

1                                   **GENERAL OBLIGATION BONDS**

2                                   **AUTHORIZATIONS**

3                                   2009 GENERAL SESSION

4                                   STATE OF UTAH

5                                   **Chief Sponsor: Stephen D. Clark**

6                                   Senate Sponsor: Wayne L. Niederhauser

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8   **LONG TITLE**

9   **General Description:**

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

12   **Highlighted Provisions:**

13           This bill:

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

19   **Monies Appropriated in this Bill:**

20           None

21   **Other Special Clauses:**

22           This bill provides an immediate effective date.

23   **Utah Code Sections Affected:**

24   ENACTS:

25           **63B-18-101**, Utah Code Annotated 1953

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



28 Section 1. Section **63B-18-101** is enacted to read:

29 **CHAPTER 18. 2009 BONDING AND FINANCING AUTHORIZATIONS**

30 **Part 1. 2009 General Obligation Bond Authorizations**

31 **63B-18-101. Capital facilities bonds -- Maximum amount -- Projects authorized.**

32 (1) The total amount of bonds issued under this section may not exceed \$32,320,000.

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

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

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

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44 CAPITAL DEVELOPMENT PROJECTS

<u>Project</u>	<u>Estimated</u>	<u>Project</u>
<u>Description</u>	<u>Operations</u>	<u>and</u>
<u>-----</u>	<u>Maintenance</u>	<u>Amount</u>
<u>-----</u>	<u>-----</u>	<u>Funded</u>
<u>-----</u>	<u>-----</u>	<u>-----</u>
<u>Multi-agency Government</u>		
<u>Office Building</u>	<u>\$447,500</u>	<u>\$18,000,000</u>
<u>Snow College Library</u>	<u>\$452,200</u>	<u>\$14,000,000</u>
<u>TOTAL CAPITAL</u>		
<u>DEVELOPMENT</u>		
<u>PROJECTS</u>		<u>\$32,000,000</u>

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57 TOTAL GENERAL OBLIGATION BOND AUTHORIZATION

58 FOR CAPITAL DEVELOPMENT PROJECTS \$32,000,000

59 -----  
60 (d) For purposes of this section, operations and maintenance costs:  
61 (i) are estimates only;  
62 (ii) may include any operations and maintenance costs already funded in existing  
63 agency budgets; and  
64 (iii) are not commitments by this Legislature or future Legislatures to fund those  
65 operations and maintenance costs.  
66 (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not  
67 constitute a limitation on the amount that may be expended for any project.  
68 (b) The board may revise these estimates and redistribute the amount estimated for a  
69 project among the projects authorized.  
70 (c) The commission, by resolution and in consultation with the board, may delete one  
71 or more projects from this list if the inclusion of that project or those projects in the list could  
72 be construed to violate state law or federal law or regulation.  
73 (4) (a) The division may enter into agreements related to these projects before the  
74 receipt of proceeds of bonds issued under this chapter.  
75 (b) The division shall make those expenditures from unexpended and unencumbered  
76 building funds already appropriated to the Capital Projects Fund.  
77 (c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds  
78 of bonds issued under this chapter.  
79 (d) The state intends to use proceeds of tax-exempt bonds to reimburse itself for  
80 expenditures for costs of the projects listed in Subsection (2)(c).  
81 (5) It is the intent of the Legislature that the funding authorized for projects in  
82 Subsection (2) does not include funds for public art.  
83 **Section 2. Effective date.**  
84 If approved by two-thirds of all the members elected to each house, this bill takes effect  
85 upon approval by the governor, or the day following the constitutional time limit of Utah  
86 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,  
87 the date of veto override.

**Legislative Review Note**  
as of 2-23-09 2:40 PM

**Office of Legislative Research and General Counsel**

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## H.B. 4 - General Obligation Bonds Authorizations

### Fiscal Note

2009 General Session

State of Utah

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#### State Impact

This legislation authorizes issuance of General Obligation bonds, which are backed by the full faith and credit of the state, for construction of a Multi-agency Government Office Building and the Snow College Library. Assuming all of the bonds are issued in the first year, with a standard six year repayment period and flattened payments at today's interest rates, debt service will require approximately \$5,700,000 per year with first year interest cost of \$318,000. Actual debt service will vary according to interest rates at the time of issuance and the structure of the bonds.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
General Fund	\$0	\$5,700,000	\$5,700,000	\$0	\$0	\$0
General Fund, One-Time	\$0	(\$5,382,000)	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$318,000</b>	<b>\$5,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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#### 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.