

**Representative Stephen D. Clark** proposes the following substitute bill:

**REVENUE BOND AND CAPITAL FACILITIES**

**AUTHORIZATIONS**

2010 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen D. Clark**

Senate Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill authorizes certain state agencies and higher education institutions to issue revenue bonds, to build capital facilities using agency, institutional, or donated funds, to sell, lease, or dispose of property, or to use donations to prepare preliminary proposals.

**Highlighted Provisions:**

This bill:

- ▶ authorizes the issuance of revenue bonds by the State Board of Regents;
- ▶ authorizes other capital facility design and construction to be funded from agency, institutional, or donated funds;
- ▶ authorizes the University of Utah to use donations to prepare preliminary plans for a dental school, subject to certain restrictions; and
- ▶ authorizes the sale, lease, or disposal of certain state real property and certain interests in real property.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None



26 **Utah Code Sections Affected:**

27 ENACTS:

28 **63B-19-101**, Utah Code Annotated 1953

29 **63B-19-201**, Utah Code Annotated 1953

30 **63B-19-301**, Utah Code Annotated 1953

31 **63B-19-401**, Utah Code Annotated 1953



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

34 Section 1. Section **63B-19-101** is enacted to read:

35 **Part 1. 2010 Revenue Bond Authorizations**

36 **63B-19-101. Revenue bond authorizations -- Board of Regents.**

37 (1) The Legislature intends that:

38 (a) the Board of Regents, on behalf of Weber State University, may issue, sell, and  
39 deliver revenue bonds or other evidences of indebtedness of Weber State University to borrow  
40 money on the credit, revenues, and reserves of the university, other than appropriations of the  
41 Legislature, to finance the cost of demolition, replacement, and construction of student housing  
42 on the Ogden campus;

43 (b) Weber State University use student housing rental fees and parking fees as the  
44 primary revenue sources for repayment of any obligation created under authority of this  
45 section;

46 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
47 this section is \$15,000,000, together with other amounts necessary to pay costs of issuance, pay  
48 capitalized interest, and fund any debt service reserve requirements;

49 (d) the university may plan, design, and construct the Ogden campus housing project  
50 subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of  
51 Facilities Construction and Management; and

52 (e) the university may not request state funds for operation and maintenance costs.

53 (2) The Legislature intends that:

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

57 Legislature, to finance the cost of purchasing the Ambassador Building from Salt Lake County;

58 (b) the University of Utah use clinical revenues and other institutional funds as the  
59 primary revenue source for repayment of any obligation created under authority of this section;

60 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
61 this section is \$12,000,000, together with other amounts necessary to pay costs of issuance, pay  
62 capitalized interest, and fund any debt service reserve requirements; and

63 (d) the university may not request state funds for operation and maintenance costs.

64 (3) The Legislature intends that:

65 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
66 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
67 money on the credit, revenues, and reserves of the university, other than appropriations of the  
68 Legislature, to finance the cost of purchasing the Orthopaedics Building from the Utah

69 Orthopaedic Foundation;

70 (b) the University of Utah use clinical revenues and other institutional funds as the  
71 primary revenue sources for repayment of any obligation created under authority of this  
72 section;

73 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
74 this section is \$25,000,000, together with other amounts necessary to pay costs of issuance, pay  
75 capitalized interest, and fund any debt service reserve requirements; and

76 (d) the university may not request state funds for operation and maintenance costs.

77 (4) The Legislature intends that:

78 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
79 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
80 money on the credit, revenues, and reserves of the university, other than appropriations of the  
81 Legislature, to finance the cost of constructing an expansion of the University Guest House;

82 (b) the University of Utah use room rental, meeting room rental, and the sale of  
83 ancillary services as the primary revenue sources for repayment of any obligation created under  
84 authority of this section;

85 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
86 this section is \$10,000,000, together with other amounts necessary to pay costs of issuance, pay  
87 capitalized interest, and fund any debt service reserve requirements;

88 (d) the university may plan, design, and construct the expansion of the University  
89 Guest House project subject to the requirements of Title 63A, Chapter 5, State Building Board  
90 - Division of Facilities Construction and Management; and

91 (e) the university may not request state funds for operation and maintenance costs.

92 (5) The Legislature intends that:

93 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
94 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
95 money on the credit, revenues, and reserves of the university, other than appropriations of the  
96 Legislature, to finance the cost of constructing an Ambulatory Care Complex;

97 (b) the University of Utah use clinical revenues and other institutional funds as the  
98 primary revenue sources for repayment of any obligation created under authority of this  
99 section;

100 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
101 this section is \$119,541,000, together with other amounts necessary to pay costs of issuance,  
102 pay capitalized interest, and fund any debt service reserve requirements;

103 (d) the university may plan, design, and construct the Ambulatory Care Complex  
104 project subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of  
105 Facilities Construction and Management; and

106 (e) the university may not request state funds for operation and maintenance costs.

107 (6) The Legislature intends that:

108 (a) the Board of Regents, on behalf of Southern Utah University, may issue, sell, and  
109 deliver revenue bonds or other evidences of indebtedness of Southern Utah University to  
110 borrow money on the credit, revenues, and reserves of the university, other than appropriations  
111 of the Legislature, to finance the cost of constructing the Southern Utah Museum of Arts in  
112 conjunction with other funds authorized in Subsection 63B-19-201(1);

113 (b) Southern Utah University use student fees as the primary revenue sources for  
114 repayment of any obligation created under authority of this section;

115 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
116 this section is \$2,500,000, together with other amounts necessary to pay costs of issuance, pay  
117 capitalized interest, and fund any debt service reserve requirements;

118 (d) the university may plan, design, and construct the Southern Utah Museum of Arts

119 project subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of  
120 Facilities Construction and Management; and

121 (e) the university may not request state funds for operation and maintenance costs.

122 Section 2. Section **63B-19-201** is enacted to read:

123 **Part 2. 2010 Capital Facility Design and Construction Authorizations**

124 **63B-19-201. Authorizations to design and construct capital facilities using**

125 **institutional or agency funds.**

126 (1) The Legislature intends that:

127 (a) Southern Utah University may, subject to the requirements of Title 63A, Chapter 5,  
128 State Building Board - Division of Facilities Construction and Management, use \$10,000,000  
129 in donations and the revenue bond authorized in Subsection 63B-19-101(6) to plan, design, and  
130 construct a Southern Utah Museum of Arts, with 28,000 new square feet;

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

132 (c) the university may not request state funds for operation and maintenance costs or  
133 capital improvements.

134 (2) The Legislature intends that:

135 (a) the University of Utah may, subject to the requirements of Title 63A, Chapter 5,  
136 State Building Board - Division of Facilities Construction and Management, use \$17,878,000  
137 in donations, federal funds, and institutional funds to plan, design, and construct an addition to  
138 the Henry Eyring Building, with 40,915 new square feet;

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

140 (c) the university may not request state funds for operation and maintenance costs or  
141 capital improvements.

142 (3) The Legislature intends that:

143 (a) Utah State University may, subject to the requirements of Title 63A, Chapter 5,  
144 State Building Board - Division of Facilities Construction and Management, use \$3,000,000 in  
145 donations to plan, design, and construct a Botanical Center classroom building, with 7,900 new  
146 square feet;

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

148 (c) the university may not request state funds for operation and maintenance costs or  
149 capital improvements.

150 (4) The Legislature intends that:

151 (a) the Division of Services for the Blind and Visually Impaired in the Utah State  
152 Office of Rehabilitation may, subject to the requirements of Title 63A, Chapter 5, State  
153 Building Board - Division of Facilities Construction and Management, use \$1,497,000 in  
154 federal grants to plan, design, and construct a residential facility for the blind, with 8,000 new  
155 square feet;

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

157 (c) the division may not request state funds for operation and maintenance costs or  
158 capital improvements.

159 (5) The Legislature intends that:

160 (a) the Department of Public Safety may, subject to the requirements of Title 63A,  
161 Chapter 5, State Building Board - Division of Facilities Construction and Management, use  
162 \$3,294,000 of nonlapsing balances within the driver license line item in the Department of  
163 Public Safety budget in fiscal year 2010 to plan, design, and construct an Ogden driver license  
164 building with 10,500 new square feet;

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

166 (c) the department may not request state funds for operation and maintenance costs or  
167 capital improvements.

168 (6) The Legislature intends that:

169 (a) the University of Utah may use donations to prepare preliminary plans for a dental  
170 school building;

171 (b) no state funds be used for any portion of the planning; and

172 (c) the University of Utah may not design or construct a dental school building unless  
173 and until the Legislature authorizes:

174 (i) the design and construction of a dental school building;

175 (ii) the University to pursue the establishment of a dental school program; and

176 (iii) the appropriation of funds at a level sufficient to fund a dental school program at  
177 the University of Utah.

178 Section 3. Section **63B-19-301** is enacted to read:

179 **Part 3. 2010 Property Authorizations**

180 **63B-19-301. Authorizations to sell property.**

181 The Legislature intends that the Division of Facilities Construction and Management  
182 and any other state agency with title to property identified as Emery County Tax Parcel  
183 No.1-156-6 are authorized to sell a perpetual easement to Rocky Mountain Power that is  
184 approximately 60 feet in width on property at Green River that was subject to cleanup of  
185 radiation contamination by the United States Department of Energy and was acquired by the  
186 state of Utah, the purchase of which was funded 90% by the federal government pursuant to 42  
187 U.S.C. Sec. 7914, subject to the following:

188 (1) The easement shall identify the conditions of the sale and require the payment of  
189 \$5,000 as consideration, of which 90% is to be refunded to the federal government.

190 (2) Rocky Mountain Power shall be required to comply with all applicable  
191 environmental laws and requirements in regard to the easement.

192 Section 4. Section **63B-19-401** is enacted to read:

193 **Part 4. 2010 Lease-Purchase Authorizations**

194 **63B-19-401. Lease-purchase authorizations.**

195 The Legislature intends that the courts may use existing funds to enter into a  
196 lease-purchase agreement for the Spanish Fork Courthouse at no additional cost to the state.

---

---

**H.B. 5 1st Sub. (Buff) - Revenue Bond and Capital Facilities Authorizations**

**Fiscal Note**

2010 General Session

State of Utah

---

---

**State Impact**

The bill authorizes \$181,541,000 (plus direct issue costs) for revenue bond projects and \$35,669,000 for design and construction using agency funds.

---

**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

---