

CAPITAL IMPROVEMENT APPROPRIATION

MODIFICATION

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ron Bigelow

Senate Sponsor: Lyle W. Hillyard

LONG TITLE

General Description:

This bill exempts the Legislature from making certain appropriations for capital improvements.

Highlighted Provisions:

This bill:

- ▶ exempts the Legislature from making certain appropriations for capital improvements in the 2008-09 and 2009-10 fiscal years; and
- ▶ makes technical corrections.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

AMENDS:

63A-5-104, as last amended by Laws of Utah 2008, Second Special Session, Chapter 3

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

Section 1. Section **63A-5-104** is amended to read:

63A-5-104. Capital development and capital improvement process -- Approval requirements -- Limitations on new projects -- Emergencies.

(1) As used in this section:

- 30 (a) "Capital developments" means a:
- 31 (i) remodeling, site, or utility project with a total cost of \$2,500,000 or more;
- 32 (ii) new facility with a construction cost of \$500,000 or more; or
- 33 (iii) purchase of real property where an appropriation is requested to fund the
- 34 purchase.
- 35 (b) "Capital improvements" means a:
- 36 (i) remodeling, alteration, replacement, or repair project with a total cost of less than
- 37 \$2,500,000;
- 38 (ii) site and utility improvement with a total cost of less than \$2,500,000; or
- 39 (iii) new facility with a total construction cost of less than \$500,000.
- 40 (c) (i) "New facility" means the construction of a new building on state property
- 41 regardless of funding source.
- 42 (ii) "New facility" includes:
- 43 (A) an addition to an existing building; and
- 44 (B) the enclosure of space that was not previously fully enclosed.
- 45 (iii) "New facility" does not mean:
- 46 (A) the replacement of state-owned space that is demolished or that is otherwise
- 47 removed from state use, if the total construction cost of the replacement space is less than
- 48 \$2,500,000; or
- 49 (B) the construction of facilities that do not fully enclose a space.
- 50 (d) "Replacement cost of existing state facilities" means the replacement cost, as
- 51 determined by the Division of Risk Management, of state facilities, excluding auxiliary
- 52 facilities as defined by the State Building Board.
- 53 (e) "State funds" means public monies appropriated by the Legislature.
- 54 (2) The State Building Board, on behalf of all state agencies, commissions,
- 55 departments, and institutions shall submit its capital development recommendations and
- 56 priorities to the Legislature for approval and prioritization.
- 57 (3) (a) Except as provided in Subsections (3)(b), (d), and (e), a capital development

58 project may not be constructed on state property without legislative approval.

59 (b) Legislative approval is not required for a capital development project if the State
60 Building Board determines that:

61 (i) the requesting higher education institution has provided adequate assurance that:

62 (A) state funds will not be used for the design or construction of the facility; and

63 (B) the higher education institution has a plan for funding in place that will not require
64 increased state funding to cover the cost of operations and maintenance to, or state funding
65 for, immediate or future capital improvements to the resulting facility; and

66 (ii) the use of the state property is:

67 (A) appropriate and consistent with the master plan for the property; and

68 (B) will not create an adverse impact on the state.

69 (c) (i) The Division of Facilities Construction and Management shall maintain a
70 record of facilities constructed under the exemption provided in Subsection (3)(b).

71 (ii) For facilities constructed under the exemption provided in Subsection (3)(b), a
72 higher education institution may not request:

73 (A) increased state funds for operations and maintenance; or

74 (B) state capital improvement funding.

75 (d) Legislative approval is not required for:

76 (i) the renovation, remodeling, or retrofitting of an existing facility with nonstate
77 funds;

78 (ii) a facility to be built with nonstate funds and owned by nonstate entities within
79 research park areas at the University of Utah and Utah State University;

80 (iii) a facility to be built at This is the Place State Park by This is the Place Foundation
81 with funds of the foundation, including grant monies from the state, or with donated services
82 or materials;

83 (iv) a capital project that:

84 (A) is funded by:

85 (I) the Uintah Basin Revitalization Fund; or

86 (II) the Navajo Revitalization Fund; and

87 (B) does not provide a new facility for a state agency or higher education institution;

88 or

89 (v) a capital project on school and institutional trust lands that is funded by the School
90 and Institutional Trust Lands Administration from the Land Grant Management Fund and that
91 does not fund construction of a new facility for a state agency or higher education institution.

92 (e) (i) Legislative approval is not required for capital development projects to be built
93 for the Department of Transportation as a result of an exchange of real property under Section
94 72-5-111.

95 (ii) When the Department of Transportation approves those exchanges, it shall notify
96 the president of the Senate, the speaker of the House, and the cochairs of the Capital Facilities
97 and Administrative Services Subcommittee of the Legislature's Joint Appropriation Committee
98 about any new facilities to be built under this exemption.

99 (4) (a) (i) The State Building Board, on behalf of all state agencies, commissions,
100 departments, and institutions shall by January 15 of each year, submit a list of anticipated
101 capital improvement requirements to the Legislature for review and approval.

102 (ii) The list shall identify:

103 (A) a single project that costs more than \$1,000,000;

104 (B) multiple projects within a single building or facility that collectively cost more
105 than \$1,000,000;

106 (C) a single project that will be constructed over multiple years with a yearly cost of
107 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

108 (D) multiple projects within a single building or facility with a yearly cost of
109 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

110 (E) a single project previously reported to the Legislature as a capital improvement
111 project under \$1,000,000 that, because of an increase in costs or scope of work, will now cost
112 more than \$1,000,000; and

113 (F) multiple projects within a single building or facility previously reported to the

114 Legislature as a capital improvement project under \$1,000,000 that, because of an increase in
115 costs or scope of work, will now cost more than \$1,000,000.

116 (b) Unless otherwise directed by the Legislature, the State Building Board shall
117 prioritize capital improvements from the list submitted to the Legislature up to the level of
118 appropriation made by the Legislature.

119 (c) In prioritizing capital improvements, the State Building Board shall consider the
120 results of facility evaluations completed by an architect/engineer as stipulated by the building
121 board's facilities maintenance standards.

122 (d) The State Building Board may require an entity that benefits from a capital
123 improvement project to repay the capital improvement funds from savings that result from the
124 project.

125 (e) The State Building Board may provide capital improvement funding to a single
126 project, or to multiple projects within a single building or facility, even if the total cost of the
127 project or multiple projects is \$2,500,000 or more, if:

128 (i) the capital improvement project or multiple projects require more than one year to
129 complete; and

130 (ii) the Legislature has affirmatively authorized the capital improvement project or
131 multiple projects to be funded in phases.

132 (5) The Legislature may authorize:

133 (a) the total square feet to be occupied by each state agency; and

134 (b) the total square feet and total cost of lease space for each agency.

135 (6) (a) Except as provided in Subsection (6)(b) or (c), the Legislature may not fund the
136 design or construction of any new capital development projects, except to complete the
137 funding of projects for which partial funding has been previously provided, until the
138 Legislature has appropriated 1.1% of the replacement cost of existing state facilities to capital
139 improvements.

140 (b) (i) As used in this Subsection (6)(b):

141 (A) "Education Fund budget deficit" is as defined in Subsection 63J-1-202(1)(a); and

142 (B) "General Fund budget deficit" is as defined in Subsection 63J-1-202(1)(c).
143 (ii) If the Legislature determines that an Education Fund budget deficit or a General
144 Fund budget deficit exists, the Legislature may, in eliminating the deficit, reduce the amount
145 appropriated to capital improvements to 0.9% of the replacement cost of state buildings.
146 (c) The requirements under Subsections (6)(a) and (b) do not apply to the 2008-09 and
147 2009-10 fiscal years.

148 (7) (a) If, after approval of capital development and capital improvement priorities by
149 the Legislature under this section, emergencies arise that create unforeseen critical capital
150 improvement projects, the State Building Board may, notwithstanding the requirements of
151 Title 63J, Chapter 1, Budgetary Procedures Act, reallocate capital improvement funds to
152 address those projects.

153 (b) The State Building Board shall report any changes it makes in capital improvement
154 allocations approved by the Legislature to:

155 (i) the Office of Legislative Fiscal Analyst within 30 days of the reallocation; and
156 (ii) the Legislature at its next annual general session.

157 (8) (a) The State Building Board may adopt a rule allocating to institutions and
158 agencies their proportionate share of capital improvement funding.

159 (b) The State Building Board shall ensure that the rule:

160 (i) reserves funds for the Division of Facilities Construction and Management for
161 emergency projects; and
162 (ii) allows the delegation of projects to some institutions and agencies with the
163 requirement that a report of expenditures will be filed annually with the Division of Facilities
164 Construction and Management and appropriate governing bodies.

165 (9) It is the intent of the Legislature that in funding capital improvement requirements
166 under this section the General Fund be considered as a funding source for at least half of those
167 costs.

168 **Section 2. Effective date.**
169 If approved by two-thirds of all the members elected to each house, this bill takes effect

170 upon approval by the governor, or the day following the constitutional time limit of Utah
171 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
172 the date of veto override.