

FUNDING FOR HIGHWAY ACQUISITION

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Kevin S. Garn

AN ACT RELATING TO HIGHWAYS; AUTHORIZING THE STATE BUILDING OWNERSHIP AUTHORITY TO ISSUE REVENUE BONDS ON THE REVENUE OF THE TRANSPORTATION CORRIDOR PRESERVATION REVOLVING LOAN FUND TO ACQUIRE REAL PROPERTY IN HARDSHIP CASES; PROVIDING AN EFFECTIVE DATE; AND PROVIDING A COORDINATION CLAUSE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

27-12-103.6, as last amended by Chapter 257, Laws of Utah 1997

63-9a-2, as last amended by Chapter 350, Laws of Utah 1995

63-9a-3, as last amended by Chapter 12, Laws of Utah 1996, Second Special Session

63-9a-6, as last amended by Chapter 270, Laws of Utah 1997

ENACTS:

63B-7-510, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **27-12-103.6** is amended to read:

**27-12-103.6. Transportation Corridor Preservation Revolving Loan Fund --
Distribution -- Repayment -- Rulemaking.**

(1) There is created the Transportation Corridor Preservation Revolving Loan Fund within the Transportation Fund.

(2) The fund shall be funded from the following sources:

- (a) motor vehicle rental tax imposed under Section 59-12-1201;
- (b) appropriations made to the fund by the Legislature;
- (c) contributions from other public and private sources for deposit into the fund;
- (d) interest earnings on cash balances;
- (e) all monies collected for repayments and interest on fund monies; [and]

(f) all monies collected from rents and sales of real property[-] acquired with fund monies;
and

(g) proceeds from revenue bonds or other obligations issued in accordance with Title 63, Chapter 9a, State Building Ownership, and Title 63B, Bonds.

(3) All monies appropriated to the Transportation Corridor Preservation Revolving Loan Fund are nonlapsing.

(4) (a) The commission shall authorize the expenditure of fund monies to allow the department to acquire real property or any interests in real property for state, county, and municipal transportation corridors subject to:

- (i) monies available in the fund; and
- (ii) rules made under Subsection (7).

(b) Fund monies may be used to pay interest on debts incurred in accordance with this section.

(5) Administrative costs of the Transportation Corridor Preservation Revolving Loan Fund shall be paid from the fund.

(6) The department:

(a) may apply to the commission under this section for monies from the Transportation Corridor Preservation Revolving Loan Fund for a specified transportation corridor project, including for county and municipal projects; and

(b) shall repay the fund monies authorized for the project to the fund as required under Subsection (7).

(7) The commission shall:

(a) administer the Transportation Corridor Preservation Revolving Loan Fund to preserve transportation corridors, promote long-term statewide transportation planning, save on acquisition costs, and promote the best interests of the state in a manner which minimizes impact on prime agricultural land;

(b) prioritize fund monies based on considerations, including:

- (i) areas with rapidly expanding population;

(ii) the willingness of local governments to complete studies and impact statements that meet department standards;

(iii) the preservation of corridors by the use of local planning and zoning processes; and

(iv) the availability of other public and private matching funds for a project; and

(c) make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, establishing the:

(i) procedures for the awarding of fund monies;

(ii) procedures for the department to apply for transportation corridor preservation monies for projects; and

(iii) repayment conditions of the monies to the fund from the specified project funds.

(8) (a) The proceeds from the revenue bonds or other obligations issued on revenues of the Transportation Corridor Preservation Revolving Loan Fund shall be used for:

(i) the acquisition of real property in hardship cases; and

(ii) any of the purposes authorized for funds in the Transportation Corridor Preservation Revolving Loan Fund under this section.

(b) The commission shall pledge the necessary part of the revenues of the Transportation Corridor Preservation Revolving Loan Fund to the payment of principal of and interest on the revenue bonds or other obligations.

Section 2. Section **63-9a-2** is amended to read:

63-9a-2. Legislative findings.

The Legislature finds and declares as follows:

(1) it is the policy of this state to provide office space and related facilities for state bodies and such other governmental facilities and property, including highways and highway rights-of-way, as may be necessary or desirable, in the most efficient and economical way possible;

(2) many state bodies are inadequately provided with necessary office space, related facilities, [and] other governmental facilities, and property to serve the public welfare;

(3) the state is renting space for state bodies in privately owned buildings with funds which could more efficiently and economically be put to use toward the purchase and acquisition of

facilities by the state;

(4) in order to provide for a fully adequate supply of office space, related facilities, [and] other governmental facilities, and property at the lowest possible cost, this Legislature should establish a State Building Ownership Authority for the purpose of financing, owning, leasing, operating, or encumbering such facilities to meet the needs of the state government and to serve the public welfare;

(5) the foregoing involve public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned, or granted, the activities specified would serve a public purpose in improving or otherwise benefiting the people of this state and, therefore, this act is in the public interest and is hereby so declared as a matter of express legislative determination; and

(6) the compelling need within this state for the creation of an adequate supply of office space, related facilities, [and] other government facilities, and property for state bodies at a low cost can be best met by the establishment of a body corporate and politic vested with the powers and duties specified in this act.

Section 3. Section **63-9a-3** is amended to read:

63-9a-3. Definitions.

As used in this chapter:

[(6)] (1) "Acquire or construct," "acquired or constructed," "constructed or acquired," "acquiring or constructing," or "acquisition or construction" means any acquisition, construction, reconstruction, restoration, enlargement, improvement, renovation, repair, replacement, equipping or furnishing, in whole or in part, of a facility.

[(1)] (2) "Authority" means the State Building Ownership Authority created by this chapter.

[(2)] (3) (a) "Facility" or "facilities" means any public building, structure, highway, or property for any governmental purpose of state bodies, and the related and appurtenant easements, rights-of-way, improvements, paving, utilities, landscaping, parking facilities, and the lands, interests in land, and grounds, together with the personal property necessary, convenient, or appurtenant thereto.

(b) "Facility" includes a golf course.

~~[(5)]~~ (4) "Mortgage" means any mortgage, trust deed, indenture, pledge agreement, assignment, security agreement, financing statement, or other instrument pursuant to which property may be encumbered as security for obligations.

~~[(4)]~~ (5) "Obligations" means any mortgage certificates, notes, debentures, interim certificates, revenue bonds, or other evidences of financial indebtedness, but not including general obligation bonds.

~~[(3)]~~ (6) (a) "State body" or "state bodies" means the state and any department, board, commission, or agency of the state.

(b) Except as provided in Subsection (6)(c), "state body" or "state bodies" does not mean colleges and universities.

(c) "State body" or "state bodies" includes a college or university when the obligation to be issued will finance the acquisition or construction of research facilities or student centers at the college or university.

(d) "State body" or "state bodies" includes applied technology centers.

Section 4. Section **63-9a-6** is amended to read:

**63-9a-6. Obligations issued by authority -- Limitation of liability on obligations --
Limitation on amount of obligations issued.**

(1) All obligations issued by the authority under this chapter shall be limited obligations of the authority and shall not constitute, nor give rise to, a general obligation or liability of, nor a charge against the general credit or taxing power of, this state or any of its political subdivisions. This limitation shall be plainly stated upon all obligations.

(2) (a) No authority obligations incurred under this section may be issued in an amount exceeding the difference between the total indebtedness of the state ~~[of Utah]~~ and an amount equal to 1 1/2% of the value of the taxable property of the state.

(b) Debt issued under authority of Title 63B, Chapter 6, Part 2, 1997 Highway General Obligation Bond Authorization, and Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note Authorization, may not be included as part of the total indebtedness of the state of Utah in determining the debt limit established by this Subsection (2).

(c) Debt issued under authority of Section 63B-7-510 may not be included as part of the total indebtedness of the state in determining the debt limit established by this Subsection (2).

(3) The obligations shall be authorized by resolution of the authority, following approval of the Legislature, and may:

(a) be executed and delivered at any time, and from time to time, as the authority may determine;

(b) be sold at public or private sale in the manner and at the prices, either at, in excess of, or below their face value and at such times as the authority may determine;

(c) be in the form and denominations as the authority may determine;

(d) be of the tenor as the authority may determine;

(e) be in registered or bearer form either as to principal or interest or both;

(f) be payable in those installments and at the times as the authority may determine;

(g) be payable at the places, either within or without this state, as the authority may determine;

(h) bear interest at the rate or rates, payable at the place or places, and evidenced in the manner, as the authority may determine;

(i) be redeemable prior to maturity, with or without premium;

(j) contain such other provisions not inconsistent with this chapter as shall be deemed for the best interests of the authority and provided for in the proceedings of the authority under which the bonds shall be authorized to be issued; and

(k) bear facsimile signatures and seals.

(4) The authority may pay any expenses, premiums or commissions, which it deems necessary or advantageous in connection with the authorization, sale, and issuance of these obligations, from the proceeds of the sale of the obligations or from the revenues of the projects involved.

Section 5. Section **63B-7-510** is enacted to read:

63B-7-510. Highway revenue bond authorization.

It is the intent of the Legislature that:

(1) the State Building Ownership Authority, under the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute obligations to provide up to \$10,000,000 for the acquisition of real property or any interests in real property for state, county, or municipal transportation corridors as provided in Section 27-12-103.6; and

(2) revenues of the Transportation Corridor Preservation Revolving Loan Fund be used as the primary revenue source for the repayment of any obligation created under authority of this section.

Section 6. Effective date.

If approved by two-thirds of all the members elected to each house, this act takes effect upon approval by the governor, or the day following the constitutional time limit of Utah Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto, the date of veto override.

Section 7. Coordination clause.

(1) If this bill and H.B. 2, 1998 Capital Facilities Bonding and Debt Financing Authorizations, both pass during the 1998 General Session, it is the intent of the Legislature that Section 63B-7-510 and appropriate cross references in this bill be renumbered to conform to the numbering in H.B. 2.

(2) If this bill and H.B. 202, Transportation Code Recodification, both pass during the 1998 General Session, it is the intent of the Legislature that Section 27-12-103.6 and appropriate cross references to sections in this bill be renumbered to conform to the numbering in H.B. 202.