

Representative Loraine T. Pace proposes the following substitute bill:

**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).

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26 (b) These costs may include the cost of acquiring land, interests in land, easements and
 27 rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities
 28 and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or
 29 convenient to the facilities, interest estimated to accrue on these bonds during the period to be
 30 covered by construction of the projects plus a period of six months after the end of the
 31 construction period, and all related engineering, architectural, and legal fees.

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

33 -----
 34 CAPITAL IMPROVEMENTS

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

38 -----
 39 CAPITAL DEVELOPMENT PROJECTS

40	<u>Estimated</u>	
41	<u>Operations</u>	<u>Project</u>
42	<u>and</u>	<u>Amount</u>
43	<u>Maintenance</u>	<u>Funded</u>
44	<u>-----</u>	<u>-----</u>
45 <u>Division of Archives -</u>		
46 <u>Building</u>	<u>\$143,000</u>	<u>\$8,000,000</u>
47 <u>Utah Valley State College -</u>		
48 <u>Purchase of</u>		
49 <u>Vineyard Elementary</u>	<u>\$629,800</u>	<u>\$6,600,000</u>
50 <u>Capitol Restoration</u>	<u>\$0</u>	<u>\$5,800,000</u>
51 <u>Utah State University -</u>		
52 <u>Library</u>	<u>\$600,000</u>	<u>\$40,000,000</u>
53 <u>TOTAL CAPITAL</u>		
54 <u>DEVELOPMENT</u>		
55 <u>PROJECTS</u>		<u>\$60,400,000</u>
56 -----		

57 TOTAL GENERAL OBLIGATION BOND AUTHORIZATION
 58 FOR CAPITAL IMPROVEMENTS AND
 59 CAPITAL DEVELOPMENT PROJECTS \$64,600,000

60 -----

61 (d) For purposes of this section, operations and maintenance costs:
 62 (i) are estimates only;
 63 (ii) may include any operations and maintenance costs already funded in existing
 64 agency budgets; and

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

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

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

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

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

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

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

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

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

83 **63B-12-102. Highway bonds -- Maximum amount -- Projects authorized.**

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

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

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

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

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

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

99 **Part 2. 2003 Revenue Bond Authorizations**

100 **63B-12-201. Revenue bond authorizations.**

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

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

112 (c) It is further the intent of the Legislature that when Sandy City has entered into a
113 binding agreement with the Division of Facilities Construction and Management to purchase
114 the existing Sandy Courthouse at an amount that will provide sale proceeds, net of any rent that
115 may be charged to the courts for occupying the Sandy Courthouse during construction of the
116 new courthouse, of not less than \$4,500,000, those proceeds may be used to include
117 replacement space for the district court in the new courthouse.

118 (2) (a) It is the intent of the Legislature that the State Building Ownership Authority,

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

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

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

128 **Part 3. Capital Facility Authorizations**

129 **63B-12-301. Other capital facilities authorizations.**

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

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

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

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

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

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

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

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

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

148 (a) Snow College use grants and loans from the Community Impact Board together
149 with other institutional funds to plan, design, and construct an addition to the Activities Center

150 under the direction of the director of the Division of Facilities Construction and Management
151 unless supervisory authority has been delegated;

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

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

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

158 (4) (a) It is the intent of the Legislature that the Division of Facilities Construction and
159 Management sell the state's interest in the Iron County Correction Facility to Iron County for
160 \$2,000,000 according to the terms specified in this Subsection (4).

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

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

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

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

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

170 (ii) Nothing in this section may be construed to authorize or require the Department of
171 Corrections to increase the number of prisoners currently housed in county correctional
172 facilities on state contract.

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