

**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 \$63,800,000.

(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:

<u>PROJECT</u>	<u>AMOUNT</u>	<u>ESTIMATED</u>
<u>DESCRIPTION</u>	<u>FUNDED</u>	<u>OPERATIONS</u>
		<u>AND</u>
		<u>MAINTENANCE</u>
<u>Archives Building</u>	<u>\$1,500,000</u>	<u>\$143,000</u>
<u>Utah State University Library</u>	<u>\$16,000,000</u>	<u>\$600,000</u>
<u>Dixie Health Sciences</u>	<u>\$1,000,000</u>	<u>\$385,000</u>
<u>Weber State University-</u>		
<u>Swenson Remodel</u>	<u>\$5,499,000</u>	<u>\$75,400</u>
<u>Southern Utah University -</u>		
<u>Teacher Education</u>	<u>\$9,000,000</u>	<u>\$509,500</u>
<u>University of Utah Library</u>	<u>\$6,000,000</u>	<u>\$299,400</u>
<u>Utah College of Applied Technology -</u>		
<u>Vernal</u>	<u>\$9,500,000</u>	<u>\$309,600</u>
<u>Utah Valley State College -</u>		
<u>Vineyard Elementary purchase</u>	<u>\$3,100,000</u>	<u>\$629,800</u>
<u>Salt Lake Community College -</u>		
<u>Health Sciences (West Jordan)</u>	<u>\$1,500,000</u>	<u>\$612,000</u>
<u>Capitol Restoration Acceleration</u>	<u>\$10,000,000</u>	<u>\$0</u>
<u>TOTAL CAPITAL AND</u>		
<u>ECONOMIC DEVELOPMENT</u>	<u>\$63,099,000</u>	<u>\$3,563,700</u>

(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

59 operations and maintenance costs.

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

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

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

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

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

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

73 (d) The commission may, by resolution, make any statement of intent relating to that  
74 reimbursement that is necessary or desirable to comply with federal tax law.

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

76 **63B-12-102. Highway bonds -- Maximum amount -- Projects authorized.**

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

78 (2) (a) Proceeds from the issuance of bonds shall be provided to the Department of  
79 Transportation to provide funds to pay all or part of the costs of state highway construction or  
80 reconstruction projects.

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

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

89 (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 \$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 Administrative Office of the Courts enter into a lease purchase agreement with Tooele County for a new courthouse at a cost to the state of not more than \$6,672,000 plus financing costs.

(b) It is further the intent of the Legislature that, before entering into the lease purchase agreement authorized by this Subsection (2), the Judicial Council confirm that it has sufficient funding in place to cover the repayment of any obligation created under authority of this Subsection (2).

(3) (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

121 participation interests may be created, to provide up to a total of \$24,297,000 for the  
122 construction of a state regional office building in each of the cities of Logan, Ogden, and St.  
123 George together with additional amounts necessary to pay costs of issuance, pay capitalized  
124 interest, and fund any debt service reserve requirements.

125 (b) It is the intent of the Legislature that existing budgets for rent be used as the  
126 primary revenue source for repayment of any obligation created under authority of this  
127 Subsection (3).

128 (c) It is further the intent of the Legislature that the regional office buildings in Logan  
129 and St. George may include additional space to house the Department of Workforce Services to  
130 the extent that such space can be funded from proceeds from the sale of owned Department of  
131 Workforce Services facilities in Logan and St. George, together with transfers from the  
132 Workforce Services Special Administrative Fund.

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

139 (b) It is further the intent of the Legislature that fees for driver licenses be used as the  
140 primary revenue source for repayment of any obligation created under authority of this  
141 Subsection (4).

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

### 143 **Part 3. Capital Facility Authorizations**

#### 144 **63B-12-301. Other capital facilities authorizations.**

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

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

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

150 (c) the university may request state funds for operations and maintenance to the extent  
151 that the university is able to demonstrate to the Board of Regents that the facility meets

152 approved academic and training purposes under Board of Regents policy R710.

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

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

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

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

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

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

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

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

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

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### Legislative Review Note

as of 2-25-03 7:57 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel