

1 **2010 GENERAL OBLIGATION BOND AUTHORIZATION**

2 2010 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Lyle W. Hillyard**

5 House Sponsor: Fred R Hunsaker

7 **LONG TITLE**

8 **General Description:**

9 This bill authorizes the issuance of general obligation bonds for certain capital
10 facilities and modifies the terms for issuing bonds on existing capital improvement
11 projects.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ modifies existing language and dollar amounts on authorized costs and
15 authorization caps to comply with current language and funding practices;
- 16 ▶ removes the prerequisites for issuing and selling general obligation bonds for the
17 Utah State University Agricultural Science Classroom Building capital facility
18 project;
- 19 ▶ modifies the bonding code by authorizing the issuance and sale of general
20 obligation bonds by the State Building Commission for capital facilities;
- 21 ▶ specifies the use of the general obligation bond proceeds and the manner of
22 issuance; and
- 23 ▶ provides expressions of legislative intent.

24 **Monies Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 This bill provides an immediate effective date.

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **63B-17-101**, as enacted by Laws of Utah 2008, Chapter 224

31 ENACTS:

32 **63B-19-101**, Utah Code Annotated 1953



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

35 Section 1. Section **63B-17-101** is amended to read:

36 **63B-17-101. Capital facilities bonds -- Maximum amount -- Projects authorized.**

37 (1) ~~[(a)]~~ The total amount of bonds issued under this section may not exceed
38 ~~[\$43,750,000]~~ \$43,111,000 for acquisition and construction proceeds, plus additional amounts
39 necessary to pay costs of issuance, to pay capitalized interest, and to fund any debt service
40 reserve requirements, with the total amount of the bonds not to exceed \$43,542,100.

41 ~~[(b) When Utah State University provides written certification to the commission that~~
42 ~~the President of the United States has signed a federal appropriations bill appropriating monies~~
43 ~~for the United States Department of Agriculture - Agricultural Research Service's portion of~~
44 ~~the Agricultural Science Classroom Building and that those monies are available for~~
45 ~~expenditure, the commission may issue and sell general obligation bonds in a total amount not~~
46 ~~to exceed 71.85% of the amount of unexpended and available federal monies in the federal~~
47 ~~appropriations bill or \$43,111,000, whichever is less.]~~

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

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

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

58 -----

59 CAPITAL DEVELOPMENT PROJECTS

	Estimated	
Project	Operations	Project
Description	and	Amount
-----	Maintenance	Funded
-----	-----	-----
65 USU Agricultural Science		
66 Classroom Building	\$493,400	\$43,111,000

67 TOTAL CAPITAL

68 DEVELOPMENT

69 PROJECTS \$43,111,000

70 -----

71 ADDITIONAL AUTHORIZED AMOUNTS \$431,100

72 TOTAL GENERAL OBLIGATION BOND AUTHORIZATION

73 FOR CAPITAL DEVELOPMENT PROJECTS ~~[\$43,111,000]~~ \$43,542,100

74 -----

- 75 (d) For purposes of this section, operations and maintenance costs:
- 76 (i) are estimates only;
- 77 (ii) may include any operations and maintenance costs already funded in existing
- 78 agency budgets; and
- 79 (iii) are not commitments by this Legislature or future Legislatures to fund those
- 80 operations and maintenance costs.
- 81 (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not
- 82 constitute a limitation on the amount that may be expended for any project.
- 83 (b) The board may revise these estimates and redistribute the amount estimated for a
- 84 project among the projects authorized.
- 85 (c) The commission, by resolution and in consultation with the board, may delete one

86 or more projects from this list if the inclusion of that project or those projects in the list could
87 be construed to violate state law or federal law or regulation.

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

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

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

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

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

98 Section 2. Section **63B-19-101** is enacted to read:

99 **CHAPTER 19. 2010 FINANCING AUTHORIZATIONS**

100 **Part 1. 2010 General Obligation Bonds**

101 **63B-19-101. Capital facilities bonds -- Utah Science Technology and Research**
102 **Governing Authority -- Maximum amount -- Projects authorized.**

103 (1) The bonds issued under this section may not exceed \$46,000,000 for acquisition
104 and construction proceeds, plus additional amounts necessary to pay costs of issuance, to pay
105 capitalized interest, and to fund any debt service reserve requirements, with the total amount
106 of the bonds not to exceed \$46,460,000.

107 (2) (a) Proceeds from the issuance of bonds shall be provided to the Utah Science
108 Technology and Research Governing Authority to provide funds to pay all or part of the cost
109 of constructing the projects listed in this Subsection (2).

110 (b) These costs may include the cost of acquiring easements and rights-of-way,
111 improving sites, and acquiring, constructing, equipping, and furnishing facilities and all
112 structures, roads, parking facilities, utilities, and improvements necessary, incidental, or
113 convenient to the facilities, interest estimated to accrue on these bonds during the period to be

114 covered by construction of the projects plus a period of six months after the end of the
115 construction period, and all related engineering, architectural, and legal fees.

116 (c) For the Utah Science Technology and Research Governing Authority, proceeds
117 shall be provided for the following:

118 -----
119 CAPITAL DEVELOPMENT PROJECTS

<u>Project Description</u>	<u>Estimated Operations and Maintenance</u>	<u>Amount Funded</u>
<u>Bio Innovations Research Institute --</u>		
<u>Utah State University</u>	\$0	\$18,400,000
<u>Neuroscience and Biomedical Technology</u>		
<u>Research Building -- University of Utah</u>	\$0	\$27,600,000
<u>TOTAL CAPITAL DEVELOPMENT PROJECTS</u>		<u>\$46,000,000</u>

128 -----
129 ADDITIONAL AUTHORIZED AMOUNTS \$460,000

130 TOTAL GENERAL OBLIGATION BOND AUTHORIZATION

131 FOR CAPITAL DEVELOPMENT PROJECTS \$46,460,000
132 -----

133 (d) The Legislature intends that the Utah Science Technology and Research Governing
134 Authority pay the operations and maintenance costs on the research buildings authorized by
135 this section.

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

138 (b) The commission, by resolution and in consultation with the Utah Science
139 Technology and Research Governing Authority, may delete the project if the inclusion of that
140 project could be construed to violate state law or federal law or regulation.

141 (4) The Utah Science Technology and Research Governing Authority may enter into

142 agreements related to the project before the receipt of proceeds of bonds issued under this
143 chapter.

144 (5) The commission or the state treasurer may make any statement of intent relating to
145 that reimbursement that is necessary or desirable to comply with federal tax law.

146 (6) The Utah Science Technology and Research Governing Authority shall contract
147 with the Division of Facilities Construction and Management to oversee construction of the
148 buildings.

149 (7) The Utah Science Technology and Research Governing Authority may not delegate
150 authority over construction of the capital development projects identified in this section to any
151 entity other than the Division of Facilities Construction and Management.

152 **Section 3. Effective date.**

153 If approved by two-thirds of all the members elected to each house, this bill takes effect
154 upon approval by the governor, or the day following the constitutional time limit of Utah
155 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
156 the date of veto override.