

**REVENUE BOND AND CAPITAL FACILITIES**

**AUTHORIZATIONS**

2004 GENERAL SESSION

STATE OF UTAH

**Sponsor: Loraine T. Pace**

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**LONG TITLE**

**General Description:**

This bill authorizes certain state agencies and higher education institutions to issue revenue bonds, to enter lease-purchase agreements, or to build capital facilities using agency or institutional funds.

**Highlighted Provisions:**

This bill:

- ▶ authorizes the issuance of revenue bonds by the State Building Ownership Authority and higher education institutions;
- ▶ authorizes certain state entities to enter into lease-purchase agreements; and
- ▶ authorizes other capital facility construction from agency or institutional funds.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**63B-13-201**, Utah Code Annotated 1953

**63B-13-202**, Utah Code Annotated 1953

**63B-13-301**, Utah Code Annotated 1953

**63B-13-401**, Utah Code Annotated 1953

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

Section 1. Section **63B-13-201** is enacted to read:

**Part 2. 2004 Revenue Bond Authorizations**

**63B-13-201. Revenue bond authorizations -- State Building Ownership Authority.**

(1) (a) It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Act, may issue or execute obligations, or enter into or arrange for a lease purchase agreement in which participation interests may be created, to provide up to \$8,205,000 for the acquisition and construction of five stores for the Department of Alcoholic Beverage Control, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(b) It is the intent of the Legislature that the stores to be addressed through this authorization are:

(i) a new Park City store;

(ii) replacement of the Mount Olympus store;

(iii) replacement of the Ogden City 2nd Street store;

(iv) replacement of the Ogden Patterson Street store; and

(v) expansion of the Provo store.

(c) It is the intent of the Legislature that proceeds from the sale of stores replaced through this authorization shall be deposited in the General Fund.

(d) It is further the intent of the Legislature that increased sales revenues be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (1).

(2) (a) It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter into or arrange for a lease purchase agreement in which participation interests may be created, to provide up to \$8,914,000 for the acquisition and construction of a new regional office building in Ogden, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve

requirements.

(b) It is further the intent of the Legislature that existing rent budgets be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (2).

(3) (a) It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$1,450,000 for the acquisition of the leased regional office building and adjacent land in Moab, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(b) It is further the intent of the Legislature that existing rent budgets be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (3).

(4) (a) It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$7,103,000 for the acquisition of the Tooele Courts building and adjacent land in Tooele City, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(b) It is further the intent of the Legislature that court fees be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (4).

Section 2. Section **63B-13-202** is enacted to read:

**63B-13-202. Revenue Bond Authorizations -- Board of Regents.**

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

(a) the Board of Regents may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the Board of Regents to borrow money on the credit, revenues, and reserves of

the Higher Education Student Loan Program, to finance the cost of acquiring, furnishing, and equipping office space;

(b) funds within the Board of Regents' budget that would otherwise be expended for rent be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (1);

(c) the bonds or other evidences of indebtedness authorized by this Subsection (1) may provide up to \$3,600,000, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements; and

(d) the Board of Regents may not request an increase, beyond that resulting from inflation, in state funds for operations and maintenance of the facility acquired under this authorization.

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

(a) the Board of Regents, on behalf of Utah State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow money on the credit, revenues, and reserves of Utah State University, other than appropriations of the Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping a Student Living and Learning Community and a parking terrace;

(b) student housing revenues, parking revenues, and other auxiliary revenues be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (2);

(c) the bonds or other evidences of indebtedness authorized by this Subsection (2) may provide up to \$35,500,000, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements; and

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

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

(a) the Board of Regents, on behalf of Utah State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow money on the credit, revenues, and reserves of Utah State University, other than appropriations of the

Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping a renovation of Romney Stadium and expansion of the Nelson Fieldhouse, and to repay an internal debt for the purchase of the Student Wellness Center;

(b) student fees be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (3);

(c) the bonds or other evidences of indebtedness authorized by this Subsection (3) may provide up to \$10,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements; and

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

Section 3. Section **63B-13-301** is enacted to read:

**Part 3. 2004 Lease-purchase authorizations**

**63B-13-301. Lease-purchase authorizations.**

(1) It is the intent of the Legislature that the Mountainland Applied Technology Campus of the Utah College of Applied Technology may use existing funds to enter into a lease-purchase agreement with Alpine School District for the acquisition of the Pacific Avenue Applied Technology Facility costing up to \$2,900,000.

(2) It is further the intent of the Legislature that a lease may not be executed until the State Building Board has determined that the lease-purchase option is less costly to the state than the current lease.

Section 4. Section **63B-13-401** is enacted to read:

**Part 4. Capital Facility Construction Authorizations**

**63B-13-401. Authorizations to Construct Capital Facilities using institutional or agency funds.**

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

(a) the University of Utah may use federal grants, research funds, and other institutional funds to plan, design, and construct a Department of Chemistry Gauss Haus under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

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

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

(a) the University of Utah use donations and other institutional funds to plan, design, and construct a College of Health Academic Facility under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

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

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

(a) the University of Utah use donations and other institutional funds to plan, design, and construct a Geology and Geophysics Building and parking terrace under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

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

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

(a) Utah State University use donations, federal grants, and other institutional funds to plan, design, and construct a Child Care Facility under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

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

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

(a) Utah State University use donations and other institutional funds to plan, design, and construct a replacement Team Building at Romney Stadium under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

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

(6) It is the intent of the Legislature that Utah State University use up to \$200,000 of excess funds in its Contingency Reserve from state funded projects to increase the capacity of its chilled water plant.

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

(a) the Utah College of Applied Technology use donations to plan, design, and construct an Entrepreneurial Building at the Davis ATC campus under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

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

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

(a) the Utah College of Applied Technology use donations, grants from the Community Impact Board, and existing reserves to plan, design, and construct a technology building at the Blanding campus of the Southeast ATC under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated; and

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

(9) (a) It is the intent of the Legislature that the Department of Workforce Services use up to \$2,801,000 from its Special Administrative Expense Fund to plan, design, and construct an Employment Center in Logan under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated.

(b) It is the intent of the Legislature that, if agreement is reached to acquire a site from Cache County or Logan City for the project, the Division of Facilities Construction and

Management may sell or exchange the currently-owned Workforce Services property and apply the proceeds to the acquisition of the site and towards the cost of the project.

(10) It is the intent of the Legislature that the Department of Natural Resources use up to \$250,000 of the existing balance in its Wildlife Resources Trust Account to purchase property in Price to be used for a future office complex for the Department of Natural Resources.

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

(a) the Utah National Guard use federal funds to plan, design, and construct a Total Army School System (TASS) Barracks at Camp Williams under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

(c) the National Guard may not request state funds for operations and maintenance.

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

(a) the Utah National Guard use federal funds to plan, design, and construct a Readiness Center at Camp Williams under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

(c) the National Guard may request state funds for operations and maintenance.

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

(a) the Department of Public Safety, the Department of Corrections, and Salt Lake Community College use donations, federal funds, and other non-appropriated funds to plan, design, and construct a Western Regional Public Safety Education and Training Center under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated or the construction of the project is otherwise exempt from the director's oversight;

(b) no state funds be used for any portion of this project other than planning and design;

(c) the Department of Public Safety and the Department of Corrections may request state funds for operations and maintenance; and

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