

Representative Gerry A. Adair proposes to substitute the following bill:

**1998 CAPITAL FACILITIES BONDING AND
DEBT FINANCING AUTHORIZATIONS**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Gerry A. Adair

AN ACT RELATING TO CAPITAL INFRASTRUCTURE; AUTHORIZING THE ISSUANCE
AND SALE OF GENERAL OBLIGATION BONDS FOR CAPITAL FACILITIES, LAND
PURCHASES, COMPUTER SOFTWARE, COMPUTER HARDWARE, COMPUTER
SYSTEM DEVELOPMENT, BUILDINGS, AND RELATED FACILITIES; SPECIFYING
THE USE OF BOND PROCEEDS AND THE MANNER OF ISSUANCE; IMPOSING AND
ABATING A PROPERTY TAX; CREATING SINKING FUNDS; APPROVING THE
ISSUANCE OF CERTAIN OBLIGATIONS BY THE STATE BUILDING OWNERSHIP
AUTHORITY; AUTHORIZING OTHER CAPITAL FACILITY EXPENDITURES;
PROVIDING FOR RELATED MATTERS; ELIMINATING OR MODIFYING CERTAIN
FUNDING AUTHORIZATIONS FROM PRIOR YEARS; MODIFYING THE STATE
BUILDING OWNERSHIP AUTHORITY'S JURISDICTION; AND MAKING TECHNICAL
CORRECTIONS.

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

AMENDS:

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

63B-6-102, as enacted by Chapter 391, Laws of Utah 1997

63B-6-501, as enacted by Chapter 391, Laws of Utah 1997

ENACTS:

63B-7-101, Utah Code Annotated 1953

63B-7-102, Utah Code Annotated 1953

HB0002S1

1 **63B-7-103**, Utah Code Annotated 1953
2 **63B-7-104**, Utah Code Annotated 1953
3 **63B-7-105**, Utah Code Annotated 1953
4 **63B-7-106**, Utah Code Annotated 1953
5 **63B-7-107**, Utah Code Annotated 1953
6 **63B-7-108**, Utah Code Annotated 1953
7 **63B-7-109**, Utah Code Annotated 1953
8 **63B-7-110**, Utah Code Annotated 1953
9 **63B-7-111**, Utah Code Annotated 1953
10 **63B-7-112**, Utah Code Annotated 1953
11 **63B-7-113**, Utah Code Annotated 1953
12 **63B-7-114**, Utah Code Annotated 1953
13 **63B-7-115**, Utah Code Annotated 1953
14 **63B-7-116**, Utah Code Annotated 1953
15 **63B-7-117**, Utah Code Annotated 1953
16 **63B-7-401**, Utah Code Annotated 1953
17 **63B-7-402**, Utah Code Annotated 1953
18 **63B-7-403**, Utah Code Annotated 1953
19 **63B-7-404**, Utah Code Annotated 1953
20 **63B-7-405**, Utah Code Annotated 1953
21 **63B-7-406**, Utah Code Annotated 1953
22 **63B-7-407**, Utah Code Annotated 1953
23 **63B-7-408**, Utah Code Annotated 1953
24 **63B-7-409**, Utah Code Annotated 1953
25 **63B-7-410**, Utah Code Annotated 1953
26 **63B-7-411**, Utah Code Annotated 1953
27 **63B-7-412**, Utah Code Annotated 1953
28 **63B-7-413**, Utah Code Annotated 1953
29 **63B-7-414**, Utah Code Annotated 1953
30 **63B-7-415**, Utah Code Annotated 1953
31 **63B-7-416**, Utah Code Annotated 1953

1 **63B-7-417**, Utah Code Annotated 1953

2 **63B-7-501**, Utah Code Annotated 1953

3 **63B-7-502**, Utah Code Annotated 1953

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

5 Section 1. Section **63-9a-3** is amended to read:

6 **63-9a-3. Definitions.**

7 As used in this chapter:

8 (1) "Authority" means the State Building Ownership Authority created by this chapter.

9 (2) (a) "Facility" or "facilities" means any public building, structure, or property for any
10 governmental purpose of state bodies, and the related and appurtenant easements, rights-of-way,
11 improvements, paving, utilities, landscaping, parking facilities, and the lands and grounds, together
12 with the personal property necessary, convenient, or appurtenant thereto.

13 (b) "Facility" includes a golf course.

14 (3) (a) "State body" or "state bodies" means the state and any department, board,
15 commission, or agency of the state.

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

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

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

22 (4) "Obligations" means any mortgage certificates, notes, debentures, interim certificates,
23 revenue bonds, or other evidences of financial indebtedness, but not including general obligation
24 bonds.

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

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

Section 2. Section **63B-6-102** is amended to read:

63B-6-102. Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$57,000,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide funds to pay all or part of the cost of acquiring and constructing the projects listed in this Subsection (2).

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees.

(c) For the division, proceeds shall be provided for the following:

CAPITAL AND ECONOMIC DEVELOPMENT

		ESTIMATED OPERATIONS AND MAINTENANCE
PROJECT DESCRIPTION	AMOUNT FUNDED	
Youth Corrections - Carbon / Emery (18 beds)	\$2,298,100	\$70,000
State Hospital - 100 bed Forensic Facility	\$13,800,700	\$320,600
Utah State University - Widtsoe Hall	\$23,986,700	\$750,200
Davis Applied Technology Center	\$6,344,900	\$144,000
- Medical/Health Tech Addition		
Southern Utah University -- Physical Education Building (Design)	\$1,100,000	\$456,100
Salt Lake Community College -- High Technology Building, 90th So. Campus (Design)	\$1,165,000	\$718,500
Department of Natural Resources - Antelope Island Road	\$3,600,000	None
[Sevier - Multi Purpose Center] <u>Youth Corrections</u>	\$1,500,000	None
- <u>Region 1 72 Secured Bed Facility</u>		

1	Department of Natural Resources - Dead Horse	\$1,350,000	\$5,700
2	Point Visitors Center		
3	TOTAL CAPITAL AND ECONOMIC	\$55,145,400	
4	DEVELOPMENT		

5 (d) For purposes of this section, operations and maintenance costs:

6 (i) are estimates only;

7 (ii) may include any operations and maintenance costs already funded in existing agency
8 budgets; and

9 (iii) are not commitments by this Legislature or future Legislatures to fund those
10 operations and maintenance costs.

11 (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not
12 constitute a limitation on the amount that may be expended for any project.

13 (b) The board may revise these estimates and redistribute the amount estimated for a
14 project among the projects authorized.

15 (c) The commission, by resolution and in consultation with the board, may delete one or
16 more projects from this list if the inclusion of that project or those projects in the list could be
17 construed to violate state law or federal law or regulation.

18 (4) (a) The division may enter into agreements related to these projects before the receipt
19 of proceeds of bonds issued under this chapter.

20 (b) The division shall make those expenditures from unexpended and unencumbered
21 building funds already appropriated to the Capital Projects Fund.

22 (c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds of
23 bonds issued under this chapter.

24 (d) The commission may, by resolution, make any statement of intent relating to that
25 reimbursement that is necessary or desirable to comply with federal tax law.

26 (5) (a) For those projects for which only partial funding is provided in Subsection (2), it
27 is the intent of the Legislature that the balance necessary to complete the projects be addressed by
28 future Legislatures, either through appropriations or through the issuance or sale of bonds.

29 (b) For those phased projects, the division may enter into contracts for amounts not to
30 exceed the anticipated full project funding but may not allow work to be performed on those
31 contracts in excess of the funding already authorized by the Legislature.

1 (c) Those contracts shall contain a provision for termination of the contract for the
2 convenience of the state as required by Section 63-56-40.

3 (d) It is also the intent of the Legislature that this authorization to the division does not
4 bind future Legislatures to fund projects initiated from this authorization.

5 Section 3. Section **63B-6-501** is amended to read:

6 **63B-6-501. Revenue bond authorizations.**

7 (1) (a) It is the intent of the Legislature that:

8 (i) the State Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
9 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on
10 the credit and income and revenues of the University of Utah, other than appropriations of the
11 Legislature, to finance the cost of constructing, furnishing, and equipping a renovation and
12 expansion of the Robert L. Rice Stadium; and

13 (ii) Olympic funds, University funds, and activity revenues be used as the primary revenue
14 sources for repayment of any obligation created under the authority of this Subsection (1).

15 (b) The bonds or other evidences of indebtedness authorized may provide up to
16 \$50,000,000 together with other amounts necessary to pay costs of issuance, pay capitalized
17 interest, and fund any debt service reserve requirements.

18 (2) (a) The State Building Ownership Authority, under authority of Title 63, Chapter 9a,
19 State Building Ownership Authority Act, may issue or execute obligations or enter into or arrange
20 for a lease purchase agreement in which participation interests may be created to provide up to
21 \$350,000 for the remodeling and completion of the Wasatch Mountain State Park Clubhouse for
22 the Division of Parks and Recreation, together with additional amounts necessary to pay costs of
23 issuance, pay capitalized interest, and fund any debt service reserve requirements.

24 (b) The State Building Ownership Authority shall work cooperatively with the Division
25 of Parks and Recreation to seek out the most cost effective and prudent lease purchase plan
26 available.

27 (c) It is the intent of the Legislature that park revenues be used as the primary revenue
28 sources for repayment of any obligation created under authority of this Subsection (2).

29 ~~[(3) It is the intent of the Legislature that:]~~

30 ~~[(a) the Division of Facilities Construction and Management request proposals for the~~
31 ~~lease purchase and operation of a privately constructed women's 400-bed, multicustody facility~~

1 at the Draper prison site;]

2 [~~(b) if the Division of Facilities Construction and Management determines that it is cost~~
3 ~~beneficial to the state to have private ownership and financing of the facility, the division may~~
4 ~~enter into a lease purchase agreement for the facility with a private entity in which participation~~
5 ~~interests may be created;~~]

6 [~~(c) if the Division of Facilities Construction and Management determines that it is not~~
7 ~~cost beneficial to the state to have private ownership and financing of the facility, the State~~
8 ~~Building Ownership Authority, under authority of Title 63, Chapter 9a, State Building Ownership~~
9 ~~Act, issue or execute obligations or enter into or arrange for a lease purchase agreement in which~~
10 ~~participation interests may be created to provide up to \$27,057,600 for the construction of this~~
11 ~~facility, together with additional amounts necessary for issuance costs, capitalized interest, and~~
12 ~~debt service reserve requirements;~~]

13 [~~(d) the Division of Facilities Construction and Management lease land at the Draper~~
14 ~~prison to the private entity or the authority for this project;~~]

15 [~~(e) the Department of Corrections enter into a contract with a private entity to manage the~~
16 ~~facility; and]~~

17 [~~(f) the General Fund be used as the primary revenue source for repayment of any~~
18 ~~obligation created under authority of this Subsection (3).]~~

19 [~~(4)~~] (3) It is the intent of the Legislature that:

20 (a) the State Building Ownership Authority, under the authority of Title 63, Chapter 9a,
21 State Building Ownership Act, may issue or execute obligations, or enter into or arrange for a lease
22 purchase agreement in which participation interests may be created, to provide up to \$6,000,000
23 for the construction, or acquisition, or both, of liquor stores, together with additional amounts
24 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service
25 requirements; and

26 (b) liquor control funds be used as the primary revenue source for the repayment of any
27 obligation created under authority of this Subsection [~~(4)~~] (3).

28 Section 4. Section **63B-7-101** is enacted to read:

29 **63B-7-101. State Bonding Commission authorized to issue general obligation bonds.**

30 The commission created under Section 63B-1-201 may issue and sell general obligation
31 bonds of the state pledging the full faith, credit, and resources of the state for the payment of the

principal of and interest on the bonds to provide funds to the division.

Section 5. Section **63B-7-102** is enacted to read:

63B-7-102. Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$33,600,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide funds to pay all or part of the cost of acquiring and constructing the projects listed in this Subsection (2).

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees.

(c) For the division, proceeds shall be provided for the following:

<u>PROJECT</u>	<u>AMOUNT</u>	<u>ESTIMATED</u>
<u>DESCRIPTION</u>	<u>FUNDED</u>	<u>OPERATIONS AND</u>
		<u>MAINTENANCE</u>
<u>Southern Utah University</u>	<u>\$4,600,000</u>	<u>\$0</u>
<u>Land Purchase</u>		
<u>Salt Lake Community College</u>	<u>\$3,980,700</u>	<u>\$507,900</u>
<u>High Tech Center -</u>		
<u>Jordan Campus</u>		
<u>Children's Special Health Care</u>	<u>\$755,400</u>	<u>\$247,600</u>
<u>Needs Clinic</u>		
<u>Youth Corrections - 2 @ 32 beds</u>	<u>\$419,500</u>	<u>\$276,000</u>
<u>(Vernal / Logan)</u>		
<u>Corrections - Gunnison 288 bed</u>	<u>\$8,425,600</u>	<u>\$0</u>
<u>and Lagoon Expansion</u>		
<u>University of Utah -</u>	<u>\$445,500</u>	<u>\$101,700</u>
<u>Cowles Building</u>		
<u>Utah Valley State College -</u>	<u>\$1,166,300</u>	<u>\$391,000</u>

1	<u>Technical Building</u>		
2	<u>Sevier Valley Applied Technology</u>	<u>\$3,014,300</u>	<u>\$443,300</u>
3	<u>Center - Shop Expansion</u>		
4	<u>Division of Parks and Recreation</u>	<u>\$1,000,000</u>	<u>\$22,700</u>
5	<u>Statewide Restrooms</u>		
6	<u>Murray Highway Patrol Office</u>	<u>\$2,300,000</u>	<u>\$81,000</u>
7	<u>Department of Workforce</u>	<u>\$2,780,000</u>	<u>\$128,100</u>
8	<u>Services - Davis County</u>		
9	<u>Employment Center</u>		
10	<u>National Guard -</u>	<u>\$1,600,000</u>	<u>\$72,000</u>
11	<u>American Fork/Lehi Armory</u>		
12	<u>Courts - 4th District</u>	<u>\$1,368,000</u>	<u>\$0</u>
13	<u>Land - Provo</u>		
14	<u>Dixie College - Land</u>	<u>\$1,000,000</u>	<u>\$0</u>
15	<u>TOTAL CAPITAL AND</u>	<u>\$32,855,300</u>	

ECONOMIC DEVELOPMENT

(d) For purposes of this section, operations and maintenance costs:

(i) are estimates only;

(ii) may include any operations and maintenance costs already funded in existing agency budgets; and

(iii) are not commitments by this Legislature or future Legislatures to fund those operations and maintenance costs.

(3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not constitute a limitation on the amount that may be expended for any project.

(b) The board may revise these estimates and redistribute the amount estimated for a project among the projects authorized.

(c) The commission, by resolution and in consultation with the board, may delete one or more projects from this list if the inclusion of that project or those projects in the list could be construed to violate state law or federal law or regulation.

(4) (a) The division may enter into agreements related to these projects before the receipt of proceeds of bonds issued under this chapter.

1 **(b) The division shall make those expenditures from unexpended and unencumbered**
2 **building funds already appropriated to the Capital Projects Fund.**

3 **(c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds of**
4 **bonds issued under this chapter.**

5 **(d) The commission may, by resolution, make any statement of intent relating to that**
6 **reimbursement that is necessary or desirable to comply with federal tax law.**

7 **(5) (a) For those projects for which only partial funding is provided in Subsection (2), it**
8 **is the intent of the Legislature that the balance necessary to complete the projects be addressed by**
9 **future Legislatures, either through appropriations or through the issuance or sale of bonds.**

10 **(b) For those phased projects, the division may enter into contracts for amounts not to**
11 **exceed the anticipated full project funding but may not allow work to be performed on those**
12 **contracts in excess of the funding already authorized by the Legislature.**

13 **(c) Those contracts shall contain a provision for termination of the contract for the**
14 **convenience of the state as required by Section 63-56-40.**

15 **(d) It is also the intent of the Legislature that this authorization to the division does not**
16 **bind future Legislatures to fund projects initiated from this authorization.**

17 Section 6. Section **63B-7-103** is enacted to read:

18 **63B-7-103. Use of bond proceeds for issuance and other costs.**

19 **The proceeds of bonds issued under this chapter shall be used for the purposes described**
20 **in Section 63B-7-102 and to pay all or part of any cost incident to the issuance and sale of the**
21 **bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees'**
22 **fees, financial advisors' fees, and underwriters' discounts.**

23 Section 7. Section **63B-7-104** is enacted to read:

24 **63B-7-104. Manner of issuance -- Amounts, interest, and maturity.**

25 **(1) Bonds issued under this chapter may be authorized, sold, and issued at times and in a**
26 **manner determined by the commission by resolution.**

27 **(2) Bonds may be issued in one or more series, in amounts, and shall bear dates, interest**
28 **rate or rates, including a variable rate, and maturity dates as the commission determines by**
29 **resolution.**

30 **(3) A bond issued may not mature later than 20 years after the date of final passage of this**
31 **chapter.**

Section 8. Section **63B-7-105** is enacted to read:

63B-7-105. Terms and conditions of sale -- Plan of financing -- Signatures --

Replacement -- Registration -- Federal rebate.

(1) In the issuance of bonds, the commission may determine by resolution:

(a) the manner of sale, including public or private sale;

(b) the terms and conditions of sale, including price, whether at, below, or above face value;

(c) denominations;

(d) form;

(e) manner of execution;

(f) manner of authentication;

(g) place and medium of purchase;

(h) redemption terms; and

(i) other provisions and details it considers appropriate.

(2) The commission may by resolution adopt a plan of financing, which may include terms and conditions of arrangements entered into by the commission on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements, and remarketing, indexing, and tender agent agreements to secure the bonds, including payment from any legally available source of fees, charges, or other amounts coming due under the agreements entered into by the commission.

(3) (a) Any signature of a public official authorized by resolution of the commission to sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or otherwise placed on the bonds.

(b) If all signatures of public officials on the bonds are facsimile signatures, provision shall be made for a manual authenticating signature on the bonds by or on behalf of a designated authentication agent.

(c) If an official ceases to hold office before delivery of the bonds signed by that official, the signature or facsimile signature of the official is nevertheless valid for all purposes.

(d) A facsimile of the state seal may be imprinted, engraved, stamped, or otherwise placed on the bonds.

(4) (a) The commission may enact resolutions providing for the replacement of lost,

1 destroyed, or mutilated bonds, or for the exchange of bonds after issuance for bonds of smaller or
2 larger denominations.

3 (b) Bonds in changed denominations shall:

4 (i) be exchanged for the original bonds in like aggregate principal amounts and in a
5 manner that prevents the duplication of interest; and

6 (ii) bear interest at the same rate, mature on the same date, and be as nearly as practicable
7 in the form of the original bonds.

8 (5) (a) Bonds may be registered as to both principal and interest or may be in a book entry
9 form under which the right to principal and interest may be transferred only through a book entry.

10 (b) The commission may provide for the services and payment for the services of one or
11 more financial institutions or other entities or persons, or nominees, within or outside the state, for
12 the authentication, registration, transfer, including record, bookkeeping, or book entry functions,
13 exchange, and payment of the bonds.

14 (c) The records of ownership, registration, transfer, and exchange of the bonds, and of
15 persons to whom payment with respect to the obligations are made, are private records as provided
16 in Section 63-2-302 or protected records as provided in Section 63-2-304.

17 (d) The bonds and any evidences of participation interest in the bonds may be issued,
18 executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with
19 Title 15, Chapter 7, Registered Public Obligations Act, or any other act of the Legislature relating
20 to the registration of obligations enacted to meet the requirements of Section 149 of the Internal
21 Revenue Code of 1986, as amended, or any successor to it, and applicable regulations.

22 (6) The commission may:

23 (a) by resolution, provide for payment to the United States of whatever amounts are
24 necessary to comply with Section 148 (f) of the Internal Revenue Code of 1986, as amended; and

25 (b) enter into agreements with financial and other institutions and attorneys to provide for:

26 (i) the calculation, holding, and payment of those amounts; and

27 (ii) payment from any legally available source of fees, charges, or other amounts coming
28 due under any agreements entered into by the commission.

29 Section 9. Section **63B-7-106** is enacted to read:

30 **63B-7-106. Constitutional debt limitation.**

31 (1) The commission may not issue bonds under this chapter in an amount that violates the

1 limitation described in Utah Constitution Article XIV, Section 1.

2 (2) For purposes of applying the debt limitation contained in Utah Constitution Article
3 XIV, Section 1, the value of the taxable property in Utah is considered to be 100% of the fair
4 market value of the taxable property of the state, as computed from the last assessment for state
5 purposes previous to the issuance of the bonds.

6 Section 10. Section **63B-7-107** is enacted to read:

7 **63B-7-107. Tax levy -- Abatement of tax.**

8 (1) Each year after issuance of the bonds and until all outstanding bonds are retired, there
9 is levied a direct annual tax on all real and personal property within the state subject to state
10 taxation, sufficient to pay:

11 (a) applicable bond redemption premiums, if any;

12 (b) interest on the bonds as it becomes due; and

13 (c) principal of the bonds as it becomes due.

14 (2) (a) The State Tax Commission shall fix the rate of the direct annual tax levy each year.

15 (b) The tax shall be collected and the proceeds applied as provided in this chapter.

16 (3) The direct annual tax imposed under this section is abated to the extent money is
17 available from sources, other than ad valorem taxes in the sinking fund, for the payment of bond
18 interest, principal, and redemption premiums.

19 Section 11. Section **63B-7-108** is enacted to read:

20 **63B-7-108. Creation of sinking fund.**

21 (1) There is created a sinking fund, to be administered by the state treasurer, entitled the
22 "1998 General Obligation Bonds Sinking Fund."

23 (2) All monies deposited in the sinking fund, from whatever source, shall be used to pay
24 debt service on the bonds.

25 (3) The proceeds of all taxes levied under this chapter are appropriated to this fund.

26 (4) The state treasurer may create separate accounts within the sinking fund for each series
27 of bonds issued.

28 Section 12. Section **63B-7-109** is enacted to read:

29 **63B-7-109. Payment of interest, principal, and redemption premiums.**

30 (1) The Division of Finance shall draw warrants on the state treasury before any interest,
31 principal, or redemption premiums become due on the bonds.

1 (2) After receipt of the warrants, the state treasurer shall:

2 (a) promptly pay the warrants from funds within the sinking fund; and

3 (b) immediately transmit the amount paid to the paying agent for the bonds.

4 Section 13. Section **63B-7-110** is enacted to read:

5 **63B-7-110. Investment of sinking fund money.**

6 (1) The state treasurer may, by following the procedures and requirements of Title 51,
7 Chapter 7, State Money Management Act, invest any money contained in the sinking fund until
8 it is needed for the purposes for which the fund is created.

9 (2) Unless otherwise provided in the resolution of the commission authorizing the issuance
10 of bonds under this chapter, the treasurer shall retain all income from the investment of any money
11 contained in the sinking fund in the sinking fund and use it for the payment of debt service on the
12 bonds.

13 Section 14. Section **63B-7-111** is enacted to read:

14 **63B-7-111. Bond proceeds -- Deposits -- Investment -- Disposition of investment**
15 **income and unexpended proceeds.**

16 (1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within
17 one or more accounts as determined by resolution of the commission.

18 (b) The state treasurer shall administer and maintain these accounts unless otherwise
19 provided by the commission by resolution.

20 (c) The commission by resolution may provide for the deposit of these monies with a
21 trustee and the administration, disposition, or investment of these monies by this trustee.

22 (2) (a) The commission by resolution shall provide for the kinds of investments in which
23 the proceeds of bonds issued under this chapter may be invested.

24 (b) Income from the investment of proceeds of bonds issued under this chapter shall be
25 applied as provided by resolution of the commission.

26 (3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon
27 completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise
28 provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

29 Section 15. Section **63B-7-112** is enacted to read:

30 **63B-7-112. Refunding of bonds.**

31 (1) The commission may provide for the refunding of any of the bonds in accordance with

1 Title 11, Chapter 27, Utah Refunding Bond Act.

2 (2) For purposes of Title 11, Chapter 27, Utah Refunding Bond Act, the state of Utah is
3 considered the public body and the commission its governing body.

4 Section 16. Section **63B-7-113** is enacted to read:

5 **63B-7-113. Certification of satisfaction of conditions precedent -- Conclusiveness.**

6 (1) The commission may not issue any bond under this chapter until it finds and certifies
7 that all conditions precedent to issuance of the bonds have been satisfied.

8 (2) A recital on any bond of this finding and certification conclusively establishes the
9 completion and satisfaction of all conditions precedent.

10 Section 17. Section **63B-7-114** is enacted to read:

11 **63B-7-114. Tax exemption.**

12 The bonds issued under this chapter, any interest paid on the bonds, and any income from
13 the bonds are not taxable in this state for any purpose, except for the corporate franchise tax.

14 Section 18. Section **63B-7-115** is enacted to read:

15 **63B-7-115. Legal investment status.**

16 Bonds issued under this chapter are legal investments for all state trust funds, insurance
17 companies, banks, trust companies, and the State School Fund and may be used as collateral to
18 secure legal obligations.

19 Section 19. Section **63B-7-116** is enacted to read:

20 **63B-7-116. Publication of resolution or notice -- Limitation on actions to contest**
21 **legality.**

22 (1) The commission may:

23 (a) publish any resolution it adopts under this chapter once in a newspaper having general
24 circulation in Utah; or

25 (b) in lieu of publishing the entire resolution, publish a notice of bonds to be issued, titled
26 as such, containing the information required in Subsection 11-14-21(3).

27 (2) (a) Any interested person, for 30 days after the date of publication, may contest:

28 (i) the legality of the resolution;

29 (ii) any of the bonds authorized under it; or

30 (iii) any of the provisions made for the security and repayment of the bonds.

31 (b) After 30 days, a person may not contest the legality of the resolution, any of the bonds

1 authorized under it, or any of the provisions made for the security and repayment of the bonds for
2 any cause.

3 Section 20. Section **63B-7-117** is enacted to read:

4 **63B-7-117. Report to Legislature.**

5 The governor shall report the commission's proceedings to each annual general session of
6 the Legislature in his budget for as long as bonds issued under this chapter remain outstanding.

7 Section 21. Section **63B-7-401** is enacted to read:

8 **63B-7-401. State Bonding Commission authorized to issue general obligation bonds.**

9 The commission created under Section 63B-1-201 may issue and sell general obligation
10 bonds of the state pledging the full faith, credit, and resources of the state for the payment of the
11 principal of and interest on the bonds to provide funds to the State Tax Commission.

12 Section 22. Section **63B-7-402** is enacted to read:

13 **63B-7-402. Maximum amount -- Projects authorized.**

14 (1) The total amount of bonds issued under this part may not exceed \$16,500,000.

15 (2) (a) Proceeds from the issuance of bonds shall be provided to the State Tax Commission
16 to provide funds to pay all or part of the cost of the project described in this Subsection (2).

17 (b) These costs may include:

18 (i) the cost of acquisition, development, and conversion of computer hardware and
19 software for motor vehicle fee systems and tax collection and accounting systems of the state;

20 (ii) interest estimated to accrue on these bonds during the period to be covered by that
21 development and conversion, plus a period of six months following the completion of the
22 development and conversion; and

23 (iii) all related engineering, consulting, and legal fees.

24 (c) For the State Tax Commission, proceeds shall be provided for the following:

<u>PROJECT</u>	<u>AMOUNT</u>
<u>DESCRIPTION</u>	<u>FUNDED</u>
<u>UTAX SYSTEMS</u>	<u>\$15,650,000</u>
<u>ACQUISITION AND DEVELOPMENT</u>	

28
29 (3) The commission, by resolution may decline to issue bonds if the project could be
30 construed to violate state law or federal law or regulation.

31 (4) (a) For this project, for which only partial funding is provided in Subsection (2), it is

1 the intent of the Legislature that the balance necessary to complete the project be addressed by
2 future Legislatures, either through appropriations or through the issuance or sale of bonds.

3 (b) The State Tax Commission may enter into contracts for amounts not to exceed the
4 anticipated full project funding but may not allow work to be performed on those contracts in
5 excess of the funding already authorized by the Legislature.

6 (c) Those contracts shall contain a provision for termination of the contract for the
7 convenience of the state as required by Section 63-56-40.

8 (d) It is also the intent of the Legislature that this authorization to the State Tax
9 Commission does not bind future Legislatures to fund projects initiated from this authorization.

10 Section 23. Section **63B-7-403** is enacted to read:

11 **63B-7-403. Use of bond proceeds for issuance and other costs.**

12 The proceeds of bonds issued under this chapter shall be used for the purposes described
13 in Section 63B-7-402 and to pay all or part of any cost incident to the issuance and sale of the
14 bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees'
15 fees, financial advisors' fees, and underwriters' discounts.

16 Section 24. Section **63B-7-404** is enacted to read:

17 **63B-7-404. Manner of issuance -- Amounts, interest, and maturity.**

18 (1) Bonds issued under this chapter may be authorized, sold, and issued at times and in a
19 manner determined by the commission by resolution.

20 (2) Bonds may be issued in one or more series, in amounts, and shall bear dates, interest
21 rate or rates, including a variable rate, and maturity dates as the commission determines by
22 resolution.

23 (3) A bond issued may not mature later than 20 years after the date of final passage of this
24 chapter.

25 Section 25. Section **63B-7-405** is enacted to read:

26 **63B-7-405. Terms and conditions of sale -- Plan of financing -- Signatures --**
27 **Replacement -- Registration -- Federal rebate.**

28 (1) In the issuance of bonds, the commission may determine by resolution:

29 (a) the manner of sale, including public or private sale;

30 (b) the terms and conditions of sale, including price, whether at, below, or above face
31 value;

1 (c) denominations;

2 (d) form;

3 (e) manner of execution;

4 (f) manner of authentication;

5 (g) place and medium of purchase;

6 (h) redemption terms; and

7 (i) other provisions and details it considers appropriate.

8 (2) The commission may by resolution adopt a plan of financing, which may include terms
9 and conditions of arrangements entered into by the commission on behalf of the state with
10 financial and other institutions for letters of credit, standby letters of credit, reimbursement
11 agreements, and remarketing, indexing, and tender agent agreements to secure the bonds, including
12 payment from any legally available source of fees, charges, or other amounts coming due under
13 the agreements entered into by the commission.

14 (3) (a) Any signature of a public official authorized by resolution of the commission to
15 sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or
16 otherwise placed on the bonds.

17 (b) If all signatures of public officials on the bonds are facsimile signatures, provision shall
18 be made for a manual authenticating signature on the bonds by or on behalf of a designated
19 authentication agent.

20 (c) If an official ceases to hold office before delivery of the bonds signed by that official,
21 the signature or facsimile signature of the official is nevertheless valid for all purposes.

22 (d) A facsimile of the state seal may be imprinted, engraved, stamped, or otherwise placed
23 on the bonds.

24 (4) (a) The commission may enact resolutions providing for the replacement of lost,
25 destroyed, or mutilated bonds, or for the exchange of bonds after issuance for bonds of smaller or
26 larger denominations.

27 (b) Bonds in changed denominations shall:

28 (i) be exchanged for the original bonds in like aggregate principal amounts and in a
29 manner that prevents the duplication of interest; and

30 (ii) bear interest at the same rate, mature on the same date, and be as nearly as practicable
31 in the form of the original bonds.

1 (5) (a) Bonds may be registered as to both principal and interest or may be in a book entry
2 form under which the right to principal and interest may be transferred only through a book entry.

3 (b) The commission may provide for the services and payment for the services of one or
4 more financial institutions or other entities or persons, or nominees, within or outside the state, for
5 the authentication, registration, transfer, including record, bookkeeping, or book entry functions,
6 exchange, and payment of the bonds.

7 (c) The records of ownership, registration, transfer, and exchange of the bonds, and of
8 persons to whom payment with respect to the obligations are made, are private records as provided
9 in Section 63-2-302 or protected records as provided in Section 63-2-304.

10 (d) The bonds and any evidences of participation interest in the bonds may be issued,
11 executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with
12 Title 15, Chapter 7, Registered Public Obligations Act, or any other act of the Legislature relating
13 to the registration of obligations enacted to meet the requirements of Section 149 of the Internal
14 Revenue Code of 1986, as amended, or any successor to it, and applicable regulations.

15 (6) The commission may:

16 (a) by resolution, provide for payment to the United States of whatever amounts are
17 necessary to comply with Section 148 (f) of the Internal Revenue Code of 1986, as amended; and

18 (b) enter into agreements with financial and other institutions and attorneys to provide for:

19 (i) the calculation, holding, and payment of those amounts; and

20 (ii) payment from any legally available source of fees, charges, or other amounts coming
21 due under any agreements entered into by the commission.

22 Section 26. Section **63B-7-406** is enacted to read:

23 **63B-7-406. Constitutional debt limitation.**

24 (1) The commission may not issue bonds under this chapter in an amount that violates the
25 limitation described in Utah Constitution Article XIV, Section 1.

26 (2) For purposes of applying the debt limitation contained in Utah Constitution Article
27 XIV, Section 1, the value of the taxable property in Utah is considered to be 100% of the fair
28 market value of the taxable property of the state, as computed from the last assessment for state
29 purposes previous to the issuance of the bonds.

30 Section 27. Section **63B-7-407** is enacted to read:

31 **63B-7-407. Tax levy -- Abatement of tax.**

1 (1) Each year after issuance of the bonds and until all outstanding bonds are retired, there
2 is levied a direct annual tax on all real and personal property within the state subject to state
3 taxation, sufficient to pay:

4 (a) applicable bond redemption premiums, if any;

5 (b) interest on the bonds as it becomes due; and

6 (c) principal of the bonds as it becomes due.

7 (2) (a) The State Tax Commission shall fix the rate of the direct annual tax levy each year.

8 (b) The tax shall be collected and the proceeds applied as provided in this chapter.

9 (3) The direct annual tax imposed under this section is abated to the extent money is
10 available from sources, other than ad valorem taxes in the sinking fund, for the payment of bond
11 interest, principal, and redemption premiums.

12 Section 28. Section **63B-7-408** is enacted to read:

13 **63B-7-408. Creation of sinking fund.**

14 (1) There is created a sinking fund, to be administered by the state treasurer, entitled the
15 "1998 General Obligation Project Bonds Sinking Fund."

16 (2) All monies deposited in the sinking fund, from whatever source, shall be used to pay
17 debt service on the bonds.

18 (3) The proceeds of all taxes levied under this chapter are appropriated to this fund.

19 (4) The state treasurer may create separate accounts within the sinking fund for each series
20 of bonds issued.

21 Section 29. Section **63B-7-409** is enacted to read:

22 **63B-7-409. Payment of interest, principal, and redemption premiums.**

23 (1) The Division of Finance shall draw warrants on the state treasury before any interest,
24 principal, or redemption premiums become due on the bonds.

25 (2) After receipt of the warrants, the state treasurer shall:

26 (a) promptly pay the warrants from funds within the sinking fund; and

27 (b) immediately transmit the amount paid to the paying agent for the bonds.

28 Section 30. Section **63B-7-410** is enacted to read:

29 **63B-7-410. Investment of sinking fund money.**

30 (1) The state treasurer may, by following the procedures and requirements of Title 51,
31 Chapter 7, State Money Management Act, invest any money contained in the sinking fund until

1 it is needed for the purposes for which the fund is created.

2 (2) Unless otherwise provided in the resolution of the commission authorizing the issuance
3 of bonds under this chapter, the treasurer shall retain all income from the investment of any money
4 contained in the sinking fund in the sinking fund and use it for the payment of debt service on the
5 bonds.

6 Section 31. Section **63B-7-411** is enacted to read:

7 **63B-7-411. Bond proceeds -- Deposits -- Investment -- Disposition of investment**
8 **income and unexpended proceeds.**

9 (1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within
10 one or more accounts as determined by resolution of the commission.

11 (b) The state treasurer shall administer and maintain these accounts unless otherwise
12 provided by the commission by resolution.

13 (c) The commission by resolution may provide for the deposit of these monies with a
14 trustee and the administration, disposition, or investment of these monies by this trustee.

15 (2) (a) The commission by resolution shall provide for the kinds of investments in which
16 the proceeds of bonds issued under this chapter may be invested.

17 (b) Income from the investment of proceeds of bonds issued under this chapter shall be
18 applied as provided by resolution of the commission.

19 (3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon
20 completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise
21 provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

22 Section 32. Section **63B-7-412** is enacted to read:

23 **63B-7-412. Refunding of bonds.**

24 (1) The commission may provide for the refunding of any of the bonds in accordance with
25 Title 11, Chapter 27, Utah Refunding Bond Act.

26 (2) For purposes of Title 11, Chapter 27, Utah Refunding Bond Act, the state of Utah is
27 considered the public body and the commission its governing body.

28 Section 33. Section **63B-7-413** is enacted to read:

29 **63B-7-413. Certification of satisfaction of conditions precedent -- Conclusiveness.**

30 (1) The commission may not issue any bond under this chapter until it finds and certifies
31 that all conditions precedent to issuance of the bonds have been satisfied.

1 (2) A recital on any bond of this finding and certification conclusively establishes the
2 completion and satisfaction of all conditions precedent.

3 Section 34. Section **63B-7-414** is enacted to read:

4 **63B-7-414. Tax exemption.**

5 The bonds issued under this chapter, any interest paid on the bonds, and any income from
6 the bonds are not taxable in this state for any purpose, except for the corporate franchise tax.

7 Section 35. Section **63B-7-415** is enacted to read:

8 **63B-7-415. Legal investment status.**

9 Bonds issued under this chapter are legal investments for all state trust funds, insurance
10 companies, banks, trust companies, and the State School Fund and may be used as collateral to
11 secure legal obligations.

12 Section 36. Section **63B-7-416** is enacted to read:

13 **63B-7-416. Publication of resolution or notice -- Limitation on actions to contest**
14 **legality.**

15 (1) The commission may:

16 (a) publish any resolution it adopts under this chapter once in a newspaper having general
17 circulation in Utah; or

18 (b) in lieu of publishing the entire resolution, publish a notice of bonds to be issued, titled
19 as such, containing the information required in Subsection 11-14-21(3).

20 (2) (a) Any interested person, for 30 days after the date of publication, may contest:

21 (i) the legality of the resolution;

22 (ii) any of the bonds authorized under it; or

23 (iii) any of the provisions made for the security and repayment of the bonds.

24 (b) After 30 days, a person may not contest the legality of the resolution, any of the bonds
25 authorized under it, or any of the provisions made for the security and repayment of the bonds for
26 any cause.

27 Section 37. Section **63B-7-417** is enacted to read:

28 **63B-7-417. Report to Legislature.**

29 The governor shall report the commission's proceedings to each annual general session of
30 the Legislature in his budget for as long as bonds issued under this chapter remain outstanding.

31 Section 38. Section **63B-7-501** is enacted to read:

1 **63B-7-501. Revenue bond authorizations.**

2 (1) (a) It is the intent of the Legislature that the State Building Ownership Authority, under
3 the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute
4 obligations, or enter into or arrange for a lease purchase agreement in which participation interests
5 may be created, to provide up to \$1,568,600 for the construction of a Utah Correctional Industries
6 Facility at the Central Utah Correctional Facility at Gunnison, together with additional amounts
7 necessary to pay costs of issuance, pay capitalized interest, and fund any debt service requirements.

8 (b) The State Building Ownership Authority shall work cooperatively with the Department
9 of Corrections to seek out the most cost effective and prudent lease purchase plan available.

10 (c) It is the intent of the Legislature that program revenues be used as the primary revenue
11 source for repayment of any obligation created under authority of this subsection.

12 (2) It is the intent of the Legislature that:

13 (a) the State Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
14 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on
15 the credit, income, and revenues of the University of Utah, other than appropriations of the
16 Legislature, to finance the cost of constructing, furnishing, and equipping student housing;

17 (b) University funds and housing rental revenues be used as the primary revenue source
18 for repayment of any obligation created under authority of this Subsection (2); and

19 (c) the bonds or other evidences of indebtedness authorized by this Subsection (2) may
20 provide up to \$86,000,000 together with other amounts necessary to pay costs of issuance, pay
21 capitalized interest, and fund any debt service reserve requirements.

22 (3) It is the intent of the Legislature that:

23 (a) the State Board of Regents on behalf of the University of Utah issue, sell, and deliver
24 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on
25 the credit, income, and revenues of the University of Utah, other than appropriations of the
26 Legislature, to finance the cost of constructing, furnishing, and equipping a Health Sciences
27 Parking Structure;

28 (b) University funds and parking revenues be used as the primary revenue source for
29 repayment of any obligation created under authority of this Subsection (3); and

30 (c) the bonds or other evidences of indebtedness authorized by this Subsection (3) may
31 provide up to \$12,000,000, together with other amounts necessary to pay costs of issuance, pay

1 capitalized interest, and fund any debt service reserve requirements.

2 (4) It is the intent of the Legislature that:

3 (a) the State Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
4 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on
5 the credit and income and revenues of the University of Utah, other than appropriations of the
6 Legislature, to finance the cost of constructing, furnishing, and equipping a Southwest Campus
7 Parking Structure;

8 (b) University funds and parking revenues be used as the primary revenue source for
9 repayment of any obligation created under authority of this Subsection (4); and

10 (c) the bonds or other evidences of indebtedness authorized by this Subsection (4) may
11 provide up to \$6,500,000, together with other amounts necessary to pay costs of issuance, pay
12 capitalized interest, and fund any debt service reserve requirements.

13 (5) It is the intent of the Legislature that:

14 (a) the State Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
15 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on
16 the credit and income and revenues of the University of Utah, other than appropriations of the
17 Legislature, to finance the cost of constructing, furnishing, and equipping an expansion of the
18 Eccles Broadcast Center;

19 (b) University funds and service revenues be used as the primary revenue source for
20 repayment of any obligation created under authority of this Subsection (5); and

21 (c) the bonds or other evidences of indebtedness authorized by this Subsection (5) may
22 provide up to \$5,100,000, together with other amounts necessary to pay costs of issuance, pay
23 capitalized interest, and fund any debt service reserve requirements.

24 (6) It is the intent of the Legislature that:

25 (a) the State Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
26 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on
27 the credit and income and revenues of the University of Utah, other than appropriations of the
28 Legislature, to finance the cost of constructing, furnishing, equipping, and remodeling facilities
29 for perinatal services, adult critical care services, clinical training and support, and upgrade of the
30 University Hospital rehabilitation unit, and for purchase of the University Neuropsychiatric
31 Institute and Summit Health Center in Park West;

1 **(b) University Hospital revenues be used as the primary revenue source for repayment of**
2 **any obligation created under authority of this Subsection (6); and**

3 **(c) the bonds or other evidences of indebtedness authorized by this Subsection (6) may**
4 **provide up to \$23,300,000 together with other amounts necessary to pay costs of issuance, pay**
5 **capitalized interest, and fund any debt service reserve requirements.**

6 **(7) It is the intent of the Legislature that:**

7 **(a) the State Board of Regents, on behalf of Weber State University, issue, sell, and deliver**
8 **revenue bonds or other evidences of indebtedness of Weber State University to borrow money on**
9 **the credit and income and revenues of Weber State University , other than appropriations of the**
10 **Legislature, to finance the cost of constructing, furnishing, and equipping student housing;**

11 **(b) University funds and housing rental revenues be used as the primary revenue source**
12 **for repayment of any obligation created under authority of this Subsection (7); and**

13 **(c) the bonds or other evidences of indebtedness authorized by this Subsection (7) may**
14 **provide up to \$19,000,000 together with other amounts necessary to pay costs of issuance, pay**
15 **capitalized interest, and fund any debt service reserve requirements.**

16 **(8) (a) It is the intent of the Legislature that the State Building Ownership Authority, under**
17 **the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute**
18 **obligations, or enter into or arrange for a lease purchase agreement in which participation interests**
19 **may be created, to provide up to \$1,100,000 for the construction of surplus property facilities for**
20 **the Division of Fleet Operations, together with additional amounts necessary to pay costs of**
21 **issuance, pay capitalized interest, and fund any debt service requirements.**

22 **(b) The State Building Ownership Authority shall work cooperatively with the Department**
23 **of Administrative Services to seek out the most cost effective and prudent lease purchase plan**
24 **available.**

25 **(c) It is the intent of the Legislature that Internal Service Fund revenues be used as the**
26 **primary revenue source for repayment of any obligation created under authority of this Subsection**
27 **(8).**

28 **(9) (a) Contingent upon the state of Utah receiving a perfected security interest in**
29 **accordance with Senate Joint Resolution 14, 1998 annual general session, the State Building**
30 **Ownership Authority, under authority of Title 63, Chapter 9a, State Building Ownership Authority**
31 **Act, may issue or execute obligations, or enter into or arrange for a lease purchase agreement in**

1 which participation interests may be created, to provide up to \$25,000,000 for the cost of
2 constructing, furnishing, and equipping housing facilities at the University of Utah, together with
3 additional amounts necessary to:

4 (i) pay costs of issuance;

5 (ii) pay capitalized interest; and

6 (iii) fund any debt service reserve requirements.

7 (b) The State Building Ownership Authority and the University of Utah may enter into real
8 estate arrangements and security arrangements that are:

9 (i) necessary to accomplish the purposes of this subsection; and

10 (ii) not inconsistent with the requirements of Senate Joint Resolution 14, 1998 annual
11 general session.

12 (10) In order to achieve a debt service savings, it is the intent of the Legislature that the
13 State Building Ownership Authority, under authority of Title 63, Chapter 9a, State Building
14 Ownership Authority Act, may issue or execute obligations, or enter into or arrange for a lease
15 purchase agreement in which participation interests may be created, to provide sufficient funding
16 to exercise the state's option to purchase the Youth Corrections Facility in Salt Lake County
17 currently financed by Salt Lake County.

18 Section 39. Section **63B-7-502** is enacted to read:

19 **63B-7-502. Other capital facility authorizations and intent language.**

20 (1) (a) It is the intent of the Legislature that if funding from General Obligation bonding
21 is provided for construction of new facilities, the Division of Finance shall transfer any occupying
22 agency funds that are currently being used for rent payments to the service fund for debt service
23 on the bonds.

24 (b) The Division of Finance may not transfer agency funds for operation and maintenance
25 costs, which will continue to be incurred by the occupying agency.

26 (2) It is the intent of the Legislature that Utah State University use institutional funds to
27 plan, design, and construct the American West Heritage Center under the direction of the director
28 of the Division of Facilities Construction and Management unless supervisory authority has been
29 delegated.

30 (3) It is the intent of the Legislature that:

31 (a) Utah State University allow the construction of the Poisonous Plant Laboratory on

1 state-owned property under the direction of the Federal Government with oversight by director of
2 the Division of Facilities Construction and Management and Utah State University as may be
3 required; and

4 (b) no state funds be used for any portion of this project.

5 (4) It is the intent of the Legislature that:

6 (a) Weber State University use institutional funds to plan, design, and construct the Weight
7 Training room addition under the direction of the director of the Division of Facilities Construction
8 and Management unless supervisory authority has been delegated; and

9 (b) no state funds be used for any portion of this project.

10 (5) It is the intent of the Legislature that:

11 (a) the College of Eastern Utah, San Juan campus, use institutional and other funds to plan,
12 design, and construct the Arts and Conference Center under the direction of the director of the
13 Division of Facilities Construction and Management unless supervisory authority has been
14 delegated; and

15 (b) no state funds be used for any portion of this project.

16 (6) It is the intent of the Legislature that:

17 (a) the University of Utah allow the construction of a privately owned West Health
18 Science Mixed Use Facility on state-owned land located at the main campus of the University,
19 under the oversight of the director of the Division of Facilities Construction and Management; and

20 (b) no state funds be used for any portion of this project.

21 (7) It is the intent of the Legislature that the Division of Facilities Construction and
22 Management use up to \$1,225,000 of the funds authorized for the Dead Horse Point Visitors
23 Center project in Section 63B-6-102 for additional code upgrades and other critical repairs to the
24 Dead Horse Point Visitors Center in addition to the modifications needed to meet with the
25 Americans with Disabilities Act requirements.

26 (8) It is the intent of the Legislature that:

27 (a) the Division of Facilities Construction and Management proceed with the design of the
28 Physical Education Building at Southern Utah University;

29 (b) the design include the full project scope, excluding funds for the purchase of the
30 middle school;

31 (c) the 1999 Legislature rank the Physical Education Building at Southern Utah University

- 1 as the top-ranked capital facility project for full funding in the 1999 annual general session of the
2 Legislature; and
3 (d) the Division of Facilities Construction and Management proceed with the bidding
4 process for construction of this project.