

**REVENUE BOND AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gage Froerer**

Senate Sponsor: Wayne A. Harper

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**LONG TITLE**

**General Description:**

This bill authorizes certain state agencies and institutions to issue revenue bonds.

**Highlighted Provisions:**

This bill:

▶ authorizes the State Building Ownership Authority to issue revenue bonds as follows:

- up to \$3,000,000 for the Fourth District Provo Courthouse parking lot; and
- up to \$5,043,400 for constructing a Syracuse liquor store; and

▶ authorizes the Board of Regents to issue revenue bonds as follows:

- up to \$50,000,000 for constructing the David Eccles School of Business Executive Education Building at the University of Utah;
- up to \$20,000,000 for purchasing a student apartment building complex and surrounding property at Utah State University; and
- up to \$12,000,000 for constructing the Space Dynamics Laboratory Phase II at Utah State University.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



28 ENACTS:

29 **63B-26-101**, Utah Code Annotated 1953

30 **63B-26-102**, Utah Code Annotated 1953



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

33 Section 1. Section **63B-26-101** is enacted to read:

34 **CHAPTER 26. 2016 BONDING AND FINANCING AUTHORIZATIONS**

35 **Part 1. 2016 Revenue Bond Authorizations**

36 **63B-26-101. Revenue Bond authorizations -- State Building Ownership Authority.**

37 (1) The Legislature intends that:

38 (a) 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 may  
40 enter into or arrange for a lease-purchase agreement in which participation interests may be  
41 created, to provide up to \$3,000,000 for the Fourth District Provo Courthouse parking lot,  
42 together with additional amounts necessary to pay costs of issuance, pay capitalized interest,  
43 and fund any existing debt service reserve requirements;

44 (b) the judicial branch use court fees and existing lease budgets as the primary revenue  
45 sources for repayment of any obligation created under authority of this Subsection (1);

46 (c) the judicial branch may use state funds for operation and maintenance costs or  
47 capital improvements; and

48 (d) the revenue bond authorized under this Subsection (1) may not be issued until on or  
49 after March 1, 2017.

50 (2) The Legislature intends that:

51 (a) the State Building Ownership Authority, under the authority of Title 63B, Chapter  
52 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may  
53 enter into or arrange for a lease-purchase agreement in which participation interests may be  
54 created, to provide up to \$5,043,400 for a Syracuse liquor store, together with additional  
55 amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt  
56 service reserve requirements;

57 (b) the Department of Alcoholic Beverage Control use sales revenues as the primary  
58 revenue source for repayment of any obligation created under authority of this Subsection (2);

59 and

60 (c) the Department of Alcoholic Beverage Control may request operation and  
61 maintenance funding from sales revenues.

62 Section 2. Section **63B-26-102** is enacted to read:

63 **63B-26-102. Revenue bond authorizations -- Board of Regents.**

64 (1) The Legislature intends that:

65 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
66 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
67 money on the credit, revenues, and reserves of the university, other than appropriations of the  
68 Legislature, to finance the cost of constructing the David Eccles School of Business Executive  
69 Education Building;

70 (b) the University of Utah use institutional funds and donations as the primary revenue  
71 sources for repayment of any obligation created under authority of this Subsection (1);

72 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
73 this Subsection (1) is \$50,000,000, together with other amounts necessary to pay costs of  
74 issuance, pay capitalized interest, and fund any debt service reserve requirements;

75 (d) the University of Utah may, subject to the requirements of Title 63A, Chapter 5,  
76 State Building Board - Division of Facilities Construction and Management, use up to  
77 \$30,000,000 in donations and institutional funds to plan, design, and construct the David  
78 Eccles School of Business Executive Education Building with up to 150,000 square feet;

79 (e) the university shall plan, design, and construct the David Eccles School of Business  
80 Executive Education Center, subject to the requirements of Title 63A, Chapter 5, State  
81 Building Board - Division of Facilities Construction and Management; and

82 (f) the university may use previously authorized state funds for operation and  
83 maintenance costs or capital improvements.

84 (2) The Legislature intends that:

85 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
86 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
87 money on the credit, revenues, and reserves of the university, other than appropriations of the  
88 Legislature, to finance the cost of purchasing a student apartment building complex and  
89 surrounding property;

90 (b) Utah State University use revenues from housing operations as the primary revenue  
91 source for repayment of any obligation created under authority of this Subsection (2);

92 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
93 this Subsection (2) is \$20,000,000, together with other amounts necessary to pay costs of  
94 issuance, pay 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 (3) The Legislature intends that:

98 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
99 deliver revenue bonds or other evidences of indebtedness of Utah State University 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 the Space Dynamics Laboratory Phase II;

102 (b) Utah State University use reimbursement from research projects as the primary  
103 revenue source for repayment of any obligation created under authority of this Subsection (3);

104 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
105 this Subsection (3) is \$12,000,000, together with other amounts necessary to pay costs of  
106 issuance, pay capitalized interest, and fund any debt service reserve requirements;

107 (d) the university shall plan, design, and construct the Space Dynamics Laboratory  
108 Phase II, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division  
109 of Facilities Construction and Management; and

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

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**