

**Representative Brad King** proposes the following substitute bill:

**GENERAL OBLIGATION BOND**  
**AUTHORIZATION FOR HIGHWAYS**

2006 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: James A. Ferrin**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill authorizes the issuance of general obligation bonds for reconstruction of Highway 6 and exempts those bonds from the statutory debt limit.

**Highlighted Provisions:**

This bill:

- modifies the Bonding Code by authorizing the issuance and sale of \$1.3 billion in general obligation bonds by the State Bonding Commission for reconstruction of U.S. Highway 6;
- specifies the use of the general obligation bond proceeds and the manner of issuance; and
- exempts bonds issued from the statutory debt limit.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:



26           **63-38c-402**, as last amended by Chapters 308 and 318, Laws of Utah 2004

27   ENACTS:

28           **63B-15-103**, Utah Code Annotated 1953

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

30           Section 1. Section **63-38c-402** is amended to read:

31           **63-38c-402. Debt limitation -- Vote requirement needed to exceed limitation --**  
32   **Exceptions.**

33           (1) (a) Except as provided in Subsection (1)(b), the outstanding general obligation debt  
34   of the state may not exceed 45% of the maximum allowable appropriations limit unless  
35   approved by more than a two-thirds vote of both houses of the Legislature.

36           (b) Notwithstanding the limitation contained in Subsection (1)(a), debt issued under the  
37   authority of the following parts or sections is not subject to the debt limitation established by  
38   this section:

39           (i) Title 63B, Chapter 6, Part 2, 1997 Highway General Obligation Bond  
40   Authorization;

41           (ii) Title 63B, Chapter 6, Part 3, 1997 Highway Bond Anticipation Note Authorization;

42           (iii) Title 63B, Chapter 7, Part 2, 1998 Highway General Obligation Bond  
43   Authorization;

44           (iv) Title 63B, Chapter 7, Part 3, 1998 Highway Bond Anticipation Note  
45   Authorization;

46           (v) Title 63B, Chapter 8, Part 2, 1999 Highway General Obligation Bond  
47   Authorization;

48           (vi) Title 63B, Chapter 8, Part 3, 1999 Highway Bond Anticipation Note  
49   Authorization;

50           (vii) Title 63B, Chapter 9, Part 2, 2000 Highway General Obligation Bond;

51           (viii) Title 63B, Chapter 10, Part 1, 2001 Highway General Obligation [~~Bond~~] Bonds;

52           (ix) Title 63B, Chapter 10, Part 2, 2001 Highway General Obligation Bond  
53   Anticipation Notes;

54           (x) Title 63B, Chapter 11, Part 5, 2002 Highway General Obligation [~~Bond~~] Bonds for  
55   Salt Lake County;

(xi) Title 63B, Chapter 11, Part 6, 2002 Highway General Obligation Bond  
Anticipation Notes for Salt Lake County [~~Authorization~~]; [~~and~~]

(xii) Section 63B-13-102[:]; and

(xiii) Section 63B-15-103.

(2) This section does not apply if contractual rights will be impaired.

Section 2. Section **63B-15-103** is enacted to read:

**63B-15-103. Highway bonds -- Maximum amount -- Projects authorized.**

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

(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 on U.S. Highway 6 from Interstate 15 to Interstate 70.

(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.