

GENERAL OBLIGATIONS BONDS AUTHORIZATIONS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Gage Froerer

Senate Sponsor: J. Stuart Adams

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ modifies the Bonding Code by authorizing the issuance and sale of general obligations bonds by the State Bonding Commission for capital facilities;
- ▶ specifies the use of the general obligations bond proceeds and the manner of issuance; and
- ▶ provides expressions of legislative intent.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides an immediate effective date.

Utah Code Sections Affected:

ENACTS:

63B-20-101, Utah Code Annotated 1953

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

Section 1. Section **63B-20-101** is enacted to read:

CHAPTER 20. 2011 FINANCING AUTHORIZATIONS

Part 1. 2011 General Obligation Bond Authorizations

30 **63B-20-101. Capital Facilities bonds -- Maximum amount -- Projects authorized.**

31 (1) The total amount of bonds issued under this section may not exceed \$88,516,000
32 for acquisition and construction proceeds, plus additional amounts necessary to pay costs of
33 issuance, to pay capitalized interest, and to fund any debt service reserve requirements, with the
34 total amount of the bonds not to exceed \$89,401,200.

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

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

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

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46 CAPITAL DEVELOPMENT PROJECTS

<u>Project Description</u>	<u>Estimated Operations</u>	<u>Amount</u>
	<u>and Maintenance</u>	<u>Funded</u>

49 -----

50 Utah State Hospital Building Consolidation

51 Department of Human Services \$14,500 \$25,000,000

52 Professional Programs Classroom Building

53 Weber State University \$725,000 \$31,535,000

54 Tooele County Campus

55 Tooele Applied Technology College \$569,000 \$9,981,000

56 Business Building Addition/Remodel

57 Utah State University \$797,000 \$14,000,000

58	<u>State Warehouse Remodel</u>		
59	<u>State Archives and Davis Applied</u>		
60	<u>Technology College</u>	<u>\$80,000</u>	<u>\$5,000,000</u>
61	<u>Herriman Land Purchase</u>		
62	<u>Salt Lake Community College</u>	<u>\$0</u>	<u>\$3,000,000</u>
63	<u>TOTAL CAPITAL DEVELOPMENT PROJECTS</u>		<u>\$88,516,000</u>
64	-----		
65	<u>ADDITIONAL AUTHORIZED AMOUNTS</u>		<u>\$885,200</u>
66	<u>TOTAL GENERAL OBLIGATION BOND AUTHORIZATION</u>		
67	<u>FOR CAPITAL DEVELOPMENT PROJECTS</u>		<u>\$89,401,200</u>
68	-----		

- 69 (d) For purposes of this section, operations and maintenance costs:
- 70 (i) are estimates only;
- 71 (ii) may include any operations and maintenance costs already funded in existing
- 72 agency budgets; and
- 73 (iii) are not commitments by this Legislature or future Legislatures to fund those
- 74 operations and maintenance costs.
- 75 (e) Notwithstanding prohibitions on using state funds for operations and maintenance
- 76 costs for that portion of the professional programs classroom building for Weber State
- 77 University, that project shall be authorized to receive operations and maintenance costs as
- 78 specifically provided in this section.
- 79 (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not
- 80 constitute a limitation on the amount that may be expended for any project.
- 81 (b) The board may revise these estimates and redistribute the amount estimated for a
- 82 project among the projects authorized.
- 83 (c) The commission, by resolution and in consultation with the board, may delete one
- 84 or more projects from this list if the inclusion of that project or those projects in the list could
- 85 be construed to violate state law or federal law or regulation.

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

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

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

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

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

96 Section 2. **Effective date.**

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