

1                   **REVENUE BOND AND CAPITAL FACILITIES**

2                                   **AMENDMENTS**

3   2013 GENERAL SESSION

4   STATE OF UTAH

5                           **Chief Sponsor: Wayne A. Harper**

6                                   House Sponsor: Gage Froerer

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8   **LONG TITLE**

9   **General Description:**

10           This bill makes modifications to provisions relating to revenue bonding; authorizes  
11 certain state agencies and institutions to issue revenue bonds; and authorizes the  
12 construction or renovation of capital facilities using agency, institutional, or donated  
13 funds.

14   **Highlighted Provisions:**

15           This bill:

- 16           ▶ modifies capital improvement appropriation requirements for the 2013-14 fiscal  
17 year;
- 18           ▶ authorizes the State Board of Regents to issue bonds for the following:
  - 19           • \$30,000,000 for the Aggie Life & Wellness Center at Utah State University;
  - 20           • \$900,000 for the Blanding Recreational Center at Utah State University;  
21 College of Eastern Utah: Blanding Campus;
  - 22           • \$20,532,000 for the Space Dynamics Laboratory at Utah State University;
  - 23           • \$23,600,000 for the Basketball Training Center - HPER Addition at the  
24 University of Utah; and
  - 25           • \$7,500,000 for the Utah State University Athletic Complex/Training Center at  
26 Utah State University;
- 27           ▶ prohibits the request of state funds for operation and maintenance costs or capital  
28 improvements associated with the authorized revenue bond projects; and
- 29           ▶ authorizes the planning, design, and construction or renovation of the following,

30 provided that only agency, institutional, or donated funds are used:

- 31           • for a Center for the Arts at Southern Utah University at a cost of up to
- 32 \$30,000,000 and prohibits the use of state funds for operation and maintenance
- 33 and capital improvement costs of the building;
- 34           • for the Kennecott Building and Renovation and Addition of Phase II at the
- 35 University of Utah at a cost of up to \$11,040,000, and permits state funds to be
- 36 used for operation and maintenance and capital improvement costs of the
- 37 building;
- 38           • for a Science and Technology Building at the Tooele Campus of Utah State
- 39 University Tooele at a cost of up to \$8,000,000, and permits state funds to be
- 40 used for operation and maintenance and capital improvement costs of the
- 41 building; and
- 42           • for a Communications and Driver License Building at the Department of Public
- 43 Safety in Price at a cost of up to \$1,277,000, and permits state funds to be used
- 44 for operation and maintenance and capital improvement costs of the building.

45 **Money Appropriated in this Bill:**

46           None

47 **Other Special Clauses:**

48           None

49 **Utah Code Sections Affected:**

50 AMENDS:

51           **63A-5-104**, as last amended by Laws of Utah 2012, Chapters 129, 242, and 393

52 ENACTS:

53           **63B-22-101**, Utah Code Annotated 1953

54           **63B-22-201**, Utah Code Annotated 1953



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

57           Section 1. Section **63A-5-104** is amended to read:

58           **63A-5-104. Definitions -- Capital development and capital improvement process**  
59 **-- Approval requirements -- Limitations on new projects -- Emergencies.**

- 60           (1) As used in this section:
- 61           (a) "Capital developments" means a:
- 62           (i) remodeling, site, or utility project with a total cost of \$2,500,000 or more;
- 63           (ii) new facility with a construction cost of \$500,000 or more; or
- 64           (iii) purchase of real property where an appropriation is requested to fund the purchase.
- 65           (b) "Capital improvements" means a:
- 66           (i) remodeling, alteration, replacement, or repair project with a total cost of less than
- 67 \$2,500,000;
- 68           (ii) site and utility improvement with a total cost of less than \$2,500,000; or
- 69           (iii) new facility with a total construction cost of less than \$500,000.
- 70           (c) (i) "New facility" means the construction of a new building on state property
- 71 regardless of funding source.
- 72           (ii) "New facility" includes:
- 73           (A) an addition to an existing building; and
- 74           (B) the enclosure of space that was not previously fully enclosed.
- 75           (iii) "New facility" does not mean:
- 76           (A) the replacement of state-owned space that is demolished or that is otherwise
- 77 removed from state use, if the total construction cost of the replacement space is less than
- 78 \$2,500,000; or
- 79           (B) the construction of facilities that do not fully enclose a space.
- 80           (d) "Replacement cost of existing state facilities" means the replacement cost, as
- 81 determined by the Division of Risk Management, of state facilities, excluding auxiliary
- 82 facilities as defined by the State Building Board.
- 83           (e) "State funds" means public money appropriated by the Legislature.
- 84           (2) The State Building Board, on behalf of all state agencies, commissions,
- 85 departments, and institutions shall submit its capital development recommendations and

86 priorities to the Legislature for approval and prioritization.

87 (3) (a) Except as provided in Subsections (3)(b), (d), and (e), a capital development  
88 project may not be constructed on state property without legislative approval.

89 (b) Legislative approval is not required for a capital development project that consists  
90 of the design or construction of a new facility if the State Building Board determines that:

91 (i) the requesting state agency, commission, department, or institution has provided  
92 adequate assurance that:

93 (A) state funds will not be used for the design or construction of the facility; and

94 (B) the state agency, commission, department, or institution has a plan for funding in  
95 place that will not require increased state funding to cover the cost of operations and  
96 maintenance to, or state funding for, immediate or future capital improvements to the resulting  
97 facility; and

98 (ii) the use of the state property is:

99 (A) appropriate and consistent with the master plan for the property; and

100 (B) will not create an adverse impact on the state.

101 (c) (i) The Division of Facilities Construction and Management shall maintain a record  
102 of facilities constructed under the exemption provided in Subsection (3)(b).

103 (ii) For facilities constructed under the exemption provided in Subsection (3)(b), a state  
104 agency, commission, department, or institution may not request:

105 (A) increased state funds for operations and maintenance; or

106 (B) state capital improvement funding.

107 (d) Legislative approval is not required for:

108 (i) the renovation, remodeling, or retrofitting of an existing facility with nonstate funds  
109 that has been approved by the State Building Board;

110 (ii) a facility to be built with nonstate funds and owned by nonstate entities within  
111 research park areas at the University of Utah and Utah State University;

112 (iii) a facility to be built at This is the Place State Park by This is the Place Foundation  
113 with funds of the foundation, including grant money from the state, or with donated services or

114 materials;

115 (iv) a capital project that:

116 (A) is funded by:

117 (I) the Uintah Basin Revitalization Fund; or

118 (II) the Navajo Revitalization Fund; and

119 (B) does not provide a new facility for a state agency or higher education institution; or

120 (v) a capital project on school and institutional trust lands that is funded by the School

121 and Institutional Trust Lands Administration from the Land Grant Management Fund and that

122 does not fund construction of a new facility for a state agency or higher education institution.

123 (e) (i) Legislative approval is not required for capital development projects to be built

124 for the Department of Transportation:

125 (A) as a result of an exchange of real property under Section 72-5-111; or

126 (B) as a result of a sale or exchange of real property from a maintenance facility if the

127 real property is exchanged for, or the proceeds from the sale of the real property are used for,

128 another maintenance facility, including improvements for a maintenance facility and real

129 property.

130 (ii) When the Department of Transportation approves a sale or exchange under

131 Subsection (3)(e), it shall notify the president of the Senate, the speaker of the House, and the

132 cochairs of the Infrastructure and General Government Appropriations Subcommittee of the

133 Legislature's Joint Appropriation Committee about any new facilities to be built or improved

134 under this exemption.

135 (4) (a) (i) The State Building Board, on behalf of all state agencies, commissions,

136 departments, and institutions shall by January 15 of each year, submit a list of anticipated

137 capital improvement requirements to the Legislature for review and approval.

138 (ii) The list shall identify:

139 (A) a single project that costs more than \$1,000,000;

140 (B) multiple projects within a single building or facility that collectively cost more than

141 \$1,000,000;

142 (C) a single project that will be constructed over multiple years with a yearly cost of  
143 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

144 (D) multiple projects within a single building or facility with a yearly cost of  
145 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

146 (E) a single project previously reported to the Legislature as a capital improvement  
147 project under \$1,000,000 that, because of an increase in costs or scope of work, will now cost  
148 more than \$1,000,000; and

149 (F) multiple projects within a single building or facility previously reported to the  
150 Legislature as a capital improvement project under \$1,000,000 that, because of an increase in  
151 costs or scope of work, will now cost more than \$1,000,000.

152 (b) Unless otherwise directed by the Legislature, the State Building Board shall  
153 prioritize capital improvements from the list submitted to the Legislature up to the level of  
154 appropriation made by the Legislature.

155 (c) In prioritizing capital improvements, the State Building Board shall consider the  
156 results of facility evaluations completed by an architect/engineer as stipulated by the building  
157 board's facilities maintenance standards.

158 (d) The State Building Board may require an entity that benefits from a capital  
159 improvement project to repay the capital improvement funds from savings that result from the  
160 project.

161 (e) The State Building Board may provide capital improvement funding to a single  
162 project, or to multiple projects within a single building or facility, even if the total cost of the  
163 project or multiple projects is \$2,500,000 or more, if:

164 (i) the capital improvement project or multiple projects require more than one year to  
165 complete; and

166 (ii) the Legislature has affirmatively authorized the capital improvement project or  
167 multiple projects to be funded in phases.

168 (5) The Legislature may authorize:

169 (a) the total square feet to be occupied by each state agency; and

170 (b) the total square feet and total cost of lease space for each agency.

171 (6) (a) Except as provided in Subsection (6)(b) or (c), the Legislature may not fund the  
172 design or construction of any new capital development projects, except to complete the funding  
173 of projects for which partial funding has been previously provided, until the Legislature has  
174 appropriated 1.1% of the replacement cost of existing state facilities to capital improvements.

175 (b) (i) As used in this Subsection (6)(b):

176 (A) "Education Fund budget deficit" is as defined in Section 63J-1-312; and

177 (B) "General Fund budget deficit" is as defined in Section 63J-1-312.

178 (ii) If the Legislature determines that an Education Fund budget deficit or a General  
179 Fund budget deficit exists, the Legislature may, in eliminating the deficit, reduce the amount  
180 appropriated to capital improvements to 0.9% of the replacement cost of state buildings.

181 (c) (i) The requirements under Subsections (6)(a) and (b) do not apply to the 2008-09,  
182 2009-10, 2010-11, 2011-12, and 2012-13 fiscal years.

183 (ii) For the 2013-14 fiscal year, the amount appropriated to capital improvements shall  
184 be reduced to 0.9% of the replacement cost of state facilities.

185 (7) (a) If, after approval of capital development and capital improvement priorities by  
186 the Legislature under this section, emergencies arise that create unforeseen critical capital  
187 improvement projects, the State Building Board may, notwithstanding the requirements of Title  
188 63J, Chapter 1, Budgetary Procedures Act, reallocate capital improvement funds to address  
189 those projects.

190 (b) The State Building Board shall report any changes it makes in capital improvement  
191 allocations approved by the Legislature to:

192 (i) the Office of Legislative Fiscal Analyst within 30 days of the reallocation; and

193 (ii) the Legislature at its next annual general session.

194 (8) (a) The State Building Board may adopt a rule allocating to institutions and  
195 agencies their proportionate share of capital improvement funding.

196 (b) The State Building Board shall ensure that the rule:

197 (i) reserves funds for the Division of Facilities Construction and Management for

198 emergency projects; and

199 (ii) allows the delegation of projects to some institutions and agencies with the  
200 requirement that a report of expenditures will be filed annually with the Division of Facilities  
201 Construction and Management and appropriate governing bodies.

202 (9) It is the intent of the Legislature that in funding capital improvement requirements  
203 under this section the General Fund be considered as a funding source for at least half of those  
204 costs.

205 Section 2. Section **63B-22-101** is enacted to read:

206 **CHAPTER 22. 2013 BONDING AND FINANCING AUTHORIZATIONS**

207 **Part 1. 2013 Revenue Bond Authorizations**

208 **63B-22-101. Revenue bond authorizations -- Board of Regents.**

209 (1) The Legislature intends that:

210 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
211 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
212 money on the credit, revenues, and reserves of the university, other than appropriations of the  
213 Legislature, to finance the cost of constructing the Aggie Life & Wellness Center;

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

216 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
217 this section is \$30,000,000, together with other amounts necessary to pay costs of issuance, pay  
218 capitalized interest, and fund any debt service reserve requirements;

219 (d) the university shall plan, design, and construct the Aggie Life & Wellness Center  
220 subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of  
221 Facilities Construction and Management; and

222 (e) the university may not request state funds for operation and maintenance costs or  
223 capital improvements.

224 (2) The Legislature intends that:

225 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and



226 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
227 money on the credit, revenues, and reserves of the university, other than appropriations of the  
228 Legislature, to finance the cost of constructing the Blanding Recreational Center at Utah State  
229 University: College of Eastern Utah: Blanding Campus;

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

232 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
233 this section is \$900,000, together with other amounts necessary to pay costs of issuance, pay  
234 capitalized interest, and fund any debt service reserve requirements;

235 (d) the university shall plan, design, and construct the Blanding Recreational Center  
236 subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of  
237 Facilities Construction and Management; and

238 (e) the university may not request state funds for operation and maintenance costs or  
239 capital improvements.

240 (3) The Legislature intends that:

241 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
242 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
243 money on the credit, revenues, and reserves of the university, other than appropriations of the  
244 Legislature, to finance the cost of constructing the Space Dynamics Laboratory;

245 (b) Utah State University use reimbursement from research projects as the primary  
246 revenue sources for repayment of any obligation created under authority of this section;

247 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
248 this section is \$20,532,000, together with other amounts necessary to pay costs of issuance, pay  
249 capitalized interest, and fund any debt service reserve requirements;

250 (d) the university shall plan, design, and construct the Space Dynamics Laboratory  
251 subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of  
252 Facilities Construction and Management; and

253 (e) the university may not request state funds for operation and maintenance costs or

254 capital improvements.

255 (4) The Legislature intends that:

256 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
257 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
258 money on the credit, revenues, and reserves of the university, other than appropriations of the  
259 Legislature, to finance the cost of constructing the Basketball Training Center - HPER  
260 Addition;

261 (b) the University of Utah use athletic revenues from ticket sales and television  
262 revenues as the primary revenue sources for repayment of any obligation created under  
263 authority of this section;

264 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
265 this section is \$23,600,000, together with other amounts necessary to pay costs of issuance, pay  
266 capitalized interest, and fund any debt service reserve requirements;

267 (d) the university shall plan, design, and construct the Basketball Training Center -  
268 HPER Addition subject to the requirements of Title 63A, Chapter 5, State Building Board -  
269 Division of Facilities Construction and Management; and

270 (e) the university may not request state funds for operation and maintenance costs or  
271 capital improvements.

272 (5) The Legislature intends that:

273 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
274 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
275 money on the credit, revenues, and reserves of the university, other than appropriations of the  
276 Legislature, to finance the cost of constructing the Utah State University Athletic  
277 Complex/Training Center;

278 (b) Utah State University use donations as the primary revenue sources for repayment  
279 of any obligation created under authority of this section;

280 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
281 this section is \$7,500,000, together with other amounts necessary to pay costs of issuance, pay

282 capitalized interest, and fund any debt service reserve requirements;

283 (d) the university shall plan, design, and construct the Utah State University Athletic  
284 Complex/Training Center subject to the requirements of Title 63A, Chapter 5, State Building  
285 Board - Division of Facilities Construction and Management; and

286 (e) the university may not request state funds for operation and maintenance costs or  
287 capital improvements.

288 Section 3. Section **63B-22-201** is enacted to read:

289 **Part 2. 2013 Capital Facility Design and Construction Authorizations**

290 **63B-22-201. Authorizations to design and construct capital facilities using**  
291 **institutional or agency funds.**

292 (1) The Legislature intends that:

293 (a) Southern Utah University may, subject to requirements in Title 63A, Chapter 5,  
294 State Building Board - Division of Facilities Construction and Management, use up to  
295 \$30,000,000 in donations and institutional funds to plan, design, and construct a Center for the  
296 Arts with up to 80,490 square feet;

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

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

300 (2) The Legislature intends that:

301 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State  
302 Building Board - Division of Facilities Construction and Management, use up to \$11,040,000  
303 in donations and institutional funds to plan, design, and construct a Renovation and Addition of  
304 Phase II of the Kennecott Building with up to 40,700 new square feet;

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

306 (c) the university may use state funds for operation and maintenance costs or capital  
307 improvements.

308 (3) The Legislature intends that:

309 (a) Utah State University may, subject to requirements in Title 63A, Chapter 5, State

310 Building Board - Division of Facilities Construction and Management, use up to \$8,000,000 in  
311 donations and institutional funds to plan, design, and construct a Science and Technology  
312 Building at Utah State University Tooele with up to 26,000 square feet;

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

314 (c) the university may use state funds for operation and maintenance costs or capital  
315 improvements.

316 (4) The Legislature intends that:

317 (a) the Department of Public Safety may, subject to requirements in Title 63A, Chapter  
318 5, State Building Board - Division of Facilities Construction and Management, use up to  
319 \$1,277,000 in nonlapsing balances to plan, design, and construct a Drivers License Building in  
320 Price with up to 7,000 square feet;

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

322 (c) the department may use state funds for operation and maintenance costs or capital  
323 improvements.