

1                                   **GENERAL OBLIGATION BONDS**

2   **AUTHORIZATIONS**

3   2004 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: Loraine T. Pace**

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7   **LONG TITLE**

8   **General Description:**

9           This bill authorizes the issuance of general obligation bonds for certain capital  
10 facilities.

11 **Highlighted Provisions:**

12           This bill:

13           ▶ modifies the Bonding Code by authorizing the issuance and sale of general  
14 obligation bonds by the State Bonding Commission for capital facilities and for  
15 certain related facilities;

16           ▶ specifies the use of the general obligation bond proceeds and the manner of  
17 issuance; and

18           ▶ provides expressions of legislative intent.

19 **Monies Appropriated in this Bill:**

20           None

21 **Other Special Clauses:**

22           None

23 **Utah Code Sections Affected:**

24 ENACTS:

25           **63B-13-101**, Utah Code Annotated 1953

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



28 Section 1. Section 63B-13-101 is enacted to read:

29 CHAPTER 13. 2004 BONDING AND FINANCING AUTHORIZATIONS

30 Part 1. 2004 General Obligation Bonds

31 63B-13-101. Capital facilities bonds -- Maximum amount -- Projects authorized.

32 (1) The total amount of bonds issued under this section may not exceed \$110,200,000.

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

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

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

43 -----  
44 CAPITAL DEVELOPMENT PROJECTS

	<u>Estimated</u>	
<u>Project</u>	<u>Operations</u>	<u>Project</u>
<u>Description</u>	<u>and</u>	<u>Amount</u>
<u>-----</u>	<u>Maintenance</u>	<u>Funded</u>
<u>-----</u>	<u>-----</u>	<u>-----</u>
<u>State Capitol Remodel</u>	<u>\$0</u>	<u>\$50,000,000</u>
<u>Weber State University -</u>		
<u>Swenson Remodel</u>	<u>\$75,400</u>	<u>\$5,569,000</u>
<u>Salt Lake Community College -</u>		
<u>Health Sciences (West Jordan)</u>	<u>\$762,000</u>	<u>\$21,000,000</u>
<u>Southern Utah University -</u>		
<u>Teacher Education</u>	<u>\$320,500</u>	<u>\$10,000,000</u>
<u>Dixie State College Health</u>		
<u>Sciences Building</u>	<u>\$450,800</u>	<u>\$15,000,000</u>

59	<u>Utah National Guard -</u>		
60	<u>North Salt Lake</u>		
61	<u>Readiness Center</u>	<u>\$42,500</u>	<u>\$2,719,000</u>
62	<u>Oxbow Prison Purchase</u>	<u>\$0</u>	<u>\$4,800,000</u>
63	<u>TOTAL CAPITAL</u>		
64	<u>DEVELOPMENT</u>		
65	<u>PROJECTS</u>		<u>\$109,088,000</u>
66	-----		
67	<u>TOTAL GENERAL OBLIGATION BOND AUTHORIZATION</u>		
68	<u>FOR CAPITAL DEVELOPMENT PROJECTS</u>		<u>\$109,088,000</u>
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- 70 (d) For purposes of this section, operations and maintenance costs:
- 71 (i) are estimates only;
- 72 (ii) may include any operations and maintenance costs already funded in existing
- 73 agency budgets; and
- 74 (iii) are not commitments by this Legislature or future Legislatures to fund those
- 75 operations and maintenance costs.
- 76 (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not
- 77 constitute a limitation on the amount that may be expended for any project.
- 78 (b) The board may revise these estimates and redistribute the amount estimated for a
- 79 project among the projects authorized.
- 80 (c) The commission, by resolution and in consultation with the board, may delete one
- 81 or more projects from this list if the inclusion of that project or those projects in the list could
- 82 be construed to violate state law or federal law or regulation.
- 83 (4) (a) The division may enter into agreements related to these projects before the
- 84 receipt of proceeds of bonds issued under this chapter.
- 85 (b) The division shall make those expenditures from unexpended and unencumbered
- 86 building funds already appropriated to the Capital Projects Fund.
- 87 (c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds
- 88 of bonds issued under this chapter.
- 89 (d) The commission or the state treasurer may make any statement of intent relating to

90 that reimbursement that is necessary or desirable to comply with federal tax law.

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

92 (a) the funding authorized for projects in Subsection (2) include funds for public art  
93 except for the following projects:

94 (i) National Guard North Salt Lake Readiness Center; and

95 (ii) Oxbow Prison;

96 (b) no state funds may be expended for the National Guard North Salt Lake Readiness  
97 Center project until the United States Congress appropriates monies for that project; and

98 (c) the Bonding Commission may not issue bonds until the United States Congress  
99 appropriates monies for that project.

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**Legislative Review Note**  
**as of 2-24-04 7:16 PM**

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

**Office of Legislative Research and General Counsel**

**State Impact**

A general obligation bond of \$109,088,000 will be issued for facilities (plus issuance costs). Assuming standard six year repayment at four percent there will be a first year payment of approximately \$2,235,000 and four payments of approximately \$4,473,000 followed by one principal payment.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
General Fund	\$2,235,000	\$4,473,000	\$0	\$0
Dedicated Credits Revenue	\$0	\$0	\$109,088,000	\$0
<b>TOTAL</b>	<b>\$2,235,000</b>	<b>\$4,473,000</b>	<b>\$109,088,000</b>	<b>\$0</b>

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**Individual and Business Impact**

No fiscal impact.

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