

Utah Transportation Coalition - Meeting Highlights - June 27, 2018

Local Option Sales Tax Update and Next Steps

Andrew Gruber, Executive Director of the Wasatch Front Regional Council updated the Coalition about the recent support for local option sales tax by cities in Salt Lake County. The process goes back to a bill in 2015 that authorized the imposition of a 0.25% local option sales tax for transportation. This led to Prop 1 – which passed in 11/19 counties where it ran in 2015. In Salt Lake County, Prop 1 did not pass 51-49%. 3 years later, in the 2018 legislative session, the local option sales tax was reintroduced as part of S.B. 136. The “fourth quarter” local option sales tax outlined in S.B. 136 allowed Salt Lake County to impose the local option by legislative action of the County Council. This spring, the Salt Lake County Council passed an ordinance that said they would impose the 0.25% tax if cities and towns representing 67% of the County’s population passed resolutions supporting the imposition by June 22, 2018.

Over the past 6 weeks or so, the Wasatch Front Regional Council, League of Cities and Towns and Salt Lake Chamber (Transportation Coalition) had a dialogue with most of the cities and towns across the county about this local option. WFRC and the League of Cities and Towns spent much of their time providing information and answering questions to local elected officials, while the Chamber/Transportation Coalition did most of the advocacy by asking businesses located within each city to send a letter to their city council expressing their support. The Chamber and Coalition leadership also sent letters and emails urging support. The great majority of local elected officials, when given all the information, opted to support it. The 67% threshold was reached with Sandy and Draper acting to support it last week. The full results by city/town of can be found [HERE](#).

Now that there is agreement in imposing the tax, Gruber outlined the next steps:

- The County has given notice to the Utah Tax Commission of the Local Option Sales Tax option, so it will officially be imposed on October 1, 2018.
- From that date through June 30, 2019, 100% of the revenue (about \$40 million) will go to the County.
- Salt Lake County has said they plan to use half of this to pay down transportation related debt and the other half to pay for regionally significant projects, for which cities can apply through a grant process to receive funds for qualifying projects.
- On July 1, 2019, the 0.25% will be allocated: 0.10% directly to the cities; 0.10% to UTA for transit service and projects; and 0.05% to the County. This will generate approximately \$58 million/year.
- UTA money will not be allocated until after all of the governance changes are in place, then they will go through a process to prioritize those funds which will primarily be used for service enhancements.
- The use of the money which goes directly to cities and towns is very flexible (much broader than Class B&C Road Funding that must only go to highways). This provides a great opportunity to partner with other cities on regional projects, multi-modal transportation, transit service, etc. The one big requirement is that the money MUST be used to increase investments into transportation.

Gruber also ran through what other counties in relation to the “quarters” and where things stand across the state. If counties don’t choose to impose by 2020, then individual cities can impose the tax (i.e. St. George and surrounding cities in Washington County want to increase transit, especially from St. George to Zion National Park). This is good, but not ideal. It could pose problems without a regional solution to transportation projects. The WFRC will work on creating a map that will show which counties have imposed and which haven’t.

Overall, this represents years of work by many, including the Transportation Coalition. Now that the issue of the local option sales tax is “settled”, we have an opportunity to continue to advocate for investments in multimodal transportation. Abby Osborne also stressed the importance of thanking the city leaders who voted for this imposition--they were not easy votes and may have political ramifications. The Chamber and Coalition sent a thank you letter to all those who voted to support the imposition, it is attached to the email. Feel free to use that or your own language to thank you local elected officials.

Implementation of S.B. 136 and Interim Transportation Committee Update

Representative Mike Schultz updated the group about how the implementation of S.B. 136 is going so far--the law officially took effect in May. He began by expressing thanks to the WFRC, Utah Transportation Coalition, League of Cities and Towns, UDOT, UTA and others that played such a pivotal role in getting this legislation passed. Schultz re-emphasized that S.B. 136 is in no way a perfect bill, but it is a good bill that represents positive changes in transportation governance and funding. He outlined some of the major changes and where they are at in the process of implementation:

UTA Governance Changes:

UTA has moved from a 16 member part-time board to a 3 full-time board members one from 1 Utah and part of Tooele County, one from Salt Lake County and one from Davis, Weber and part of Box Elder Counties. Each county will have 2 recommendations for the Governor by July 31st and then the Governor will pick one from the two nominees from each county. That should be appointed by the end of August--per the bill, the UTA commission must be in place by November 1, 2018. Schultz said they wrote some checks and balances into the UTA governance system. For example, Commissioners are appointed for 3-years and serve at-will to the Governor’s office, the Attorney General’s office is the legal office of UTA, and requires a 9-member local advisory board to help bring information from the cities and counties into UTA and set compensation for the UTA commissioners.

UDOT Governance:

As a result of S.B. 136, UDOT has an increased role in multimodal planning and capital development. The bill required a 2nd executive director and planning and investment division which has been filled by Teri Anne Newell. UDOT has also updated their prioritization process to include economic development, employment, recreation, commerce land use, etc. in order for the Transportation Commission to make decisions on projects based on more than just needs. The bill also created a TTIF (Transit Transportation Investment Fund), which sits inside the current TIF (Transportation

Investment Fund) that will be exclusively used to fund transit capital projects. It also instructed UDOT to put together a road user charge study by 2020, which will help the state address declining gas tax revenue as a funding mechanism for transportation projects.

Vehicle Registration Fees:

Increased registration fees for electric and hybrid vehicles will be phased in over a 2 year time period, with some of the funds going toward funding electric vehicle infrastructure (i.e. charging stations). As a whole, vehicle registration fees are now tied to the Consumer Price Index, meaning it can be adjusted based on inflation.

NEXT MEETING: Wednesday August 1, 2018 8:30 AM