

1 **REVENUE BOND AND CAPITAL FACILITIES**

2 **AUTHORIZATIONS**

3 2010 GENERAL SESSION

4 STATE OF UTAH

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

6 Senate Sponsor: _____

7

8 **LONG TITLE**

9 **General Description:**

10 This bill authorizes certain state agencies and higher education institutions to issue
11 revenue bonds, to build capital facilities using agency, institutional, or donated funds,
12 or to sell, lease, or dispose of 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 design and construction to be funded from agency,
- 18 institutional, or donated funds; and
- 19 ▶ authorizes the sale, lease, or disposal of certain state real property and certain
- 20 interests in real property.

21 **Monies Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 ENACTS:

27 **63B-19-101**, Utah Code Annotated 1953



- 28 **63B-19-102**, Utah Code Annotated 1953
- 29 **63B-19-201**, Utah Code Annotated 1953
- 30 **63B-19-301**, Utah Code Annotated 1953
- 31 **63B-19-401**, Utah Code Annotated 1953



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

34 Section 1. Section **63B-19-101** is enacted to read:

35 **Part 1. 2010 Revenue Bond Authorizations**

36 **63B-19-101. Revenue bond authorizations -- State Building Ownership Authority.**

37 The Legislature intends that:

38 (1) the State Building Ownership Authority, under the authority of Title 63B, Chapter
 39 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter
 40 into or arrange for a lease-purchase agreement in which participation interests may be created,
 41 to provide up to \$8,000,000 for the acquisition and construction of two stores for the
 42 Department of Alcoholic Beverage Control, together with additional amounts necessary to pay
 43 costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

44 (2) the stores to be addressed through this authorization are:

45 (a) a new 12,000 square foot liquor and wine store in southwest Salt Lake valley; and

46 (b) a new 12,000 square foot liquor and wine store on the east side of Salt Lake City;

47 (3) the Department of Alcoholic Beverage Control use increased sales revenues as the
 48 primary revenue source for repayment of any obligation created under authority of this section;
 49 and

50 (4) the Department of Alcoholic Beverage Control may request operation and
 51 maintenance funding from sales revenues.

52 Section 2. Section **63B-19-102** is enacted to read:

53 **63B-19-102. Revenue bond authorizations -- Board of Regents.**

54 (1) The Legislature intends that:

55 (a) the Board of Regents, on behalf of Weber State University, may issue, sell, and
 56 deliver revenue bonds or other evidences of indebtedness of Weber State University to borrow
 57 money on the credit, revenues, and reserves of the university, other than appropriations of the
 58 Legislature, to finance the cost of demolition, replacement, and construction of student housing

59 on the Ogden campus;

60 (b) Weber State University use student housing rental fees and parking fees as the
61 primary revenue sources for repayment of any obligation created under authority of this
62 section;

63 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
64 this section is \$15,000,000, together with other amounts necessary to pay costs of issuance, pay
65 capitalized interest, and fund any debt service reserve requirements;

66 (d) the university may plan, design, and construct the Ogden campus housing project
67 subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of
68 Facilities Construction and Management; and

69 (e) the university may not request state funds for operation and maintenance costs or
70 capital improvements.

71 (2) The Legislature intends that:

72 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
73 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
74 money on the credit, revenues, and reserves of the university, other than appropriations of the
75 Legislature, to finance the cost of purchasing the Ambassador Building from Salt Lake County;

76 (b) the University of Utah use clinical revenues and other institutional funds as the
77 primary revenue source for repayment of any obligation created under authority of this section;

78 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
79 this section is \$12,000,000, together with other amounts necessary to pay costs of issuance, pay
80 capitalized interest, and fund any debt service reserve requirements; and

81 (d) the university may not request state funds for operation and maintenance costs or
82 capital improvements.

83 (3) The Legislature intends that:

84 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
85 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
86 money on the credit, revenues, and reserves of the university, other than appropriations of the
87 Legislature, to finance the cost of purchasing the Orthopaedics Building from the Utah
88 Orthopaedic Foundation;

89 (b) the University of Utah use clinical revenues and other institutional funds as the

90 primary revenue sources for repayment of any obligation created under authority of this
91 section;

92 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
93 this section is \$25,000,000, together with other amounts necessary to pay costs of issuance, pay
94 capitalized interest, and fund any debt service reserve requirements; and

95 (d) the university may not request state funds for operation and maintenance costs or
96 capital improvements.

97 (4) The Legislature intends that:

98 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
99 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
100 money on the credit, revenues, and reserves of the university, other than appropriations of the
101 Legislature, to finance the cost of constructing an expansion of the University Guest House;

102 (b) the University of Utah use room rental, meeting room rental, and the sale of
103 ancillary services as the primary revenue sources for repayment of any obligation created under
104 authority of this section;

105 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
106 this section is \$10,000,000, together with other amounts necessary to pay costs of issuance, pay
107 capitalized interest, and fund any debt service reserve requirements;

108 (d) the university may plan, design, and construct the expansion of the University
109 Guest House project subject to the requirements of Title 63A, Chapter 5, State Building Board
110 - Division of Facilities Construction and Management; and

111 (e) the university may not request state funds for operation and maintenance costs or
112 capital improvements.

113 (5) The Legislature intends that:

114 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
115 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
116 money on the credit, revenues, and reserves of the university, other than appropriations of the
117 Legislature, to finance the cost of constructing an Ambulatory Care Complex;

118 (b) the University of Utah use clinical revenues and other institutional funds as the
119 primary revenue sources for repayment of any obligation created under authority of this
120 section;

121 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
122 this section is \$119,541,000, together with other amounts necessary to pay costs of issuance,
123 pay capitalized interest, and fund any debt service reserve requirements;

124 (d) the university may plan, design, and construct the Ambulatory Care Complex
125 project subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of
126 Facilities Construction and Management; and

127 (e) the university may not request state funds for operation and maintenance costs or
128 capital improvements.

129 (6) The Legislature intends that:

130 (a) the Board of Regents, on behalf of Southern Utah University, may issue, sell, and
131 deliver revenue bonds or other evidences of indebtedness of Southern Utah University to
132 borrow money on the credit, revenues, and reserves of the university, other than appropriations
133 of the Legislature, to finance the cost of constructing the Southern Utah Museum of Arts in
134 conjunction with other funds authorized in Subsection 63B-19-201(1);

135 (b) Southern Utah University use student fees as the primary revenue sources for
136 repayment of any obligation created under authority of this section;

137 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
138 this section is \$2,500,000, together with other amounts necessary to pay costs of issuance, pay
139 capitalized interest, and fund any debt service reserve requirements;

140 (d) the university may plan, design, and construct the Southern Utah Museum of Arts
141 project subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of
142 Facilities Construction and Management; and

143 (e) the university may not request state funds for operation and maintenance costs or
144 capital improvements.

145 Section 3. Section **63B-19-201** is enacted to read:

146 **Part 2. 2010 Capital Facility Design and Construction Authorizations**

147 **63B-19-201. Authorizations to design and construct capital facilities using**
148 **institutional or agency funds.**

149 (1) The Legislature intends that:

150 (a) Southern Utah University may, subject to the requirements of Title 63A, Chapter 5,
151 State Building Board - Division of Facilities Construction and Management, use \$10,000,000

152 in donations and the revenue bond authorized in Subsection 63B-19-101(6) to plan, design, and
153 construct a Southern Utah Museum of Arts, with 28,000 new square feet;

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

155 (c) the university may not request state funds for operation and maintenance costs or
156 capital improvements.

157 (2) The Legislature intends that:

158 (a) the University of Utah may, subject to the requirements of Title 63A, Chapter 5,
159 State Building Board - Division of Facilities Construction and Management, use \$17,878,000
160 in donations, federal funds, and institutional funds to plan, design, and construct an addition to
161 the Henry Eyring Building, with 40,915 new square feet;

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

163 (c) the university may not request state funds for operation and maintenance costs or
164 capital improvements.

165 (3) The Legislature intends that:

166 (a) Utah State University may, subject to the requirements of Title 63A, Chapter 5,
167 State Building Board - Division of Facilities Construction and Management, use \$3,000,000 in
168 donations to plan, design, and construct a Botanical Center classroom building, with 7,900 new
169 square feet;

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

171 (c) the university may not request state funds for operation and maintenance costs or
172 capital improvements.

173 (4) The Legislature intends that:

174 (a) the Division of Services for the Blind and Visually Impaired in the Utah State
175 Office of Rehabilitation may, subject to the requirements of Title 63A, Chapter 5, State
176 Building Board - Division of Facilities Construction and Management, use \$1,497,000 in
177 federal grants to plan, design, and construct a residential facility for the blind, with 8,000 new
178 square feet;

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

180 (c) the division may not request state funds for operation and maintenance costs or
181 capital improvements.

182 (5) The Legislature intends that:

183 (a) the Department of Public Safety may, subject to the requirements of Title 63A,
184 Chapter 5, State Building Board - Division of Facilities Construction and Management, use
185 \$3,294,000 of nonlapsing balances within the driver license line item in the Department of
186 Public Safety budget in fiscal year 2010 to plan, design, and construct an Ogden driver license
187 building with 10,500 new square feet;

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

189 (c) the department may not request state funds for operation and maintenance costs or
190 capital improvements.

191 Section 4. Section **63B-19-301** is enacted to read:

192 **Part 3. 2010 Property Authorizations**

193 **63B-19-301. Authorizations to sell property.**

194 The Legislature intends that the Division of Facilities Construction and Management
195 and any other state agency with title to property identified as Emery County Tax Parcel
196 No.1-156-6 are authorized to sell a perpetual easement to Rocky Mountain Power that is
197 approximately 60 feet in width on property at Green River that was subject to cleanup of
198 radiation contamination by the United States Department of Energy and was acquired by the
199 state of Utah, the purchase of which was funded 90% by the federal government pursuant to 42
200 U.S.C. Sec. 7914, subject to the following:

201 (1) The easement shall identify the conditions of the sale and require the payment of
202 \$5,000 as consideration, of which 90% is to be refunded to the federal government.

203 (2) Rocky Mountain Power shall be required to comply with all applicable
204 environmental laws and requirements in regard to the easement.

205 Section 5. Section **63B-19-401** is enacted to read:

206 **Part 4. 2010 Lease-Purchase Authorizations**

207 **63B-19-401. Lease-purchase authorizations.**

208 The Legislature intends that the courts may use existing funds to enter into a
209 lease-purchase agreement for the Spanish Fork Courthouse at no additional cost to the state.

Legislative Review Note
as of 2-18-10 8:52 AM

Office of Legislative Research and General Counsel

H.B. 5 - Revenue Bond and Capital Facilities Authorizations

Fiscal Note

2010 General Session

State of Utah

State Impact

Building construction, operation, and maintenance authorized in this bill will be paid from department or institution operating revenues, private donations, or other non-state sources. Revenue bond debt service will be paid from department or institution operating revenues. Alcoholic Beverage Control revenue bond debt service and future building operation and maintenance may affect liquor profit transfer to the General Fund.

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.