

Revenue Bond and Capital Facilities Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Don L. Ipson

House Sponsor: Douglas R. Welton

LONG TITLE

General Description:

This bill enacts provisions relating to 2025 revenue bonds.

Highlighted Provisions:

This bill:

▸ expresses the Legislature's intent relating to the Utah Board of Higher Education's issuance, sale, and delivery of revenue bonds to finance the construction of:

- the Huntsman Cancer Institute Vineyard Campus Facility; and
- the 800 East Residence Hall project at Utah State University; and

▸ expresses the Legislature's intent relating to the State Building Ownership Authority's issuance of obligations to finance a warehouse facility and club store for the Department of Alcoholic Beverage Services.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

63B-34-101, Utah Code Annotated 1953

63B-34-102, Utah Code Annotated 1953

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

Section 1. Section **63B-34-101** is enacted to read:

CHAPTER 34. 2025 BONDING AND FINANCING AUTHORIZATIONS

Part 1. 2025 Bonding and Financing Authorizations

63B-34-101 . Revenue bond authorizations -- Utah Board of Higher Education.

(1) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue,

31 sell, and deliver revenue bonds or other evidences of indebtedness of the University
32 of Utah to borrow money on the credit, revenues, and reserves of the university, other
33 than appropriations of the Legislature, to finance the cost of constructing the
34 Huntsman Cancer Institute Vineyard Campus Facility;

35 (b) the University of Utah use clinical revenues and other non-state revenues of the
36 University of Utah Health Sciences as the primary revenue sources for repayment of
37 any obligation created under authority of this Subsection (1);

38 (c) the amount of revenue bonds or evidences of indebtedness authorized by this
39 Subsection (1) may not exceed \$65,000,000 for acquisition and construction
40 proceeds, together with other amounts necessary to pay costs of issuance, pay
41 capitalized interest, and fund any debt service reserve requirements;

42 (d) the university may plan, design, and construct the Huntsman Cancer Institute
43 Vineyard Campus Facility subject to the requirements of Title 63A, Chapter 5b,
44 Administration of State Facilities; and

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

47 (2) The Legislature intends that:

48 (a) the Utah Board of Higher Education, on behalf of Utah State University, may issue,
49 sell, and deliver revenue bonds or other evidences of indebtedness of Utah State
50 University to borrow money on the credit, revenues, and reserves of the university,
51 other than appropriations of the Legislature, to finance the cost of constructing the
52 800 East Residence Hall project;

53 (b) Utah State University use student housing rental fees and other auxiliary revenues as
54 the primary revenue sources for repayment of any obligation created under authority
55 of this Subsection (2);

56 (c) the amount of revenue bonds or evidences of indebtedness authorized by this
57 Subsection (2) may not exceed \$100,000,000 for acquisition and construction
58 proceeds, together with other amounts necessary to pay costs of issuance, pay
59 capitalized interest, and fund any debt service reserve requirements;

60 (d) the university may plan, design, and construct the 800 East Residence Hall project
61 subject to the requirements of Title 63A, Chapter 5b, Administration of State
62 Facilities; and

63 (e) the university may not request additional state funds for operation and maintenance
64 costs or capital improvements.

Section 2. Section **63B-34-102** is enacted to read:

63B-34-102 . Revenue bond authorizations -- State Building Ownership

Authority.

The Legislature intends that:

- (1) the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$85,000,000 for a warehouse facility and club store, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;
- (2) the Department of Alcoholic Beverage Services use sales revenues as the primary revenue source for repayment of any obligation created under authority of this section;
- (3) the Department of Alcoholic Beverage Services may request operation and maintenance funding from sales revenues; and
- (4) before the State Building Ownership Authority takes any action under this section, the Department of Alcoholic Beverage Services, the Division of Facilities and Construction Management, and the state treasurer jointly provide to the Executive Appropriations Committee and the Governor's Office of Planning and Budget a report that describes the plans related to the potential action, including facility specifications, construction cost, operations and maintenance projections, and expected terms of finance.

Section 3. Effective Date.

This bill takes effect on July 1, 2025.