	CAPITAL FACILITIES BONDS AMENDMENTS			
2010 GENERAL SESSION				
	STATE OF UTAH			
Chief Sponsor: Wayne L. Niederhauser				
	House Sponsor:			
LONG	TITLE			
Genera	l Description:			
,	This bill modifies the terms for issuing general obligation bonds for a capital facility			
project.				
Highlig	hted Provisions:			
r	This bill:			
	 modifies existing language and dollar amounts on authorized costs and 			
authoriz	vation caps to comply with current language and funding practices;			
	 removes the prerequisites for issuing and selling general obligation bonds for the 			
Utah St	ate University Agricultural Science Classroom Building capital facility			
project;	and			
	 makes technical changes. 			
Monies	Appropriated in this Bill:			
]	None			
Other S	Special Clauses:			
]	None			
Utah C	ode Sections Affected:			
AMENI	DS:			
1	63B-17-101 , as enacted by Laws of Utah 2008, Chapter 224			

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

S.B. 35

01-05-10 3:11 PM

63B-17-101. Capital facilities bonds Maximum amount Projects authorized. (1) [(#)] The total amount of bonds issued under this section may not exceed (1) [(#)] The total amount of bonds issued under this section may not exceed (1) [(#)] The total amount of bonds issued under this section may not exceed (1) [(#)] The total amount of bonds issued under this section may not exceed (1) [(#)] The total amount of bonds issued under this section may not exceed (1) [(#)] The total amount of bonds issued under this section may not exceed (1) [(#)] The total amount of bonds issued under this section may not exceed (1) [(#)] The total amount of usy capitalized interest, and to fund any debt service reserve requirements, with the total costs of the bonds not to exceed \$43,542,100. ([(b) When Utah State University provides written certification to the commission that the President of the United States has signed a federal appropriations bill appropriating monies for the United States Department of Agriculture - Agricultural Research Service's portion of the Agricultural Science Classroom Building and that those monies are available for expenditure, the commission may issue and sell general obligation bonds in a total amount not to exceed 71.85% of the amount of unexpended and available federal monies in the federal appropriations bill or \$43,111,000, whichever is less.] (2) (a) Proceeds from the issuance of bonds shall b	28	Section 1. Section 63B-17-101 is amended to read:							
31 [\$43,750,000] \$43,111,000 for acquisition and construction proceeds, plus additional amounts 32 necessary to pay costs of issuance, to pay capitalized interest, and to fund any debt service 33 [(b) When Utah State University provides written certification to the commission that 34 [(b) When Utah State University provides written certification to the commission that 35 the President of the United States has signed a federal appropriations bill appropriating monies 36 for the United States Department of Agriculture - Agricultural Research Service's portion of the 37 Agricultural Science Classroom Building and that those monies are available for expenditure; 38 the commission may issue and sell general obligation bonds in a total amount not to exceed 37 71.85% of the amount of unexpended and available federal monies in the federal 39 71.85% of the amount of unexpended and available federal monies in the federal 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 52 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 53 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishin	29	63B-17-101. Capital facilities bonds Maximum amount Projects authorized.							
32 necessary to pay costs of issuance, to pay capitalized interest, and to fund any debt service 33 reserve requirements, with the total costs of the bonds not to exceed \$43,542,100. 34 [(b) When Utah State University provides written certification to the commission that 35 the President of the Unived States has signed a federal appropriations bill appropriating monies 36 for the United States Department of Agriculture - Agricultural Research Service's portion of the 37 Agricultural Science Classroom Building and that those monies are available for expenditure, 38 the commission may issue and sell general obligation bonds in a total amount not to exceed 39 71.85% of the amount of unexpended and available federal appropriations in the federal 40 appropriations bill or \$43,111,000, whichever is less:] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to gay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 to the facilities, interest estimated to accrue on these bonds during the period to be </td <td>30</td> <td colspan="8">(1) $[(a)]$ The total amount of bonds issued under this section may not exceed</td>	30	(1) $[(a)]$ The total amount of bonds issued under this section may not exceed							
33 reserve requirements, with the total costs of the bonds not to exceed \$43,542,100. 34 [(b) When Utah State University provides written certification to the commission that 35 the President of the Unived States has signed a federal appropriations bill appropriating monies 36 for the United States Department of Agriculture - Agricultural Research Service's portion of the 37 Agricultural Science Classroom Building and that those monies are available for expenditure, 38 the commission may issue and sell general obligation bonds in a total amount not to exceed 39 71.85% of the amount of unexpended and available federal monies in the federal 39 appropriations bill or \$43,111,000, whichever is less:] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to gay all or part of the cost of acquiring and constructing the projects listed in this 33 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be </td <td>31</td> <td colspan="8">[\$43,750,000] \$43,111,000 for acquisition and construction proceeds, plus additional amounts</td>	31	[\$43,750,000] \$43,111,000 for acquisition and construction proceeds, plus additional amounts							
34 [(b) When Utah State University provides written certification to the commission that 35 the President of the United States has signed a federal appropriations bill appropriating monies 36 for the United States Department of Agriculture - Agricultural Research Service's portion of the 37 Agricultural Science Classroom Building and that those monies are available for expenditure; 38 the commission may issue and sell general obligation bonds in a total amount not to exceed 39 71.85% of the amount of unexpended and available federal monies in the federal 40 appropriations bill or \$43,111,000, whichever is less;] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring, constructing, equipping, and furnishing facilities 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 onvenient to the facilities, interest estimated to accrue on these bonds during the period to be 47 covered by construction of the projects plus a period of six months after the end of the 48 covered by construction of the project shall be provided for the following:	32	necessary to pay costs of issuance, to pay capitalized interest, and to fund any debt service							
35 the President of the United States has signed a federal appropriations bill appropriating monies 36 for the United States Department of Agriculture - Agricultural Research Service's portion of the 37 Agricultural Science Classroom Building and that those monies are available for expenditure; 38 the commission may issue and sell general obligation bonds in a total amount not to exceed 39 71.85% of the amount of unexpended and available federal monies in the federal 40 appropriations bill or \$43,111,000, whichever is less.] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 42 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be 48 covered by construction of the projects plus a period of six months after the end of the 49 construction period, and all related engineering, architectural, and legal fees.<	33	reserve requirements, with the total costs of the bonds not to exceed \$43,542,100.							
36 for the United States Department of Agriculture - Agricultural Research Service's portion of the 37 Agricultural Science Classroom Building and that those monies are available for expenditure; 38 the commission may issue and sell general obligation bonds in a total amount not to exceed 39 71.85% of the amount of unexpended and available federal monies in the federal 40 appropriations bill or \$43,111,000, whichever is less:] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be 48 covered by construction of the projects plus a period of six months after the end of the 49 construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following:	34	[(b) When Utah State University provides written certification to the commission that							
37 Agricultural Science Classroom Building and that those monies are available for expenditure, 38 the commission may issue and sell general obligation bonds in a total amount not to exceed 39 71.85% of the amount of unexpended and available federal monies in the federal 40 appropriations bill or \$43,111,000, whichever is less.] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be 48 covered by construction of the projects plus a period of six months after the end of the 49 construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following: 51	35	the President of the United States ha	is signed a federal app	ropriations bill appropriating monies					
38 the commission may issue and sell general obligation bonds in a total amount not to exceed 39 71.85% of the amount of unexpended and available federal monies in the federal 40 appropriations bill or \$43,111,000, whichever is less.] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be 48 covered by construction of the projects plus a period of six months after the end of the 49 construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following: 51	36	for the United States Department of Agriculture - Agricultural Research Service's portion of the							
39 71.85% of the amount of unexpended and available federal monies in the federal appropriations bill or \$43,111,000, whichever is less.] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide funds to pay all or part of the cost of acquiring and constructing the projects listed in this 42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following: 51	37	Agricultural Science Classroom Building and that those monies are available for expenditure,							
40 appropriations bill or \$43,111,000, whichever is less.] 41 (2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide 42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be 48 covered by construction of the projects plus a period of six months after the end of the 49 construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following: 51	38	the commission may issue and sell general obligation bonds in a total amount not to exceed							
41(2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide42funds to pay all or part of the cost of acquiring and constructing the projects listed in this43Subsection (2).44(b) These costs may include the cost of acquiring land, interests in land, easements and45rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities46and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or47convenient to the facilities, interest estimated to accrue on these bonds during the period to be48covered by construction of the projects plus a period of six months after the end of the49construction period, and all related engineering, architectural, and legal fees.50(c) For the division, proceeds shall be provided for the following:51	39	71.85% of the amount of unexpended and available federal monies in the federal							
42 funds to pay all or part of the cost of acquiring and constructing the projects listed in this 43 Subsection (2). 44 (b) These costs may include the cost of acquiring land, interests in land, easements and 45 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities 46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be 48 covered by construction of the projects plus a period of six months after the end of the 49 construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following: 51	40	appropriations bill or \$43,111,000, whichever is less.]							
43Subsection (2).44(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees.50(c) For the division, proceeds shall be provided for the following:51	41	(2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide							
 (b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees. (c) For the division, proceeds shall be provided for the following: CAPITAL DEVELOPMENT PROJECTS Estimated Operations Project and Amount Description Maintenance Funded 	42	funds to pay all or part of the cost of acquiring and constructing the projects listed in this							
 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees. (c) For the division, proceeds shall be provided for the following: construction period, and all related engineering. CAPITAL DEVELOPMENT PROJECTS Estimated Operations Project and Amount Description Maintenance Funded 	43	Subsection (2).							
46 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or 47 convenient to the facilities, interest estimated to accrue on these bonds during the period to be 48 covered by construction of the projects plus a period of six months after the end of the 49 construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following: 51	44	(b) These costs may include the cost of acquiring land, interests in land, easements and							
 convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees. (c) For the division, proceeds shall be provided for the following: 	45	rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities							
 covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees. (c) For the division, proceeds shall be provided for the following: 	46	and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or							
 49 construction period, and all related engineering, architectural, and legal fees. 50 (c) For the division, proceeds shall be provided for the following: 51	47	convenient to the facilities, interest of	convenient to the facilities, interest estimated to accrue on these bonds during the period to be						
50(c) For the division, proceeds shall be provided for the following:5152CAPITAL DEVELOPMENT PROJECTS53Estimated54Operations55Project56Description57575757	48	covered by construction of the projects plus a period of six months after the end of the							
5152CAPITAL DEVELOPMENT PROJECTS53Estimated54Operations55Project56Description575757	49	construction period, and all related engineering, architectural, and legal fees.							
52CAPITAL DEVELOPMENT PROJECTS53Estimated54OperationsProject55ProjectandAmount56DescriptionMaintenanceFunded57	50	(c) For the division, proceeds shall be provided for the following:							
53Estimated54OperationsProject55ProjectandAmount56DescriptionMaintenanceFunded57	51								
54OperationsProject55ProjectandAmount56DescriptionMaintenanceFunded57	52	CAPITAL DEVELOPMENT PROJECTS							
55ProjectandAmount56DescriptionMaintenanceFunded57	53		Estimated						
56DescriptionMaintenanceFunded57	54		Operations	Project					
57	55	Project	and	Amount					
	56	Description	Maintenance	Funded					
58 USU Agricultural Science	57								
	58	USU Agricultural Science							

01-05-10 3:11 PM

59	Classroom Building	\$493,400	\$43,111,000			
60	TOTAL CAPITAL					
61	DEVELOPMENT					
62	PROJECTS		\$43,111,000			
63						
64	ADDITIONAL AUTHORIZ	ED AMOUNTS	<u>\$431,100</u>			
65	TOTAL GENERAL OBLIGA	ATION BOND AUTHOI	RIZATION			
66	FOR CAPITAL DEVELOPM	IENT PROJECTS	[\$43,111,000] <u>\$43,542,100</u>			
67						
68	(d) For purposes of the	his section, operations an	d maintenance costs:			
69	(i) are estimates only;					
70	(ii) may include any operations and maintenance costs already funded in existing					
71	agency budgets; and					
72	(iii) are not commitm	nents by this Legislature	or future Legislatures to fund those			
73	operations and maintenance costs.					
74	(3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not					
75	constitute a limitation on the amount that may be expended for any project.					
76	(b) The board may revise these estimates and redistribute the amount estimated for a					
77	project among the projects authorized.					
78	(c) The commission, by resolution and in consultation with the board, may delete one					
79	or more projects from this list if the inclusion of that project or those projects in the list could					
80	be construed to violate state law or federal law or regulation.					
81	(4) (a) The division may enter into agreements related to these projects before the					
82	receipt of proceeds of bonds	issued under this chapter				
83	(b) The division shal	l make those expenditure	s from unexpended and unencumbered			
84	building funds already appropriated to the Capital Projects Fund.					
85	(c) The division shall	l reimburse the Capital P	rojects Fund upon receipt of the proceeds			
86	of bonds issued under this ch	apter.				
87	(d) The state intends	to use proceeds of tax-ex	empt bonds to reimburse itself for			
88	expenditures for costs of the projects listed in Subsection (2)(c).					
89	(5) It is the intent of the Legislature that the funding authorized for projects in					

90 Subsection (2) does not include funds for public art.

Legislative Review Note as of 12-2-09 10:47 AM

Office of Legislative Research and General Counsel

S.B. 35 - Capital Facilities Bonds Amendments

Fiscal Note

2010 General Session State of Utah

State Impact

This legislation authorizes issuance of General Obligation bonds, which are backed by the full faith and credit of the state, for construction and design of state buildings. Assuming all of the bonds are issued in the first year, with a standard six year repayment period and flattened payments at today's interest rates, debt service will require approximately \$7,645,000 per year with first year interest cost of \$750,000. Actual debt service will vary according to the date of issuance, interest rates at the time of issuance, and the structure of the bonds. Current debt service appropriations may cover some or all of the debt service requirements for these bonds depending on the structure of the bonds and additional future bond authorizations.

	FY 2010	FY 2011	FY 2012	FY 2010	FV 2011	FY 2012
	<u>Approp.</u>	<u>Approp.</u>	<u>Approp.</u>	Revenue	Revenue	<u>Revenue</u>
Education Fund	\$0	\$750,000	\$7,645,000	\$0		\$0
Total	\$0	\$750,000	\$7,645,000	\$0	\$0	\$0

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.

1/15/2010, 4:44:34 PM, Lead Analyst: Amon, R./Attny: ENW

Office of the Legislative Fiscal Analyst