

1 **GENERAL OBLIGATION BOND**

2 **AUTHORIZATION**

3 2008 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Scott K. Jenkins**

6 House Sponsor: Kevin S. Garn

7

8 **LONG TITLE**

9 **General Description:**

10 This bill authorizes the issuance of general obligation bonds for certain capital
11 facilities and repeals obsolete authorizations.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ modifies the bonding code by authorizing the issuance and sale of general obligation
15 bonds by the State Bonding Commission for capital facilities;
16 ▶ specifies the use of the general obligation bond proceeds and the manner of issuance;
17 ▶ repeals obsolete general obligation bond issuance authorizations; and
18 ▶ provides expressions of legislative intent.

19 **Monies Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **63B-11-502**, as last amended by Laws of Utah 2003, Chapter 335

26 ENACTS:

27 **63B-17-101**, Utah Code Annotated 1953

28 REPEALS:

29 **63B-9-201**, as enacted by Laws of Utah 2000, Chapter 354

- 30 **63B-9-202**, as enacted by Laws of Utah 2000, Chapter 354
- 31 **63B-9-203**, as enacted by Laws of Utah 2000, Chapter 354
- 32 **63B-9-204**, as enacted by Laws of Utah 2000, Chapter 354
- 33 **63B-9-205**, as enacted by Laws of Utah 2000, Chapter 354
- 34 **63B-9-206**, as enacted by Laws of Utah 2000, Chapter 354
- 35 **63B-9-207**, as enacted by Laws of Utah 2000, Chapter 354
- 36 **63B-9-208**, as enacted by Laws of Utah 2000, Chapter 354
- 37 **63B-9-209**, as enacted by Laws of Utah 2000, Chapter 354
- 38 **63B-9-210**, as enacted by Laws of Utah 2000, Chapter 354
- 39 **63B-9-211**, as enacted by Laws of Utah 2000, Chapter 354
- 40 **63B-9-212**, as enacted by Laws of Utah 2000, Chapter 354
- 41 **63B-9-213**, as enacted by Laws of Utah 2000, Chapter 354
- 42 **63B-9-214**, as enacted by Laws of Utah 2000, Chapter 354
- 43 **63B-9-215**, as enacted by Laws of Utah 2000, Chapter 354
- 44 **63B-9-216**, as last amended by Laws of Utah 2005, Chapter 105
- 45 **63B-9-217**, as enacted by Laws of Utah 2000, Chapter 354
- 46 **63B-14-101**, as enacted by Laws of Utah 2005, First Special Session, Chapter 7



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

49 Section 1. Section **63B-11-502** is amended to read:

50 **63B-11-502. Maximum amount -- Projects authorized.**

51 (1) The total amount of bonds issued under this part may not exceed [~~\$78,500,000~~
52 \$52,101,800.

53 (2) (a) (i) Proceeds from the issuance of bonds shall be provided to the Department of
54 Transportation to provide funds to pay all or part of the costs of accelerating any of the
55 following state highway construction or reconstruction projects in Salt Lake County:

56 (A) I-15: 10600 South to the Utah County line;

57 (B) Final Environmental Impact Statement for Western Transportation Corridor: I-80

58 to Utah County;

59 (C) I-215: Redwood Road to 4700 South;

60 (D) State Street Reconstruction: 9000 South to 10600 South; and

61 (E) except as provided in Subsection (2)(d), State Street Reconstruction: 7800 South to
62 8000 South.

63 (ii) If the Department of Transportation is unable to begin or complete a project
64 authorized by this Subsection (2)(a) because of a court order, the Department of
65 Transportation, with the approval of Salt Lake County, may expend bond proceeds to construct
66 one or more projects identified in Subsection (2)(e).

67 (b) When the Utah Transit Authority certifies to the Transportation Commission that
68 the Utah Transit Authority will pay half the costs of reconstruction of the Utah Transit
69 Authority railroad overpass on 8000 South State Street, the Department of Transportation may
70 provide funds from bond proceeds to pay the other half of the costs of reconstruction of the
71 Utah Transit Authority railroad overpass on 8000 South.

72 (c) As used in Subsections (2)(a) and (b), "costs" may include the cost of acquiring
73 land, interests in land, easements and rights-of-way, improving sites, and making all
74 improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue
75 on these bonds during the period to be covered by construction of the projects plus a period of
76 six months after the end of the construction period, interest estimated to accrue on any bond
77 anticipation notes issued under the authority of Chapter 11, Part 6, 2002 Highway General
78 Obligation Bond Anticipation Notes for Salt Lake County, and all related engineering,
79 architectural, and legal fees.

80 (d) Bond proceeds may not be expended on the State Street Reconstruction: 7800 to
81 8000 South project until the Transportation Commission has received the certification required
82 by Subsection (2)(b) from the Utah Transit Authority.

83 (e) As the following projects or future projects identified by Salt Lake County and the
84 Legislature are prepared and ready for construction by the Department of Transportation, it is
85 the intent of the Legislature that they will be accelerated and funded from future general

86 obligation bonds issued in anticipation of receiving debt service funds from Salt Lake County's
 87 1/4 of 1/4% sales tax proceeds earmarked by Section 59-12-502 and from other funding sources
 88 available to the Department of Transportation, including monies available from the Centennial
 89 Highway Fund and the Statewide Transportation Improvement Plan: 5600 West
 90 Reconstruction: 4500 South to 7000 South; Redwood Road: 12600 South to Bangerter
 91 Highway; I-15: Beck Street Overpass; I-215: 4700 South to SR-201; acquisition of
 92 rights-of-way for the Western Transportation Corridor; 11400 South: I-15 to Redwood Road;
 93 and State Street Reconstruction 6400 South to 7800 South and 8000 South to 9000 South.

94 (3) If any portion of the proceeds of the tax paid to the state are not required to pay
 95 principal, interest, and issuance costs of the bonds and the principal, interest, and issuance costs
 96 of the bond have been paid off, or if, after completion of the projects authorized under
 97 Subsection (2)(a) and payment of the costs of issuing and selling the bonds under Section
 98 63B-11-503, any bond proceeds remain unexpended, the Department of Transportation may use
 99 those unexpended proceeds to pay all or part of the costs of construction projects in Salt Lake
 100 County that have been approved and prioritized by the Transportation Commission.

101 (4) The commission, by resolution, or the state treasurer may make any statement of
 102 intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

103 (5) The Department of Transportation may enter into agreements related to the projects
 104 before the receipt of proceeds of bonds issued under this chapter.

105 Section 2. Section **63B-17-101** is enacted to read:

106 **CHAPTER 17. 2008 BONDING AND FINANCING AUTHORIZATIONS**

107 **Part 1. 2008 General Obligation Bond Authorizations**

108 **63B-17-101. Capital facilities bonds -- Maximum amount -- Projects authorized.**

109 (1) (a) The total amount of bonds issued under this section may not exceed
 110 \$43,750,000.

111 (b) When Utah State University provides written certification to the commission that
 112 the President of the United States has signed a federal appropriations bill appropriating monies
 113 for the United States Department of Agriculture - Agricultural Research Service's portion of the

114 Agricultural Science Classroom Building and that those monies are available for expenditure,
115 the commission may issue and sell general obligation bonds in a total amount not to exceed
116 71.85% of the amount of unexpended and available federal monies in the federal appropriations
117 bill or \$43,111,000, whichever is less.

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

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

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

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129 CAPITAL DEVELOPMENT PROJECTS

<u>Project</u>	<u>Estimated</u>	<u>Project</u>
<u>Description</u>	<u>Operations</u>	<u>Amount</u>
<u>-----</u>	<u>and</u>	<u>-----</u>
<u>-----</u>	<u>Maintenance</u>	<u>Funded</u>
<u>-----</u>	<u>-----</u>	<u>-----</u>
<u>USU Agricultural Science</u>		
<u>Classroom Building</u>	<u>\$493,400</u>	<u>\$43,111,000</u>
<u>TOTAL CAPITAL</u>		
<u>DEVELOPMENT</u>		
<u>PROJECTS</u>		<u>\$43,111,000</u>

140 -----

141 ---

142 TOTAL GENERAL OBLIGATION BOND AUTHORIZATION
 143 FOR CAPITAL DEVELOPMENT PROJECTS \$43,111,000
 144 -----

145 ---

146 (d) For purposes of this section, operations and maintenance costs:
 147 (i) are estimates only;
 148 (ii) may include any operations and maintenance costs already funded in existing agency
 149 budgets; and

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

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

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

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

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

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

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

165 (d) The state intends to use proceeds of tax-exempt bonds to reimburse itself for
 166 expenditures for costs of the projects listed in Subsection (2)(c).

167 (5) It is the intent of the Legislature that the funding authorized for projects in
 168 Subsection (2) does not include funds for public art.

169 Section 3. **Repealer.**

170 This bill repeals:
171 Section **63B-9-201, State Bonding Commission authorized to issue general**
172 **obligation bonds.**
173 Section **63B-9-202, Maximum amount -- Projects authorized.**
174 Section **63B-9-203, Bond proceeds may be used to pay costs of issuance and sale.**
175 Section **63B-9-204, Manner of issuance -- Amounts, interest, and maturity.**
176 Section **63B-9-205, Terms and conditions of sale -- Plan of financing -- Signatures**
177 **-- Replacement -- Registration -- Federal rebate.**
178 Section **63B-9-206, Constitutional debt limitation.**
179 Section **63B-9-207, Tax levy -- Abatement of tax.**
180 Section **63B-9-208, Creation of sinking fund.**
181 Section **63B-9-209, Payment of interest, principal, and redemption premiums.**
182 Section **63B-9-210, Investment of sinking fund money.**
183 Section **63B-9-211, Bond proceeds -- Deposits -- Investment -- Disposition of**
184 **investment income and unexpended proceeds.**
185 Section **63B-9-212, Refunding of bonds.**
186 Section **63B-9-213, Certification of satisfaction of conditions precedent --**
187 **Conclusiveness.**
188 Section **63B-9-214, Tax exemption.**
189 Section **63B-9-215, Legal investment status.**
190 Section **63B-9-216, Publication of resolution or notice -- Limitation on actions to**
191 **contest legality.**
192 Section **63B-9-217, Report to Legislature.**
193 Section **63B-14-101, Capital facilities bonds -- Maximum amount -- Projects**
194 **authorized.**