

1 **CHANGES TO 2004 GENERAL OBLIGATION**

2 **BOND**

3 2005 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Ron Allen**

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the list of projects authorized by the Legislature to be built or
10 purchased from the proceeds of the 2004 General Obligation Bond.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ removes the monies earmarked in the 2004 General Obligation Bond Authorization
- 14 for the Oxbow Jail purchase and authorizes USU to retire its Tooele lease; and
- 15 ▶ exempts USU Tooele from the requirement that part of the funds be used for public
- 16 art.

17 **Monies Appropriated in this Bill:**

18 None

19 **Other Special Clauses:**

20 None

21 **Utah Code Sections Affected:**

22 AMENDS:

23 **63B-13-101**, as enacted by Chapter 310, Laws of Utah 2004

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

26 Section 1. Section **63B-13-101** is amended to read:

27 **63B-13-101. Capital facilities bonds -- Maximum amount -- Projects authorized.**



28 (1) The total amount of bonds issued under this section may not exceed \$87,400,000.

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

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

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

39 -----

40 CAPITAL DEVELOPMENT PROJECTS

41	Estimated	
42	Operations	Project
43	and	Amount
44	Maintenance	Funded
45	-----	-----
46 State Capitol Remodel	\$0	\$50,000,000
47 Weber State University -		
48 Swenson Building Remodel	\$75,400	\$5,569,000
49 Salt Lake Community College -		
50 Health Sciences Building		
51 (West Jordan)	\$762,000	\$21,000,000
52 Utah National Guard -		
53 North Salt Lake		
54 Readiness Center	\$42,500	\$2,719,000
55 College of Eastern Utah		
56 San Juan Library	\$127,200	\$2,400,000
57 [Oxbow Prison Purchase	\$0	\$4,800,000]
58 <u>Retirement of Lease - USU Tooele</u>		<u>\$985,000</u>

59	TOTAL CAPITAL	
60	DEVELOPMENT	
61	PROJECTS	\$86,488,000
62	-----	
63	TOTAL GENERAL OBLIGATION BOND AUTHORIZATION	
64	FOR CAPITAL DEVELOPMENT PROJECTS	\$86,488,000
65	-----	

- 66 (d) For purposes of this section, operations and maintenance costs:
- 67 (i) are estimates only;
- 68 (ii) may include any operations and maintenance costs already funded in existing
- 69 agency budgets; and
- 70 (iii) are not commitments by this Legislature or future Legislatures to fund those
- 71 operations and maintenance costs.
- 72 (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not
- 73 constitute a limitation on the amount that may be expended for any project.
- 74 (b) The board may revise these estimates and redistribute the amount estimated for a
- 75 project among the projects authorized.
- 76 (c) The commission, by resolution and in consultation with the board, may delete one
- 77 or more projects from this list if the inclusion of that project or those projects in the list could
- 78 be construed to violate state law or federal law or regulation.
- 79 (4) (a) The division may enter into agreements related to these projects before the
- 80 receipt of proceeds of bonds issued under this chapter.
- 81 (b) The division shall make those expenditures from unexpended and unencumbered
- 82 building funds already appropriated to the Capital Projects Fund.
- 83 (c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds
- 84 of bonds issued under this chapter.
- 85 (d) The state intends to use proceeds of tax-exempt bonds to reimburse itself for
- 86 expenditures for costs of the projects listed in Subsection (2)(c).
- 87 (5) It is the intent of the Legislature that:
- 88 (a) the funding authorized for projects in Subsection (2) includes funds for public art,
- 89 except for the following projects:

- 90 (i) state capitol remodel;
- 91 (ii) Utah National Guard North Salt Lake Readiness Center; and
- 92 (iii) [~~Oxbow prison~~] Retirement of Lease - USU Tooele;
- 93 (b) no state funds may be expended for the National Guard North Salt Lake Readiness
- 94 Center project until the United States Congress appropriates monies for the project; and
- 95 (c) the Bonding Commission may not issue bonds for the National Guard North Salt
- 96 Lake Readiness Center project until the United States Congress appropriates monies for the
- 97 project.

Legislative Review Note
as of 1-27-05 6:20 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

State Impact

No new fiscal impact on state bonding. This bill amends the prior year general obligation bond authorization, for which a fiscal impact was calculated. Since this bill amends the authorized bonding level to a lower amount than the original bonding bill, the state would see some issuance savings.

Individual and Business Impact

No fiscal impact.