

**GENERAL OBLIGATION BOND AND CAPITAL
FACILITIES AUTHORIZATIONS**

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Beverly Ann Evans

This act modifies the Bonding Code by authorizing the issuance and sale of general obligation bonds by the State Bonding Commission for capital facilities and for certain highways and related facilities. This act specifies the use of the bond proceeds and the manner of issuance. This act approves the issuance of certain obligations by the State Building Ownership Authority and authorizes other capital facility expenditures.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

63B-12-101, Utah Code Annotated 1953

63B-12-102, Utah Code Annotated 1953

63B-12-201, Utah Code Annotated 1953

63B-12-301, Utah Code Annotated 1953

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

Section 1. Section **63B-12-101** is enacted to read:

CHAPTER 12. 2003 BONDING AND FINANCING AUTHORIZATIONS

Part 1. 2003 General Obligation Bonds

63B-12-101. Capital facilities bonds -- Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this section may not exceed \$65,300,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide funds to pay all or part of the cost of acquiring and constructing the projects listed in this Subsection (2).

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be

covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees.

(c) For the division, proceeds shall be provided for the following:

CAPITAL IMPROVEMENTS

<u>Alterations, Repairs,</u>	
<u>and Improvements</u>	<u>\$4,200,000</u>
<u>TOTAL CAPITAL IMPROVEMENTS</u>	<u>\$4,200,000</u>

CAPITAL DEVELOPMENT PROJECTS

<u>Project</u>	<u>Estimated</u>	<u>Project</u>
<u>Description</u>	<u>Operations</u>	<u>Amount</u>
	<u>and</u>	<u>Funded</u>
	<u>Maintenance</u>	
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<u>Division of Archives -</u>		
<u>Building</u>	<u>\$143,000</u>	<u>\$8,000,000</u>
<u>Utah Valley State College -</u>		
<u>Purchase of</u>		
<u>Vineyard Elementary</u>	<u>\$629,800</u>	<u>\$6,600,000</u>
<u>Capitol Restoration</u>	<u>\$0</u>	<u>\$5,800,000</u>
<u>Utah State University -</u>		
<u>Library</u>	<u>\$600,000</u>	<u>\$40,000,000</u>
<u>TOTAL CAPITAL</u>		
<u>DEVELOPMENT</u>		
<u>PROJECTS</u>		<u>\$60,400,000</u>

TOTAL GENERAL OBLIGATION BOND AUTHORIZATION

FOR CAPITAL IMPROVEMENTS AND
CAPITAL DEVELOPMENT PROJECTS

\$64,600,000

(d) For purposes of this section, operations and maintenance costs:

(i) are estimates only;

(ii) may include any operations and maintenance costs already funded in existing agency budgets; and

(iii) are not commitments by this Legislature or future Legislatures to fund those operations and maintenance costs.

(3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not constitute a limitation on the amount that may be expended for any project.

(b) The board may revise these estimates and redistribute the amount estimated for a project among the projects authorized.

(c) The commission, by resolution and in consultation with the board, may delete one or more projects from this list if the inclusion of that project or those projects in the list could be construed to violate state law or federal law or regulation.

(4) (a) The division may enter into agreements related to these projects before the receipt of proceeds of bonds issued under this chapter.

(b) The division shall make those expenditures from unexpended and unencumbered building funds already appropriated to the Capital Projects Fund.

(c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds of bonds issued under this chapter.

(d) The commission or the state treasurer may make any statement of intent relating to that reimbursement that is necessary or desirable to comply with federal tax law.

Section 2. Section **63B-12-102** is enacted to read:

63B-12-102. Highway bonds -- Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$109,500,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the Department of

Transportation to provide funds to pay all or part of the costs of state highway construction or reconstruction projects.

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and making all improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of this title, and all related engineering, architectural, and legal fees.

(3) The commission or the state treasurer may make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

(4) The Department of Transportation may enter into agreements related to that project before the receipt of proceeds of bonds issued under this chapter.

Section 3. Section **63B-12-201** is enacted to read:

Part 2. 2003 Revenue Bond Authorizations

63B-12-201. Revenue bond authorizations.

(1) (a) It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63, Chapter 9a, State Building Ownership Act, may issue or execute obligations, or enter into or arrange for a lease purchase agreement in which participation interests may be created, to provide up to \$14,099,000 for the construction of a state courthouse in the City of West Jordan together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(b) It is the intent of the Legislature that, before entering into the obligations authorized by this Subsection (1), the State Building Ownership Authority shall confirm that the projected amount of fees in the Courts Complex Fund, Fund 106, along with other funds in existing budgets of the courts are adequate to cover the repayment of any obligation created under authority of this Subsection (1).

(c) It is further the intent of the Legislature that when Sandy City has entered into a binding agreement with the Division of Facilities Construction and Management to purchase the

existing Sandy Courthouse at an amount that will provide sale proceeds, net of any rent that may be charged to the courts for occupying the Sandy Courthouse during construction of the new courthouse, of not less than \$4,500,000, those proceeds may be used to include replacement space for the district court in the new courthouse.

(2) (a) It is the intent of the Legislature that the State Building Ownership Authority, under the authority of Title 63, Chapter 9a, State Building Ownership Act, issue or execute obligations, or enter into or arrange for a lease purchase agreement in which participation interests may be created, to provide up to \$1,242,000 for the construction of a driver license office in West Valley City, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(b) It is further the intent of the Legislature that fees for driver licenses be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (2).

Section 4. Section **63B-12-301** is enacted to read:

Part 3. Capital Facility Authorizations

63B-12-301. Other capital facilities authorizations.

(1) It is the intent of the Legislature that:

(a) Utah State University use institutional funds to plan, design, and construct an addition to the Laboratory Research Center under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

(c) the university may request state funds for operations and maintenance to the extent that the university is able to demonstrate to the Board of Regents that the facility meets approved academic and training purposes under Board of Regents policy R710.

(2) It is the intent of the Legislature that:

(a) Utah State University use institutional funds to plan, design, and construct an addition to the Biology/Natural Resources Building under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

(c) the university may request state funds for operations and maintenance to the extent that the university is able to demonstrate to the Board of Regents that the facility meets approved academic and training purposes under Board of Regents policy R710.

(3) It is the intent of the Legislature that:

(a) Snow College use grants and loans from the Community Impact Board together with other institutional funds to plan, design, and construct an addition to the Activities Center under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

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

(c) before proceeding with the project, the Board of Regents and the State Building Board review and approve the scope and funding of the project; and

(d) the college may request state funds for operations and maintenance to the extent that the college is able to demonstrate to the Board of Regents that the facility meets approved academic and training purposes under Board of Regents policy R710.

(4) (a) It is the intent of the Legislature that the Division of Facilities Construction and Management sell the state's interest in the Iron County Correction Facility to Iron County for \$2,000,000 according to the terms specified in this Subsection (4).

(b) Iron County will pay the state \$1,550,000 in cash.

(c) To pay the \$450,000 balance of the purchase price, Iron County will:

(i) provide office space for the Department of Corrections' Adult Probation and Parole in the Iron County Correction Facility for ten years at no cost to the state of Utah, at an estimated value of \$45,000 per year for a total ten year value of \$450,000; and

(ii) contract with the Department of Corrections to house 15 state prisoners in the Iron County Correctional Facility for at least five years.

(d) (i) The Department of Corrections shall select the 15 prisoners to house at the Iron County Correctional Facility from beds currently under contract in other counties.

(ii) Nothing in this section may be construed to authorize or require the Department of

Corrections to increase the number of prisoners currently housed in county correctional facilities on state contract.

(e) If the Department of Corrections' Adult Probation and Parole chooses, for whatever reason, not to use the office space offered by Iron County, Iron County is not liable for, and need not pay, the state the value of that estimated rent.