not exist. Of those 22 counties, 11 put Proposition 1 on the ballot in 2015 and seven approved it.¹⁷ Additionally, cities and towns share their .10 portion according to the 50/50 sales tax formula which shares revenues with all cities and towns statewide.

Counties also saw a major benefit in HB 362 because of the change in the weighted lane mile formula in the 50-50 B&C formula. The weighted lane mile formula change from 5 paved, 2 gravel, 1 other to 5 paved and 2 unpaved doubled the value of “other” (i.e. dirt) roads. The financial result is a revaluation of approximately \$4,387,946 from paved roads to unpaved roads. 97.4% of all unpaved local roads in Utah are county owned roads and 77.6% of all unpaved local roads are county owned roads in hold harmless counties. ULCT did not oppose the weighted lane mile formula change.

Consequently, counties—particularly rural counties—see a significant benefit from the sales tax portion and the weighted lane mile change in HB 362.

¹⁵ See appendix.

¹⁶ *Meeting of the Salt Lake Valley Conference of Mayors*, June 23, 2016

¹⁷ Lee Davidson, *Prop 1 hits apparent dead end in Salt Lake County*, Salt Lake Tribune, Nov. 3, 2015, at A1.

Table 3: HB 362 & HB 60 Benefits to Hold Harmless Counties

County	Dirt road increase in weighted land mile, HB 362 ratio (\$4.3 million)	.25, county (Local Option in HB 362)	City .10; 50% pop. (Local Option in HB 362)	HH boost, HB 60 vs. FY 2015 distributions*
Beaver	33% WLM shift	.15 (60%)	18% of pop.	80%
Box Elder	10% WLM shift	.05 & .15	18% of pop.	87%
Emery	24% WLM shift	.15 (60%)	17% of pop.	80%
Garfield	41% WLM shift	.15 (60%)	27% of pop.	80%
Grand	46% WLM shift	.15 (60%)	40% of pop.	85%
Kane	33% WLM shift	.15 (60%)	19% of pop.	80%
Millard	23% WLM shift	.15 (60%)	29% of pop.	80%
Piute	17% WLM shift	.15 (60%)	17% of pop.	93%
Rich	15% WLM shift	.15 (60%)	38% of pop.	91%
San Juan	33% WLM shift	.15 (60%)	63% of pop.	80%
Wayne	42% WLM shift	.15 (60%)	47% of pop.	80%

*note ULCT opposes the specific impact of the hold harmless adjustment in HB 60

Once SB 160 merged with HB 362 and became HB 362 3rd Substitute, all stakeholders reviewed and approved talking points for the bill sponsor and supporters. The talking points made no reference of a *quid pro quo* of more sales tax for cities in exchange for more gas tax for hold harmless counties.¹⁸

Consequently, no “exchange” between counties and cities of sales tax for gas tax ever existed.

iii) The specific impact of the proposed hold harmless adjustment was never disclosed

During the HB 362 deliberations, UAC referenced to other stakeholders a necessary adjustment to the hold harmless formula in the motor fuel tax. UAC indicated that the hold harmless counties had not participated in the same growth as non-hold harmless counties and cities/towns in the B&C fund since 1997 (see Ch. 3(B)(iv) below). UAC has since indicated on July 5, 2016 that they would have opposed HB 362 if their intended specific impact of the hold harmless adjustment had not been included in the bill.¹⁹

No public or legislative testimony in the House or Senate—committee or floor—occurred about the hold harmless adjustment in 2015.²⁰ UAC never provided any data about the specific impact of the proposed adjustment, so legislators, ULCT, and other stakeholders could not, and thus did not, raise objections to the proposed adjustment at the time.

If UAC had provided data at any point about the specific impact of the proposed hold harmless adjustment—that 11 hold harmless counties would see an 82% increase compared to an 8.6% increase for cities and towns—then ULCT would have immediately and strongly opposed the adjustment.

ULCT, WFRC, UAC, Utah Transportation Coalition, UDOT, and other stakeholders reviewed & prepared projections based on HB 362 with the weighted lane mile change and—ULCT believed—the hold harmless language. All stakeholders had access to ULCT/WFRC/UDOT data about the various versions of HB 362.

¹⁸ See appendix.

¹⁹ *Supra* note 1.

²⁰ *Supra* Ch. 1(C)(i).

In the February 23, 2015 analysis below, the percentage of the overall B&C fund in Column A for counties and cities is similar to the percentage of the overall B&C fund in Column B for cities and counties. Why? In Fiscal Year 2014, the B&C 50-50 formula resulted in cities receiving 64% of the B&C fund and counties receiving 36% of the B&C fund (see Ch. 3(B)(i) below for how the 50-50 formula functions). ULCT thus expected the formula to run in the way the 1997 legislature intended (see Ch. 3(B)(ii) below).

Transportation Funding Analysis - February 23, 2015									
General Assumptions and Notes:				Scenario Assumptions:					
1. Gallons of fuel sold based on FY2014 statewide motor fuel and special fuel tax revenues at \$0.245/gallon.				A. Convert \$0.094 of Existing Fuel Tax to a 4.7% Sales Tax on Fuel (assumes fuel @ \$2.00/gallon). This would be revenue neutral in year one; thereafter, the actual revenue would vary depending on the price of fuel.					
2. Allocation of gallons of fuel sold by city and county is based on FY2014 B&C distribution.				B. Increase Fuel User Fee \$0.05 per gallon (State/Local split 70/30).					
3. B&C distribution split from FY2014 allocations.				C. Increase Vehicle Registration Fee \$10.00 (State/Local split 70/30).					
4. B&C allocation is based on 50% population and 50% weighted centerline miles.				D. Increase Local Option Sales Tax Statewide (0.25%).					
5. County sales tax estimates based on CY2013 taxable sales.				i. Cities and unincorporated county (0.10%)					
6. City sales tax based on CY2013 county sales estimates apportioned by B&C percentage within the county.				ii. Counties without UTA (0.15%)					
7. Vehicle registration fees apportioned to cities and counties by FY2014 B&C distribution.				iii. Counties with UTA: 0.05% to County, 0.10% to UTA					

	A. Existing \$0.245 Fuel Tax		B. Increase Statewide Fuel Tax (\$0.05 /gal.)	C. Vehicle Registration Fee (\$10.00)	D. Local Option Sales Tax (0.25%)				Total New Annual Revenues
	Per Gallon Split (\$ 0.151/gal.)	4.7% Sales Tax Split (\$0.094 /gal.)			All Cities & Unincorporated County Areas (0.10%)	Counties (non-UTA) (0.15%)	Counties (with UTA) (0.05%)	UTA (0.10%)	
State Portion (UDOT)	\$ 154,652,378	\$ 96,273,666	\$ 51,209,397	\$ 17,279,241	\$ -	\$ -	\$ -	\$ -	\$ 68,488,638
County Portion	\$ 23,862,887	\$ 14,855,042	\$ 7,901,618	\$ 1,888,917	\$ 12,093,848	\$ 18,503,485	\$ 18,686,782	\$ -	\$ 59,074,649
City Portion	\$ 42,416,704	\$ 26,405,100	\$ 14,045,266	\$ 5,516,472	\$ 37,345,393	\$ -	\$ -	\$ -	\$ 56,907,132
UTA Portion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,373,563	\$ 37,373,563
TOTAL	\$ 220,931,969	\$ 137,533,808	\$ 73,156,281	\$ 24,684,630	\$ 49,439,241	\$ 18,503,485	\$ 18,686,782	\$ 37,373,563	\$ 221,843,981

Table above: all parties reviewed the above Wasatch Front Regional Council February 23, 2015 Transportation Funding Analysis and other documents exchanged during the 2015 session

The February 23 and subsequent stakeholder projections for HB 362 were consistent with the FY 2014 apportionment and thus never identified that the 11 hold harmless counties would receive \$14 million of the \$24 million (59%) in projected additional revenue.

As mentioned in section (ii) above, stakeholders distributed talking points and projections so that legislators would know the potential impact in their communities. ULCT also explained potential projects that HB 362 could fund in cities and towns. UAC received the talking points²¹ and projections in advance of the dissemination to legislators but never provided alternative B&C projections to reflect their expectation of the hold harmless adjustment.

UAC never discussed the full scope and specific impact of the hold harmless adjustment with ULCT representatives or other stakeholders. ULCT has reviewed notes of stakeholder negotiations and no other stakeholder has any record of the specific impact of the hold harmless adjustment ever being discussed. UAC has since told ULCT in June, 2016 that they always intended—in HB 362 and HB 60—for the hold harmless adjustment

²¹ See Appendix.

to provide \$14 million of the new \$24 million to the 11 hold harmless counties. However, UAC never articulated that data or specific impact to stakeholders in 2015.

D) Interim 2015: ULCT and other stakeholder expectation and UAC expectation

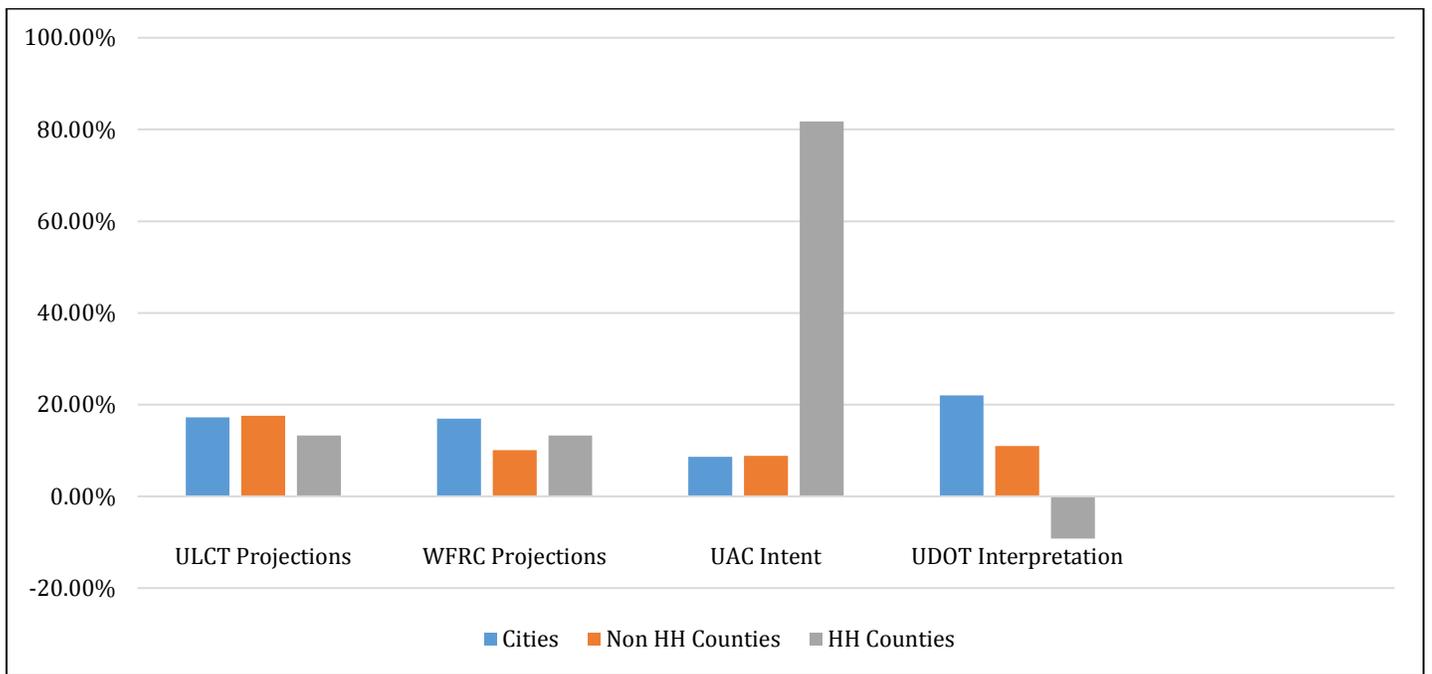
Both during and after the 2015 session, ULCT believed that all stakeholders anticipated an approximate but proportional 17.5% increase in motor fuel tax revenue (4.9 cents on 24.5 cents) for counties, cities, & towns based on the 50-50 formula and reflected in the projections. UAC asked several times whether the April 2015 projections included the hold harmless adjustment. ULCT has emails that initially confirmed that the projections included the hold harmless adjustment, and did not display any major shift in the B&C allocation. UAC, meanwhile, has emails that indicate that they believed the projections did not include the hold harmless adjustment but they never provided additional data to the stakeholders. Nevertheless, UAC invited representatives from ULCT and the Utah Transportation Coalition to present and distribute the April 2015 motor fuel tax and local option sales tax projections to county commissioners during the UAC 2015 spring conference in Provo. Likewise, Wasatch Front Regional Council released their projections to cities and counties in April of 2015. The ULCT and WFRC projections were similar in their expectations for cities, towns, and counties.

E) Interim 2015: UDOT interpreted HB 362 in a manner that was inconsistent with both the ULCT and other stakeholder expectation and the UAC expectation

However, UDOT correctly interpreted HB 362 in a way that resulted in a 22% increase for cities, 11% increase for counties, and 9.2% decrease for hold harmless counties. The hold harmless adjustment language in HB 362 actually legally resulted in decreased revenue for hold harmless entities.

Consequently, there were now two public interpretations with accompanying data: UDOT’s projections and ULCT/WFRC projections. Whether via the UDOT interpretation or ULCT/WFRC projections, there was no way for ULCT or other stakeholders to know in 2015 of UAC’s financial expectation of the specific impact of the hold harmless adjustment.

Chart 1: ULCT & WFRC Expectations, UAC Intentions, & UDOT Interpretation of HB 362



2. 2016: Disconnect between the intent and expectations of stakeholders and legislators and the intent and expectation of UAC on HB 60

A) Interim 2015 and the formation of HB 60

During the summer of 2015, UAC met with UDOT to analyze why the 11 hold harmless counties had not seen the anticipated increase. Unfortunately, UAC did not include other stakeholders (like ULCT) in conversations with UDOT and did not share the specific data about the scope of the hold harmless adjustment. UDOT representatives told ULCT representatives in June 2016—a year after UAC met with UDOT—that UAC indicated to UDOT that ULCT was supportive of the HB 60 proposal. At the time, ULCT did not know of HB 60’s specific impact and would have strongly opposed HB 60 had we known the specific impact.

UAC representatives notified the other stakeholders, including ULCT representatives, that a technical fix to HB 362 was necessary. Indeed, a technical fix was necessary in order to meet the ULCT and other stakeholder expectation of a 17.5% increase for counties, cities, & towns according to the 50-50 formula. A UAC representative testified briefly (4 min, 37 sec) to the Transportation Interim Committee in November 2015 about the technical fix which became HB 60. During the November Interim meeting, UAC explained the hold harmless adjustment objective but did not disclose data that would have identified the specific impact and scope of the hold harmless adjustment.

The UAC representative also told the interim committee that “there isn’t a lot of sales tax in many of these rural counties (so) they wanted another tool.” However, at no point in the HB 362 deliberations in 2015 did ULCT, other stakeholders, or legislators ever even discuss a *quid pro quo* of sales tax for cities in exchange for a greater share of the gas tax going to the 11 hold harmless counties (see Ch 1(C)(ii) above).²²

ULCT, Utah Transportation Coalition, Salt Lake Chamber, and WFRC thus expected that HB 60 was not about re-distribution, but actually would facilitate the distribution of the HB 362 gas tax increase according to the 50-50 formula as published in the 2015 projections. Hence, ULCT supported HB 60 with that expectation. Meanwhile, UAC expected that HB 60 would distribute the majority of the HB 362 gas tax revenue increase to 11 hold harmless counties and 1 town at the expense of the other counties and cities.

The hold harmless adjustment language in HB 60:²³

If apportionment made in FY 2013-14 is less than 120% of amount apportioned in FY 1996-97, then city/county of less than 14,000 receives: 1996-97 apportionment, PLUS 96-97 apportionment multiplied by % increase in B/C account from FY 96-97 to most recently completed fiscal year

The new hold harmless qualification rules in HB 60 freezes hold harmless participants forever, provides them with growth between 1997 and the last completed fiscal year on top of the growth that they already received according to the growth factor (see Chapter 3(B)(iv) below), and actually re-qualifies several counties that were not eligible in 2015 because they had naturally grown out of the hold harmless category. Likewise, the hold harmless protection and future growth for those 11 counties is extended indefinitely.

²² *Supra* Ch. 1(c)(ii).

²³ HB 60, 62nd Leg., Gen. Sess. (Utah 2016).

B) 2016 session and HB 60 process failure

During the 2016 session, HB 60 received a combined 10 minutes and 47 seconds of deliberation and voting in the interim committee, House floor, Senate committee, and Senate floor.²⁴ The governor signed the bill on February 12, 2016. A UDOT representative forwarded an email to ULCT staff about the impact of the retroactivity only of HB 60 on February 23, 2016 which identified an impact of \$19,107. HB 60 passed on February 8, which was two weeks prior to the forwarded email. That was the only data that ULCT received about the specific impact of HB 60. The other transportation stakeholders, including WFRC and the Coalition also never received data about the specific impact of HB 60.

In June 2016, ULCT learned of a conversation between UDOT and the Office of the Legislative Fiscal Analyst over the potential fiscal impact on local government. Ultimately, they did not notify ULCT about the potential fiscal impact because they determined that the aggregate fund amount did not change, only the distribution formula within the fund. ULCT has an excellent working relationship with both UDOT and the Legislative Fiscal Analyst's office. ULCT filled 365 fiscal note requests during the 2016 session, but unfortunately ULCT never received a request for HB 60.

ULCT has reviewed all committee hearing and floor recordings and the specific impact of the hold harmless adjustment in HB 60 was never mentioned. The bill sponsor explained that HB 60 "corrects a calculation and error in HB 362."²⁵ As previously mentioned, HB 362 needed a calculation correction. ULCT should have asked the follow up questions about HB 60 to verify that the impact would have been consistent with our expectation and we accept responsibility for not asking. However, a disconnect existed between UAC and all of the other stakeholders over whether the calculation correction would result in a 17.5% increase for all counties, cities, and towns, or an 82% increase for 1 hold harmless town and 11 hold harmless counties and an 8.6-8.8% increase for other counties, cities, and towns. The Legislature passed HB 60 with a vote tally of 71-0-4 and 24-0-5.

C) June 2016

In early June 2016, several cities contacted ULCT with concerns about discrepancies between projected motor fuel tax revenues and Class C receipts. After meeting with UDOT and UAC, ULCT released an alert²⁶ about HB 60 projections on June 15, 2016. Many cities and towns had budgeted for Fiscal Year 2017 based on the commonly understood and widely distributed projections in April 2015. Consequently, they had to quickly adjust their budgets in the final days before the budgets were due by cutting their expected Class C revenues gas tax increase in half. Additionally, the Salt Lake Valley Conference of Mayors penned a letter on June 29, 2016 to the Speaker of the House and the President of the Senate to consider "a prompt change to the law to restore the equitable balance contemplated in 2015" and to place the "excessive funding going to the 11 rural counties in escrow."²⁷ HB 60 resulted in 11 hold harmless counties receiving approximately the same amount in B&C revenue as all of the cities in Salt Lake County combined (see Table 4).

Table 4: Impact of HB 60 on Hold Harmless Counties v. Cities in Salt Lake County

Entity	Population	FY 2015	Est. FY 2017	Increase from FY 15	Increase %
11 Hold harmless	124,674 (4.2%)	\$17,270,052	\$31,359,253	\$14,105,258	81.75%
SL Co cities	947,398 (32%)	\$28,834,544	\$31,419,822	\$2,585,279	8.95%

²⁴ Hearings on HB 60 in Transp. Int'm. Comm.; floor debate on HB 60 before the Utah House of Rep.; S. Transp., Public Util., Energy, and Tech. Comm.; and floor debate on HB 60 before the Utah State Senate, 62nd Leg. (Utah 2016).

²⁵ Floor debate on HB 60 before the Utah House of Rep., 62nd Leg. (Utah 2016).

²⁶ Utah League of Cities and Towns, "ALERT: Changes to FY 2017 B&C Road Fund Projections" <http://www.ulct.org/wp-content/uploads/sites/4/2016/06/ALERT-HB-60-BC-Fund-Projection-Changes.pdf>

²⁷ *Supra* note 16.

Meanwhile, ULCT learned that two of the eleven hold harmless counties budgeted for the HB 60 increase in December 2015, even before HB 60 became law on February 12, 2016.²⁸ As such, they had access to the HB 60 specific impact and data projections in late 2015 even though no other stakeholders or legislators received to the HB 60 impact and projections.

D) Legislative intent for HB 362 and HB 60 as discussed in July 2016

ULCT has met with UAC representatives several times in June and July 2016, including on July 5²⁹ with the Speaker of the House Greg Hughes, House Majority Leader Jim Dunnigan, and HB 362 and HB 60 bill sponsor Rep. Johnny Anderson. UAC indicated that they only supported HB 362 because of the alleged “exchange” between sales tax and gas tax and the expansion of the hold harmless adjustment. UAC also explained that they knew what revenues to expect from the hold harmless adjustment in HB 362 and later in HB 60 and acknowledged that they did not share those projections publicly. A county representative also declared that the 1997 B&C formula change was the “second biggest regret of his career.”

Finally, Representative Johnny Anderson—the bill sponsor for both HB 362 and HB 60—explained in the July 5 meeting that he expected the impact of the HB 60 to be a few hundred thousand dollars. He also said he did not expect or support the specific impact of HB 60 and that he anticipated the primary benefit for rural counties in HB 362 to be the 5 cent gas tax increase generally. The legislators charged all of the stakeholders—ULCT, UAC, WFRC, Utah Transportation Coalition, and others—to find consensus that reflected the initial legislative intent of HB 362 in 2015.

²⁸ Approved County Budgets for 2016, <https://secure.utah.gov/auditor-search/?p=public>

²⁹ *Supra* note 1.

3. Recent Class B&C Road Fund History

A) Pre-1997 motor fuel tax formula

The motor fuel tax began in 1923 as 2.5 cents per gallon. In 1997, the legislature re-considered both the motor fuel tax rate, which was 19.5 cents, and the distribution formula. Prior to 1997, the legislature divided 75% of the 19.5 cents to the UDOT for Class A state roads and 25% of the 19.5 cents to counties, cities, and towns for Class B&C roads according to the 32-54-14 formula. The 32-54-14 formula³⁰ was:

- 32% ratio of road mileage within city/county compared to B&C road mileage statewide
 - All lane miles created equal; 1 mile of a 5 lane paved road = 1 mile of a 2 lane dirt road
- 54% ratio of population within city/county compared to total population statewide
 - If unincorporated population is less than 14%, then county still would get 14%
- 14% ratio of land area in each city/county compared to total land area in state

B) 1997 Motor fuel tax modernization (HB 247)

i) 5 cents, 50-50 formula, hold harmless

In 1997, Governor Michael Leavitt and the Utah Legislature launched a \$2.6 billion 10 year transportation initiative: \$1.3 billion to expand and reconstruct I-15 in Salt Lake County, some Olympics investment, and \$1.3 billion for state and local roads. In addition to a \$10 increase on vehicle registration fees, the Legislature passed HB 247³¹ (sponsor: Rep. Marty Stephens; floor sponsor: Sen. Craig Peterson) which modified the motor fuel tax in three key ways: a 5 cent increase, the creation of the weighted lane mile formula, and the introduction of the hold harmless component.

- 5 cent increase from 19.5 to 24.5 cents
- Local distribution formula changed from 32-54-14 to 50-50
 - 50% weighted mileage (instead of 32% lanes, 14% land area)
 - 1 paved road mile = 5 weighted miles
 - 1 gravel road miles = 2 weighted miles
 - 1 non-paved, non-gravel road mile = 1 weighted mile
 - 50% population (within city/town OR unincorporated county)
 - In counties whose unincorporated population is less than 14% of the overall county pop., they get credit in the formula for 14%
 - Note: the 2016 unincorporated population is 9.3% of state's pop.
 - Rationale: counties without unincorporated population still have road needs
- Introduction of Hold Harmless component
 - Rationale: counties with large land area (previously 14% of the formula) and many non-paved road miles would see a decrease in their B&C apportionment due to the formula change
 - If class B&C apportionment in FY 1997-98 is less than 110% of the B&C apportionment in FY 1994-95 (pre 5 cent increase), then UDOT must provide the greater of:
 - 110% of FY 1994-95
 - 100% of FY 1995-96
 - Hold harmless counties in 1997: Beaver, Emery, Garfield, Grand, Kane, Piute, San Juan, Tooele

³⁰ Utah Code Ann. § 27-12-129(1), *repealed by HB 247 B and C Roads Formula, §27-12-129(2) (1997)*.

³¹ HB 247, 43rd Leg. Gen. Sess. (Utah 1997).

Consequently, the legislative intent of HB 247 in 1997 was:

- **Formula change: align B&C funds with road and growth needs**
- **Hold harmless: provide a floor of transportation funding for local governments who would otherwise lose revenue due to the formula change**
- **Hold harmless counties and cities would transition out of the hold harmless protection**

Table 5: Legislative History of the Hold Harmless “Cheat Sheet”

Year	Gas Tax	B&C % of Trans Fund	Distribution Formula	Lane Mile Formula	Hold Harmless Qualifications	Hold Harmless Formula	Growth Component
Pre-1997	\$0.195	25%	32% Lane Miles 54% Population* 14% Land Area	All center lane miles (paved, gravel, and other/unimproved) are weighted equally	None	None	None
1997	\$0.245	25% (+dedicated sales tax for local roads)	50% Weighted Lane Miles 50% Population*	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 1	Cities or counties whose allocation would be under 110% of FY 1994-1995	Qualifying entity receives the greater of either 100% of FY 1994-1995 allocation or 110% of FY 1995-1996 allocation, and growth component	1/3 of the % growth in the overall B&C Fund (excluding future tax & fee increases)
1999	\$0.245	Same (Recodification)	Same (Recodification)	Same (Recodification)	Cities or counties whose allocation would be under 110% of FY 1996-1997	Qualifying entity receives 110% of FY 1996-1997	Same (Recodification)
2007	\$0.245	30% (dedicated sales tax returned to UDOT)	Same	Same	Cities or counties with a population under 10,000 whose allocation would be under 120% of FY 1996-1997	Qualifying entity receives 120% of FY 1996-1997 allocation, and growth component	% growth in the overall B&C Fund multiplied by HH allocation (excluding future tax & fee increases)
2008	\$0.245	Same	Same	Same	Cities or counties with a population under 14,000 whose allocation would be under 120% of FY 1996-1997	Same	% growth in the overall B&C Fund multiplied by HH allocation (Valentine amendment removed)
2015	Equivalent of \$0.294 (12% tax on average rack price, with \$2.45/gallon floor)	Same	Same	Center lane miles are weighted: Paved = 5 Gravel = 2 Other/unimproved = 2	Cities or counties with a population under 14,000 whose FY 2013-2014 allocation was under 120% of FY 1996-1997	Qualifying entity receives FY 1996-1997 allocation multiplied by % growth of B&C fund from FY 1996-1997 to current year	% growth in the overall B&C Fund multiplied by HH allocation in addition to the growth within new HH formula
2016	Same	Same	Same	Same	Same	Qualifying entity receives FY 1996-1997 allocation x % growth of B&C fund from FY 1996-1997 to current year plus 100% of FY 1996-1997 allocation	Same

ii) Floor debate³² with legislative intent on the 50-50 formula change and hold harmless

The legislature articulated their intent for both the weighted lane mile change and the hold harmless component during the floor debate in the House and Senate. During the House floor debate, the bill sponsor Rep. Marty Stephens introduced the bill by saying, *“the purpose of the bill is to divide the money between cities and counties more closely to the actual costs of the roads.”*³³

Rep. Stephens also explained the new weighted lane mile formula. *“We actually change the formula ... the numbers weren’t pulled out of the sky, but the numbers are from UDOT and a local government study³⁴ of the actual cost of developing and maintaining this type of road.”*

He continued to articulate that *“there are some counties that would get less under this formula than they would have gotten” and created a hold harmless component that “guaranteed at least a 10% increase for counties that would have gotten less.”*

Rep. Tom Hatch rose to address the hold harmless component. He offered an amendment that would set aside 1/3 of all increases or growth in the B&C fund independent of the new 50-50 formula that would be shared by everyone. The remaining 2/3 of all increases or growth in the B&C fund would utilize the new 50-50 formula.

Rep. John Valentine then objected that *“the understanding I always had was that if new additional gas tax is put into the bill, then it would fund out the formula ... this (amendment) undoes the whole formula that the bill tries to do.”* Rep. Stephens then circled the bill.

Thirty minutes later, Rep. Valentine offered an amendment for *“compromise and balance.”* He said, *“1/3 of the increase in natural growth will go to hold harmless counties so they have some growth, but with the addition of any new license fee increase or new taxes like a gas tax increase, then the formula would be allowed to run in the way it is built to run.”* The growth component would begin in fiscal year 1998-99—the first year after the 5 cent increase. Rep. Hatch supported the amendment and the House passed the bill 72-0-3.

Rep. Hatch acknowledged during the 1997 floor debate that the bill would shift \$7 million from rural parts of the state to urban parts of the state and said, “perhaps we (rural Utah) have been receiving more than we have been entitled to.”

In the Senate, the floor sponsor Senator Craig Peterson explained that “the rural areas are held harmless until they achieve a 10% growth in the resources and (the bill) redistributes to cities where intense needs are located.” The Senate passed the bill 26-1-2.

The Valentine amendment stated in three places in HB 247, *“beginning with fiscal year 1998-99, the department (UDOT) shall reapportion the funds in the class B and class C roads account otherwise apportioned under Subsection (2) as provided in Subsection (5)(b) if: (i) there is an increase in the class B and class C roads account from other than increases in fees or tax rates for the current fiscal year over the previous fiscal year.”*³⁵

The Valentine amendment—the annual growth factor in the hold harmless component—was later re-codified in 1999 to say the following:³⁶

In addition to the apportionment adjustments made under Subsection (4), a county or municipality that qualifies for reapportioned monies under Subsection (4)(a)(i) shall receive 1/3 of the percentage increase in the class B and C road account for the current fiscal year over the previous fiscal year.

³² Floor debate on HB 247, before the Utah House of Rep., 43rd Leg. Gen. Sess. (Utah 1997).

³³ Wilbur Smith Associates, Highway Systems Plan 72-73 (1987).

³⁴ *Id.*

³⁵ *Supra* at 30; Act of Feb. 20, 1997, Utah Code Ann. § 27-12-129(5)(a), repealed by SB 168 Highway Funding Amendments (2008).

³⁶ Utah Code Ann. § 72-2-108(5)(a)(i),(ii) (1999), repealed by SB 168 Highway Funding Amendments (2008).

Valentine amendment (per 1999 re-codification): Any percentage increase calculated under Subsection (5)(a)(i) may not include any increases from increases in fees or tax rates.

Consequently, the legislative intent of the 1997 motor fuel tax was to align Class B&C funds with needs and growth, shift funds to fast growing urban areas, create a temporary hold harmless until the counties grew more than 10%, and ensure that future gas tax increases not be diverted to the hold harmless component but rather go into the 50-50 formula.

iii) Impact of motor fuel tax modernization on cities and counties (including the hold harmless entities) immediately after the bill passed (1997 & 1998)

As a result of HB 247, the legislature intended to shift approximately \$7 million from rural Utah to urban Utah and every county, city, and town benefited from the bill. The 5 cent increase combined with the 1/16 sales tax resulted in the B&C fund growing by \$34,201,262 from \$64,562,973 in FY 1997 to \$98,764,235 in FY 1998.³⁷

The introduction of the 50-50 formula with the 5 cent increase meant that most counties, cities, and towns would see an increase in revenue from FY 1997 to FY 1998. However, 8 counties (Beaver, Emery, Grand, Garfield, Kane, Piute, San Juan, Tooele) would have seen a reduction in class B revenue from FY 1997 to FY 1998 and beyond despite the 5 cent increase because the formula change eliminated the 14% land area factor and valued paved lanes at a higher rate than gravel or dirt lanes. ***The legislature knew that the above 8 counties would experience a reduction, which is why the legislature crafted the hold harmless component in the first place.***

iv) The impact of the hold harmless component on hold harmless counties and cities from 1997 to 2015

The legislature shifted over \$5 million in the B&C fund to preserve the apportionment for the 8 hold harmless counties and prop them up initially at 1995 or 1996 levels (see first table of Chapter 3 for hold harmless qualifications and history). For example, Beaver County received \$890,493 in Fiscal Year 1995. Under the 50-50 formula implemented in 1997, they would have received just \$593,380. The hold harmless language guaranteed them 110% of their 1995 apportionment or 100% of their 1996 apportionment. As such, the hold harmless provision guaranteed Beaver County 110% of the Fiscal Year 1995 apportionment—\$979,542—which was \$386,162 more than the \$593,380 that they would have received under the new 50-50 formula. The overall value of the hold harmless subsidy in the B&C Fund to the eight hold harmless counties in FY 1998 was over \$5 million (see chart below).

³⁷ Utah Dept. of Transp. Ann. Stat'l Summ. Data, B&C Road Fund Dist. FY 1998, at 7 (1998).

Table 6: Initial Scope of B&C Hold Harmless 1997-1998

Counties	1995 Allocation under 32-54-14	1997 Allocation per new 50-50 formula (without a HH)	1998 HH allocation (110% of 95 or 100% of 96)	\$ value of FY 1998 Hold Harmless (HH - 50-50)
Beaver	\$890,493	\$593,380	\$979,544	\$386,164
Emery	\$1,108,421	\$751,034	\$1,220,611	\$469,577
Garfield	\$1,055,997	\$554,318	\$1,161,596	\$607,278
Grand	\$1,048,214	\$490,202	\$1,198,612	\$708,410
Kane	\$820,731	\$390,617	\$902,804	\$512,187
Piute	\$224,197	\$162,661	\$249,351	\$86,690
San Juan	\$2,509,683	\$1,086,015	\$2,760,652	\$1,674,637
Tooele	\$1,554,284	\$844,125	\$1,709,712	\$865,587
TOTAL HH Counties				\$5,310,530

The growth factor in the hold harmless adjustment then kicked in from fiscal year 1998-1999 until the present day. While the hold harmless counties did not see growth from fiscal year 1997 to fiscal year 1998, they have seen comparable growth to the overall B&C fund from 1998 to 2015 (see chart below). Hold harmless counties have seen an average increase of 24.26% in their B&C apportionment since 1998. For comparison purposes, Sandy City has in the same time frame seen a decrease of 6.36% because Sandy has not increased in population or lane miles.

Chart 2: Annual % Change of B&C Fund, Hold Harmless, & Sandy City 1998-2015

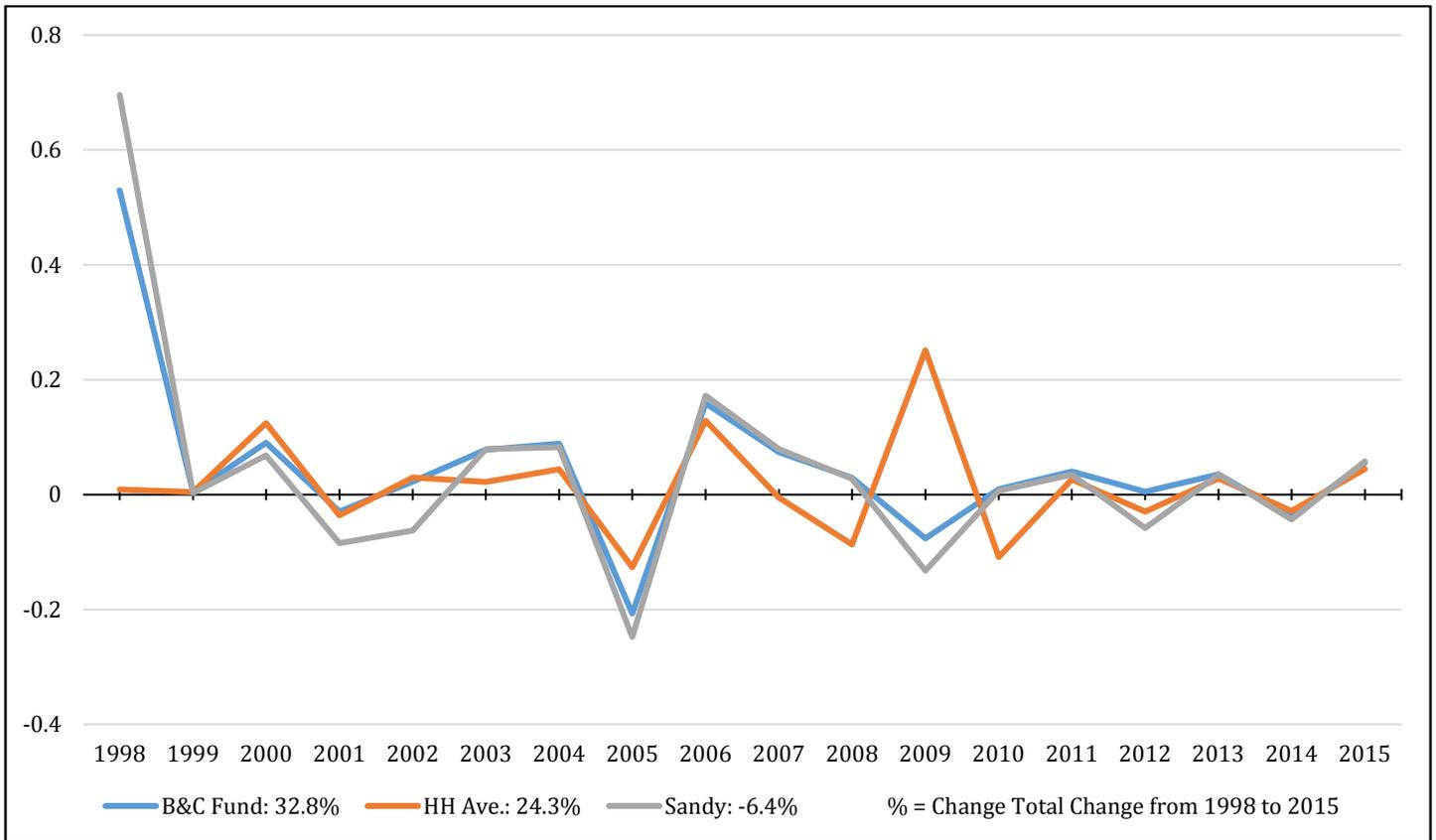


Chart: 2008 to 2010 distributions were affected by a UDOT miscalculation in 2008, followed by a subsequent adjustment in 2009 to correct the 2008 miscalculation.

During the 2015 and 2016 legislative sessions, UAC argued that the HB 362 and HB 60 hold harmless adjustments were necessary because the hold harmless counties have not seen the same growth as the aggregate Class B&C Fund since 1997.

Comparing the aggregate growth in the Class B&C Fund in 1997 to 2015 does not tell the complete story about the hold harmless counties. Starting in 1998-99, the 1997 Valentine amendment³⁸ ensured a floor and a growth component for hold harmless counties. The floor started in 1997 as 110% of 1994-95 appropriation or 100% of 1995-96 appropriation. The legislature increased the floor to 110% of 1996-97 appropriation (1999 session) and then 120% of 1996-97 dollars (2007). In addition, the Valentine amendment ensured that hold harmless counties would receive 1/3 of the percentage of the overall growth in the Class B&C Fund beginning in 1998-1999. In 2007, the legislature expanded the growth component and required that hold harmless counties would receive the same percentage of the overall growth in the Class B&C Fund compounded annually. Thus, from 1998-99 to the present day, hold harmless counties have had a built-in growth component.

Table 7: Changes to Hold Harmless Formula 1997-2016

Year	Changes to Hold Harmless Formula 1997-2016
1997-1999	(Greater of 100% of FY 1994-1995 allocation or 110% of FY 1995-1996 allocation) + (1/3 of annual growth percentage of B&C Fund x hold harmless allocation)
1999-2007	(110% of FY 1996-1997 allocation) + (1/3 of annual growth percentage of B&C Fund x hold harmless allocation)
2007-2015	(120% of FY 1996-1997 allocation) + (Annual growth percentage of B&C Fund x hold harmless allocation)
2015 (HB 362)	(FY 1996-1997 allocation x total growth percentage of B&C Fund FY 1996-1997 to current year) + (Annual growth percentage of B&C Fund x hold harmless allocation)
2016 (HB 60)	100% of FY 1996-1997 allocation + (FY 1996-1997 allocation x total growth percentage of B&C Fund FY 1996-1997 to current year) + (Annual growth percentage of B&C Fund x hold harmless allocation)

v) The impact of the new 50-50 (50% weighted lane mile, 50% population) formula on all cities and counties from 1997 to 2015

Since 1997, cities have seen an increase in their share of the Class B&C Fund and counties have seen a decrease in their share of the Class B&C Fund. In 1995, counties received 52% of B&C funds, but in 2015 counties only received 36% of B&C funds. The reason is simple: growth. When the legislature implemented the 50-50 formula in 1997 (50% population, 50% weighted lane mile), they did so with a recognition that the new formula would align motor fuel tax revenues with needs and address population and infrastructure growth and needs.³⁹

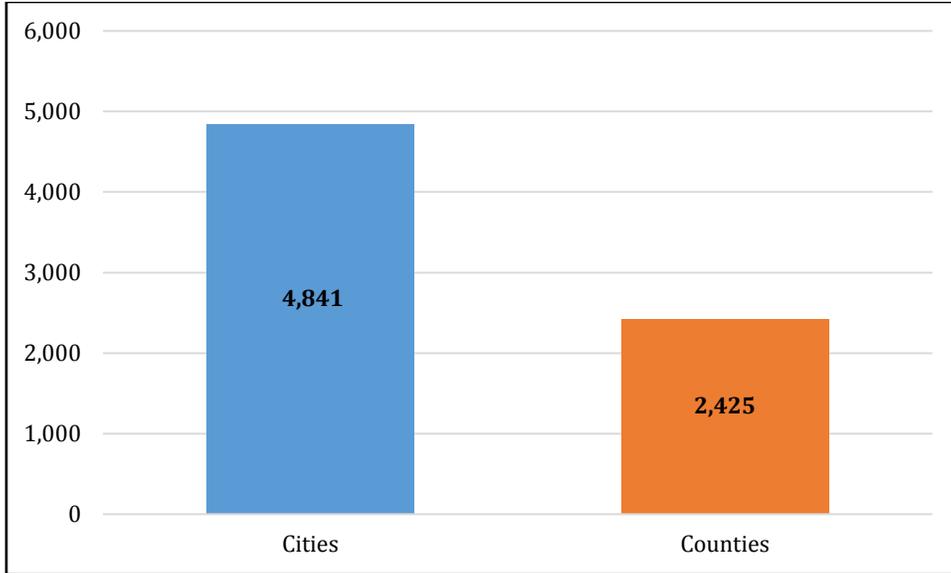
³⁸ *Supra*, Ch. 3(b)(ii).

³⁹ *Supra* at 31.

a) 50-50 formula: Weighted lane mile impact (See charts below)

Since 1995, cities have built 4,841 new lane miles and counties have built 2,425 new lane miles.⁴⁰ Cities have thus constructed nearly twice as many more new road miles than counties have constructed (see Chart 3). Simply put, the more new lanes that a city or county construct, the more B&C revenue the city or county would receive from the weighted lane mile calculation within the 50-50 formula.

Chart 3: New Road Lane Miles Constructed from 1995-2014



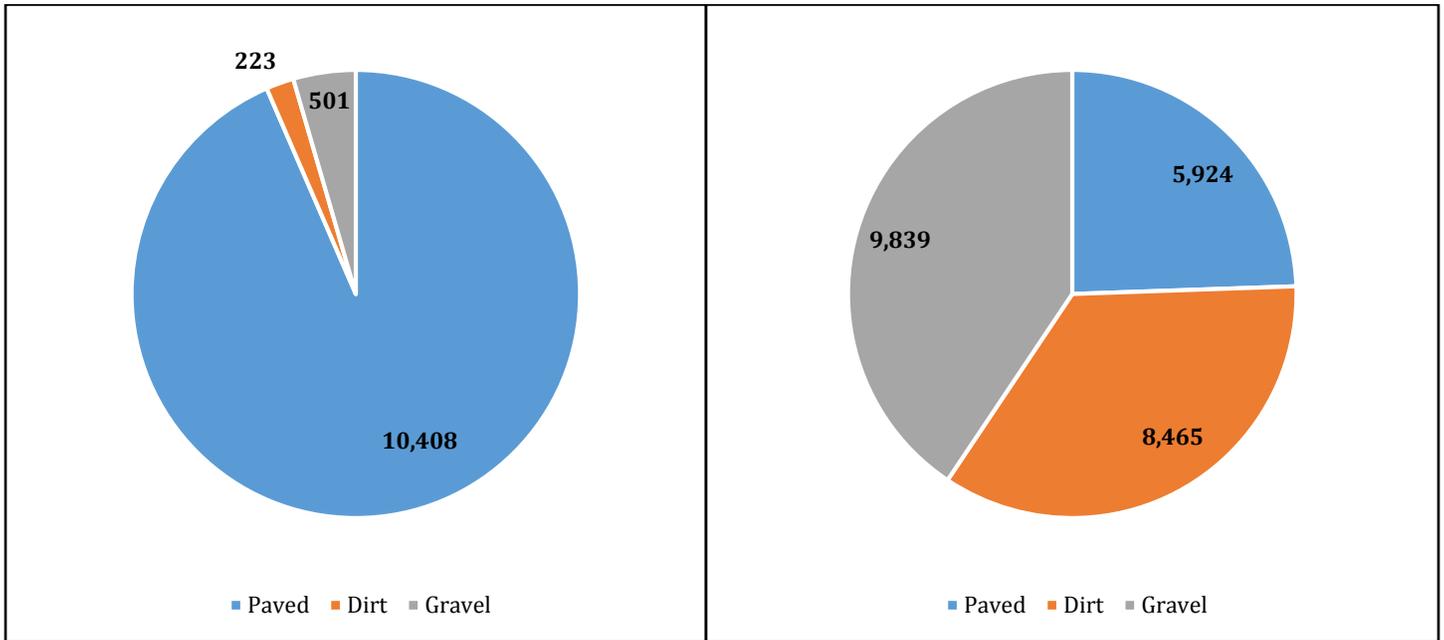
Additionally, the value of a mile of paved road quintupled in the weighted lane mile formula. Cities have nearly twice as many paved roads in their portfolios as counties have—10,408 city paved roads, 5,924 county paved roads (see Chart 4). While paved roads make up 93.5% of all city roads, they make up just 24.5% of all county roads. Consequently, the more paved roads that a city or county maintains, the more B&C revenue that the city or county would receive from the weighted lane mile calculation within the 50-50 formula.

As mentioned above,⁴¹ HB 362 did modify the weighted lane formula in a manner that significantly benefits counties. The value of an “other” non-paved, non-gravel road doubled from 1 to 2. Thus, the value of the 8,465 “other” roads in the county portfolio doubled and money within the B&C Fund shifted from paved roads to unpaved roads. 97.4% of “other” roads are county roads and 77.6% of “other” roads are hold harmless county roads. “Other” roads make up 35% of the county road portfolio and just 2% of the city road portfolio.

⁴⁰ Utah Dept. of Transp. Ann. Stat'l Summ. Data, (1995 & 2015)

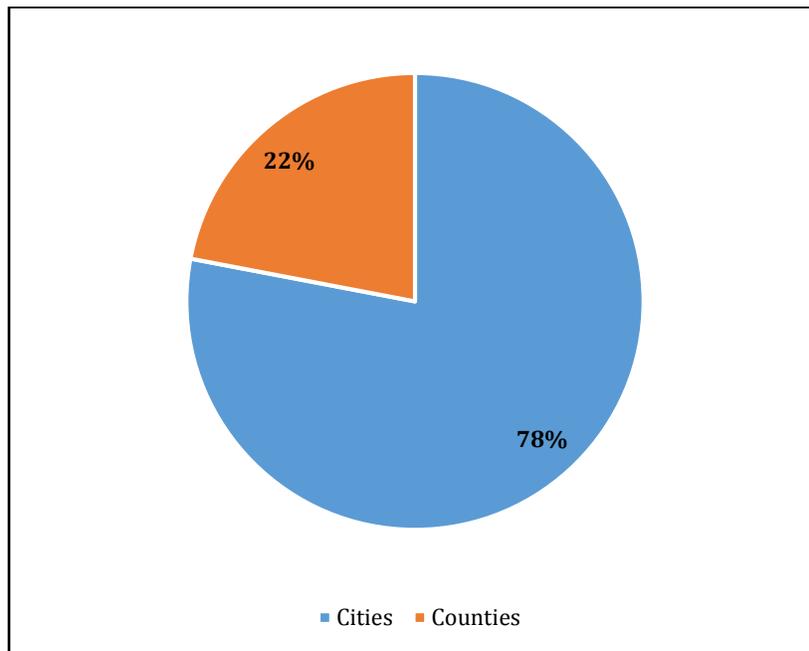
⁴¹ *Supra* at Ch. 1(b)(ii).

Chart 4: City Weighted Lane Miles v. County Weighted Lane Miles by Type*



*Dirt & gravel lanes now weighted equally

Chart 5: Vehicle Miles Traveled on Local Roads



b) 50-50 formula: Population impact

Since 1997, Utah’s population has grown from approximately 2.048 million to 2,995,919 in December 2015, an increase of approximately 46%.⁴² Most of that population growth has occurred in incorporated cities. The more a city’s or unincorporated county’s population grows, the more Class B&C revenue that they will receive according to the 50-50 formula.

⁴² *Supra* at 3; see also Gov’r Office of Mgmt. & Budget, Demographics, <http://governor.utah.gov/DEA/demographics.html> (2015).

C) Class B&C fund distribution shifts from 75/25 to 70/30 in 2007

In 2007, the legislature revisited the motor fuel tax and modified the Class B&C allocation so that local governments would receive 30% of the motor fuel tax revenue in exchange for moving a portion of sales tax from the B&C fund back to state coffers. Previous to 2007, UDOT received 75% of the motor fuel tax revenue and local governments received 25% of the motor fuel tax revenue. In 2007, the vehicle miles traveled on local roads were 30.8%⁴³ and the legislature weighed whether to give locals 30% or 31% of the motor fuel tax to mirror the VMT. A county representative testified to the House Revenue & Taxation Committee that, "if the 31/69 split was funded, it would set the stage for eliminating the hold harmless all together with 1 or 2 minor changes to weighted factor for gravel and unimproved roads." The value of the extra 1% in the 31/69 in 2007 dollars was \$4,152,174.17.

The 2007 changes⁴⁴ were:

- B&C Allocation change: 70% to UDOT, 30% to locals
- Change to population calculation for hold harmless formula
- If B/C apportionment is less than 120% of B/C apportionment from FY 1996-97 to county/city w/pop. of less than 10,000, then UDOT must give 120% of B/C from FY 96-97
- Change to hold harmless floor: 110% to 120%
- Change to growth component for hold harmless
 - HH county/city gets % change in overall B/C account COMPOUNDED ANNUALLY, beginning in 2006-07 (not pre 1997 5 cent increase)

D) Valentine amendment of 1997 legislative intent suddenly repealed in 2008

In 2008, the legislature enacted *SB 168 Highway Funding Amendments*. While the primary focus of the bill was the State Park Access Highways Improvement Program, the bill also deleted the 1997/1999 Valentine amendment.

In 1997, the legislative intent was clear that any calculation in the hold harmless component may not include any increases from increases in fees and tax rates and that the 50-50 formula should "run in the way it is built to run."⁴⁵ During the Senate Transportation Committee hearing,⁴⁶ the same county representative who said in 2007 that the \$4 million would "set the stage to end the hold harmless" spoke again. He explained "***there is one other provision in the bill and that happens to be striking some language about 10 or 12 years when they readjusted the highway program, a piece of language got in there indicating that people who were Hold Harmless could not participate in any future tax or fee increases which means if the legislature if legislature decided to increase gas taxes, those entities would be prohibited from participating in that. As far we know there is no gas tax bill out there now so this is a good year to strike the provision. We don't see why certain entities should be able to provide and not others.***"

The county representative's testimony on SB 168 did not accurately reflect what the legislature intended in 1997. Hold harmless entities could have participated in any future tax increase according to the 50-50 formula. In 1997, hold harmless entities could not have received an additional allotment from the tax increase exclusively into the hold harmless component. The 1997 legislative intent sought for the hold harmless entities to grow beyond the 110% and thus no longer qualify for the hold harmless protection. The 1997 legislative intent also expected that future tax increases would fund the 50-50 formula "in the way it was intended to run" without diverting future tax increases into the hold harmless component.

⁴³ *Hearing on HB 383 before H. Rev. & Tax. Comm.*, 53rd Leg. (Utah 2007).

⁴⁴ HB 383, 53rd Leg. Gen. Sess. (Utah 2007).

⁴⁵ *Supra* at 32.

⁴⁶ *Hearing before S. Transp., Public Util., Energy, and Tech. Comm.*, 54th Leg. Gen. Sess. (Utah 2008).

The legislature passed SB 168 without any more public dialogue about the impact of deleting the Valentine amendment. SB 168 resulted in a major policy shift about the utilization of future motor fuel tax increases within the B&C fund, the 50-50 formula, and the hold harmless adjustment.

As a result, the 1997 legislative intent to not funnel future tax increases into the hold harmless component independent of the 50-50 formula disappeared without an accurate understanding of that intent. SB 168 set the stage for HB 362 and HB 60 to then divert significant portions of the gas tax increases to hold harmless entities separate from the 50-50 formula. Had the Valentine amendment still existed in code in 2015 or 2016, then the HB 362 and HB 60 hold harmless adjustments would have been inconsistent with the law.

CONCLUSION

ULCT has attempted to fairly and accurately explain the 2015 and 2016 events as well as the B&C Fund legislative history. ULCT appreciates the attentiveness and consideration of Governor Gary Herbert's administration, House and Senate leadership, and other stakeholders. ULCT commits to work collaboratively with the other transportation stakeholders (including UAC), the Utah State Legislature, and Governor Gary Herbert's administration to resolve the issues that have arisen from HB 60 and honor the legislative intent of HB 362.

APPENDIX

- Meeting Agenda: Local option transportation funding (HB362):
Topics for 2/26/15 4:00 PM
- HB 362 Substitute 3 Talking Points
- ULCT FY 2017 Gas Tax Revenue Projections

Local option transportation funding (HB362): Topics for 2/26/15 4:00pm.

1. Referendum:
 - HB362 would require referendum.
 - *Question:* should referendum be required or optional?

2. Allocation
 - HB362 in areas without countywide transit district allocates funds 0.10% to cities, towns, unincorporated county; 0.15% to county.
 - *Question:* should funding be specifically allocated to transit in Tooele, Box Elder, Summit, Park City, Cache, Vernal, St. George? If so, how much? How to define area?
 - *Question:* does the bill have the right allocation in rural areas without transit?

3. Imposition authority
 - HB362 authorizes counties to impose.
 - *Questions:* What happens if county won't impose or the proposition fails on the ballot? Should cities be able to impose after some period of time? What about transit? If there is a county referendum requirement, should there be a city referendum requirement? If a city imposes, and then the county later decide to impose, what happens to the city portion?

4. Distribution formula for 0.10%
 - HB362 has all funds generate by local option in a county stay in that county, and be distributed by B&C.
 - *Question:* should the distribution be within the county or statewide (with participating counties)?
 - *Question:* should the distribution be by B&C formula (50% population, 50% weighted centerline miles), or by sales tax formula (50% population, 50% point of sale)?

5. Maintenance of effort
 - HB362 requires cities, towns, counties to not supplant funding they are putting to transportation.
 - *Question:* should this requirement sunset after 5 years?

6. Other
 - Bonding authority for municipal portion – insert non-impairment language
 - Allowable uses of the 0.10% that goes to the cities, towns and (unincorporated) county:
 - Add public transit
 - Add maintenance or operation of an active transportation facility (not just construction).

H.B. 362Sub.3– Transportation Infrastructure Funding **Vote Yes!**

Sponsor – Representative Johnny Anderson

H.B. 362 is a comprehensive approach to addressing part of the funding shortfall identified in Utah’s Unified Transportation Plan. The bill reforms the state gas tax and authorizes a local option transportation sales tax to allow for priority investments in state and local roads, transit and bike facilities. It will help Utah preserve our current infrastructure and accommodate our projected population growth. There are two main provisions in the bill:

1. **Gas Tax Reform:** change the state gas tax from the current 24.5 cents per gallon to a percentage

- Effective January 1, 2016, the bill would convert the current 24.5 cents per gallon state gas tax to a 10 percent tax.
- Just like any sales tax, as the price of fuel changes the amount of revenue would change. This would help to address the decline in buying power of the cents per gallon tax, which due to inflation has lost 40 percent of its buying power since 1997 (effectively making a 24.5 cents per gallon tax in 1997 worth only 14.7 cents per gallon today).
- To limit potential price volatility there would be a floor and a fixed ceiling set on the tax so that it could not go below or above certain levels.

2. **Local Option Transportation Sales Tax:** give local communities a tool to address their needs

- Counties are authorized to enact a 0.25% general sales tax for transportation after voter approval. This is the equivalent of 25 cents for every hundred dollars.
- In areas with transit service, the funds would be allocated as follows:
 - 0.10% to the transit provider
 - 0.10% to cities, towns and unincorporated county areas
 - 0.05% to the county
- In areas without transit service, the funds would be allocated as follows:
 - 0.10% to cities, towns and unincorporated county areas
 - 0.15% to the county

Benefits of H.B. 362

We all benefit from a well-functioning and well-maintained transportation system. This comprehensive approach to our transportation needs will improve our air quality, support our vibrant economy and enhance our overall quality of life.

- **Real reform** – H.B. 362 converts the cents per gallon tax to a percentage so that the buying power of the tax keeps pace with inflation.
- **Clean Air**- Allows for additional transit service and local improvements to bike and pedestrian infrastructure that would reduce approx. 33,000 car trips per day and prevent 200 tons of emissions.
- **Rural Needs** – Gives UDOT funding for rural state roads and bridges.
- **Local Needs** – Provides cities and counties tools to address their needs.
- **Provides options** – By providing funding for roads, transit and biking, the bill will help to maintain our current infrastructure and provide transportation options as our population continues to grow.

ULCT FY 2017 Gas Tax Revenue Projections

Entity	FY 2015 B&C Distribution	ULCT Estimated 2017 B&C Dist. (HB 362, 2015)	ULCT HB 362 Expected Increase	% Increase from FY 2015
11 Hold Harmless Counties	\$ 17,253,995	\$ 19,548,057	\$ 2,294,062	13.30%
18 Non Hold Harmless Counties	\$ 29,779,559	\$ 35,759,464	\$ 5,979,905	20.10%
All Cities & Towns	\$ 84,103,211	\$ 98,615,100	\$ 14,511,889	17.30%

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60, 2016)*	Increase from FY 2015	% Increase from FY 2015
11 Hold Harmless Counties	\$ 17,253,995	\$ 31,359,253	\$ 14,105,258	81.75%
18 Non Hold Harmless Counties	\$ 29,779,559	\$ 32,408,196	\$ 2,628,637	8.83%
All Cities & Towns	\$ 84,103,211	\$ 91,359,952	\$ 7,256,741	8.63%

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Beaver County**	\$ 1,248,494	\$ 2,246,051	\$ 997,557	79.90%
Beaver	\$ 181,746	\$ 192,694	\$ 10,948	6.02%
Milford	\$ 73,270	\$ 79,975	\$ 6,704	9.15%
Minersville	\$ 44,857	\$ 51,417	\$ 6,560	14.62%
Municipal Subtotal	\$ 299,873	\$ 324,085	\$ 24,212	8.07%
Countywide Total	\$ 1,548,367	\$ 2,570,136	\$ 1,021,769	65.99%

Box Elder County**	\$ 2,075,356	\$ 3,879,813	\$ 1,804,457	86.95%
Bear River	\$ 39,246	\$ 42,447	\$ 3,201	8.16%
Brigham City	\$ 669,256	\$ 722,524	\$ 53,268	7.96%
Corinne	\$ 51,362	\$ 54,483	\$ 3,121	6.08%
Deweyville	\$ 9,182	\$ 10,079	\$ 896	9.76%
Elwood	\$ 76,339	\$ 80,440	\$ 4,101	5.37%
Fielding	\$ 25,225	\$ 26,801	\$ 1,575	6.25%
Garland	\$ 92,631	\$ 99,812	\$ 7,181	7.75%
Honeyville	\$ 82,665	\$ 88,022	\$ 5,357	6.48%
Howell	\$ 45,206	\$ 46,930	\$ 1,723	3.81%
Mantua	\$ 40,787	\$ 43,476	\$ 2,689	6.59%
Perry	\$ 178,042	\$ 195,087	\$ 17,045	9.57%
Plymouth	\$ 34,086	\$ 36,037	\$ 1,951	5.73%
Portage	\$ 23,923	\$ 25,684	\$ 1,761	7.36%
Snowville	\$ 22,200	\$ 23,137	\$ 938	4.22%
Tremonton	\$ 286,107	\$ 308,733	\$ 22,626	7.91%
Willard	\$ 69,408	\$ 75,267	\$ 5,859	8.44%
Municipal Subtotal	\$ 1,745,666	\$ 1,878,959	\$ 133,293	7.64%
Countywide Total	\$ 3,821,022	\$ 5,758,771	\$ 1,937,750	50.71%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Cache County	\$ 1,325,729	\$ 1,473,947	\$ 148,218	11.18%
Amalga	\$ 35,641	\$ 38,176	\$ 2,535	7.11%
Clarkston	\$ 35,406	\$ 37,570	\$ 2,164	6.11%
Cornish	\$ 25,236	\$ 26,447	\$ 1,210	4.80%
Hyde Park	\$ 159,192	\$ 170,418	\$ 11,226	7.05%
Hyrum	\$ 268,263	\$ 290,417	\$ 22,153	8.26%
Lewiston	\$ 138,319	\$ 145,861	\$ 7,543	5.45%
Logan	\$ 1,455,180	\$ 1,581,487	\$ 126,307	8.68%
Mendon	\$ 56,493	\$ 60,338	\$ 3,845	6.81%
Millville	\$ 73,617	\$ 78,909	\$ 5,292	7.19%
Newton	\$ 37,528	\$ 39,969	\$ 2,441	6.51%
Nibley	\$ 201,936	\$ 218,121	\$ 16,184	8.01%
North Logan	\$ 305,911	\$ 329,793	\$ 23,882	7.81%
Paradise	\$ 54,520	\$ 57,722	\$ 3,202	5.87%
Providence	\$ 248,555	\$ 268,024	\$ 19,469	7.83%
Richmond	\$ 105,371	\$ 112,761	\$ 7,390	7.01%
River Heights	\$ 60,481	\$ 65,537	\$ 5,056	8.36%
Smithfield	\$ 351,293	\$ 377,915	\$ 26,622	7.58%
Trenton	\$ 38,481	\$ 40,371	\$ 1,890	4.91%
Wellsville	\$ 152,090	\$ 162,410	\$ 10,320	6.79%
Municipal Subtotal	\$ 3,803,512	\$ 4,102,245	\$ 298,733	7.85%
Countywide Total	\$ 5,129,241	\$ 5,576,192	\$ 446,951	8.71%

Carbon County	\$ 1,136,105	\$ 1,254,372	\$ 118,267	10.41%
East Carbon	\$ 61,704	\$ 65,887	\$ 4,183	6.78%
Helper	\$ 100,668	\$ 112,076	\$ 11,408	11.33%
Price	\$ 347,432	\$ 373,641	\$ 26,210	7.54%
Scofield	\$ 6,806	\$ 7,141	\$ 335	4.92%
Sunnyside	\$ 18,602	\$ 19,833	\$ 1,232	6.62%
Wellington	\$ 69,120	\$ 74,225	\$ 5,105	7.39%
Municipal Subtotal	\$ 604,332	\$ 652,804	\$ 48,472	8.02%
Countywide Total	\$ 1,740,437	\$ 1,907,176	\$ 166,739	9.58%

Daggett	\$ 395,853	\$ 388,604	\$ (7,250)	-1.83%
Dutch John	-	\$ 32,056	\$ 32,056	-
Manila	\$ 19,077	\$ 20,272	\$ 1,196	6.27%
Municipal Subtotal	\$ 19,077	\$ 20,272	\$ 1,196	6.27%
Countywide Total	\$ 414,930	\$ 440,932	\$ 26,002	6.27%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Davis County	\$ 1,078,023	\$ 1,191,291	\$ 113,267	10.51%
Bountiful	\$ 1,315,351	\$ 1,423,830	\$ 108,479	8.25%
Centerville	\$ 482,917	\$ 523,352	\$ 40,436	8.37%
Clearfield	\$ 814,344	\$ 887,843	\$ 73,499	9.03%
Clinton	\$ 633,044	\$ 685,156	\$ 52,112	8.23%
Farmington	\$ 606,649	\$ 654,372	\$ 47,724	7.87%
Fruit Heights	\$ 168,849	\$ 181,970	\$ 13,122	7.77%
Kaysville	\$ 884,497	\$ 955,845	\$ 71,348	8.07%
Layton	\$ 2,078,398	\$ 2,253,789	\$ 175,391	8.44%
North Salt Lake (Part 1)	\$ 494,552	\$ 539,318	\$ 44,765	9.05%
South Weber	\$ 195,435	\$ 211,095	\$ 15,660	8.01%
Sunset	\$ 157,466	\$ 170,501	\$ 13,035	8.28%
Syracuse	\$ 761,797	\$ 824,086	\$ 62,289	8.18%
West Bountiful	\$ 181,240	\$ 195,173	\$ 13,933	7.69%
West Point	\$ 301,708	\$ 327,611	\$ 25,903	8.59%
Woods Cross	\$ 296,399	\$ 321,133	\$ 24,734	8.34%
Municipal Subtotal	\$ 9,372,645	\$ 10,155,075	\$ 782,429	8.35%
Countywide Total	\$ 10,450,669	\$ 11,346,366	\$ 895,697	8.57%

Duchesne County	\$ 2,315,197	\$ 2,401,650	\$ 86,453	3.73%
Altamont	\$ 13,582	\$ 14,399	\$ 817	6.02%
Duchesne	\$ 96,582	\$ 103,279	\$ 6,698	6.93%
Myton	\$ 41,955	\$ 44,552	\$ 2,597	6.19%
Roosevelt	\$ 243,006	\$ 265,932	\$ 22,927	9.43%
Tabiona	\$ 9,656	\$ 10,254	\$ 598	6.19%
Municipal Subtotal	\$ 404,780	\$ 438,416	\$ 33,637	8.31%
Countywide Total	\$ 2,719,977	\$ 2,840,067	\$ 120,090	4.42%

<i>Emery County**</i>	\$ 1,593,159	\$ 2,866,105	\$ 1,272,947	79.90%
Castle Dale	\$ 77,895	\$ 83,169	\$ 5,274	6.77%
Clawson	\$ 12,034	\$ 12,740	\$ 706	5.86%
Cleveland	\$ 27,750	\$ 29,402	\$ 1,651	5.95%
Elmo	\$ 26,370	\$ 28,553	\$ 2,183	8.28%
Emery	\$ 33,849	\$ 35,335	\$ 1,485	4.39%
Ferron	\$ 83,556	\$ 88,982	\$ 5,426	6.49%
Green River	\$ 65,109	\$ 70,995	\$ 5,887	9.04%
Huntington	\$ 101,149	\$ 108,696	\$ 7,547	7.46%
Orangeville	\$ 68,035	\$ 72,884	\$ 4,849	7.13%
Municipal Subtotal	\$ 495,747	\$ 530,755	\$ 35,008	7.06%
Countywide Total	\$ 2,088,906	\$ 3,396,860	\$ 1,307,954	62.61%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Garfield County**	\$ 1,537,844	\$ 2,766,594	\$ 1,228,751	79.90%
Antimony	\$ 15,319	\$ 17,364	\$ 2,045	13.35%
Boulder	\$ 23,906	\$ 24,997	\$ 1,092	4.57%
Bryce Canyon	\$ 9,833	\$ 10,482	\$ 649	6.60%
Cannonville	\$ 8,196	\$ 8,738	\$ 542	6.62%
Escalante	\$ 71,243	\$ 74,729	\$ 3,486	4.89%
Hatch	\$ 11,081	\$ 11,642	\$ 561	5.06%
Henrieville	\$ 10,446	\$ 11,175	\$ 729	6.98%
Panguitch	\$ 88,103	\$ 93,775	\$ 5,671	6.44%
Tropic	\$ 59,862	\$ 62,527	\$ 2,664	4.45%
Municipal Subtotal	\$ 297,991	\$ 315,430	\$ 17,439	5.85%
Countywide Total	\$ 1,835,835	\$ 3,082,024	\$ 1,246,189	67.88%
Grand County**	\$ 1,503,356	\$ 2,784,025	\$ 1,280,669	85.19%
Castle Valley	\$ 32,890	\$ 35,524	\$ 2,633	8.01%
Moab	\$ 189,501	\$ 204,537	\$ 15,036	7.93%
Municipal Subtotal	\$ 222,391	\$ 240,060	\$ 17,669	7.95%
Countywide Total	\$ 1,725,747	\$ 3,024,085	\$ 1,298,338	75.23%
Iron County	\$ 1,524,396	\$ 1,757,198	\$ 232,803	15.27%
Brian Head	\$ 43,333	\$ 52,043	\$ 8,710	20.10%
Cedar City	\$ 1,116,309	\$ 1,209,889	\$ 93,580	8.38%
Enoch	\$ 256,996	\$ 277,616	\$ 20,620	8.02%
Kanarraville	\$ 21,828	\$ 23,172	\$ 1,344	6.16%
Paragonah	\$ 37,708	\$ 39,695	\$ 1,988	5.27%
Parowan	\$ 152,881	\$ 163,288	\$ 10,407	6.81%
Municipal Subtotal	\$ 1,629,054	\$ 1,765,703	\$ 136,649	8.39%
Countywide Total	\$ 3,153,450	\$ 3,522,902	\$ 369,452	11.72%
Juab County	\$ 1,744,068	\$ 1,877,289	\$ 133,221	7.64%
Eureka	\$ 40,307	\$ 42,658	\$ 2,351	5.83%
Levan	\$ 50,984	\$ 54,026	\$ 3,043	5.97%
Mona	\$ 78,577	\$ 83,794	\$ 5,218	6.64%
Nephi	\$ 248,153	\$ 264,987	\$ 16,834	6.78%
Rocky Ridge	\$ 28,494	\$ 30,930	\$ 2,435	8.55%
Santaquin (Part 2)	\$ 6,235	\$ -	\$ (6,235)	-100.00%
Municipal Subtotal	\$ 452,749	\$ 476,395	\$ 23,646	5.22%
Countywide Total	\$ 2,196,817	\$ 2,353,684	\$ 156,867	7.14%
Kane County**	\$ 1,161,908	\$ 2,090,283	\$ 928,374	79.90%
Alton	\$ 15,204	\$ 15,929	\$ 725	4.77%
Big Water	\$ 44,690	\$ 47,461	\$ 2,771	6.20%
Glendale	\$ 19,645	\$ 21,640	\$ 1,995	10.15%
Kanab	\$ 227,029	\$ 241,705	\$ 14,676	6.46%
Orderville	\$ 23,293	\$ 25,545	\$ 2,251	9.67%
Municipal Subtotal	\$ 329,861	\$ 352,279	\$ 22,419	6.80%
Countywide Total	\$ 1,491,769	\$ 2,442,562	\$ 950,793	63.74%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
<i>Millard County**</i>	\$ 2,843,470	\$ 5,115,426	\$ 2,271,956	79.90%
Delta	\$ 180,674	\$ 193,168	\$ 12,494	6.92%
Fillmore	\$ 140,611	\$ 149,209	\$ 8,597	6.11%
Hinckley	\$ 42,221	\$ 46,200	\$ 3,979	9.42%
Holden	\$ 27,161	\$ 28,763	\$ 1,602	5.90%
Kanosh	\$ 32,556	\$ 34,414	\$ 1,858	5.71%
Leamington	\$ 12,248	\$ 13,022	\$ 775	6.33%
Lynndyl	\$ 19,633	\$ 20,659	\$ 1,026	5.23%
Meadow	\$ 21,270	\$ 22,459	\$ 1,189	5.59%
Oak City	\$ 28,961	\$ 30,881	\$ 1,920	6.63%
Scipio	\$ 47,463	\$ 49,409	\$ 1,946	4.10%
Municipal Subtotal	\$ 552,798	\$ 588,184	\$ 35,386	6.40%
Countywide Total	\$ 3,396,269	\$ 5,703,610	\$ 2,307,341	67.94%

Morgan County	\$ 370,740	\$ 397,291	\$ 26,552	7.16%
Morgan	\$ 150,822	\$ 162,195	\$ 11,372	7.54%
Municipal Subtotal	\$ 150,822	\$ 162,195	\$ 11,372	7.54%
Countywide Total	\$ 521,562	\$ 559,486	\$ 37,924	7.27%

<i>Piute County**</i>	\$ 360,034	\$ 694,512	\$ 334,478	92.90%
Circleville	\$ 50,479	\$ 53,748	\$ 3,270	6.48%
Junction	\$ 36,960	\$ 38,335	\$ 1,375	3.72%
Kingston	\$ 14,243	\$ 15,647	\$ 1,403	9.85%
Marysvale	\$ 43,511	\$ 48,766	\$ 5,255	12.08%
Municipal Subtotal	\$ 145,193	\$ 156,496	\$ 11,303	7.78%
Countywide Total	\$ 505,227	\$ 851,008	\$ 345,781	68.44%

<i>Rich County**</i>	\$ 404,632	\$ 774,606	\$ 369,974	91.43%
Garden City	\$ 45,082	\$ 47,417	\$ 2,335	5.18%
Laketown	\$ 18,720	\$ 19,723	\$ 1,004	5.36%
Randolph	\$ 27,989	\$ 29,670	\$ 1,681	6.00%
Woodruff	\$ 7,432	\$ 7,993	\$ 561	7.55%
Municipal Subtotal	\$ 99,222	\$ 104,803	\$ 5,581	5.62%
Countywide Total	\$ 503,854	\$ 879,409	\$ 375,555	74.54%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Salt Lake County	\$ 4,786,352	\$ 5,137,879	\$ 351,527	7.34%
Alta	\$ 13,863	\$ 14,988	\$ 1,125	8.12%
Bluffdale	\$ 315,312	\$ 338,838	\$ 23,526	7.46%
Cottonwood Heights	\$ 1,105,720	\$ 1,201,436	\$ 95,715	8.66%
Draper (Part 1)	\$ 1,402,899	\$ 1,528,996	\$ 126,097	8.99%
Herriman	\$ 804,157	\$ 881,280	\$ 77,123	9.59%
Holladay	\$ 911,807	\$ 1,001,521	\$ 89,714	9.84%
Midvale	\$ 837,135	\$ 914,648	\$ 77,513	9.26%
Murray	\$ 1,507,358	\$ 1,640,114	\$ 132,755	8.81%
Riverton	\$ 1,301,305	\$ 1,415,781	\$ 114,476	8.80%
Salt Lake City	\$ 6,025,651	\$ 6,555,366	\$ 529,715	8.79%
Sandy	\$ 2,917,055	\$ 3,174,590	\$ 257,535	8.83%
South Jordan	\$ 1,817,790	\$ 1,982,604	\$ 164,814	9.07%
South Salt Lake	\$ 767,968	\$ 835,124	\$ 67,156	8.74%
Taylorsville	\$ 1,802,805	\$ 1,966,930	\$ 164,125	9.10%
West Jordan	\$ 3,350,971	\$ 3,645,686	\$ 294,715	8.79%
West Valley City	\$ 3,952,748	\$ 4,321,921	\$ 369,173	9.34%
Municipal Subtotal	\$ 28,834,544	\$ 31,419,823	\$ 2,585,279	8.97%
Countywide Total	\$ 33,620,896	\$ 36,557,702	\$ 2,936,806	8.74%

<i>San Juan County**</i>	\$ 3,517,426	\$ 6,327,868	\$ 2,810,442	79.90%
Blanding	\$ 145,344	\$ 155,978	\$ 10,634	7.32%
Monticello	\$ 92,958	\$ 100,074	\$ 7,116	7.66%
Municipal Subtotal	\$ 238,302	\$ 256,052	\$ 17,750	7.45%
Countywide Total	\$ 3,755,728	\$ 6,583,920	\$ 2,828,192	75.30%

Sanpete County	\$ 903,530	\$ 972,855	\$ 69,325	7.67%
Centerfield	\$ 67,327	\$ 71,821	\$ 4,493	6.67%
Ephraim	\$ 215,164	\$ 232,919	\$ 17,755	8.25%
Fairview	\$ 62,295	\$ 66,503	\$ 4,208	6.75%
Fayette	\$ 18,515	\$ 19,534	\$ 1,018	5.50%
Fountain Green	\$ 63,930	\$ 68,178	\$ 4,248	6.64%
Gunnison	\$ 123,989	\$ 133,875	\$ 9,887	7.97%
Manti	\$ 160,375	\$ 171,116	\$ 10,740	6.70%
Mayfield	\$ 29,542	\$ 31,311	\$ 1,770	5.99%
Moroni	\$ 59,539	\$ 64,090	\$ 4,550	7.64%
Mt. Pleasant	\$ 171,272	\$ 182,280	\$ 11,008	6.43%
Spring City	\$ 75,672	\$ 80,295	\$ 4,623	6.11%
Sterling	\$ 11,030	\$ 11,838	\$ 808	7.32%
Wales	\$ 19,157	\$ 20,381	\$ 1,223	6.38%
Municipal Subtotal	\$ 1,077,810	\$ 1,154,141	\$ 76,331	7.08%
Countywide Total	\$ 1,981,340	\$ 2,126,996	\$ 145,656	7.35%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Sevier County	\$ 1,120,661	\$ 1,295,922	\$ 175,262	15.64%
Annabella	\$ 46,350	\$ 49,165	\$ 2,816	6.07%
Aurora	\$ 43,351	\$ 46,508	\$ 3,157	7.28%
Central Valley	\$ 38,365	\$ 40,538	\$ 2,173	5.66%
Elsinore	\$ 44,397	\$ 47,260	\$ 2,863	6.45%
Glenwood	\$ 29,901	\$ 31,976	\$ 2,075	6.94%
Joseph	\$ 22,723	\$ 24,368	\$ 1,645	7.24%
Koosharem	\$ 30,789	\$ 32,270	\$ 1,481	4.81%
Monroe	\$ 120,061	\$ 127,733	\$ 7,671	6.39%
Redmond	\$ 38,611	\$ 41,086	\$ 2,475	6.41%
Richfield	\$ 333,103	\$ 357,490	\$ 24,387	7.32%
Salina	\$ 111,508	\$ 119,585	\$ 8,077	7.24%
Sigurd	\$ 22,142	\$ 23,586	\$ 1,444	6.52%
Municipal Subtotal	\$ 881,301	\$ 941,566	\$ 60,265	6.84%
Countywide Total	\$ 2,001,962	\$ 2,237,488	\$ 235,527	11.76%

Summit County	\$ 1,368,369	\$ 1,450,337	\$ 81,968	5.99%
Coalville	\$ 63,383	\$ 67,832	\$ 4,449	7.02%
Francis	\$ 51,573	\$ 55,130	\$ 3,557	6.90%
Henefer	\$ 41,628	\$ 44,463	\$ 2,835	6.81%
Kamas	\$ 71,259	\$ 76,813	\$ 5,554	7.79%
Oakley	\$ 61,300	\$ 65,905	\$ 4,606	7.51%
Park City (Part 1)	\$ 340,065	\$ 364,404	\$ 24,339	7.16%
Municipal Subtotal	\$ 629,208	\$ 674,548	\$ 45,340	7.21%
Countywide Total	\$ 1,997,576	\$ 2,124,884	\$ 127,308	6.37%

Tooele County	\$ 2,300,072	\$ 2,529,499	\$ 229,427	9.97%
Grantsville	\$ 349,409	\$ 376,946	\$ 27,537	7.88%
Ophir	\$ 7,315	\$ 7,726	\$ 411	5.62%
Rush Valley	\$ 36,187	\$ 40,187	\$ 4,000	11.05%
Stockton	\$ 34,715	\$ 37,207	\$ 2,492	7.18%
Tooele	\$ 1,587,102	\$ 1,692,585	\$ 105,483	6.65%
Vernon	\$ 32,225	\$ 33,591	\$ 1,366	4.24%
Wendover	\$ 65,266	\$ 69,800	\$ 4,534	6.95%
Municipal Subtotal	\$ 2,112,219	\$ 2,258,041	\$ 145,822	6.90%
Countywide Total	\$ 4,412,291	\$ 4,787,541	\$ 375,250	8.50%

Uintah County	\$ 3,124,241	\$ 3,307,208	\$ 182,967	5.86%
Ballard	\$ 82,860	\$ 88,241	\$ 5,381	6.49%
Naples	\$ 98,118	\$ 104,249	\$ 6,131	6.25%
Vernal	\$ 323,250	\$ 350,020	\$ 26,770	8.28%
Municipal Subtotal	\$ 504,228	\$ 542,510	\$ 38,282	7.59%
Countywide Total	\$ 3,628,469	\$ 3,849,718	\$ 221,248	6.10%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Utah County	\$ 2,866,342	\$ 3,123,780	\$ 257,438	8.98%
Alpine	\$ 360,565	\$ 387,087	\$ 26,523	7.36%
American Fork	\$ 855,895	\$ 936,815	\$ 80,920	9.45%
Cedar Fort	\$ 28,221	\$ 29,636	\$ 1,415	5.01%
Cedar Hills	\$ 275,332	\$ 299,823	\$ 24,491	8.90%
Draper (Part 2)	\$ 70,000	\$ 75,687	\$ 5,687	8.12%
Eagle Mountain	\$ 788,425	\$ 854,654	\$ 66,229	8.40%
Elk Ridge	\$ 101,435	\$ 111,872	\$ 10,437	10.29%
Fairfield	\$ 31,879	\$ 33,636	\$ 1,757	5.51%
Genola	\$ 106,901	\$ 112,218	\$ 5,317	4.97%
Goshen	\$ 37,357	\$ 39,976	\$ 2,620	7.01%
Highland	\$ 566,560	\$ 608,979	\$ 42,419	7.49%
Lehi	\$ 1,592,893	\$ 1,718,632	\$ 125,739	7.89%
Lindon	\$ 362,702	\$ 389,760	\$ 27,057	7.46%
Mapleton	\$ 326,207	\$ 348,976	\$ 22,769	6.98%
Orem	\$ 2,503,625	\$ 2,724,979	\$ 221,353	8.84%
Payson	\$ 619,277	\$ 667,923	\$ 48,646	7.86%
Pleasant Grove	\$ 1,003,877	\$ 1,090,420	\$ 86,542	8.62%
Provo	\$ 3,091,724	\$ 3,392,259	\$ 300,535	9.72%
Salem	\$ 284,013	\$ 317,198	\$ 33,185	11.68%
Santaquin (Part 1)	\$ 345,094	\$ 377,582	\$ 32,488	9.41%
Saratoga Springs	\$ 593,375	\$ 647,653	\$ 54,278	9.15%
Spanish Fork	\$ 1,090,806	\$ 1,186,179	\$ 95,372	8.74%
Springville	\$ 992,541	\$ 1,079,878	\$ 87,337	8.80%
Vineyard	\$ 19,582	\$ 20,366	\$ 783	4.00%
Woodland Hills	\$ 69,699	\$ 73,944	\$ 4,246	6.09%
Municipal Subtotal	\$ 16,117,985	\$ 17,526,131	\$ 1,408,145	8.74%
Countywide Total	\$ 18,984,327	\$ 20,649,910	\$ 1,665,583	8.77%

Wasatch County	\$ 735,347	\$ 804,407	\$ 69,061	9.39%
Charleston	\$ 31,355	\$ 33,046	\$ 1,692	5.40%
Daniels	\$ 52,462	\$ 55,773	\$ 3,312	6.31%
Heber	\$ 449,259	\$ 489,872	\$ 40,613	9.04%
Hideout	\$ 26,767	\$ 29,838	\$ 3,071	11.47%
Independence	\$ 26,751	\$ 30,128	\$ 3,377	12.63%
Interlaken	-	\$ 15,007	\$ 15,007	-
Midway	\$ 167,363	\$ 179,623	\$ 12,260	7.33%
Park City (Part 2)	\$ 3,150	\$ 3,260	\$ 110	3.50%
Wallsburg	\$ 16,192	\$ 17,137	\$ 945	5.84%
Municipal Subtotal	\$ 773,298	\$ 853,685	\$ 80,387	10.40%
Countywide Total	\$ 1,508,645	\$ 1,658,092	\$ 149,447	9.91%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

Entity	FY 2015 B&C Distribution	Estimated FY 2017 B&C Distribution (HB 60)*	Increase from FY 2015	% Increase from FY 2015
Washington County	\$ 1,369,290	\$ 1,623,495	\$ 254,204	18.56%
Apple Valley	\$ 50,292	\$ 67,858	\$ 17,566	34.93%
Enterprise	\$ 88,729	\$ 94,223	\$ 5,494	6.19%
Hildale	\$ 90,201	\$ 105,766	\$ 15,565	17.26%
Hurricane	\$ 605,016	\$ 748,870	\$ 143,854	23.78%
Ivins	\$ 290,591	\$ 315,663	\$ 25,072	8.63%
LaVerkin	\$ 143,974	\$ 155,839	\$ 11,865	8.24%
Leeds	\$ 47,241	\$ 50,404	\$ 3,163	6.70%
New Harmony	\$ 9,467	\$ 10,409	\$ 943	9.96%
Rockville**	\$ 16,057	\$ 28,886	\$ 12,829	79.90%
Santa Clara	\$ 242,349	\$ 262,149	\$ 19,800	8.17%
Springdale	\$ 18,457	\$ 19,926	\$ 1,469	7.96%
St George	\$ 2,551,341	\$ 2,757,242	\$ 205,901	8.07%
Toquerville	\$ 75,671	\$ 81,608	\$ 5,938	7.85%
Virgin	\$ 67,926	\$ 77,043	\$ 9,117	13.42%
Washington	\$ 768,791	\$ 823,391	\$ 54,600	7.10%
Municipal Subtotal	\$ 5,066,102	\$ 5,599,277	\$ 533,174	10.52%
Countywide Total	\$ 6,435,392	\$ 7,222,771	\$ 787,379	12.24%

Wayne County**	\$ 1,008,317	\$ 1,813,970	\$ 805,653	79.90%
Bicknell	\$ 29,830	\$ 31,324	\$ 1,494	5.01%
Hanksville	\$ 13,350	\$ 14,130	\$ 780	5.85%
Loa	\$ 40,215	\$ 42,408	\$ 2,193	5.45%
Lyman	\$ 18,903	\$ 19,914	\$ 1,011	5.35%
Torrey	\$ 16,208	\$ 17,134	\$ 927	5.72%
Municipal Subtotal	\$ 118,506	\$ 124,911	\$ 6,405	5.40%
Countywide Total	\$ 1,126,823	\$ 1,938,881	\$ 812,058	72.07%

Weber County	\$ 1,315,244	\$ 1,421,172	\$ 105,928	8.05%
Farr West	\$ 198,674	\$ 214,691	\$ 16,018	8.06%
Harrisville	\$ 178,051	\$ 193,369	\$ 15,318	8.60%
Hooper	\$ 297,973	\$ 319,026	\$ 21,054	7.07%
Huntsville	\$ 40,409	\$ 42,609	\$ 2,200	5.44%
Marriott/Slaterville	\$ 89,988	\$ 95,498	\$ 5,510	6.12%
North Ogden	\$ 589,622	\$ 636,745	\$ 47,123	7.99%
Ogden	\$ 2,666,921	\$ 2,887,663	\$ 220,742	8.28%
Plain City	\$ 214,650	\$ 230,607	\$ 15,958	7.43%
Pleasant View	\$ 281,601	\$ 305,215	\$ 23,613	8.39%
Riverdale	\$ 261,723	\$ 283,919	\$ 22,196	8.48%
Roy	\$ 1,105,099	\$ 1,201,134	\$ 96,035	8.69%
South Ogden	\$ 504,495	\$ 548,294	\$ 43,799	8.68%
Uintah	\$ 54,741	\$ 58,600	\$ 3,859	7.05%
Washington Terrace	\$ 271,536	\$ 298,728	\$ 27,191	10.01%
West Haven	\$ 368,283	\$ 396,705	\$ 28,422	7.72%
Municipal Subtotal	\$ 7,123,766	\$ 7,712,803	\$ 589,037	8.27%
Countywide Total	\$ 8,439,010	\$ 9,133,975	\$ 694,965	8.24%

* Based on FY 2017 B&C Fund estimates from the Utah Department of Transportation (June 7, 2016)

** Hold harmless entity

