

**PURCHASE OR LEASE OF BUILDINGS BY
STATE BOARD OF REGENTS**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Gerry A. Adair

AN ACT RELATING TO HIGHER EDUCATION; MODIFYING THE POWER OF THE BOARD OF REGENTS TO PURCHASE OR OTHERWISE ACQUIRE FACILITIES; AND MAKING TECHNICAL CORRECTIONS.

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

AMENDS:

53B-13-103, as enacted by Chapter 167, Laws of Utah 1987

53B-20-103, as enacted by Chapter 167, Laws of Utah 1987

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

Section 1. Section **53B-13-103** is amended to read:

53B-13-103. Powers of Board of Regents.

(1) The board has the powers necessary to carry out the purposes of this chapter~~[, including the following]~~ and may:

~~[(1) to]~~ (a) accept gifts, grants, loans, and other aids or amounts from a person, corporation, or governmental agency;

~~[(2) to]~~ (b) loan money to eligible borrowers to assist them in obtaining a posthigh school education by attending an eligible institution, including refinancing or consolidating obligations previously incurred by eligible borrowers with other lending sources for this purpose and participating in loans to eligible borrowers for this purpose with other lending sources;

~~[(3) to]~~ (c) acquire, purchase, or make commitments to purchase, and take assignments from lenders of obligations~~[. No obligation is eligible for acquisition, purchase, or commitment to purchase by the board unless at or before the time of transfer to the board the lender certifies either: (a) that, under and to the extent required by rules and regulations of the board, the proceeds~~

1 of sale or its equivalent shall be reinvested in other obligations under the student loan program;
2 or (b) that the obligation was made in anticipation of its sale to the board under rules and
3 regulations of the board promulgated under this chapter];

4 ~~[(4) to]~~ (d) enforce its rights under a contract or agreement including the commencement
5 of court action;

6 ~~[(5) to]~~ (e) acquire, hold, and dispose of real and personal property necessary for the
7 accomplishment of the purposes of this chapter;

8 ~~[(6) to]~~ (f) obtain insurance against losses ~~[which]~~ that may be incurred in connection with
9 its property, assets, activities, or the exercise of the powers granted under this chapter;

10 ~~[(7) to]~~ (g) borrow money ~~[and to]~~,₂ issue its bonds ~~[and]~~,₂ provide for the rights of
11 bondholders,₂ and ~~[to]~~ secure the bonds by assignment, pledge, or granting a security interest in its
12 property,₂ including all or a part of an obligation~~[- The state is not liable for the repayment of~~
13 ~~bonds issued by the board. The bonds issued by the board are not a debt of the state, and each~~
14 ~~bond shall contain on its face a statement to this effect];~~

15 ~~[(8) to]~~ (h) invest funds not required for immediate use or disbursement as provided in
16 ~~[the]~~ Title 51, Chapter 7, State Money Management Act;

17 ~~[(9)]~~ (i) subject to a contract with the holders of its bonds, an applicable bond resolution,
18 or a contract with the recipient of a loan, ~~[to]~~ consent to the modification, with respect to security,
19 rate of interest, time of payment of interest or principal, or other term of a bond contract or
20 agreement between the board and a recipient of a loan, bondholder, or agency or institution
21 guaranteeing the repayment of an obligation;

22 ~~[(10) to]~~ (j) engage and appoint officers, agents, employees, and other private consultants
23 to render and perform professional and technical duties, assistance, and advice in carrying out the
24 purposes of this chapter, ~~[to]~~ describe their duties, and ~~[to]~~ fix the amount and source of their
25 compensation;

26 ~~[(11) to]~~ (k) make rules ~~[and regulations]~~ governing the activities authorized under this
27 chapter;

28 ~~[(12) to]~~ (l) solicit grants and contributions from the public or from any government or
29 governmental agency and ~~[to]~~ arrange for the guaranteeing of the repayment of obligations by
30 other agencies of this state or the United States;

31 ~~[(13) to]~~ (m) collect fees and charges in connection with its loans, commitments, and

1 servicing, including reimbursement of the costs of financing, service charges, and insurance
2 premiums [which] that are determined as reasonable and are approved by the board;

3 ~~[(14) to]~~ (n) sell obligations held by the board at [such] the prices and at [such] the times
4 [as it may determine] that the board determines, when that sale would not impair the rights or
5 interests of holders of bonds issued by the board; and

6 ~~[(15) to]~~ (o) participate in federal programs supporting loans to eligible borrowers and [to]
7 agree to, and comply with, the conditions of those programs.

8 (2) The board may not acquire, purchase, or commit to purchase an obligation under
9 Subsection (1)(c) unless, at or before the time of transfer to the board, the lender certifies that:

10 (a) under and to the extent required by rules of the board, the proceeds of sale or its
11 equivalent shall be reinvested in other obligations under the student loan program; or

12 (b) the obligation was made in anticipation of its sale to the board under rules of the board
13 adopted under authority of this chapter.

14 (3) (a) The state is not liable for the repayment of bonds issued by the board.

15 (b) The bonds issued by the board are not a debt of the state, and each bond shall contain
16 on its face a statement to this effect.

17 (4) Notwithstanding any other provision of this section, the board may purchase or
18 otherwise acquire facilities only after obtaining legislative approval.

19 Section 2. Section **53B-20-103** is amended to read:

20 **53B-20-103. Powers of state board -- Capital facilities projects.**

21 (1) As used in this section, "capital facilities projects and buildings" includes any one or
22 more institutional project and building.

23 ~~[The]~~ (2) Except as provided in Subsection (3), the board, on behalf of the institutions of
24 higher education, may [do the following]:

25 ~~[(1)]~~ (a) acquire, purchase, construct, improve, remodel, add to, and extend capital
26 facilities projects and buildings including necessary and related utilities;

27 ~~[(2)]~~ (b) acquire necessary and suitable equipment, furnishings, and land for institutional
28 projects and buildings;

29 ~~[(3)]~~ (c) set aside portions of campuses for institutional projects and buildings;

30 ~~[(4)]~~ (d) maintain and operate institutional projects and buildings; and

31 ~~[(5)]~~ (e) impose and collect rents, fees, and charges for the use of institutional projects and

1 buildings.

2 [~~"Projects" and "buildings" include any one or more of such facilities.~~]

3 (3) Notwithstanding any other provision of this section, the board may purchase or
4 otherwise acquire facilities only after obtaining legislative approval.

Legislative Review Note

as of 1-23-98 11:50 AM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel