

**REVENUE BONDS AND CAPITAL  
FACILITIES AUTHORIZATIONS**

2005 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: D. Gregg Buxton**

Senate Sponsor: John W. Hickman

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**LONG TITLE**

**General Description:**

This bill authorizes certain state agencies and higher education institutions to issue revenue bonds, to enter lease-purchase agreements, or to build capital facilities using agency or institutional funds.

**Highlighted Provisions:**

This bill:

- ▶ authorizes the issuance of revenue bonds by the State Building Ownership Authority and higher education institutions;
- ▶ authorizes certain state entities to enter into lease-purchase agreements; and
- ▶ authorizes other capital facility construction from agency or institutional funds.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**63B-14-101**, Utah Code Annotated 1953

**63B-14-102**, Utah Code Annotated 1953

**63B-14-201**, Utah Code Annotated 1953

**63B-14-301**, Utah Code Annotated 1953

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

Section 1. Section **63B-14-101** is enacted to read:

**CHAPTER 14. 2005 FINANCING AUTHORIZATIONS**

**Part 1. 2005 Revenue Bond Authorizations**

**63B-14-101. Revenue Bond Authorizations -- State Building Ownership Authority.**

(1) It is the intent of the Legislature that 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 enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$7,867,000 for the acquisition and construction of three stores for the Department of Alcoholic Beverage Control, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(2) It is the intent of the Legislature that the stores to be addressed through this authorization are:

(a) a new wine store in the downtown Salt Lake City area;

(b) a new store in Washington County; and

(c) a new store in southwest Salt Lake County.

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

(a) increased sales revenues be used as the primary revenue source for repayment of any obligation created under authority of this subsection; and

(b) the Department of Alcoholic Beverage Control may request operation and maintenance funding from sales revenues.

Section 2. Section **63B-14-102** is enacted to read:

**63B-14-102. Revenue Bond Authorizations -- Board of Regents.**

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

(a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the University of Utah, other than appropriations of the

Legislature, to finance the cost of acquiring, constructing, furnishing, and equipping a west wing and parking expansion at the University Hospital;

(b) hospital revenues be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (1);

(c) the bonds or other evidences of indebtedness authorized by this Subsection (1) may provide up to \$42,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) funds from the University Hospital Foundation, hospital operations, and other institutional funds be used to fund the balance of the project costs;

(e) the University of Utah may plan, design, and construct a west wing and parking expansion at the University Hospital under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated; and

(f) the university may not request state funds for operations and maintenance.

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

(a) the Board of Regents, on behalf of Weber State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Weber State University to borrow money on the credit, revenues, and reserves of Weber State University, other than appropriations of the Legislature, to finance the cost of renovating the Shepherd Union Building;

(b) student fees be used as the primary revenue source for repayment of any obligation created under authority of this Subsection (2);

(c) the bonds or other evidences of indebtedness authorized by this Subsection (2) may provide up to \$20,000,000, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) Weber State University may plan, design, and renovate the Shepherd Union Building under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated; and

(e) the university may not request state funds for operations and maintenance.

Section 3. Section **63B-14-201** is enacted to read:

**Part 2. 2005 Lease-Purchase Authorizations****63B-14-201. Lease-purchase authorizations.**

It is the intent of the Legislature that the Mountainland Applied Technology Campus of the Utah College of Applied Technology may use existing funds to enter into a lease-purchase agreement for the development of an applied technology facility in Spanish Fork costing up to \$3,250,000.

Section 4. Section **63B-14-301** is enacted to read:

**Part 3. Capital Facility Construction Authorizations****63B-14-301. Authorizations to construct capital facilities using institutional or agency funds.**

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

(a) the University of Utah use donations and other institutional funds to plan, design, and construct an addition to the Social Work 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.

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

(a) the University of Utah use donations and other institutional funds to plan, design, and construct the first phase of a College of Humanities 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 donations and other institutional funds to plan, design, and construct improvements to its football stadium under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated;

(b) the contractor may be required to provide for financing of construction costs, if necessary, to cover the timing of cash flow of committed donations;

(c) Snow College retain financial responsibility for all project costs through its commitment, if necessary, to raise student fees and seek future approval of a revenue bond;

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

(e) the college may not request additional state funds for operations and maintenance.

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

(a) the Department of Corrections use donations and institutional funds provided by Snow College to plan, design, and construct an expansion of the education area at the Central Utah Correctional Facility 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 Department of Corrections may request state funds for operations and maintenance.

(5) It is the intent of the Legislature that the Administrative Office of the Courts exercise its option to purchase the West Valley courthouse using equity accrued through its lease payments.

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

(a) the Department of Natural Resources, Division of Wildlife Resources, use up to \$938,000 from the General Fund Restricted -- Fish Hatchery Maintenance Account to plan, design, and construct a Fisheries Experiment Station Technical Services Building under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated; and

(b) the Department of Natural Resources may not request state funds for operations and

maintenance.

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

(a) the Utah National Guard use federal funds to plan, design, and construct a Readiness Center for the 85th Civil Support Team 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 Utah National Guard may request state funds for operations and maintenance.

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

(a) the Utah National Guard use federal funds to plan, design, and construct a Joint Forces Headquarters addition 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 Utah National Guard may request state funds for operations and maintenance.

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

(a) the Utah National Guard use federal funds to plan, design, and construct a 19th Special Forces Armory addition 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 Utah National Guard may request state funds for operations and maintenance.

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

(a) the Utah National Guard use federal funds to plan, design, and construct a Readiness Center for the 117th Utilities Detachment and the 120th Quartermaster Detachment 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 Utah National Guard may request state funds for operations and maintenance.

(11) It is the intent of the Legislature that the Division of Facilities Construction and Management negotiate and enter into an agreement with the city of St. George for the future

exchange of the current courthouse property in St. George for a replacement court facility site, with the exchange of title occurring after funding is authorized by the Legislature for the construction of the replacement facility.