

1 **2000 BOND BILL AND CAPITAL**
2 **FACILITIES AUTHORIZATIONS**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Gerry A. Adair**

6 AN ACT RELATING TO FINANCING CAPITAL INFRASTRUCTURE; REDIRECTING
7 CERTAIN BOND PROCEEDS ALREADY AUTHORIZED; APPROVING THE ISSUANCE OF
8 CERTAIN OBLIGATIONS BY THE STATE BOARD OF REGENTS; AUTHORIZING OTHER
9 CAPITAL FACILITY EXPENDITURES; PROVIDING FOR RELATED MATTERS; AND
10 MAKING TECHNICAL CORRECTIONS.

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

12 AMENDS:

13 **63B-6-102**, as last amended by Chapter 67, Laws of Utah 1998

14 **63B-7-102**, as enacted by Chapter 67, Laws of Utah 1998

15 **63B-8-402**, as enacted by Chapter 309, Laws of Utah 1999

16 **63B-8-408**, as enacted by Chapter 309, Laws of Utah 1999

17 ENACTS:

18 **63B-9-101**, Utah Code Annotated 1953

19 **63B-9-102**, Utah Code Annotated 1953

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

21 Section 1. Section **63B-6-102** is amended to read:

22 **63B-6-102. Maximum amount -- Projects authorized.**

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

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

27 (b) These costs may include the cost of acquiring land, interests in land, easements and

28 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and
29 all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or
30 convenient to the facilities, interest estimated to accrue on these bonds during the period to be
31 covered by construction of the projects plus a period of six months after the end of the construction
32 period, and all related engineering, architectural, and legal fees.

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

34 CAPITAL AND ECONOMIC DEVELOPMENT

	AMOUNT	ESTIMATED
PROJECT DESCRIPTION	FUNDED	OPERATIONS
		AND
		MAINTENANCE
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	\$1,100,000	\$456,100
Education Building (Design)		
Salt Lake Community College -- High	\$1,165,000	\$718,500
Technology Building, 90th So. Campus (Design)		
Department of Natural Resources - Antelope	\$3,600,000	None
Island Road		
Youth Corrections	\$1,500,000	None
- Region 1 72 Secured Bed Facility		
Department of Natural Resources - Dead Horse	\$1,350,000	\$5,700
Point Visitors Center		
<u>National Guard</u>	<u>\$1,600,000</u>	<u>\$5,700</u>
TOTAL CAPITAL AND ECONOMIC	[\$55,145,400]	<u>\$56,745,400</u>
DEVELOPMENT		

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

58 (i) are estimates only;

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

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

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

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

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

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

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

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

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

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

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

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

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

88 Section 2. Section **63B-7-102** is amended to read:

89 **63B-7-102. Maximum amount -- Projects authorized.**

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

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

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

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

101 PROJECT	102 AMOUNT	103 ESTIMATED
104 DESCRIPTION	105 FUNDED	106 OPERATIONS AND
		107 MAINTENANCE
108 Southern Utah University	\$4,600,000	\$0
109 Land Purchase		
110 Salt Lake Community College	\$3,980,700	\$507,900
111 High Tech Center -		
112 Jordan Campus		
113 Children's Special Health Care	\$755,400	\$247,600
114 Needs Clinic		
115 Youth Corrections - 2 @ 32 beds	\$419,500	\$276,000
116 (Vernal / Logan)		
117 Corrections - Gunnison 288 bed	\$8,425,600	\$0
118 and Lagoon Expansion		
119 University of Utah -	\$445,500	\$101,700
120 Cowles Building		
Utah Valley State College -	\$1,166,300	\$391,000
Technical Building		
Sevier Valley Applied Technology	\$3,014,300	\$443,300
Center - Shop Expansion		

121	Division of Parks and Recreation	\$1,000,000	\$22,700
122	Statewide Restrooms		
123	Murray Highway Patrol Office	\$2,300,000	\$81,000
124	Department of Workforce	\$2,780,000	\$128,100
125	Services - Davis County		
126	Employment Center		
127	[National Guard=]	[\$1,600,000]	[\$72,000]
128	[American Fork/Lehi Armory]		
129	<u>State Hospital - Rampton II</u>	<u>\$1,600,000</u>	<u>\$462,000</u>
130	Courts - 4th District	\$1,368,000	\$0
131	Land - Provo		
132	Dixie College - Land	\$1,000,000	\$0
133	TOTAL CAPITAL AND	\$32,855,300	
134	ECONOMIC DEVELOPMENT		

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

136 (i) are estimates only;

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

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

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

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

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

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

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

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

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

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

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

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

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

166 Section 3. Section **63B-8-402** is amended to read:

167 **63B-8-402. Maximum amount -- Projects authorized.**

168 (1) The total amount of bonds issued under this part may not exceed \$7,400,000.

169 (2) (a) Proceeds from the issuance of bonds shall be provided to the [~~State Tax~~
170 ~~Commission~~] division to provide funds to pay all or part of the cost of acquiring and constructing
171 the project [~~described~~] listed in this Subsection (2).

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

178 [~~(i) the cost of acquisition, development, and conversion of computer hardware and~~
179 ~~software for motor vehicle fee systems and tax collection and accounting systems of the state;~~]

180 [~~(ii) interest estimated to accrue on these bonds during the period to be covered by that~~
181 ~~development and conversion, plus a period of six months following the completion of the~~
182 ~~development and conversion; and]~~

183 ~~[(iii) all related engineering, consulting, and legal fees.]~~

184 (c) For the ~~[State Tax Commission]~~ division, proceeds shall be provided for the following:

185 PROJECT	AMOUNT	<u>ESTIMATED</u>
186 DESCRIPTION	FUNDED	<u>OPERATIONS AND</u>
		<u>MAINTENANCE</u>

188 ~~[UTAX Systems --]~~ [\$7,000,000]

189 ~~[Acquisition and Development]~~

190 <u>State Hospital - Rampton II</u>	<u>\$7,000,000</u>	<u>\$462,000</u>
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191 ~~[(3) The commission, by resolution, may decline to issue bonds if the project could be~~
192 ~~construed to violate state law or federal law or regulation.]~~

193 ~~[(4) (a) For this project, for which only partial funding is provided in Subsection (2), it is~~
194 ~~the intent of the Legislature that the balance necessary to complete the project be addressed by~~
195 ~~future Legislatures, either through appropriations or through the issuance or sale of bonds.]~~

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

199 ~~[(c) Those contracts shall contain a provision for termination of the contract for the~~
200 ~~convenience of the state as required by Section 63-56-40.]~~

201 ~~[(d) It is also the intent of the Legislature that this authorization to the State Tax~~
202 ~~Commission does not bind future Legislatures to fund projects initiated from this authorization.]~~

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

204 (i) are estimates only;

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

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

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

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

213 (c) The commission, by resolution and in consultation with the board, may delete one or

214 more projects from this list if the inclusion of that project or those projects in the list could be
215 construed to violate state law or federal law or regulation.

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

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

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

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

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

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

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

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

234 Section 4. Section **63B-8-408** is amended to read:

235 **63B-8-408. Creation of sinking fund.**

236 (1) There is created a sinking fund, to be administered by the state treasurer, entitled the
237 "1999 [UTAX] General Obligation Capital Project Bonds Sinking Fund."

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

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

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

243 Section 5. Section **63B-9-101** is enacted to read:

244 **CHAPTER 9. 2000 FINANCING AUTHORIZATIONS**

245 **Part 1. Revenue Bond and Other Capital Facility Authorizations**246 **63B-9-101. Revenue bond authorizations.**247 It is the intent of the Legislature that:248 (1) the Board of Regents issue, sell, and deliver revenue bonds or other evidences of
249 indebtedness of the Board of Regents to borrow money on the credit, revenues, and reserves of the
250 Higher Education Student Loan Program to finance the cost of acquiring, constructing, furnishing,
251 and equipping office space;252 (2) funds within the Board of Regents budget that would otherwise be expended for rent
253 be used as the primary revenue source for repayment of any obligation created under authority of
254 this section;255 (3) the Board of Regents may not request an increase in state appropriations for rent to be
256 used for repayment of any obligation created under authority of this section;257 (4) the Board of Regents may not request an increase, beyond that resulting from inflation,
258 in state appropriations for operations and maintenance of the facility acquired or constructed under
259 this section; and260 (5) the bonds or other evidences of indebtedness authorized by this section may provide
261 up to \$8,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized
262 interest, and fund any debt service reserve requirements.263 Section 6. Section **63B-9-102** is enacted to read:264 **63B-9-102. Other capital facility authorizations and intent language.**265 (1) It is the intent of the Legislature that:266 (a) Utah State University use institutional funds to plan, design, and construct a renovation
267 and expansion of the Edith Bowen School under the direction of the director of the Division of
268 Facilities Construction and Management unless supervisory authority has been delegated;269 (b) no state funds be used for any portion of this project; and270 (c) the university may request state funds for operations and maintenance to the extent that
271 the university is able to demonstrate to the Board of Regents that the facility meets approved
272 academic and training purposes under Board of Regents policy R710.273 (2) It is the intent of the Legislature that:274 (a) the University of Utah use institutional funds to plan, design, and construct a College
275 of Science Math Center under the direction of the director of the Division of Facilities

276 Construction and Management unless supervisory authority has been delegated;
277 (b) no state funds be used for any portion of this project; and
278 (c) the university may request state funds for operations and maintenance to the extent that
279 the university is able to demonstrate to the Board of Regents that the facility meets approved
280 academic and training purposes under Board of Regents policy R710.
281 (3) It is the intent of the Legislature that:
282 (a) the University of Utah use institutional funds to plan, design, and construct a Burbidge
283 Athletics and Academics Building under the direction of the director of the Division of Facilities
284 Construction and Management unless supervisory authority has been delegated;
285 (b) no state funds be used for any portion of this project; and
286 (c) the university may not request state funds for operations and maintenance.
287 (4) It is the intent of the Legislature that:
288 (a) the University of Utah use institutional funds to plan, design, and construct an
289 expansion to the bookstore under the direction of the director of the Division of Facilities
290 Construction and Management unless supervisory authority has been delegated;
291 (b) no state funds be used for any portion of this project; and
292 (c) the university may not request state funds for operations and maintenance.
293 (5) It is the intent of the Legislature that:
294 (a) the University of Utah use institutional funds to plan, design, and construct a Health
295 Sciences/Basic Sciences Building under the direction of the director of the Division of Facilities
296 Construction and Management unless supervisory authority has been delegated;
297 (b) no state funds be used for any portion of this project; and
298 (c) the university may request state funds for operations and maintenance to the extent that
299 the university is able to demonstrate to the Board of Regents that the facility meets approved
300 academic and training purposes under Board of Regents policy R710.
301 (6) It is the intent of the Legislature that:
302 (a) Weber State University use institutional funds to plan, design, and construct an
303 expansion to the stadium under the direction of the director of the Division of Facilities
304 Construction and Management unless supervisory authority has been delegated;
305 (b) no state funds be used for any portion of this project; and
306 (c) the university may not request state funds for operations and maintenance.

307 (7) It is the intent of the Legislature that:

308 (a) Utah Valley State College use institutional funds to plan, design, and construct a
309 baseball stadium under the direction of the director of the Division of Facilities Construction and
310 Management unless supervisory authority has been delegated;

311 (b) no state funds be used for any portion of this project; and

312 (c) the college may not request state funds for operations and maintenance.

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

314 (a) Southern Utah University use institutional funds to plan, design, and construct a weight
315 training room under the direction of the director of the Division of Facilities Construction and
316 Management unless supervisory authority has been delegated;

317 (b) no state funds be used for any portion of this project; and

318 (c) the university may not request state funds for operations and maintenance.

319 (9) It is the intent of the Legislature that:

320 (a) Snow College may lease land at the Snow College South campus to a private developer
321 for the construction and operation of student housing;

322 (b) the oversight and inspection of the construction comply with Section 63A-5-206;

323 (c) no state funds be used for any portion of this project; and

324 (d) the college may not request state funds for operations and maintenance.

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

326 (a) Salt Lake Community College may lease land at the Jordan campus to Jordan School
327 District for the construction and operation of an Applied Technology Education Center;

328 (b) the oversight and inspection of the construction comply with Section 63A-5-206;

329 (c) no state funds be used for any portion of this project; and

330 (d) the college may not request state funds for operations and maintenance.

331 (11) It is the intent of the Legislature that:

332 (a) the Department of Transportation exchange its maintenance station at Kimball Junction
333 for property located near Highway 40 in Summit County; and

334 (b) the Department of Transportation use federal funds, rent paid by the Salt Lake
335 Organizing Committee for the use of the maintenance station, and any net proceeds resulting from
336 the exchange of property to construct a replacement facility under the direction of the director of
337 the Division of Facilities Construction and Management unless supervisory authority has been

338 delegated.

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

340 (a) the Department of Transportation sell surplus property in Utah County;

341 (b) the Department of Transportation use funds from that sale to remodel existing space

342 and add an addition to the Region 3 Complex; and

343 (c) the project cost not exceed the funds received through sale of property.

344 (13) It is the intent of the Legislature that the Department of Workforce Services use

345 proceeds from property sales to purchase additional property adjacent to its state-owned facility

346 in Logan.

347 (14) (a) It is the intent of the Legislature that, because only partial funding is provided for

348 the Heat Plant/Infrastructure Project at Utah State University, the balance necessary to complete

349 this project be addressed by future Legislatures, either through appropriations or through the

350 issuance of bonds.

351 (b) (i) In compliance with Section 63A-5-207, the division may enter into contracts for

352 amounts not to exceed the anticipated full project funding but may not allow work to be performed

353 on those contracts in excess of the funding already authorized by the Legislature.

354 (ii) Those contracts shall contain a provision for termination of the contract for the

355 convenience of the state as required by Section 63-56-40.

356 (c) It is also the intent of the Legislature that this authorization to the division does not

357 bind future Legislatures to fund the Heat Plant/Infrastructure Project at Utah State University.

Legislative Review Note

as of 2-24-00 11:16 AM

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

Office of Legislative Research and General Counsel