

1 ~~§~~ → [~~CAPITOL~~] CAPITAL ← ~~§~~ DEVELOPMENT PROJECTS BONDING
2 AMENDMENTS

3 2017 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Gage Froerer**

6 Senate Sponsor: Wayne A. Harper

8 **LONG TITLE**

9 **General Description:**

10 This bill modifies provisions relating to the issuance of bonds for the prison project.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ increases the authorization for the issuance and extends the maximum maturity date
14 of bonds for the prison project; and
15 ▶ makes technical changes.

16 **Money Appropriated in this Bill:**

17 None

18 **Other Special Clauses:**

19 None

20 **Utah Code Sections Affected:**

21 AMENDS:

22 **63B-25-101**, as enacted by Laws of Utah 2015, Chapter 182

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

25 Section 1. Section **63B-25-101** is amended to read:

26 **63B-25-101. General obligation bonds for prison project -- Maximum amount --**

27 **Use of proceeds.**



28 (1) As used in this section:

29 (a) "Prison project" means the same as that term is defined in Section [63C-16-102](#).

30 (b) "Prison project fund" means the capital projects fund created in Subsection
31 [63A-5-225](#)(7).

32 (2) The commission may issue general obligation bonds as provided in this section.

33 (3) (a) The total amount of bonds to be issued under this section may not exceed
34 [~~\$470,000,000~~] \$570,000,000, plus additional amounts necessary to pay costs of issuance, to
35 pay capitalized interest, and to fund any debt service reserve requirements, with the total
36 amount of the bonds not to exceed [~~\$474,700,000~~] \$575,700,000.

37 (b) The maturity of bonds issued under this section [~~shall be seven~~] may not exceed 10
38 years.

39 (4) The commission shall ensure that proceeds from the issuance of bonds under this
40 section are deposited into the Prison Project Fund for use by the division to pay all or part of
41 the cost of the prison project, including:

42 (a) interest estimated to accrue on the bonds authorized in this section until the
43 completion of construction of the prison project, plus a period of 12 months after the end of
44 construction; and

45 (b) all related engineering, architectural, and legal fees.

46 (5) (a) The division may enter into agreements related to the prison project before the
47 receipt of proceeds of bonds issued under this section.

48 (b) The division shall make those expenditures from unexpended and unencumbered
49 building funds already appropriated to the Prison Project Fund.

50 (c) The division shall reimburse the Prison Project Fund upon receipt of the proceeds
51 of bonds issued under this chapter.

52 (d) The state intends to use proceeds of tax-exempt bonds to reimburse itself for
53 expenditures for costs of the prison project.

54 (6) Before issuing bonds authorized under this section, the commission shall request
55 and consider a recommendation from the Prison Development Commission, created in Section
56 [63C-16-201](#), regarding the timing and amount of the issuance.

Legislative Review Note
Office of Legislative Research and General Counsel