

**2001 GENERAL OBLIGATION BOND AND
CAPITAL FACILITIES AUTHORIZATIONS**

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Beverly Ann Evans

This act authorizes issuance of state of Utah general obligation bonds and bond anticipation notes by the State Bonding Commission for capital facilities, buildings, and related facilities.

This act defines the process and requirements for issuing the bonds and notes and specifies the use of the proceeds. This act imposes a statewide property tax and abates it. This act creates a sinking fund to pay debt service on the bonds. This act authorizes the issuance of other debt obligations by the State Building Ownership Authority. This act authorizes other capital facility expenditures. ^h This act modifies previously adopted intent language. ^h This act exempts the bonds and notes authorized by this section

from the statutory debt limit. This act provides for related matters and makes technical corrections.

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

AMENDS:

63-9a-6, as last amended by Chapter 21, Laws of Utah 1999

63-38c-402, as last amended by Chapter 354, Laws of Utah 2000

^h 63B-6-502, as enacted by Chapter 391, Laws of Utah 1997 ^h

ENACTS:

63B-10-101, Utah Code Annotated 1953

63B-10-102, Utah Code Annotated 1953

63B-10-103, Utah Code Annotated 1953

63B-10-104, Utah Code Annotated 1953

63B-10-105, Utah Code Annotated 1953

63B-10-106, Utah Code Annotated 1953

63B-10-107, Utah Code Annotated 1953

63B-10-108, Utah Code Annotated 1953



- 28 **63B-10-109**, Utah Code Annotated 1953
- 29 **63B-10-110**, Utah Code Annotated 1953
- 30 **63B-10-111**, Utah Code Annotated 1953
- 31 **63B-10-112**, Utah Code Annotated 1953
- 32 **63B-10-113**, Utah Code Annotated 1953
- 33 **63B-10-114**, Utah Code Annotated 1953
- 34 **63B-10-115**, Utah Code Annotated 1953
- 35 **63B-10-116**, Utah Code Annotated 1953
- 36 **63B-10-117**, Utah Code Annotated 1953
- 37 **63B-10-201**, Utah Code Annotated 1953
- 38 **63B-10-202**, Utah Code Annotated 1953
- 39 **63B-10-203**, Utah Code Annotated 1953
- 40 **63B-10-204**, Utah Code Annotated 1953
- 41 **63B-10-501**, Utah Code Annotated 1953
- 42 **63B-10-601**, Utah Code Annotated 1953

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

44 Section 1. Section **63-9a-6** is amended to read:

45 **63-9a-6. Obligations issued by authority -- Limitation of liability on obligations --**
 46 **Limitation on amount of obligations issued.**

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

51 (b) This limitation shall be plainly stated upon all obligations.

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

55 (b) Debt issued under authority of [~~Title 63B, Chapter 6, Part 2, 1997 Highway General~~
 56 ~~Obligation Bond Authorization, and Title 63B, Chapter 6, Part 3, 1997 Highway Bond~~
 57 ~~Anticipation Note Authorization;~~] the following parts may not be included as part of the total
 58 indebtedness of the state of Utah in determining the debt limit established by this Subsection (2)[-]:

- 59 (i) Title 63B, Chapter 6, Part 2, 1997 Highway General Obligation Bond Authorization;
- 60 (ii) Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note Authorization;
- 61 (iii) Title 63B, Chapter 7, Part 2, 1998 Highway General Obligation Bond Authorization;
- 62 (iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note Authorization;
- 63 (v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond Authorization;
- 64 (vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note Authorization;
- 65 (vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond;
- 66 (viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bond; and
- 67 (ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond Anticipation
- 68 Notes Authorization.

69 (c) Debt issued under authority of Section 63B-7-503 may not be included as part of the
70 total indebtedness of the state in determining the debt limit established by this Subsection (2).

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

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

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

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

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

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

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

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

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

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

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

89 (k) bear facsimile signatures and seals.

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

94 Section 2. Section **63-38c-402** is amended to read:

95 **63-38c-402. Debt limitation -- Vote requirement needed to exceed limitation --**

96 **Exceptions.**

97 (1) (a) Except as provided in Subsection (1)(b), the outstanding general obligation debt
 98 of the state may not exceed 20% of the maximum allowable appropriations limit unless approved
 99 by more than a two-thirds vote of both houses of the Legislature.

100 (b) Notwithstanding the limitation contained in Subsection (1)(a), debt issued under the
 101 authority of the following parts is not subject to the debt limitation established by this section:

102 (i) Title 63B, Chapter 6, Part 2, 1997 Highway General Obligation Bond Authorization[;];

103 (ii) Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note Authorization[;];

104 (iii) Title 63B, Chapter 7, Part 2, 1998 Highway General Obligation Bond

105 Authorization[;];

106 (iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note Authorization[;];

107 (v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond Authorization[;];

108 (vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note Authorization[;];

109 (vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond[; is not subject

110 to the debt limitation established by this section.];

111 (viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation Bond; and

112 (ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond Anticipation

113 Notes Authorization.

114 (2) This section does not apply if contractual rights will be impaired.

114a **h Section 3. Section 63B-6-502 is amended to read:**

114b **63B-6-502. Other capital facility authorizations and intent language.**

114c **(1) It is the intent of the Legislature that the University of Utah use institutional funds to plan,**
 114d **design, and construct:**

114e **(a) the Health Science Lab Building under the supervision of the director of the Division of**
 114f **Facilities Construction and Management unless supervisory authority is delegated by the director;**
 114g **and**

114h **(b) the gymnastics facility under the supervision of the director of the Division of Facilities**
 114i **Construction and Management unless supervisory authority is delegated by the director.**

114j **(2) It is the intent of the Legislature that Southern Utah University use institutional funds to h**

114k **h** plan, design, and construct a science center addition under the supervision of the director of
 114l the Division of Facilities Construction and Management unless supervisory authority is delegated
 114m by the director.

114n (3) It is the intent of the Legislature that Utah Valley State College use institutional funds to
 114o plan, design, and construct a student center addition under the supervision of the director of the
 114p Division of Facilities Construction and Management unless supervisory authority is delegated by the
 114q director.

114r (4) (a) It is the intent of the Legislature that the Division of Facilities Construction and
 114s Management lease property at the Draper Prison to a private entity for the purpose of constructing a
 114t waste [~~sorting and transfer~~] RECYCLING facility to employ inmates if the following conditions are
 114u satisfactorily met:

114v (i) the private entity assures continuous employment of state inmates;

114w (ii) the lease with the private entity provides an appropriate return to the state;

114x (iii) the lease has an initial term of not to exceed 20 years;

114y (iv) the lease protects the state from all liability;

114z (v) the private entity guarantees that no adverse environmental impact will occur;

114aa (vi) the state retains the right to:

114ab (A) monitor the types of wastes that are processed; and

114ac (B) prohibit the processing of types of wastes that are considered to be a risk to the state or
 114ad surrounding property uses;

114ae (vii) the lease provides for adequate security arrangements;

114af (viii) the private entity assumes responsibility for any taxes or fees associated with the
 114ag facility; and

114ah (ix) the private entity assumes responsibility for bringing utilities to the site and any state
 114ai expenditures for roads, etc. are considered in establishing the return to the state.

114aj (b) Except as provided in Subsections (4)(c) and (d), the facility may be constructed without
 114ak direct supervision by the Division of Facilities Construction and Management.

114al (c) Notwithstanding Subsection (4)(b), the Division of Facilities Construction and Management
 114am shall:

114an (i) review the design, plans, and specifications of the project; and

114ao (ii) approve them if they are appropriate.

114ap (d) Notwithstanding Subsection (4)(b), the Division of Facilities Construction and
 Management

114aq may:

114ar (i) require that the project be submitted to the local building official for plan review and
 114as inspection; and

114at (ii) inspect the project.

114au (5) It is the intent of the Legislature that:

114av (a) the \$221,497.86 authorized for the Capitol Hill Day Care Center in Subsection (4) of Section
 114aw 56, Chapter 304, Laws of Utah 1992, be used for general capital improvements; and

114ax (b) the Building Board should, in allocating the \$221,497.86, if appropriate under the **h**

114ay **h** Board's normal allocation and prioritization process, give preference to projects for the Division
114az of Parks and Recreation. **h**

115 Section **h** [~~3.~~] **4.** **h** Section **63B-10-101** is enacted to read:

116 **CHAPTER 10. 2001 BONDING**

117 **Part 1. 2001 Highway General Obligation Bond**

118 **63B-10-101. State Bonding Commission authorized to issue general obligation bonds.**

119 The commission created under Section 63B-1-201 may issue and sell general obligation

120 bonds of the state pledging the full faith, credit, and resources of the state for the payment of the

121 principal of and interest on the bonds, to provide funds to the Department of Transportation.

122 Section 4. Section **63B-10-102** is enacted to read:

123 **63B-10-102. Maximum amount -- Projects authorized.**

124 (1) The total amount of bonds issued under this part may not exceed \$126,250,000.

125 (2) (a) Proceeds from the issuance of bonds shall be provided to the Department of
126 Transportation to provide funds to pay all or part of the costs of state highway construction or
127 reconstruction projects.

128 (b) These costs may include the cost of acquiring land, interests in land, easements and
129 rights-of-way, improving sites, and making all improvements necessary, incidental, or convenient
130 to the facilities, interest estimated to accrue on these bonds during the period to be covered by
131 construction of the projects plus a period of six months after the end of the construction period,
132 interest estimated to accrue on any bond anticipation notes issued under the authority of Chapter
133 10, Part 2, 2001 Highway General Obligation Bond Anticipation Notes Authorization, and all
134 related engineering, architectural, and legal fees.

135 (3) The commission or the state treasurer may make any statement of intent relating to a
136 reimbursement that is necessary or desirable to comply with federal tax law.

137 (4) The Department of Transportation may enter into agreements related to that project
138 before the receipt of proceeds of bonds issued under this chapter.

139 Section 5. Section **63B-10-103** is enacted to read:

140 **63B-10-103. Bond proceeds may be used to pay costs of issuance and sale.**

141 The proceeds of bonds issued under this chapter shall be used for the purposes described
142 in Section 63B-10-102 and to pay all or part of any cost incident to the issuance and sale of the
143 bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees'
144 fees, financial advisors' fees, and underwriters' discount.

145 Section 6. Section **63B-10-104** is enacted to read:

146 **63B-10-104. Manner of issuance -- Amounts, interest, and maturity.**

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

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

151 (3) A bond issued may not mature later than 15 years after the date of final passage of this

152 chapter.

153 Section 7. Section **63B-10-105** is enacted to read:

154 **63B-10-105. Terms and conditions of sale -- Plan of financing -- Signatures --**

155 **Replacement -- Registration -- Federal rebate.**

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

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

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

159 value;

160 (c) denominations;

161 (d) form;

162 (e) manner of execution;

163 (f) manner of authentication;

164 (g) place and medium of purchase;

165 (h) redemption terms; and

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

167 (2) The commission may, by resolution, adopt a plan of financing, which may include

168 terms and conditions of arrangements entered into by the commission on behalf of the state with

169 financial and other institutions for letters of credit, standby letters of credit, reimbursement

170 agreements, and remarketing, indexing, and tender agent agreements to secure the bonds, including

171 payment from any legally available source of fees, charges, or other amounts coming due under

172 the agreements entered into by the commission.

173 (3) (a) Any signature of a public official authorized by resolution of the commission to

174 sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or

175 otherwise placed on the bonds.

176 (b) If all signatures of public officials on the bonds are facsimile signatures, provision shall

177 be made for a manual authenticating signature on the bonds by or on behalf of a designated

178 authentication agent.

179 (c) If an official ceases to hold office before delivery of the bonds signed by that official,

180 the signature or facsimile signature of the official is nevertheless valid for all purposes.

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

182 on the bonds.

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

186 (b) Bonds in changed denominations shall:

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

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

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

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

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

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

205 (6) The commission may:

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

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

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

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

212 Section 8. Section **63B-10-106** is enacted to read:

213 **63B-10-106. Constitutional debt limitation.**

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

216 (2) For purposes of applying the debt limitation contained in Utah Constitution Article
217 XIV, Section 1, the value of the taxable property in Utah is considered to be 100% of the fair
218 market value of the taxable property of the state, including fee-in-lieu property, as computed from
219 the last assessment for state purposes previous to the issuance of the bonds.

220 Section 9. Section **63B-10-107** is enacted to read:

221 **63B-10-107. Tax levy -- Abatement of tax.**

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

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

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

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

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

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

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

233 Section 10. Section **63B-10-108** is enacted to read:

234 **63B-10-108. Creation of sinking fund.**

235 (1) There is created a sinking fund, to be administered by the state treasurer, entitled the
236 "2001 Highway General Obligation Bonds Sinking Fund."

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

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

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

242 Section 11. Section **63B-10-109** is enacted to read:

243 **63B-10-109. Payment of interest, principal, and redemption premiums.**

244 (1) The Division of Finance shall draw warrants on the state treasury before any interest,

245 principal, or redemption premiums become due on the bonds.

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

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

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

249 Section 12. Section **63B-10-110** is enacted to read:

250 **63B-10-110. Investment of sinking fund money.**

251 (1) The state treasurer may, by following the procedures and requirements of Title 51,

252 Chapter 7, State Money Management Act, invest any money contained in the sinking fund until

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

254 (2) Unless otherwise provided in the resolution of the commission authorizing the issuance

255 of bonds under this chapter, the treasurer shall retain all income from the investment of any money

256 contained in the sinking fund in the sinking fund and use it for the payment of debt service on the

257 bonds.

258 Section 13. Section **63B-10-111** is enacted to read:

259 **63B-10-111. Bond proceeds -- Deposits -- Investment -- Disposition of investment**

260 **income and unexpended proceeds.**

261 (1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within

262 one or more accounts as determined by resolution of the commission.

263 (b) The state treasurer shall administer and maintain these accounts unless otherwise

264 provided by the commission by resolution.

265 (c) The commission, by resolution, may provide for the deposit of these monies with a

266 trustee and the administration, disposition, or investment of these monies by this trustee.

267 (2) (a) The commission, by resolution, shall provide for the kinds of investments in which

268 the proceeds of bonds issued under this chapter may be invested.

269 (b) Income from the investment of proceeds of bonds issued under this chapter shall be

270 applied as provided by resolution of the commission.

271 (3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon

272 completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise

273 provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

274 Section 14. Section **63B-10-112** is enacted to read:

275 **63B-10-112. Refunding of bonds.**

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

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

280 Section 15. Section **63B-10-113** is enacted to read:

281 **63B-10-113. Certification of satisfaction of conditions precedent -- Conclusiveness.**

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

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

286 Section 16. Section **63B-10-114** is enacted to read:

287 **63B-10-114. Tax exemption.**

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

290 Section 17. Section **63B-10-115** is enacted to read:

291 **63B-10-115. Legal investment status.**

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

295 Section 18. Section **63B-10-116** is enacted to read:

296 **63B-10-116. Publication of resolution or notice -- Limitation on actions to contest**
297 **legality.**

298 (1) The commission may:

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

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

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

304 (i) the legality of the resolution;

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

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

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

310 Section 19. Section **63B-10-117** is enacted to read:

311 **63B-10-117. Report to Legislature.**

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

314 Section 20. Section **63B-10-201** is enacted to read:

315 **Part 2. 2001 Highway General Obligation Bond Anticipation Notes Authorization**

316 **63B-10-201. Definitions.**

317 As used in this part:

318 (1) "Bond anticipation note" means a note issued in anticipation of the receipt of the
319 proceeds of the sale of the bonds authorized under Part 1 of this chapter.

320 (2) "Flexible note" means a bond anticipation note whose interest is payable at, and on one
321 or more dates before, maturity.

322 (3) (a) "Short-term series note" means a bond anticipation note that is one of a series of
323 notes issued pursuant to a financing program under which it is expected that:

324 (i) each note will be paid from the proceeds of one or more renewal notes of that series;
325 and

326 (ii) the final note or notes of the series will be paid from:

327 (A) the proceeds of bonds in anticipation of the receipt of which the note or notes were
328 issued; or

329 (B) monies of the state on hand and legally available for that purpose.

330 (b) "Short-term series note" includes any note issued pursuant to a revolving credit
331 agreement or other similar liquidity facility for the purpose of renewing or paying outstanding
332 short-term series notes on their stated maturity dates when those short-term series notes are not
333 renewed or paid from the proceeds of one or more other renewal notes of the series.

334 Section 21. Section **63B-10-202** is enacted to read:

335 **63B-10-202. Authorization, terms, and procedures.**

336 (1) The state treasurer may, by written order, issue bond anticipation notes and renewals
337 of bond anticipation notes, including, but not limited to, flexible notes and short-term series notes.

- 338 in the form and with the terms that he determines.
- 339 (2) The state treasurer may:
- 340 (a) enter into whatever agreements with other persons that he considers necessary or
- 341 appropriate in connection with the issuance, sale, and resale of the notes; and
- 342 (b) resell or retire any notes purchased by the state before the stated maturity of those
- 343 notes.
- 344 (3) (a) The notes and renewals of the notes shall:
- 345 (i) bear the interest rate or rates as determined by the state treasurer; and
- 346 (ii) mature within a period not to exceed five years from the date of original issuance.
- 347 (b) The notes and renewals of notes may:
- 348 (i) bear a variable interest rate; and
- 349 (ii) be redeemed prior to maturity by the state treasurer, but only in accordance with the
- 350 provisions of the notes relating to redemption prior to maturity.
- 351 (4) The proceeds from the sale of the notes may be used only for:
- 352 (a) the purposes established in Section 63B-10-102;
- 353 (b) the payment of principal of and, if not otherwise provided, interest on, bond
- 354 anticipation notes;
- 355 (c) the payment of costs of issuance; or
- 356 (d) any combination of Subsections (4)(a), (b), and (c).
- 357 (5) (a) All of the notes and any renewals of the notes shall be payable from the proceeds
- 358 of the sale of bonds.
- 359 (b) A renewal of any note may not be issued after the sale of bonds in anticipation of
- 360 which the original note was issued.
- 361 (6) If a sale of the bonds has not occurred before the maturity of the notes issued in
- 362 anticipation of the sale, the state treasurer shall, in order to meet the notes then maturing:
- 363 (a) issue renewal notes for that purpose;
- 364 (b) pay the notes from state monies legally available for paying those notes; or
- 365 (c) any combination of Subsections (6)(a) and (b).
- 366 (7) Each note and any renewal of any note, with the interest on the note or renewal,
- 367 constitute general obligations of the state.
- 368 (8) Each note and any renewal of any note, with the interest on the note or renewal, shall

369 be:

370 (a) secured by the full faith, credit, and resources of the state in the manner provided in

371 Part 1 of this chapter;

372 (b) payable from:

373 (i) the proceeds of the sale of the bonds and not from any other borrowing; and

374 (ii) monies of the state on hand and legally available for that purpose; or

375 (iii) any combination of Subsections (8)(b)(i) and (ii); and

376 (c) payable within five years from the date of original issue.

377 (9) (a) As used in this Subsection (9), "total amount of bonds authorized to be issued but
378 not yet issued" includes bonds authorized to be issued only if one or more conditions are met.

379 (b) The total amount of notes or renewals of notes issued and outstanding at any one time
380 may not exceed the total amount of bonds authorized to be issued but not yet issued.

381 (10) The state treasurer shall, in his annual report to the governor, include a detailed
382 statement of all notes and bonds issued during the year and of his actions in relation to them.

383 Section 22. Section **63B-10-203** is enacted to read:

384 **63B-10-203. Purchase and redemption requirements.**

385 (1) The notes and renewals of notes may provide the holders of the notes or renewals of
386 notes with the right to require the state or other persons to purchase or redeem the notes or renewal
387 notes before the stated maturity of the notes or renewals.

388 (2) Notwithstanding Subsection (1), the holders of the notes and renewals of notes may
389 not be provided with the right to require the state to repurchase or redeem the notes and renewals
390 of the notes before their stated maturity unless the state has entered into one or more letter of credit
391 agreements or other liquidity facility agreements:

392 (a) for the express purpose of those sales;

393 (b) that require a financially responsible party or parties to the agreement or agreements,
394 other than the state, to purchase or redeem all or any portion of the notes and renewals of notes
395 tendered by the holders of the notes or renewals of notes for repurchase or redemption before the
396 stated maturity of the notes and renewals of notes; and

397 (c) that continue until the right of the holders of the notes and renewals of notes to require
398 repurchase or redemption of the notes and renewals of notes before the stated maturity has ceased.

399 Section 23. Section **63B-10-204** is enacted to read:

400 **63B-10-204. General provisions -- Funds and accounts.**401 (1) (a) Sections 63B-10-105, 63B-10-106, 63B-10-113, 63B-10-114, 63B-10-115, and
402 63B-10-116 apply to any notes or renewals of notes issued under this part.403 (b) (i) For purposes of this part, any action that those sections require or permit the
404 commission to take shall be considered sufficient if taken by the state treasurer.405 (ii) The treasurer may take action by issuing a written order, or in some other manner that
406 he finds necessary or convenient, to accomplish the purposes of this part.407 (2) The treasurer may:408 (a) in a written order, establish whatever funds and accounts are necessary or desirable to
409 carry out the purposes of this part; and410 (b) until the monies are needed for the purpose for which the fund or account was created,
411 invest the monies held in those funds and accounts by following the procedures and requirements
412 of Title 51, Chapter 7, State Money Management Act.413 Section 24. Section **63B-10-501** is enacted to read:414 **Part 5. 2001 Revenue Bond Authorizations**415 **63B-10-501. Revenue bond authorizations.**416 (1) (a) It is the intent of the Legislature that the State Building Ownership Authority, under
417 the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute
418 obligations, or enter into or arrange for a lease purchase agreement in which participation interests
419 may be created, to provide up to \$8,281,000 for the construction of an expansion of the
420 Department of Alcoholic Beverage Control warehouse together with additional amounts necessary
421 to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.422 (b) It is the intent of the Legislature that enhanced revenues of the Department of
423 Alcoholic Beverage Control be used as the primary revenue source for repayment of any obligation
424 created under authority of this Subsection (1).425 (2) (a) It is the intent of the Legislature that the State Building Ownership Authority, under
426 the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute
427 obligations, or enter into or arrange for a lease purchase agreement in which participation interests
428 may be created, to provide up to \$957,100 for the acquisition of a site and construction of a store
429 in the western part of Salt Lake County for the Department of Alcoholic Beverage Control together
430 with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any

431 debt service reserve requirements.

432 (b) It is the intent of the Legislature that enhanced revenues of the Department of
433 Alcoholic Beverage Control be used as the primary revenue source for repayment of any obligation
434 created under authority of this Subsection (2).

435 (3) (a) It is the intent of the Legislature that the State Building Ownership Authority, under
436 the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute
437 obligations, or enter into or arrange for a lease purchase agreement in which participation interests
438 may be created, to provide up to \$1,497,700 for the acquisition of a site and construction of a store
439 in the southern part of Salt Lake County for the Department of Alcoholic Beverage Control
440 together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and
441 fund any debt service reserve requirements.

442 (b) It is the intent of the Legislature that enhanced revenues of the Department of
443 Alcoholic Beverage Control be used as the primary revenue source for repayment of any obligation
444 created under authority of this Subsection (3).

445 (4) (a) It is the intent of the Legislature that the State Building Ownership Authority, under
446 the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute
447 obligations, or enter into or arrange for a lease purchase agreement in which participation interests
448 may be created, to provide up to \$100,000,000 for the acquisition and construction of a cancer
449 clinical research hospital facility adjacent to the University of Utah Medical Center, together with
450 additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt
451 service reserve requirements.

452 (b) The State Building Ownership Authority shall work cooperatively with the Division
453 of Facilities Construction and Management and the University of Utah to seek out the most cost
454 effective and prudent lease purchase plan available.

455 (c) It is the intent of the Legislature that the University of Utah lease land to the State
456 Building Ownership Authority for the construction of a cancer clinical research hospital facility
457 adjacent to the University of Utah Medical Center.

458 (d) The anticipated revenue sources for repayment of any obligation created under
459 authority of this section are:

460 (i) 60% from the Huntsman Cancer Foundation; and

461 (ii) 40% from institutional funds of the University of Utah, including the University's

462 annual distribution of tobacco settlement funds from the state.

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

464 (a) the Board of Regents, on behalf of the University of Utah, issue, sell, and deliver
465 revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on
466 the credit, revenues, and reserves of the University of Utah, other than appropriations of the
467 Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping an expansion
468 of the University Hospital;

469 (b) University Hospital revenues be used as the primary revenue source for repayment of
470 any obligation created under authority of this section; and

471 (c) the bonds or other evidences of indebtedness authorized by this section may provide
472 up to \$25,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized
473 interest, and fund any debt service reserve requirements.

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

475 (a) the Board of Regents, on behalf of Salt Lake Community College, issue, sell, and
476 deliver revenue bonds or other evidences of indebtedness of Salt Lake Community College to
477 borrow money on the credit, revenues, and reserves of Salt Lake Community College, other than
478 appropriations of the Legislature, to finance the cost of acquiring, constructing, furnishing, and
479 equipping the remodel of the cafeteria and expansion of the Student Center;

480 (b) student fees be used as the primary revenue source for repayment of any obligation
481 created under authority of this section; and

482 (c) the bonds or other evidences of indebtedness authorized by this section may provide
483 up to \$6,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized
484 interest, and fund any debt service reserve requirements.

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

486 (a) the Board of Regents, on behalf of Dixie College, issue, sell, and deliver revenue bonds
487 or other evidences of indebtedness of Dixie College to borrow money on the credit, revenues, and
488 reserves of Dixie College, other than appropriations of the Legislature, to finance the cost of
489 acquiring, constructing, furnishing, and equipping an expansion of the Gardner Student Center;

490 (b) student fees be used as the primary revenue source for repayment of any obligation
491 created under authority of this section; and

492 (c) the bonds or other evidences of indebtedness authorized by this section may provide

493 up to \$1,500,000, together with other amounts necessary to pay costs of issuance, pay capitalized
494 interest, and fund any debt service reserve requirements.

495 Section 25. Section **63B-10-601** is enacted to read:

496 **Part 6. Other 2001 Capital Facilities Authorizations and Intent Language**

497 **63B-10-601. Other capital facility authorizations and intent language.**

498 (1) It is the intent of the Legislature that:

499 (a) Utah State University use institutional funds to plan, design, and construct an

500 expansion of the HPER Building under the direction of the director of the Division of Facilities

501 Construction and Management unless supervisory authority has been delegated;

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

503 (c) the university may request state funds for operations and maintenance to the extent that

504 the university is able to demonstrate to the Board of Regents that the facility meets approved

505 academic and training purposes under Board of Regents policy R710.

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

507 (a) the University of Utah use institutional funds to plan, design, and construct the Moran

508 Eye Center II project under the direction of the director of the Division of Facilities Construction

509 and Management unless supervisory authority has been delegated;

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

511 (c) the university may request state funds for operations and maintenance to the extent that

512 the university is able to demonstrate to the Board of Regents that the facility meets approved

513 academic and training purposes under Board of Regents policy R710.

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

515 (a) the University of Utah use institutional funds to plan, design, and construct the E. E.

516 Jones Medical Science Addition under the direction of the director of the Division of Facilities

517 Construction and Management unless supervisory authority has been delegated;

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

519 (c) the university may request state funds for operations and maintenance to the extent that

520 the university is able to demonstrate to the Board of Regents that the facility meets approved

521 academic and training purposes under Board of Regents policy R710.

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

523 (a) the University of Utah use institutional funds to plan, design, and construct a Museum

524 of Natural History under the direction of the director of the Division of Facilities Construction and
525 Management unless supervisory authority has been delegated;

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

527 (c) the university may request state funds for operations and maintenance to the extent that
528 the university is able to demonstrate to the Board of Regents that the facility meets approved
529 academic and training purposes under Board of Regents policy R710.

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

531 (a) Dixie College use institutional funds to plan, design, and construct the Hurricane
532 Education Center under the direction of the director of the Division of Facilities Construction and
533 Management unless supervisory authority has been delegated;

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

535 (c) the college may request state funds for operations and maintenance to the extent that
536 the university is able to demonstrate to the Board of Regents that the facility meets approved
537 academic and training purposes under Board of Regents policy R710.

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

539 (a) Southern Utah University use institutional funds to plan, design, and construct the
540 Shakespearean Festival Center under the direction of the director of the Division of Facilities
541 Construction and Management unless supervisory authority has been delegated;

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

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

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

545 (a) the Department of Corrections use donations to plan, design, and construct the Wasatch
546 Family History Center under the direction of the director of the Division of Facilities Construction
547 and Management unless supervisory authority has been delegated;

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

549 (c) the department may request state funds for operations and maintenance.

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

551 (a) the Department of Workforce Services use \$1,186,700 from its Special Administrative
552 Expense Fund to plan, design, and construct an addition to the Cedar City Employment Center
553 under the direction of the director of the Division of Facilities Construction and Management
554 unless supervisory authority has been delegated; and

555 (b) the department may request state funds for operations and maintenance.

556 (9) It is the intent of the Legislature that the Division of Facilities Construction and
557 Management, acting on behalf of the Department of Natural Resources, may enter into a lease
558 purchase agreement with Carbon County to provide needed space for agency programs in the area
559 if the Department of Natural Resources obtains the approval of the State Building Board by
560 demonstrating that the lease purchase will be a benefit to the state and that the lease, including
561 operation and maintenance costs, can be funded within existing agency budgets.

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

563 (a) the Division of Facilities Construction and Management use \$17,294,400 to erect a new
564 Engineering lab and classroom building at Utah State University and place \$5,943,500 in escrow
565 for the renovation of the existing engineering building to be matched against \$10,000,000 in
566 non-State funds raised by the university; and

567 (b) no state funds be expended on the remodel of the Utah State University Engineering
568 Building until the university has received all of the \$10 million.

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

570 (a) the Division of Facilities Construction and Management use \$4,613,000 to remodel the
571 Merrill Engineering Building at the University of Utah and place \$15,000,000 in escrow for a new
572 engineering building to be matched against \$30,000,000 in non-State funds raised by the
573 university; and

574 (b) no state funds be expended on the new Engineering Building until the university has
575 received at least \$13,000,000.

Legislative Review Note
as of 2-23-01 9:31 AM

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

Office of Legislative Research and General Counsel