

1 **REVENUE BOND AND CAPITAL FACILITIES**

2 **AMENDMENTS**

3 2017 GENERAL SESSION

4 STATE OF UTAH

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

6 House Sponsor: Gage Froerer

7
8 **LONG TITLE**

9 **General Description:**

10 This bill authorizes certain state agencies and institutions to issue revenue bonds and
11 amends provisions relating to capital facilities.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ defines terms;
- 15 ▶ provides for the appointment of a director of the State Building Board;
- 16 ▶ modifies the State Building Board's rulemaking authority;
- 17 ▶ exempts facility programming from certain appropriations requirements;
- 18 ▶ authorizes the State Building Ownership Authority to issue revenue bonds as

19 follows:

- 20 • up to \$5,451,800 for constructing a southwest Salt Lake County liquor store;
- 21 and
- 22 • up to \$5,451,800 for constructing a Farmington liquor store; and
- 23 ▶ authorizes the Board of Regents to issue revenue bonds as follows:
 - 24 • up to \$8,250,000 for constructing an expansion of the University Guest House at
 - 25 the University of Utah;
 - 26 • up to \$4,700,000 for constructing an expansion of the Legend Solar Stadium at
 - 27 Dixie State University; and



- 28 • up to \$190,000,000 for constructing the Medical Education and Discovery
- 29 Complex and Rehabilitation Hospital at the University of Utah; and
- 30 • up to \$16,000,000 for constructing the Human Performance Center at Dixie
- 31 State University;
- 32 ▶ authorizes the Dixie Applied Technology College to enter into a lease-purchase
- 33 agreement to provide up to \$9,505,300 for the Industrial Building for the Dixie
- 34 Applied Technology College; and
- 35 ▶ makes technical and conforming changes.

36 **Money Appropriated in this Bill:**

37 None

38 **Other Special Clauses:**

39 This bill provides a special effective date.

40 **Utah Code Sections Affected:**

41 AMENDS:

42 [63A-5-101](#), as last amended by Laws of Utah 2013, Chapter 310

43 [63A-5-103](#), as last amended by Laws of Utah 2016, Chapter 298

44 [63A-5-104](#), as last amended by Laws of Utah 2016, Chapter 298

45 ENACTS:

46 [63A-5-100](#), Utah Code Annotated 1953

47 [63A-5-101.5](#), Utah Code Annotated 1953

48 [63B-27-101](#), Utah Code Annotated 1953

49 [63B-27-102](#), Utah Code Annotated 1953

50 [63B-27-201](#), Utah Code Annotated 1953



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

53 Section 1. Section [63A-5-100](#) is enacted to read:

54 **[63A-5-100](#). Definitions.**

55 As used in this part, "board" means the State Building Board created under Section

56 [63A-5-101](#).

57 Section 2. Section [63A-5-101](#) is amended to read:

58 **[63A-5-101](#). Creation -- Composition -- Appointment -- Per diem and expenses --**

59 **Administrative services.**

60 (1) (a) There is created [a] within the department the State Building Board [composed
61 of eight members, seven of whom shall be appointed by the governor for terms of four years].

62 [~~(b) Notwithstanding the requirements of Subsection (1)(a), the governor shall, at the
63 time of appointment or reappointment, adjust the length of terms to ensure that the terms of
64 board members are staggered so that approximately half of the board is appointed every two
65 years.~~]

66 [~~(2) When a vacancy occurs in the membership for any reason, the replacement shall be
67 appointed for the unexpired term.~~]

68 [~~(3) The executive director of the Governor's Office of Management and Budget or the
69 executive director's designee is a nonvoting member of the board.~~]

70 [~~(4) Each member shall hold office until a successor is appointed and qualified, but no
71 member shall serve more than two consecutive terms.~~]

72 [~~(5) One member shall be designated by the governor as chair.~~]

73 [~~(6) A member may not receive compensation or benefits for the member's service, but
74 may receive per diem and travel expenses in accordance with:~~]

75 [~~(a) Section [63A-3-106](#);~~]

76 [~~(b) Section [63A-3-107](#); and~~]

77 [~~(c) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
78 [63A-3-107](#).~~]

79 [~~(7) The members of the board are not required to give bond for the performance of
80 their official duties.~~]

81 [~~(8) The department shall provide administrative and staff services to enable the board
82 to exercise its powers and discharge its duties, and shall provide necessary space and
83 equipment for the board.~~]

84 (2) (a) The executive director shall appoint a director of the board with the approval of
85 the governor.

86 (b) The director appointed under Subsection (2)(a) is equivalent to a division director
87 described in Section [63A-1-109](#).

88 Section 3. Section **63A-5-101.5** is enacted to read:

89 **63A-5-101.5. State Building Board composition -- Appointment -- Per diem and**

90 **expenses -- Administrative services.**

91 (1) (a) The board is composed of eight members, seven of whom are voting members
92 who the governor appoints for terms of four years.

93 (b) The executive director of the Governor's Office of Management and Budget or the
94 executive director's designee is a nonvoting member of the board.

95 (2) Notwithstanding the requirements of Subsection (1)(a), the governor shall, at the
96 time of a member's appointment or reappointment, adjust the length of the member's term to
97 ensure that approximately half of the board is appointed every two years.

98 (3) When a vacancy occurs in the membership of the board for any reason, the
99 governor shall appoint a replacement for the unexpired term of the member who created the
100 vacancy.

101 (4) Each board member shall hold office until the governor appoints and qualifies a
102 successor, but no member may serve more than two consecutive terms.

103 (5) The governor shall designate one member as the chair of the board.

104 (6) A member of the board may not receive compensation or benefits for the member's
105 service on the board, but may receive per diem and travel expenses in accordance with:

106 (a) Section [63A-3-106](#);

107 (b) Section [63A-3-107](#); and

108 (c) rules made by the Division of Finance in accordance with Sections [63A-3-106](#) and
109 [63A-3-107](#).

110 (7) A member of the board is not required to post a bond for the performance of the
111 member's official duties.

112 (8) The department shall provide the board administrative and staff services and
113 necessary space and equipment.

114 Section 4. Section **63A-5-103** is amended to read:

115 **63A-5-103. Board -- Powers.**

116 (1) The State Building Board shall:

117 (a) in cooperation with agencies, prepare a master plan of structures built or
118 contemplated;

119 (b) submit to the governor and the Legislature a comprehensive five-year building plan
120 for the state containing the information required by Subsection [~~(2)~~] (6);

121 (c) amend and keep current the five-year building program that complies with the
122 requirements described in Subsection (6), for submission to the governor and subsequent
123 legislatures; and

124 (d) as a part of the long-range plan, recommend to the governor and Legislature any
125 changes in the law that are necessary to ensure an effective, well-coordinated building program
126 for all agencies[;].

127 [~~(e)~~] (2) The board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
128 Rulemaking Act, make rules:

129 [~~(i)~~] (a) that are necessary to discharge its duties and the duties of the Division of
130 Facilities Construction and Management;

131 [~~(ii) to~~] (b) that establish standards and requirements for life cycle cost-effectiveness
132 of state facility projects;

133 [~~(iii) to~~] (c) that govern the disposition of real property by the division and establish
134 factors, including appraised value and historical significance, in evaluating the disposition;

135 [~~(iv) to~~] (d) that establish standards and requirements for a capital development project
136 request and feasibility study described in Subsection 63A-5-104(2)(b), including [a
137 requirement for a feasibility study; and];

138 [~~(v) for operations and maintenance expenditures for state-owned facilities that require,~~
139 ~~and establish standards for:]~~

140 [~~(A) reporting;]~~

141 [~~(B) utility metering;]~~

142 [~~(C) creating operations and maintenance programs within all agency institutional line~~
143 ~~items;]~~

144 [~~(D) reviewing and adjusting for inflationary costs of goods and services on an annual~~
145 ~~basis; and]~~

146 (i) a deadline by which a state agency is required to submit a capital development
147 project request; and

148 (ii) conditions and requirements by which a state agency may modify the state agency's
149 capital development project request after the agency submits the request;

150 (e) for the monitoring of a state agency's operations and maintenance expenditures for a
151 state-owned facility, that:

- 152 (i) establish standards and requirements for utility metering;
153 (ii) create an operations and maintenance program for a state agency's facilities;
154 (iii) establish a methodology for determining reasonably anticipated inflationary costs
155 for each operation and maintenance program described in Subsection (2)(e)(ii); and
156 (iv) require an agency to report the amount the agency receives and expends on
157 operations and maintenance; and
158 ~~[(E)]~~ (f) determining the actual cost for operations and management requests for a new
159 facility[;].
160 (3) The board shall:
161 ~~[(F)]~~ (a) with support from the Division of Facilities Construction and Management,
162 establish design criteria, standards, and procedures for planning, design, and construction of
163 new state facilities and for improvements to existing state facilities, including life-cycle
164 costing, cost-effectiveness studies, and other methods and procedures that address:
165 (i) the need for the building or facility;
166 (ii) the effectiveness of its design;
167 (iii) the efficiency of energy use; and
168 (iv) the usefulness of the building or facility over its lifetime;
169 ~~[(G)]~~ (b) prepare and submit a yearly request to the governor and the Legislature for a
170 designated amount of square footage by type of space to be leased by the Division of Facilities
171 Construction and Management in that fiscal year;
172 ~~[(H)]~~ (c) assure the efficient use of all building space; and
173 ~~[(I)]~~ (d) conduct ongoing facilities maintenance audits for state-owned facilities.
174 ~~[(2)]~~ (4) (a) An agency shall comply with ~~[the rules described in]~~ the rules made under
175 Subsection ~~[(1)(e)(v)(E)]~~ (2)(f) for new facility requests submitted to the Legislature for the
176 2017 General Session or any session of the Legislature after the 2017 General Session.
177 (b) On or before September 1, 2016, each agency shall revise the agency's budget to
178 comply with the rules ~~[described in]~~ made under Subsection ~~[(1)(e)(v)(C)]~~ (2)(e)(ii).
179 (c) Beginning on December 1, 2016, the Office of the Legislative Fiscal Analyst and
180 the Governor's Office of Management and Budget shall, for each agency with operating and
181 maintenance expenses, ensure that each required budget for that agency is adjusted in
182 accordance with the rules described in Subsection ~~[(1)(e)(v)(D)]~~ (2)(e)(iii).

183 [~~(3)~~] (5) In order to provide adequate information upon which the State Building Board
184 may make a recommendation described in Subsection (1), any state agency requesting new
185 full-time employees for the next fiscal year shall report those anticipated requests to the
186 building board at least 90 days before the annual general session in which the request is made.

187 [~~(4)~~] (6) (a) The State Building Board shall ensure that the five-year building plan
188 required by Subsection (1)(c) includes:

- 189 (i) a list that prioritizes construction of new buildings for all structures built or
190 contemplated based upon each agency's present and future needs;
- 191 (ii) information, and space use data for all state-owned and leased facilities;
- 192 (iii) substantiating data to support the adequacy of any projected plans;
- 193 (iv) a summary of all statewide contingency reserve and project reserve balances as of
194 the end of the most recent fiscal year;
- 195 (v) a list of buildings that have completed a comprehensive facility evaluation by an
196 architect/engineer or are scheduled to have an evaluation;
- 197 (vi) for those buildings that have completed the evaluation, the estimated costs of
198 needed improvements; and
- 199 (vii) for projects recommended in the first two years of the five-year building plan:
 - 200 (A) detailed estimates of the cost of each project;
 - 201 (B) the estimated cost to operate and maintain the building or facility on an annual
202 basis;
 - 203 (C) the cost of capital improvements to the building or facility, estimated at 1.1% of
204 the replacement cost of the building or facility, on an annual basis;
 - 205 (D) the estimated number of new agency full-time employees expected to be housed in
206 the building or facility;
 - 207 (E) the estimated cost of new or expanded programs and personnel expected to be
208 housed in the building or facility;
 - 209 (F) the estimated lifespan of the building with associated costs for major component
210 replacement over the life of the building; and
 - 211 (G) the estimated cost of any required support facilities.

212 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
213 State Building Board may make rules prescribing the format for submitting the information

214 required by this Subsection [~~(4)~~] (6).

215 [~~(5)~~] (7) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
216 Act, the State Building Board may make rules establishing circumstances under which bids
217 may be modified when all bids for a construction project exceed available funds as certified by
218 the director.

219 (b) In making [~~those~~] the rules described in Subsection (7)(a), the State Building Board
220 shall provide for the fair and equitable treatment of bidders.

221 [~~(6)~~] (8) (a) A person who violates a rule [~~adopted by the board~~] that the board makes
222 under Subsection [~~(1)(e)~~] (2) is subject to a civil penalty not to exceed \$2,500 for each
223 violation plus the amount of any actual damages, expenses, and costs related to the violation of
224 the rule that are incurred by the state.

225 (b) The board may take any other action allowed by law.

226 (c) If any violation of a rule [~~adopted by the board~~] that the board makes is also an
227 offense under Title 76, Utah Criminal Code, the violation is subject to the civil penalty,
228 damages, expenses, and costs allowed under Subsection [~~(1)(e)~~] (2) in addition to any criminal
229 prosecution.

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

231 **63A-5-104. Definitions -- Capital development and capital improvement process**
232 **-- Approval requirements -- Limitations on new projects -- Emergencies.**

233 (1) As used in this section:

234 (a) (i) "Capital developments" means a:

235 (A) remodeling, site, or utility project with a total cost of \$3,500,000 or more;

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

237 (C) purchase of real property where an appropriation is requested to fund the purchase.

238 (ii) "Capital developments" does not include a project described in Subsection
239 (1)(b)(iii).

240 (b) "Capital improvements" means:

241 (i) a remodeling, alteration, replacement, or repair project with a total cost of less than
242 \$3,500,000;

243 (ii) a site or utility improvement with a total cost of less than \$3,500,000;

244 (iii) a utility infrastructure improvement project that:

- 245 (A) has a total cost of less than \$7,000,000;
- 246 (B) consists of two or more projects that, if done separately, would each cost less than
247 \$3,500,000; and
- 248 (C) the State Building Board determines is more cost effective or feasible to be
249 completed as a single project; or
- 250 (iv) a new facility with a total construction cost of less than \$500,000.
- 251 (c) (i) "New facility" means the construction of a new building on state property
252 regardless of funding source.
- 253 (ii) "New facility" includes:
- 254 (A) an addition to an existing building; and
- 255 (B) the enclosure of space that was not previously fully enclosed.
- 256 (iii) "New facility" does not include:
- 257 (A) the replacement of state-owned space that is demolished or that is otherwise
258 removed from state use, if the total construction cost of the replacement space is less than
259 \$3,500,000; or
- 260 (B) the construction of facilities that do not fully enclose a space.
- 261 (d) "Replacement cost of existing state facilities and infrastructure" means the
262 replacement cost, as determined by the Division of Risk Management, of state facilities,
263 excluding auxiliary facilities as defined by the State Building Board and the replacement cost
264 of infrastructure as defined by the State Building Board.
- 265 (e) "State funds" means public money appropriated by the Legislature.
- 266 (2) (a) The ~~[State Building Board]~~ board shall, on behalf of all state agencies~~[-shall~~
267 ~~submit its]~~ and in accordance with Subsection (4), submit capital development
268 recommendations and priorities to the Legislature for approval and prioritization.
- 269 (b) In developing the ~~[State Building Board's]~~ board's capital development
270 recommendations and priorities, the ~~[State Building Board]~~ board shall~~[-(i)]~~ require each state
271 agency ~~[requesting]~~ that requests an appropriation for a capital development project to:
- 272 (i) submit to the board a capital development project request; and
- 273 (ii) complete and submit to the board a study that demonstrates the feasibility of the
274 capital development project, including:
- 275 (A) the need for the capital development project;

- 276 (B) the appropriateness of the scope of the capital development project;
- 277 (C) any private funding for the capital development project; and
- 278 (D) the economic and community impacts of the capital development project[;].

279 ~~[(ii)]~~ (c) The board shall verify the completion and accuracy of ~~[the]~~ a feasibility study
 280 ~~[described in]~~ that a state agency submits to the board under Subsection (2)(b)~~[(i)]~~;

281 ~~[(iii)]~~ (d) The board shall require that an institution of higher education described in
 282 Section 53B-1-102 that submits a request for a capital development project address whether
 283 and how, as a result of the project, the institution will:

284 ~~[(A)]~~ (i) offer courses or other resources that will help meet demand for jobs, training,
 285 and employment in the current market and the projected market for the next five years;

286 ~~[(B)]~~ (ii) respond to individual skilled and technical job demand over the next 3, 5, and
 287 10 years;

288 ~~[(C)]~~ (iii) respond to industry demands for trained workers;

289 ~~[(D)]~~ (iv) help meet commitments made by the Governor's Office of Economic
 290 Development, including relating to training and incentives;

291 ~~[(E)]~~ (v) respond to changing needs in the economy; and

292 ~~[(F)]~~ (vi) based on demographics, respond to demands for on-line or in-class
 293 instruction~~[; and]~~.

294 ~~[(iv) only when determining the order of prioritization among requests submitted by~~
 295 ~~the State Board of Regents;]~~

296 (e) The board shall give more weight~~[;]~~ in the ~~[State Building Board's]~~ board's scoring
 297 process~~[;]~~ to a request that is designated as a higher priority by the State Board of Regents than
 298 a request that is designated as a lower priority by the State Board of Regents only when
 299 determining the order of prioritization among requests submitted by the State Board of
 300 Regents.

301 ~~[(e) An agency may not modify a capital development project request after the deadline~~
 302 ~~for submitting the request, except to the extent that a modification of the scope of the project,~~
 303 ~~or the amount of funds requested, is necessary due to increased construction costs or other~~
 304 ~~factors outside of the agency's control.]~~

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

307 (b) Legislative approval is not required for a capital development project that consists
308 of the design or construction of a new facility if:

309 (i) the [~~State Building Board~~] board determines that the requesting state agency has
310 provided adequate assurance that state funds will not be used for the design or construction of
311 the facility;

312 (ii) the state agency provides to the [~~State Building Board~~] board a written document,
313 signed by the head of the state agency:

314 (A) stating that funding or a revenue stream is in place, or will be in place before the
315 project is completed, to ensure that increased state funding will not be required to cover the
316 cost of operations and maintenance to the resulting facility for immediate or future capital
317 improvements; and

318 (B) detailing the source of the funding that will be used for the cost of operations and
319 maintenance for immediate and future capital improvements to the resulting facility; and

320 (iii) the [~~State Building Board~~] board determines that the use of the state property is:

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

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

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

325 (ii) For facilities constructed under the exemption provided in Subsection (3)(b), a state
326 agency may not request:

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

328 (B) state capital improvement funding.

329 (d) Legislative approval is not required for:

330 (i) the renovation, remodeling, or retrofitting of an existing facility with nonstate funds
331 that has been approved by the [~~State Building Board~~] board;

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

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

337 (iv) a capital project that:

338 (A) is funded by~~[-(F)]~~ the Uintah Basin Revitalization Fund~~[-];~~ or ~~[(H)]~~ the Navajo
339 Revitalization Fund; and

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

341 (v) a capital project on school and institutional trust lands that is funded by the School
342 and Institutional Trust Lands Administration from the Land Grant Management Fund and that
343 does not fund construction of a new facility for a state agency or higher education institution.

344 (e) (i) Legislative approval is not required for capital development projects to be built
345 for the Department of Transportation:

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

347 (B) as a result of a sale or exchange of real property from a maintenance facility if the
348 real property is exchanged for, or the proceeds from the sale of the real property are used for,
349 another maintenance facility, including improvements for a maintenance facility and real
350 property.

351 (ii) When the Department of Transportation approves a sale or exchange under
352 Subsection (3)(e), it shall notify the president of the Senate, the speaker of the House, and the
353 cochairs of the Infrastructure and General Government Appropriations Subcommittee of the
354 Legislature's Joint Appropriation Committee about any new facilities to be built or improved
355 under this exemption.

356 (4) (a) (i) ~~[The State Building Board]~~ On or before January 15 of each year, the board
357 shall, on behalf of all state agencies, ~~[commissions, departments, and institutions shall by~~
358 ~~January 15 of each year,]~~ submit a list of anticipated capital improvement requirements to the
359 Legislature for review and approval.

360 (ii) The ~~[list shall identify]~~ board shall ensure that the list identifies:

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

362 (B) multiple projects within a single building or facility that collectively cost more than
363 \$1,000,000;

364 (C) a single project that will be constructed over multiple years with a yearly cost of
365 \$1,000,000 or more and an aggregate cost of more than \$3,500,000;

366 (D) multiple projects within a single building or facility with a yearly cost of
367 \$1,000,000 or more and an aggregate cost of more than \$3,500,000;

368 (E) a single project previously reported to the Legislature as a capital improvement

369 project under \$1,000,000 that, because of an increase in costs or scope of work, will now cost
370 more than \$1,000,000;

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

374 (G) projects approved under Subsection (1)(b)(iii).

375 (b) Unless otherwise directed by the Legislature, the [~~State Building Board~~] board shall
376 prioritize capital improvements from the list submitted to the Legislature up to the level of
377 appropriation made by the Legislature.

378 (c) In prioritizing capital improvements, the [~~State Building Board~~] board shall
379 consider the results of facility evaluations completed by an architect/engineer as stipulated by
380 the building board's facilities maintenance standards.

381 (d) [~~Beginning on July 1, 2013, in~~] In prioritizing capital improvements, the [~~State~~
382 ~~Building Board~~] board shall allocate at least 80% of the funds that the Legislature appropriates
383 for capital improvements to:

384 (i) projects that address:

385 (A) a structural issue;

386 (B) fire safety;

387 (C) a code violation; or

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

389 (ii) projects that upgrade:

390 (A) an HVAC system;

391 (B) an electrical system;

392 (C) essential equipment;

393 (D) an essential building component; or

394 (E) infrastructure, including a utility tunnel, water line, gas line, sewer line, roof,
395 parking lot, or road; or

396 (iii) projects that demolish and replace an existing building that is in extensive
397 disrepair and cannot be fixed by repair or maintenance.

398 (e) [~~Beginning on July 1, 2013, in~~] In prioritizing capital improvements, the [~~State~~
399 ~~Building Board~~] board shall allocate no more than 20% of the funds that the Legislature

400 appropriates for capital improvements to:

401 (i) remodeling and aesthetic upgrades to meet state programmatic needs; or

402 (ii) construct an addition to an existing building or facility.

403 (f) The ~~[State Building Board]~~ board may require an entity that benefits from a capital
404 improvement project to repay the capital improvement funds from savings that result from the
405 project.

406 (g) The ~~[State Building Board]~~ board may provide capital improvement funding to a
407 single project, or to multiple projects within a single building or facility, even if the total cost
408 of the project or multiple projects is \$3,500,000 or more, if:

409 (i) the capital improvement project is a project described in Subsection (1)(b)(iii); and

410 (ii) the Legislature has not refused to fund the project with capital improvement funds.

411 (h) In prioritizing and allocating capital improvement funding, the State Building
412 Board shall comply with the requirement in Subsection [63B-23-101\(2\)\(f\)](#).

413 (5) The Legislature may authorize:

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

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

416 (6) If construction of a new building or facility will require an immediate or future
417 increase in state funding for operations and maintenance or for capital improvements, the
418 Legislature may not authorize the new building or facility until the Legislature appropriates
419 funds for:

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

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

424 (7) (a) Except as provided in Subsection (7)(b), the Legislature may not fund the design
425 or construction of any new capital development projects, except to complete the funding of
426 projects for which partial funding has been previously provided, until the Legislature has
427 appropriated 1.1% of the replacement cost of existing state facilities and infrastructure to
428 capital improvements.

429 ~~[(b) (i) As used in this Subsection (7)(b):]~~

430 ~~[(A) "Education Fund budget deficit" is as defined in Section [63J-1-312](#); and]~~

431 ~~[(B) "General Fund budget deficit" is as defined in Section 63J-1-312.]~~

432 ~~[(ii) (b) If the Legislature determines that there exists an Education Fund budget~~
 433 ~~deficit or a General Fund budget deficit [exists] as those terms are defined in Section~~
 434 ~~63J-1-312, the Legislature may, in eliminating the deficit, reduce the amount appropriated to~~
 435 ~~capital improvements to 0.9% of the replacement cost of state buildings and infrastructure.~~

436 ~~[(8) It is the policy of the Legislature that a new building or facility be approved and~~
 437 ~~funded for construction in a single budget action, therefore the]~~

438 ~~(8) (a) The Legislature may not fund the [programming,] design[;] and construction of~~
 439 ~~a new [building or] facility in phases over more than one year unless the Legislature [has~~
 440 ~~approved each phase of the funding for the construction of the new building or facility by the~~
 441 ~~affirmative] approves the funding for both the design and construction by a vote of two-thirds~~
 442 ~~of all the members elected to each house.~~

443 ~~(b) An agency is required to receive approval from the board before the agency begins~~
 444 ~~programming for a new facility that requires legislative approval under Subsection (3).~~

445 ~~(c) The board or an agency may fund the programming of a new facility before the~~
 446 ~~Legislature makes an appropriation for the new facility under Subsection (8)(a).~~

447 ~~(9) (a) [If, after approval of] Notwithstanding the requirements of Title 63J, Chapter 1,~~
 448 ~~Budgetary Procedures Act, after the Legislatures approves capital development and capital~~
 449 ~~improvement priorities [by the Legislature] under this section, [emergencies arise that create~~
 450 ~~unforeseen critical capital improvement projects, the State Building Board may,~~
 451 ~~notwithstanding the requirements of Title 63J, Chapter 1, Budgetary Procedures Act, reallocate~~
 452 ~~capital improvement funds to address those projects] if an emergency arises that creates an~~
 453 ~~unforseen and critical need for a capital improvement project, the board may reallocate capital~~
 454 ~~improvement funds to address the project.~~

455 ~~(b) The [State Building Board] board shall report any changes [it] the board makes in~~
 456 ~~capital improvement allocations approved by the Legislature to:~~

457 ~~(i) the Office of Legislative Fiscal Analyst within 30 days of the reallocation; and~~
 458 ~~(ii) the Legislature at its next annual general session.~~

459 ~~(10) (a) The [State Building Board] board may adopt a rule allocating to institutions~~
 460 ~~and agencies their proportionate share of capital improvement funding.~~

461 ~~(b) The [State Building Board] board shall ensure that the rule:~~

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

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

467 (11) It is the intent of the Legislature that in funding capital improvement requirements
468 under this section the General Fund be considered as a funding source for at least half of those
469 costs.

470 (12) (a) Subject to Subsection (12)(b), at least 80% of the state funds appropriated for
471 capital improvements shall be used for maintenance or repair of the existing building or
472 facility.

473 (b) The [~~State Building Board~~] board may modify the requirement described in
474 Subsection (12)(a) if the [~~State Building Board~~] board determines that a different allocation of
475 capital improvements funds is in the best interest of the state.

476 Section 6. Section **63B-27-101** is enacted to read:

477 **Part 1. 2017 Revenue Bond Authorizations**

478 **63B-27-101. Revenue Bond authorizations -- State Building Ownership Authority.**

479 (1) The Legislature intends that:

480 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter
481 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
482 enter into or arrange for a lease-purchase agreement in which participation interests may be
483 created, to provide up to \$5,451,800 for a Farmington liquor store, together with additional
484 amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt
485 service reserve requirements;

486 (b) the Department of Alcoholic Beverage Control use sales revenues as the primary
487 revenue source for repayment of any obligation created under authority of this Subsection (1);
488 and

489 (c) the Department of Alcoholic Beverage Control may request operation and
490 maintenance funding from sales revenues.

491 (2) The Legislature intends that:

492 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter

493 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may
494 enter into or arrange for a lease-purchase agreement in which participation interests may be
495 created, to provide up to \$5,451,800 for a southwest Salt Lake County liquor store, together
496 with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund
497 any existing debt service reserve requirements;

498 (b) the Department of Alcoholic Beverage Control use sales revenues as the primary
499 revenue source for repayment of any obligation created under authority of this Subsection (2);
500 and

501 (c) the Department of Alcoholic Beverage Control may request operation and
502 maintenance funding from sales revenues.

503 Section 7. Section **63B-27-102** is enacted to read:

504 **63B-27-102. Revenue bond authorizations -- Board of Regents.**

505 (1) The Legislature intends that:

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

510 (b) the University of Utah use room rental, meeting room rental, and the sale of
511 ancillary services as the primary revenue sources for repayment of any obligation created under
512 authority of this Subsection (1);

513 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
514 this Subsection (1) may not exceed \$8,250,000 for acquisition and construction proceeds,
515 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
516 fund any debt service reserve requirements;

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

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

522 (2) The Legislature intends that:

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

524 deliver revenue bonds or other evidences of indebtedness of Dixie State University to borrow
525 money on the credit, revenues, and reserves of the university, other than appropriations of the
526 Legislature, to finance the cost of constructing an expansion of the Legend Solar Stadium;

527 (b) Dixie State University use donations and institutional funds as the primary revenue
528 sources for repayment of any obligation created under authority of this Subsection (2);

529 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
530 this Subsection (2) may not exceed \$4,700,000 for acquisition and construction proceeds,
531 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
532 fund any debt service reserve requirements;

533 (d) the university may plan, design, and construct an expansion of the Legend Solar
534 Stadium, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division
535 of Facilities Construction and Management; and

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

538 (3) The Legislature intends that:

539 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
540 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
541 money on the credit, revenues, and reserves of the university, other than appropriations of the
542 Legislature, to finance the cost of constructing the Medical Education and Discovery Complex
543 and Rehabilitation Hospital;

544 (b) the University of Utah use donations, clinical revenues, and other institutional
545 funds as the primary revenue sources for repayment of any obligation created under authority of
546 this Subsection (3);

547 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
548 this Subsection (3) may not exceed \$190,000,000 for acquisition and construction proceeds,
549 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
550 fund any debt service reserve requirements;

551 (d) the university may plan, design, and construct the Medical Education and
552 Discovery Complex and Rehabilitation Hospital, subject to the requirements of Title 63A,
553 Chapter 5, State Building Board - Division of Facilities Construction and Management; and

554 (e) the university may request state funds for operation and maintenance costs and

555 capital improvements.

556 (4) The Legislature intends that:

557 (a) the Board of Regents, on behalf of Dixie State University, may issue, sell, and
558 deliver revenue bonds or other evidences of indebtedness of Dixie State University to borrow
559 money on the credit, revenues, and reserves of the university, other than appropriations of the
560 Legislature, to finance the cost of constructing the Human Performance Center;

561 (b) Dixie State University use donations, student fees, and other institutional funds as
562 the primary revenue sources for repayment of any obligation created under authority of this
563 Subsection (4);

564 (c) the maximum amount of revenue bond or evidences of indebtedness authorized by
565 this Subsection (4) may not exceed \$16,000,000 for acquisition and construction proceeds,
566 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
567 fund any debt service reserve requirements;

568 (d) the university may plan, design, and construct the Human Performance Center,
569 subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of
570 Facilities Construction and Management; and

571 (e) the university may request state funds for operation and maintenance costs and
572 capital improvements.

573 Section 8. Section **63B-27-201** is enacted to read:

574 **Part 2. 2017 Lease-Purchase Authorizations**

575 **63B-27-201. Lease-purchase authorizations.**

576 The Legislature intends that:

577 (1) the Dixie Applied Technology College, subject to the requirements of Title 63A,
578 Chapter 5, State Building Board - Division of Facilities Construction and Management, enter
579 into or arrange for a lease-purchase agreement in which participation interests may be created,
580 to provide up to \$9,505,300, together with additional amounts necessary to pay costs of
581 issuance, pay capitalized interest, and fund any existing debt service reserve requirements, for
582 the planning, design, and construction of the Industrial Building for the Dixie Applied
583 Technology College permanent main campus building with up to 64,000 square feet; and

584 (2) the college may request state funds for operation and maintenance costs, but not for
585 capital improvements for the leased building during the term of the lease-purchase agreement.

586 Section 9. **Effective date.**

587 (1) Except as provided in Subsection (2), if approved by two-thirds of all the members
588 elected to each house, this bill takes effect upon approval by the governor, or the day following
589 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's
590 signature, or in the case of a veto, the date of veto override.

591 (2) The actions affecting the following sections take effect on May 9, 2017:

592 (a) Section [63A-5-100](#);

593 (b) Section [63A-5-101](#);

594 (c) Section [63A-5-101.5](#);

595 (d) Section [63A-5-103](#); and

596 (e) Section [63A-5-104](#).

Legislative Review Note
Office of Legislative Research and General Counsel