

Effective 5/12/2015

63B-25-101 General obligation bonds for prison project -- Maximum amount -- Use of proceeds.

- (1) As used in this section:
 - (a) "Prison project" means the same as that term is defined in Section 63C-16-102.
 - (b) "Prison project fund" means the capital projects fund created in Subsection 63A-5-225(7).
- (2) The commission may issue general obligation bonds as provided in this section.
- (3)
 - (a) The total amount of bonds to be issued under this section may not exceed \$470,000,000, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any debt service reserve requirements, with the total amount of the bonds not to exceed \$474,700,000.
 - (b) The maturity of bonds issued under this section shall be seven years.
- (4) The commission shall ensure that proceeds from the issuance of bonds under this section are deposited into the Prison Project Fund for use by the division to pay all or part of the cost of the prison project, including:
 - (a) interest estimated to accrue on the bonds authorized in this section until the completion of construction of the prison project, plus a period of 12 months after the end of construction; and
 - (b) all related engineering, architectural, and legal fees.
- (5)
 - (a) The division may enter into agreements related to the prison project before the receipt of proceeds of bonds issued under this section.
 - (b) The division shall make those expenditures from unexpended and unencumbered building funds already appropriated to the Prison Project Fund.
 - (c) The division shall reimburse the Prison Project Fund upon receipt of the proceeds of bonds issued under this chapter.
 - (d) The state intends to use proceeds of tax-exempt bonds to reimburse itself for expenditures for costs of the prison project.
- (6) Before issuing bonds authorized under this section, the commission shall request and consider a recommendation from the Prison Development Commission, created in Section 63C-16-201, regarding the timing and amount of the issuance.

Enacted by Chapter 182, 2015 General Session