

1 **REVENUE BOND AND CAPITAL FACILITIES**

2 **AUTHORIZATIONS**

3 2007 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: D. Gregg Buxton**

6 Senate Sponsor: Scott K. Jenkins

7

8 **LONG TITLE**

9 **General Description:**

10 This bill authorizes certain state agencies and higher education institutions to issue
11 revenue bonds, build capital facilities using agency or institutional funds, or acquire or
12 exchange property.

13 **Highlighted Provisions:**

14 This bill:

- 15 ▶ authorizes the issuance of revenue bonds by the State Building Ownership Authority
16 and the State Board of Regents;
- 17 ▶ authorizes other capital facility construction from agency or institutional funds; and
- 18 ▶ authorizes the acquisition or exchange of certain higher education property.

19 **Monies Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 ENACTS:

25 **63B-16-101**, Utah Code Annotated 1953

26 **63B-16-102**, Utah Code Annotated 1953

27 **63B-16-201**, Utah Code Annotated 1953



28 **63B-16-301**, Utah Code Annotated 1953



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

31 Section 1. Section **63B-16-101** is enacted to read:

32 **CHAPTER 16. 2007 FINANCING AUTHORIZATIONS**

33 **Part 1. Revenue Bond Authorizations**

34 **63B-16-101. Revenue Bond Authorizations -- State Building Ownership**

35 **Authority.**

36 It is the intent of the Legislature that:

37 (1) the State Building Ownership Authority, under the authority of Title 63B, Chapter
38 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
39 into or arrange for a lease purchase agreement in which participation interests may be created,
40 to provide up to \$1,476,000 for the acquisition and construction of a production warehouse for
41 Utah Correctional Industries, together with additional amounts necessary to pay costs of
42 issuance, pay capitalized interest, and fund any debt service reserve requirements;

43 (2) Utah Correctional Industries' revenues be used as the primary revenue source for
44 repayment of any obligation created under authority of this section;

45 (3) Utah Correctional Industries may plan, design, and construct the production
46 warehouse subject to requirements in Section 63A-5-206; and

47 (4) Utah Correctional Industries may not request state funds for operation and
48 maintenance costs or capital improvements.

49 Section 2. Section **63B-16-102** is enacted to read:

50 **63B-16-102. Revenue Bond Authorizations -- Board of Regents.**

51 It is the intent of the Legislature that:

52 (1) the Board of Regents, on behalf of Southern Utah University, may issue, sell, and
53 deliver revenue bonds or other evidences of indebtedness of Southern Utah University to
54 borrow money on the credit, revenues, and reserves of Southern Utah University, other than
55 appropriations of the Legislature, to finance the cost of constructing on-campus student
56 dormitories;

57 (2) student housing rental fees be used as the primary revenue source for repayment of
58 any obligation created under authority of this section;

59 (3) the bonds or other evidences of indebtedness authorized by this section may
60 provide up to \$17,500,000, together with other amounts necessary to pay costs of issuance, pay
61 capitalized interest, and fund any debt service reserve requirements;

62 (4) Southern Utah University may plan, design, and construct the on-campus student
63 dormitories subject to requirements in Section 63A-5-206; and

64 (5) the university may not request state funds for operation and maintenance costs or
65 capital improvements.

66 Section 3. Section **63B-16-201** is enacted to read:

67 **Part 2. Capital Facility Construction Authorizations**

68 **63B-16-201. Authorizations to construct capital facilities using institutional or**
69 **agency funds.**

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

71 (a) Utah State University may, subject to requirements in Section 63A-5-206, plan,
72 design, and construct a classroom building funded and owned by Tooele County on the
73 university's Tooele campus;

74 (b) no state funds be used for any portion of this project, including for future purchase
75 or otherwise acquiring the building from Tooele County;

76 (c) the university may not request state funds for operation and maintenance costs or
77 capital improvements while the building is not owned by the university; and

78 (d) the university may request state funds for operations and maintenance costs and
79 capital improvements if the building is donated to the university and if the university is able to
80 demonstrate to the Board of Regents that the facility meets approved academic and training
81 purposes under Board of Regents policy R710.

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

83 (a) Weber State University may, subject to requirements in Section 63A-5-206, use
84 donations and other institutional funds to plan, design, and construct a Lifelong Learning
85 Center;

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

87 (c) the university may request state funds for operations and maintenance costs and
88 capital improvements to the extent that the university is able to demonstrate to the Board of
89 Regents that the facility meets approved academic and training purposes under Board of

90 Regents policy R710.

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

92 (a) Salt Lake Community College may, subject to requirements in Section 63A-5-206,
93 use institutional funds to plan, design, and construct a Facilities/Security/Parking Services

94 Building;

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

96 (c) the college may request state funds for operations and maintenance costs and capital
97 improvements to the extent that the college is able to demonstrate to the Board of Regents that
98 the facility meets approved academic and training purposes under Board of Regents policy
99 R710.

100 Section 4. Section **63B-16-301** is enacted to read:

101 **Part 3. Property Acquisition and Exchange Authorizations**

102 **63B-16-301. Authorizations to acquire or exchange property.**

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

104 (a) the Southeast Applied Technology Campus of the Utah College of Applied
105 Technology and the College of Eastern Utah may cooperatively enter into negotiations with a
106 nonstate entity and complete a real property exchange to acquire an applied technology facility
107 in Price;

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

109 (c) the college may request state funds for operations and maintenance costs and capital
110 improvements to the extent that the college is able to demonstrate to the Board of Regents that
111 the facility meets approved academic and training purposes under Board of Regents policy
112 R710.

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

114 (a) the Mountainland Applied Technology Campus of the Utah College of Applied
115 Technology may exercise its option to purchase additional property in northern Utah County
116 adjacent to property purchased with the appropriation in Chapter 367, Item 41, Laws of Utah
117 2006;

118 (b) the purchase be financed through donations, institutional funds, a land exchange
119 involving Lehi City and the Utah Transit Authority, or some combination of donations,
120 institutional funds, and a land exchange involving Lehi City and the Utah Transit Authority for

121 future development of a commuter rail station;

122 (c) the purchase be conducted under the direction of the director of the Division of

123 Facilities Construction and Management; and

124 (d) no state funds be used for any portion of this purchase.

Legislative Review Note

as of 2-12-07 8:15 AM

Office of Legislative Research and General Counsel

H.B. 473 - Revenue Bond and Capital Facilities Authorizations

Fiscal Note

2007 General Session

State of Utah

State Impact

Debt service on revenue bonds authorized in this bill will be paid from increased departmental/institutional operating revenues which result from the projects outlined in the bill. Regarding non-state funded projects outlined in the bill, if institutions are successful in raising non-state funds sufficient to construct the buildings, the bill allows certain institutions to request state funds for operations and maintenance in the future. If institutions request such funding, it is anticipated to be as follows:

Weber State University Lifelong Learning Center: \$199,300

Salt Lake Community College Facilities/Security/Parking Building: \$96,000

Southeast ATC property exchange: \$141,000

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
