

**Representative Gage Froerer** proposes the following substitute bill:

**REVENUE BOND AND CAPITAL FACILITIES**

**AMENDMENTS**

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gage Froerer**

Senate Sponsor: Wayne A. Harper

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**LONG TITLE**

**General Description:**

This bill repeals an existing revenue bond authorization, authorizes certain state agencies and institutions to issue revenue bonds, and authorizes or amends the authorization for the lease-purchase, construction, or renovation of capital facilities using agency, institutional, or donated funds.

**Highlighted Provisions:**

This bill:

- ▶ repeals a revenue bond authorization for the State Building Ownership Authority to issue or execute obligations or enter into or arrange for a lease-purchase agreement to provide up to \$10,500,000 for the construction of a multipurpose building for the state fair park that has not been issued;

- ▶ increases the planning, design, and construction or renovation authorizations and maximum square footage of the following, provided that only agency, institutional, or donated funds are used:

- for a Center for the Arts at Southern Utah University, increases the authorization by \$5,000,000;

- for a Science and Technology Building at Utah State University Tooele,



26 increases the authorization by \$1,800,000; and  
27       • for a Drivers License Building in Price, increases the authorization by \$228,000;  
28       ▶ authorizes the State Board of Regents to issue revenue bonds for the following:  
29       • \$45,238,000 for constructing the Lassonde Living Center at the University of  
30 Utah; and  
31       • \$32,000,000 for the replacement of utility distribution infrastructure at the  
32 University of Utah;  
33       ▶ provides a prohibition on using state funding for operations and maintenance and  
34 capital improvement costs for the Lassonde Living Center at the University of Utah;  
35       ▶ provides that until July 1, 2024, the Utah State Building Board shall annually  
36 allocate up to \$1,500,000 of the capital improvement funding allocation given to the  
37 University of Utah to be used to pay the debt service on the bond authorized for the  
38 replacement of utility distribution infrastructure at the University of Utah;  
39       ▶ authorizes the planning, design, and construction or renovation of the following,  
40 provided that only agency, institutional, or donated funds are used:  
41       • for an expansion and renovation of the Alumni House at the University of Utah  
42 at a cost of \$10,000,000, and prohibits the use of state funds for operation and  
43 maintenance and capital improvement costs of the building; and  
44       • for a Communications and Driver License Building at the Department of Public  
45 Safety in Vernal at a cost of up to \$875,000, and authorizes the use of state  
46 funds for operation and maintenance and capital improvement costs of the  
47 building; and  
48       ▶ authorizes the Mountainland Applied Technology Campus of the Utah College of  
49 Applied Technology to use up to \$10,683,000 of existing and institutional funds to  
50 enter into a lease-purchase agreement for a Technology Trades Building for the  
51 Mountainland Applied Technology College at the Lehi Campus and prohibits the  
52 college from requesting state funds for operation and maintenance costs or capital  
53 improvements during the term of the lease-purchase agreement.

54 **Money Appropriated in this Bill:**

55       None

56 **Other Special Clauses:**

57 None

58 **Utah Code Sections Affected:**

59 AMENDS:

60 **63A-5-104**, as last amended by Laws of Utah 2013, Chapters 250 and 409

61 **63B-22-201**, as enacted by Laws of Utah 2013, Chapter 409

62 **63I-1-263**, as last amended by Laws of Utah 2013, Chapters 28, 62, 101, 167, 250, and

63 413

64 ENACTS:

65 **63B-23-101**, Utah Code Annotated 1953

66 **63B-23-201**, Utah Code Annotated 1953

67 **63B-23-301**, Utah Code Annotated 1953

68 REPEALS:

69 **63B-9-102**, as last amended by Laws of Utah 2008, Chapter 382



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

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

73 **63A-5-104. Definitions -- Capital development and capital improvement process**

74 **-- Approval requirements -- Limitations on new projects -- Emergencies.**

75 (1) As used in this section:

76 (a) "Capital developments" means a:

77 (i) remodeling, site, or utility project with a total cost of \$2,500,000 or more;

78 (ii) new facility with a construction cost of \$500,000 or more; or

79 (iii) purchase of real property where an appropriation is requested to fund the purchase.

80 (b) "Capital improvements" means a:

81 (i) remodeling, alteration, replacement, or repair project with a total cost of less than

82 \$2,500,000;

83 (ii) site and utility improvement with a total cost of less than \$2,500,000; or

84 (iii) new facility with a total construction cost of less than \$500,000.

85 (c) (i) "New facility" means the construction of a new building on state property

86 regardless of funding source.

87 (ii) "New facility" includes:

- 88 (A) an addition to an existing building; and
- 89 (B) the enclosure of space that was not previously fully enclosed.
- 90 (iii) "New facility" does not mean:
  - 91 (A) the replacement of state-owned space that is demolished or that is otherwise
  - 92 removed from state use, if the total construction cost of the replacement space is less than
  - 93 \$2,500,000; or
  - 94 (B) the construction of facilities that do not fully enclose a space.
- 95 (d) "Replacement cost of existing state facilities" means the replacement cost, as
- 96 determined by the Division of Risk Management, of state facilities, excluding auxiliary
- 97 facilities as defined by the State Building Board.
- 98 (e) "State funds" means public money appropriated by the Legislature.
- 99 (2) The State Building Board, on behalf of all state agencies, commissions,
- 100 departments, and institutions shall submit its capital development recommendations and
- 101 priorities to the Legislature for approval and prioritization.
- 102 (3) (a) Except as provided in Subsections (3)(b), (d), and (e), a capital development
- 103 project may not be constructed on state property without legislative approval.
- 104 (b) Legislative approval is not required for a capital development project that consists
- 105 of the design or construction of a new facility if the State Building Board determines that:
  - 106 (i) the requesting state agency, commission, department, or institution has provided
  - 107 adequate assurance that:
    - 108 (A) state funds will not be used for the design or construction of the facility; and
    - 109 (B) the state agency, commission, department, or institution has a plan for funding in
    - 110 place that will not require increased state funding to cover the cost of operations and
    - 111 maintenance to, or state funding for, immediate or future capital improvements to the resulting
    - 112 facility; and
    - 113 (ii) the use of the state property is:
      - 114 (A) appropriate and consistent with the master plan for the property; and
      - 115 (B) will not create an adverse impact on the state.
  - 116 (c) (i) The Division of Facilities Construction and Management shall maintain a record
  - 117 of facilities constructed under the exemption provided in Subsection (3)(b).
  - 118 (ii) For facilities constructed under the exemption provided in Subsection (3)(b), a state

119 agency, commission, department, or institution may not request:

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

121 (B) state capital improvement funding.

122 (d) Legislative approval is not required for:

123 (i) the renovation, remodeling, or retrofitting of an existing facility with nonstate funds

124 that has been approved by the State Building Board;

125 (ii) a facility to be built with nonstate funds and owned by nonstate entities within

126 research park areas at the University of Utah and Utah State University;

127 (iii) a facility to be built at This is the Place State Park by This is the Place Foundation

128 with funds of the foundation, including grant money from the state, or with donated services or

129 materials;

130 (iv) a capital project that:

131 (A) is funded by:

132 (I) the Uintah Basin Revitalization Fund; or

133 (II) the Navajo Revitalization Fund; and

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

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

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

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

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

139 for the Department of Transportation:

140 (A) as a result of an exchange of real property under Section [72-5-111](#); or

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

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

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

144 property.

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

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

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

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

149 under this exemption.

150 (4) (a) (i) The State Building Board, on behalf of all state agencies, commissions,  
151 departments, and institutions shall by January 15 of each year, submit a list of anticipated  
152 capital improvement requirements to the Legislature for review and approval.

153 (ii) The list shall identify:

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

155 (B) multiple projects within a single building or facility that collectively cost more than  
156 \$1,000,000;

157 (C) a single project that will be constructed over multiple years with a yearly cost of  
158 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

159 (D) multiple projects within a single building or facility with a yearly cost of  
160 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

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

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

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

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

173 (d) Beginning on July 1, 2013, in prioritizing capital improvements, the State Building  
174 Board shall allocate at least 80% of the funds that the Legislature appropriates for capital  
175 improvements to:

176 (i) projects that address:

177 (A) a structural issue;

178 (B) fire safety;

179 (C) a code violation; or

180 (D) any issue that impacts health and safety;

- 181 (ii) projects that upgrade:
- 182 (A) an HVAC system;
- 183 (B) an electrical system;
- 184 (C) essential equipment;
- 185 (D) an essential building component; or
- 186 (E) infrastructure, including a utility tunnel, water line, gas line, sewer line, roof,
- 187 parking lot, or road; or
- 188 (iii) projects that demolish and replace an existing building that is in extensive
- 189 disrepair and cannot be fixed by repair or maintenance.
- 190 (e) Beginning on July 1, 2013, in prioritizing capital improvements, the State Building
- 191 Board shall allocate no more than 20% of the funds that the Legislature appropriates for capital
- 192 improvements to:
- 193 (i) remodeling and aesthetic upgrades to meet state programmatic needs; or
- 194 (ii) construct an addition to an existing building or facility.
- 195 (f) The State Building Board may require an entity that benefits from a capital
- 196 improvement project to repay the capital improvement funds from savings that result from the
- 197 project.
- 198 (g) The State Building Board may provide capital improvement funding to a single
- 199 project, or to multiple projects within a single building or facility, even if the total cost of the
- 200 project or multiple projects is \$2,500,000 or more, if:
- 201 (i) the capital improvement project or multiple projects require more than one year to
- 202 complete; and
- 203 (ii) the Legislature has affirmatively authorized the capital improvement project or
- 204 multiple projects to be funded in phases.
- 205 (h) In prioritizing and allocating capital improvement funding, the State Building
- 206 Board shall comply with the requirement in Subsection [63B-23-101\(2\)\(f\)](#).
- 207 (5) The Legislature may authorize:
- 208 (a) the total square feet to be occupied by each state agency; and
- 209 (b) the total square feet and total cost of lease space for each agency.
- 210 (6) If construction of a new building or facility will be paid for by nonstate funds, but
- 211 will require an immediate or future increase in state funding for operations and maintenance or

212 for capital improvements, the Legislature may not authorize the new building or facility until  
213 the Legislature appropriates funds for:

214 (a) the portion of operations and maintenance, if any, that will require an immediate or  
215 future increase in state funding; and

216 (b) the portion of capital improvements, if any, that will require an immediate or future  
217 increase in state funding.

218 (7) (a) Except as provided in Subsection (7)(b) or (c), the Legislature may not fund the  
219 design or construction of any new capital development projects, except to complete the funding  
220 of projects for which partial funding has been previously provided, until the Legislature has  
221 appropriated 1.1% of the replacement cost of existing state facilities to capital improvements.

222 (b) (i) As used in this Subsection (7)(b):

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

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

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

228 (c) (i) The requirements under Subsections (6)(a) and (b) do not apply to the 2008-09,  
229 2009-10, 2010-11, 2011-12, and 2012-13 fiscal years.

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

232 (8) (a) If, after approval of capital development and capital improvement priorities by  
233 the Legislature under this section, emergencies arise that create unforeseen critical capital  
234 improvement projects, the State Building Board may, notwithstanding the requirements of Title  
235 63J, Chapter 1, Budgetary Procedures Act, reallocate capital improvement funds to address  
236 those projects.

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

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

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

241 (9) (a) The State Building Board may adopt a rule allocating to institutions and  
242 agencies their proportionate share of capital improvement funding.

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

244 (i) reserves funds for the Division of Facilities Construction and Management for  
245 emergency projects; and

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

249 (10) It is the intent of the Legislature that in funding capital improvement requirements  
250 under this section the General Fund be considered as a funding source for at least half of those  
251 costs.

252 (11) (a) Subject to Subsection (11)(b), at least 80% of the state funds appropriated for  
253 capital improvements shall be used for maintenance or repair of the existing building or  
254 facility.

255 (b) The State Building Board may modify the requirement described in Subsection  
256 (11)(a) if the State Building Board determines that a different allocation of capital  
257 improvements funds is in the best interest of the state.

258 Section 2. Section **63B-22-201** is amended to read:

259 **63B-22-201. Authorizations to design and construct capital facilities using**  
260 **institutional or agency funds.**

261 (1) The Legislature intends that:

262 (a) Southern Utah University may, subject to requirements in Title 63A, Chapter 5,  
263 State Building Board - Division of Facilities Construction and Management, use up to  
264 [~~\$30,000,000~~] \$35,000,000 in donations and institutional funds to plan, design, and construct a  
265 Center for the Arts with up to [~~80,490~~] 110,000 square feet;

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

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

269 (2) The Legislature intends that:

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

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

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

277 (3) The Legislature intends that:

278 (a) Utah State University may, subject to requirements in Title 63A, Chapter 5, State  
279 Building Board - Division of Facilities Construction and Management, use up to [~~\$8,000,000~~  
280 \$9,800,000 in donations and institutional funds to plan, design, and construct a Science and  
281 Technology Building at Utah State University Tooele with up to [~~26,000~~] 33,000 square feet;

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

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

285 (4) The Legislature intends that:

286 (a) the Department of Public Safety may, subject to requirements in Title 63A, Chapter  
287 5, State Building Board - Division of Facilities Construction and Management, use up to  
288 [~~\$1,277,000~~] \$1,505,000 in nonlapsing balances to plan, design, and construct a Drivers  
289 License Building in Price with up to [~~7,000~~] 7,500 square feet;

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

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

293 Section 3. Section **63B-23-101** is enacted to read:

294 **CHAPTER 23. 2014 BONDING AND FINANCING AUTHORIZATIONS**

295 **Part 1. 2014 Revenue Bond Authorizations**

296 **63B-23-101. Revenue bond authorizations -- Board of Regents.**

297 (1) The Legislature intends that:

298 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
299 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
300 money on the credit, revenues, and reserves of the university, other than appropriations of the  
301 Legislature, to finance the cost of constructing the Lassonde Living Center;

302 (b) the University of Utah use student fees and rents as the primary revenue sources for  
303 repayment of any obligation created under authority of this Subsection (1);

304 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by

305 this Subsection (1) is \$45,238,000, together with other amounts necessary to pay costs of  
306 issuance, pay capitalized interest, and fund any debt service reserve requirements;

307 (d) the university shall plan, design, and construct the Lassonde Living Center subject  
308 to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities  
309 Construction and Management; and

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

312 (2) The Legislature intends that:

313 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
314 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
315 money on the credit, revenues, and reserves of the university, except as provided in Subsection  
316 (2)(f), other than appropriations of the Legislature, to finance the cost of replacing the  
317 University of Utah's utility distribution infrastructure;

318 (b) the University of Utah impose a power bill surcharge as the primary revenue source  
319 for the repayment of any obligation created under authority of this Subsection (2);

320 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
321 this Subsection (2) is \$32,000,000 together with other amounts necessary to pay costs of  
322 issuance, pay capitalized interest, and fund any debt service reserve requirements;

323 (d) the revenue bonds or evidences of indebtedness authorized by this Subsection (2)  
324 may not mature later than 10 years after the date of issuance;

325 (e) the university shall plan, design, and construct the University of Utah's replacement  
326 utility distribution infrastructure subject to the requirements of Title 63A, Chapter 5, State  
327 Building Board - Division of Facilities Construction and Management; and

328 (f) until July 1, 2024, the Utah State Building Board annually allocate up to \$1,500,000  
329 of the capital improvement funding allocation given to the University of Utah under Section  
330 [63A-5-104](#) to be used to pay the debt service on the bonds authorized under this Subsection  
331 (2).

332 Section 4. Section **63B-23-201** is enacted to read:

333 **Part 2. 2014 Capital Facility Design and Construction Authorizations**  
334 **63B-23-201. Authorizations to design and construct capital facilities using**  
335 **institutional or agency funds.**

336 (1) The Legislature intends that:

337 (a) the University of Utah may, subject to requirements in Title 63A, Chapter 5, State  
338 Building Board - Division of Facilities Construction and Management, use up to \$10,000,000  
339 in donations and institutional funds to plan, design, and construct an expansion and renovation  
340 of the Alumni House at the University of Utah with up to an additional 17,000 new square feet;

341 (b) the university may not use state funds for any portion of this project; and

342 (c) the university may not use state funds for operation and maintenance costs or  
343 capital improvements.

344 (2) The Legislature intends that:

345 (a) the Department of Public Safety may, subject to requirements in Title 63A, Chapter  
346 5, State Building Board - Division of Facilities Construction and Management, use up to  
347 \$875,000 in nonlapsing balances to plan, design, and construct a Communications and Drivers  
348 License Building in Vernal with up to 3,500 square feet;

349 (b) the department may not use state funds for any portion of this project; and

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

352 Section 5. Section **63B-23-301** is enacted to read:

353 **Part 3. 2014 Lease-Purchase Authorizations**

354 **63B-23-301. Lease-purchase authorizations.**

355 The Legislature intends that:

356 (1) the Mountainland Applied Technology Campus of the Utah College of Applied  
357 Technology, subject to requirements in Title 63A, Chapter 5, State Building Board - Division  
358 of Facilities Construction and Management, use up to \$10,683,000 of existing and institutional  
359 funds to enter into a lease-purchase agreement to plan, design, and construct a Technology  
360 Trades Building for the Mountainland Applied Technology College at the Lehi Campus with  
361 up to 40,500 square feet; and

362 (2) the college may not request state funds for operation and maintenance costs or  
363 capital improvements during the term of the lease-purchase agreement.

364 Section 6. Section **63I-1-263** is amended to read:

365 **63I-1-263. Repeal dates, Titles 63A to 63M.**

366 (1) Section **63A-4-204**, authorizing the Risk Management Fund to provide coverage to

- 367 any public school district which chooses to participate, is repealed July 1, 2016.
- 368 (2) Subsections [63A-5-104](#)(4)(d) and (e) are repealed on July 1, 2014.
- 369 (3) Subsection [63A-4-104](#)(4)(h) is repealed on July 1, 2024.
- 370 ~~[(3)]~~ (4) Section [63A-5-603](#), State Facility Energy Efficiency Fund, is repealed July 1,
- 371 2016.
- 372 ~~[(4)]~~ (5) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed
- 373 July 1, 2018.
- 374 ~~[(5)]~~ (6) Section [53B-24-402](#), rural residency training program, is repealed July 1,
- 375 2015.
- 376 ~~[(6)]~~ (7) Title 63C, Chapter 13, Prison Relocation and Development Authority Act, is
- 377 repealed July 1, 2014.
- 378 ~~[(7)]~~ (8) Title 63C, Chapter 14, Federal Funds Commission, is repealed July 1, 2018.
- 379 ~~[(8)]~~ (9) Subsection [63G-6a-1402](#)(7) authorizing certain transportation agencies to
- 380 award a contract for a design-build transportation project in certain circumstances, is repealed
- 381 July 1, 2015.
- 382 ~~[(9)]~~ (10) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
- 383 July 1, 2020.
- 384 ~~[(10)]~~ (11) The Resource Development Coordinating Committee, created in Section
- 385 [63J-4-501](#), is repealed July 1, 2015.
- 386 ~~[(11)]~~ (12) Title 63M, Chapter 1, Part 4, Enterprise Zone Act, is repealed July 1, 2018.
- 387 ~~[(12)]~~ (13) (a) Title 63M, Chapter 1, Part 11, Recycling Market Development Zone
- 388 Act, is repealed January 1, 2021.
- 389 (b) Subject to Subsection ~~[(12)]~~ (13)(c), Sections [59-7-610](#) and [59-10-1007](#) regarding
- 390 tax credits for certain persons in recycling market development zones, are repealed for taxable
- 391 years beginning on or after January 1, 2021.
- 392 (c) A person may not claim a tax credit under Section [59-7-610](#) or [59-10-1007](#):
- 393 (i) for the purchase price of machinery or equipment described in Section [59-7-610](#) or
- 394 [59-10-1007](#), if the machinery or equipment is purchased on or after January 1, 2021; or
- 395 (ii) for an expenditure described in Subsection [59-7-610](#)(1)(b) or [59-10-1007](#)(1)(b), if
- 396 the expenditure is made on or after January 1, 2021.
- 397 (d) Notwithstanding Subsections ~~[(12)]~~ (13)(b) and (c), a person may carry forward a

398 tax credit in accordance with Section 59-7-610 or 59-10-1007 if:

399 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

400 (ii) (A) for the purchase price of machinery or equipment described in Section  
401 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,  
402 2020; or

403 (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the  
404 expenditure is made on or before December 31, 2020.

405 ~~[(13)]~~ (14) (a) Section 63M-1-2507, Health Care Compact is repealed on July 1, 2014.

406 (b) (i) The Legislature shall, before reauthorizing the Health Care Compact:

407 (A) direct the Health System Reform Task Force to evaluate the issues listed in  
408 Subsection ~~[(13)]~~ (14)(b)(ii), and by January 1, 2013, develop and recommend criteria for the  
409 Legislature to use to negotiate the terms of the Health Care Compact; and

410 (B) prior to July 1, 2014, seek amendments to the Health Care Compact among the  
411 member states that the Legislature determines are appropriate after considering the  
412 recommendations of the Health System Reform Task Force.

413 (ii) The Health System Reform Task Force shall evaluate and develop criteria for the  
414 Legislature regarding:

415 (A) the impact of the Supreme Court ruling on the Affordable Care Act;

416 (B) whether Utah is likely to be required to implement any part of the Affordable Care  
417 Act prior to negotiating the compact with the federal government, such as Medicaid expansion  
418 in 2014;

419 (C) whether the compact's current funding formula, based on adjusted 2010 state  
420 expenditures, is the best formula for Utah and other state compact members to use for  
421 establishing the block grants from the federal government;

422 (D) whether the compact's calculation of current year inflation adjustment factor,  
423 without consideration of the regional medical inflation rate in the current year, is adequate to  
424 protect the state from increased costs associated with administering a state based Medicaid and  
425 a state based Medicare program;

426 (E) whether the state has the flexibility it needs under the compact to implement and  
427 fund state based initiatives, or whether the compact requires uniformity across member states  
428 that does not benefit Utah;

429 (F) whether the state has the option under the compact to refuse to take over the federal  
430 Medicare program;

431 (G) whether a state based Medicare program would provide better benefits to the  
432 elderly and disabled citizens of the state than a federally run Medicare program;

433 (H) whether the state has the infrastructure necessary to implement and administer a  
434 better state based Medicare program;

435 (I) whether the compact appropriately delegates policy decisions between the  
436 legislative and executive branches of government regarding the development and  
437 implementation of the compact with other states and the federal government; and

438 (J) the impact on public health activities, including communicable disease surveillance  
439 and epidemiology.

440 [~~14~~] (15) The Crime Victim Reparations and Assistance Board, created in Section  
441 [63M-7-504](#), is repealed July 1, 2017.

442 [~~15~~] (16) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,  
443 2017.

444 Section 7. **Repealer.**

445 This bill repeals:

446 Section [63B-9-102](#), **State Building Ownership Authority revenue bond**  
447 **authorizations.**