

SB0173S01 compared with SB0173

~~deleted text~~ shows text that was in SB0173 but was deleted in SB0173S01.

inserted text shows text that was not in SB0173 but was inserted into SB0173S01.

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Representative Mike Schultz proposes the following substitute bill:

STATE FAIR PARK REVISIONS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kevin T. Van Tassell

House Sponsor: ~~_____~~ Mike K. McKell

LONG TITLE

General Description:

This bill amends provisions related to the Utah State Fair Corporation.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ amends the powers and duties of the Utah State Fair Corporation;
- ▶ modifies the membership of the board of directors of the Utah State Fair Corporation;
- ▶ allows the board of directors of the Utah State Fair Corporation to create one or more subcommittees;
- ▶ creates the State Fair Park Advisory Committee;
- ▶ provides that the Utah State Fair Corporation shall operate and maintain the state

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fair park;

- ▶ provides that a person who executes a development agreement with the Utah State Fair Corporation shall pay a tax equivalent payment;
- ▶ authorizes the Utah State Fair Corporation to issue revenue bonds;
- ▶ repeals provisions related to the leasing of the state fair park; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2017:

- ▶ to the Legislature - Senate, as an ongoing appropriation:
 - from the General Fund, \$15,000;
- ▶ to the Legislature - House of Representatives, as an ongoing appropriation:
 - from the General Fund, \$15,000;
- ▶ to the Legislature - Office of Legislative Research and General Counsel, as an ongoing appropriation:
 - from the General Fund, \$40,000.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63B-18-302, as enacted by Laws of Utah 2009, Chapter 134

63H-6-101, as renumbered and amended by Laws of Utah 2011, Chapter 370

63H-6-102, as renumbered and amended by Laws of Utah 2011, Chapter 370

63H-6-103, as last amended by Laws of Utah 2012, Chapters 20 and 347

63H-6-104, as last amended by Laws of Utah 2014, Chapter 139

63H-6-107, as renumbered and amended by Laws of Utah 2011, Chapter 370

ENACTS:

63H-6-104.5, Utah Code Annotated 1953

63H-6-108, Utah Code Annotated 1953

63H-6-109, Utah Code Annotated 1953

63H-6-201, Utah Code Annotated 1953

63H-6-202, Utah Code Annotated 1953

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63H-6-203, Utah Code Annotated 1953

63H-6-204, Utah Code Annotated 1953

63H-6-205, Utah Code Annotated 1953

REPEALS:

63A-5-306, as last amended by Laws of Utah 2011, Chapter 370

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

Section 1. Section **63B-18-302** is amended to read:

63B-18-302. Authorizations to dispose of property.

~~[(1) The Legislature intends that:]~~

~~[(a) the Division of Facilities Construction and Management, acting in coordination with the Utah State Fair Corporation, may negotiate with the Utah Transit Authority for a long-term lease of land, or a license for long-term use of land, to the Utah Transit Authority at the State Fairpark; and]~~

~~[(b) before entering into a contract with the Utah Transit Authority, the division shall:]~~

~~[(i) obtain the approval of the State Building Board; and]~~

~~[(ii) the State Building Board may approve the agreement only if the division demonstrates that the contract terms agree with Section 63A-5-306 and will be a benefit to the state.]~~

~~[(2)]~~ The Legislature intends that:

~~[(a)]~~ (1) the Department of Workforce Services may, in coordination with the Division of Facilities Construction and Management, sell a Temporary Placement Office in Salt Lake City, Utah, and three vacated buildings in Logan, Utah; and

~~[(b)]~~ (2) sales ~~[shall]~~ be at fair market value.

Section 2. Section 63H-6-101 is amended to read:

Part 1. Creation and Authority of the Utah State Fair Corporation

63H-6-101. Title.

(1) This chapter is known as the "Utah State Fair Corporation Act."

(2) This part is known as "Creation and Authority of the Utah State Fair Corporation."

Section ~~{2}~~3. Section **63H-6-102** is amended to read:

63H-6-102. Definitions.

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As used in this chapter:

(1) "Board" means the board of directors of the corporation.

(2) "Business related experience" means at least three years of professional experience in business administration, marketing, advertising, economic development, or a related field.

(3) "Capital developments" means the same as that term is defined in Section 63A-5-104.

(4) "Capital improvements" means the same as that term is defined in Section 63A-5-104.

~~(2)~~ (5) "Corporation" means the Utah State Fair Corporation created by this chapter.

(6) "Corporation bond" means a bond issued by the corporation in accordance with Part 2, Bonding Authority.

~~(6)~~ (7) "Division" means the Division of Facilities Construction and Management created in Section 63A-5-201.

~~(7)~~ (8) "Executive director" means the executive director hired by the board in accordance with Section 63H-6-105.

~~(3)~~ ~~(8)~~ (9) (a) "State fair park" means the property owned by the state located at:

(i) 155 North 1000 West, Salt Lake City, Utah[-], consisting of approximately 50 acres;

(ii) 1139 West North Temple, Salt Lake City, Utah, consisting of approximately 10.5 acres; and

(iii) 1220 West North Temple, Salt Lake City, Utah, consisting of approximately two acres.

(b) "State fair park" includes each building and each improvement on the property described in Subsection (8)(a) that is owned by the state.

Section ~~(3)~~ 4. Section **63H-6-103** is amended to read:

63H-6-103. Utah State Fair Corporation -- Legal status -- Powers.

(1) There is created an independent public nonprofit corporation known as the "Utah State Fair Corporation."

(2) The board shall file articles of incorporation for the corporation with the Division of Corporations and Commercial Code.

(3) The corporation, subject to this chapter, has all powers and authority permitted nonprofit corporations by law.

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(4) The corporation shall ~~[, subject to approval of the board]:~~

(a) ~~[have general management, supervision, and control over]~~ manage, supervise, and control:

(i) all activities relating to the ~~[state fair]~~ annual exhibition described in Subsection (4)(j); and ~~[have charge of]~~

(ii) ~~except as otherwise provided by statute,~~ all state expositions [except as otherwise provided by statute], including setting the time, place, and purpose of any state exposition;

(b) for public entertainment, displays, and exhibits or similar events:

(i) provide, sponsor, or arrange the events;

(ii) publicize and promote the events; and

(iii) secure funds to cover the cost of the exhibits from:

(A) private contributions;

(B) public appropriations;

(C) admission charges; and

(D) other lawful means;

~~[(c) establish the time, place, and purpose of state expositions; and]~~

~~[(d)]~~ (c) acquire and designate exposition sites~~[-];~~

~~[(5)(a) The corporation shall:]~~

~~[(i)]~~ (d) use generally accepted accounting principles in accounting for ~~[its]~~ the corporation's assets, liabilities, and operations;

~~[(ii)]~~ (e) seek corporate sponsorships for the state fair park ~~[and]~~ or for individual buildings or facilities within the fair park;

~~[(iii)]~~ (f) work with county and municipal governments, the Salt Lake Convention and Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote expositions and the use of the state fair park;

~~[(iv)]~~ (g) develop and maintain a marketing program to promote expositions and the use of the state fair park;

~~[(v) in cooperation with the Division of Facilities Construction and Management,]~~

(h) in accordance with provisions of this part, operate and maintain the state fair park, including the physical appearance and structural integrity of the state fair park and the buildings located at the state fair park;

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(i) prepare an economic development plan for the ~~portions of the~~ state fair park ~~described in Subsections 63H-6-102(8)(a)(ii) and (iii)~~;

~~(vi)~~ (j) hold an annual exhibition that:

~~(A)~~ (i) is called the state fair or a similar name;

(ii) promotes and highlights agriculture throughout the state;

~~(B)~~ (iii) includes expositions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral~~;~~ and industrial products, manufactured articles, and domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah;

~~(C)~~ (iv) includes the award of premiums for the best specimens of the exhibited articles and animals;

~~(D)~~ (v) permits competition by livestock exhibited by citizens of other states and territories of the United States; and

~~(E)~~ (vi) is arranged according to plans approved by the board;

~~(vii)~~ (k) fix the conditions of entry to the ~~[exposition]~~ annual exhibition described in Subsection ~~[(5)(a)(vi)](4)(j)~~; and

~~(viii)~~ (l) publish a list of premiums that will be awarded at the annual exhibition described in Subsection ~~[(5)(a)(vi)] (4)(j)~~ for the best specimens of exhibited articles and animals.

~~(b)~~ (5) In addition to the ~~[state fair to be held in accordance with Subsection (5)(a)(vi)]~~ annual exhibition described in Subsection (4)(j), the corporation may hold other exhibitions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral~~;~~ and industrial products, manufactured articles, and domestic animals that, in ~~[its]~~ the corporation's opinion, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah.

(6) The corporation may:

(a) employ advisers, consultants, and agents, including financial experts and independent legal counsel, and fix their compensation;

(b) (i) participate in the state's Risk Management Fund created under Section 63A-4-201; or

(ii) procure insurance against any loss in connection with ~~[its]~~ the corporation's

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property and other assets, including mortgage loans;

(c) receive and accept aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or Utah;

(d) hold, use, loan, grant, and apply that aid and those contributions to carry out the purposes of the corporation, subject to the conditions, if any, upon which the aid and contributions were made;

(e) enter into management agreements with any person or entity for the performance of ~~[its]~~ the corporation's functions or powers;

(f) establish whatever accounts and procedures as necessary to budget, receive, and disburse, account for, and audit all funds received, appropriated, or generated;

(g) ~~[enter into agreements for the leasing of]~~ subject to Subsection (8), lease any of the facilities at the state fair park~~[- if approved by the board; and];~~

(h) sponsor events as approved by the board~~[-]; and~~

(i) enter into one or more agreements to develop the ~~{portions of the }~~state fair park~~{~~
~~described in Subsections 63H-6-102(8)(a)(ii) and (iii)}~~.

(7) (a) Except as provided in Subsection (7)(c), as an independent agency of Utah, the corporation is exempt from:

(i) Title 51, Chapter 5, Funds Consolidation Act;

(ii) Title 51, Chapter 7, State Money Management Act;

(iii) Title 63A, Utah Administrative Services Code;

(iv) Title 63G, Chapter 6a, Utah Procurement Code;

(v) Title 63J, Chapter 1, Budgetary Procedures Act; and

(vi) Title 67, Chapter 19, Utah State Personnel Management Act.

(b) The board shall adopt policies parallel to and consistent with:

(i) Title 51, Chapter 5, Funds Consolidation Act;

(ii) Title 51, Chapter 7, State Money Management Act;

(iii) Title 63A, Utah Administrative Services Code;

(iv) Title 63G, Chapter 6a, Utah Procurement Code; and

(v) Title 63J, Chapter 1, Budgetary Procedures Act.

(c) The corporation shall comply with the legislative approval requirements for new

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facilities established in Subsection 63A-5-104(3).

(8) (a) Before the corporation executes a lease described in Subsection (6)(g) with a term of 10 or more years, the corporation shall:

(i) submit the proposed lease to the State Building Board for the State Building Board's approval or rejection; and

(ii) if the State Building Board approves the proposed lease, submit the proposed lease to the Executive Appropriations Committee for the Executive Appropriation Committee's review and recommendation in accordance with Subsection (8)(b).

(b) The Executive Appropriations Committee shall review a proposed lease submitted in accordance with Subsection (8)(a) and recommend to the corporation that the corporation:

(i) execute the proposed sublease; or

(ii) reject the proposed sublease.

(9) In carrying out the corporation's duties under this chapter, the corporation shall cooperate with and, upon request, appear before the State Fair Park Advisory Committee created in Section 63H-6-104.5.

Section ~~{4}~~5. Section **63H-6-104** is amended to read:

63H-6-104. Board of directors -- Membership -- Term -- Quorum -- Vacancies.

(1) The corporation is governed by a board of directors.

(2) The board is composed of ~~{13}~~ members as follows:

(a) the director of the Division of Facilities Construction and Management or the director's designee;

(b) the commissioner of agriculture and food or the commissioner's designee; ~~[and]~~

(c) two members, appointed by the president of the Senate, who have business related experience and are not legislators;

(d) two members, appointed by the speaker of the House, who have business related experience and are not legislators;

~~[(e) 11]~~ (e) four members appointed by the governor with the consent of the Senate as follows:

~~[(i) two members of the board who are residents of Salt Lake County in which the state fair is held;]~~

~~[(ii) seven members of the board who are not residents of Salt Lake County and are~~

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~~each a resident of a different county than any other member under this Subsection (2)(c)(ii); and]~~

~~[(iii)]~~ (i) ~~two members [of the board] who represent agricultural interests[-]; and~~

~~(ii) two members who have business related experience;~~

~~(f) one member, appointed by the mayor of Salt Lake City with the consent of the Senate, who ~~represents an organization created for the purpose of advocating for and promoting improvements to~~ is a resident of the neighborhood located adjacent to the state fair park;~~

~~(g) a representative of Salt Lake County, if Salt Lake County is party to an executed lease agreement with the corporation; and~~

~~(h) a representative of the Days of '47 Rodeo, if the Days of '47 Rodeo is party to an executed lease agreement with the corporation.~~

(3) (a) (i) Except as provided in Subsection (3)(a)(ii), ~~[the governor shall appoint board members to serve terms that expire]~~ a board member appointed under Subsection (2)(c), (d), (e), or (f) shall serve a term that expires on the December 1 four years after the year that the board member was appointed.

(ii) In making appointments to the board, the president of the Senate, the speaker of the House, the governor, and the mayor of Salt Lake City shall ensure that the terms of approximately 1/4 of the appointed board members expire each year.

(b) Except as provided in Subsection (3)(c), appointed board members serve until their successors are appointed and qualified.

(c) (i) If an appointed board member is absent from three consecutive board meetings without excuse, that member's appointment is terminated, the position is vacant, and the ~~[governor]~~ individual who appointed the board member shall appoint a replacement.

(ii) The president of the Senate, the speaker of the House, the governor, or the mayor of Salt Lake City, as applicable, may remove an appointed member of the board at will.

(d) The president of the Senate, the speaker of the House, the governor, or the mayor of Salt Lake City, as appropriate, shall fill any vacancy that occurs on the board for any reason by appointing ~~[a person according to]~~ an individual in accordance with the procedures ~~[of]~~ described in this section for the unexpired term of the vacated member.

(4) The governor shall select the board's chair.

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(5) ~~Seven~~ A majority of the members of the board [are] is a quorum for the transaction of business.

(6) The board may elect a vice chair and any other board offices.

(7) The board may create one or more subcommittees to advise the board on any issue related to the state fair park.

Section ~~5~~6. Section **63H-6-104.5** is enacted to read:

63H-6-104.5. State Fair Park Advisory Committee -- Creation -- Duties.

(1) To assist the corporation in the execution of the corporation's duties under this chapter, there is created the State Fair Park Advisory Committee consisting of the following six members:

(a) three members of the Senate appointed by the president of the Senate, no more than two of whom are from the same political party; and

(b) three members from the House of Representatives appointed by the speaker of the House, no more than two of whom are from the same political party.

(2) (a) The president of the Senate shall designate a member of the Senate appointed under Subsection (1)(a) as cochair of the advisory committee.

(b) The speaker of the House of Representatives shall designate a member of the House of Representatives appointed under Subsection (1)(b) as cochair of the advisory committee.

(3) (a) A majority of the members of the advisory committee constitutes a quorum.

(b) The action of a majority of a quorum constitutes the action of the advisory committee.

(4) The advisory committee shall meet as necessary, as determined by the cochairs of the advisory committee.

(5) Salaries and expenses of the members of the advisory committee shall be paid in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.

(6) The Office of Legislative Research and General Counsel shall provide staff support to the advisory committee.

(7) The advisory committee shall consult with and make recommendations to the corporation regarding the corporation's duties under this chapter.

(8) A recommendation of the advisory committee is not binding upon the corporation.

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Section ~~67~~7. Section **63H-6-107** is amended to read:

63H-6-107. Enterprise fund -- Creation -- Revenue -- Uses.

- (1) (a) There is created an enterprise fund entitled the Utah State Fair Fund.
- (b) The executive director shall administer the fund under the direction of the board.
- (2) The fund consists of money generated from the following revenue sources:
 - (a) lease payments from person or entities leasing the state fair park or any other facilities owned by the corporation;
 - (b) ~~[revenues]~~ revenue received from any expositions or other events wholly or partially sponsored by the corporation;
 - (c) aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or Utah;
 - (d) appropriations made to the fund by the Legislature; ~~[and]~~
 - (e) revenue received under an agreement described in Subsection 63H-6-109(2); and
 - ~~[(e)]~~ (f) any other income obtained by the corporation.
- (3) (a) The fund shall earn interest.
- (b) All interest earned on fund money shall be deposited into the fund.
- (4) The executive director may use fund money to operate, maintain, and support the Utah state fair, the state fair park, and other expositions sponsored by the corporation.

Section ~~78~~8. Section **63H-6-108** is enacted to read:

63H-6-108. Operation of the state fair park.

- (1) The corporation shall:
 - (a) operate and maintain the state fair park in accordance with the facility maintenance standards approved by the State Building Board;
 - (b) pay for all costs associated with operating and maintaining the state fair park;
 - (c) obtain approval from the division before the corporation commences capital developments on the state fair park that involve:
 - (i) the construction of new space that costs more than ~~+\$100+~~\$250,000; or
 - (ii) the construction of a new building that costs more than \$1,000,000;
 - (d) for any new construction project on the state fair park that costs ~~+\$100+~~\$250,000 or
more:

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(i) notify the division before commencing the new construction project; and

(ii) coordinate with the division regarding review of design plans and construction management;

(e) obtain approval from the division before the corporation makes any alteration or addition to the water system, heating system, plumbing system, air conditioning system, or electrical system;

(f) obtain approval from the State Building Board before the corporation demolishes a building or facility on the state fair park;

(g) keep the state fair park fully insured to protect against loss or damage by fire, vandalism, or malicious mischief;

(h) in accordance with Subsection (3), at the corporation's expense, and for the mutual benefit of the division, maintain general public liability insurance in an amount equal to at least \$1,000,000 through one or more companies that are:

(i) licensed to do business in the state;

(ii) selected by the corporation; and

(iii) approved by the division and the Division of Risk Management;

(i) ensure that the division is an additional insured with primary coverage on each insurance policy that the corporation obtains in accordance with this section;

(j) give the division notice at least 30 days before the day on which the corporation cancels any insurance policy that the corporation obtains in accordance with this section; and

(k) if any lien is recorded or filed against the state fair park as a result of an act or omission of the corporation, cause the lien to be satisfied or cancelled within 10 days after the day on which the corporation receives notice of the lien.

(2) The State Building Board shall notify the State Historic Preservation Office of any State Building Board meeting at which the State Building Board will consider approval to demolish a facility on the state fair park.

(3) The general public liability insurance described in Subsection (1)(h) shall:

(a) insure against any claim for personal injury, death, or property damage that occurs at the state fair park; and

(b) be a blanket policy that covers all activities of the corporation.

(4) The division shall administer any capital improvements on the state fair park that

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cost more than ~~+\$100~~ \$250,000.

(5) Upon 24 hours notice to the corporation, the division may enter the state fair park to inspect the state fair park and make any repairs that the division determines necessary.

(6) If the corporation no longer operates as an independent public nonprofit corporation as described in this chapter, the state shall assume the responsibilities of the corporation under any contract that is:

(a) in effect as of the day on which the status of the corporation changes; and

(b) for the lease, construction, or development of a building or facility on the state fair park.

(7) (a) A debt or obligation contracted by the corporation is a debt or obligation of the corporation.

(b) The state is not liable and assumes no responsibility for any debt or obligation described in Subsection (7)(a), unless the Legislature expressly:

(i) authorizes the corporation to contract for the debt or obligation; and

(ii) accepts liability or assumes responsibility for the debt or obligation.

(8) The provisions of this section apply notwithstanding any contrary provision in Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management.

Section ~~8~~9. Section **63H-6-109** is enacted to read:

63H-6-109. Tax -- Exemption -- Tax equivalent payment.

(1) The possession or beneficial use of property within the state fair park is exempt from taxation under Title 59, Chapter 4, Privilege Tax.

(2) (a) Any agreement between the corporation and a person to develop property within the state fair park shall provide that the person shall, in accordance with Title 59, Chapter 3, Tax Equivalent Property Act, make a tax equivalent payment as defined in Section 59-3-102 to the corporation each year.

(b) The corporation shall deposit all revenue collected under Subsection (2)(a) into the Utah State Fair Fund created in Section 63H-6-107.

Section ~~9~~10. Section 63H-6-201 is enacted to read:

Part 2. Bonding Authority

63H-6-201. Title.

This part is known as "Bonding Authority."

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Section 11. Section 63H-6-202 is enacted to read:

63H-6-202. Resolution authorizing issuance of corporation bond -- Presentation to Executive Appropriations Committee -- Characteristics of bond.

(1) (a) The corporation may:

(i) issue bonds on which the principal and interest are payable:

(A) exclusively from the income, purchase or lease payments, and revenues of the corporation; or

(B) from the corporation's revenues generally; or

(ii) issue refunding bonds for the purpose of paying or retiring bonds previously issued by the corporation.

(b) The corporation may not issue a corporation bond, unless before the issuance of the bond:

(i) (A) the corporation presents to the Executive Appropriations Committee a proposed resolution authorizing the issuance of the corporation bond; and

(B) the Executive Appropriations Committee makes a recommendation in accordance with Subsection (1)(c); and

(ii) the board adopts a resolution authorizing the issuance of the corporation bond.

(c) Following a presentation described in Subsection (1)(b), the Executive Appropriations Committee shall vote whether the Executive Appropriations Committee recommends the corporation adopt, amend, or reject the proposed resolution authorizing the issuance of the corporation bond.

(2) (a) If provided in a resolution authorizing the issuance of a corporation bond or in the trust indenture under which the corporation bond is issued, a corporation bond may be:

(i) issued in one or more series; and

(ii) sold:

(A) at a public or private sale; and

(B) in the manner provided in the resolution or indenture.

(b) A corporation bond shall:

(i) bear the date provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;

(ii) be payable at the time provided in the resolution authorizing the issuance of the

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corporation bond or the trust indenture under which the corporation bond is issued;

(iii) bear interest at the rate provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;

(iv) be in the denomination and in the form provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;

(v) carry the conversion or registration privileges provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;

(vi) have the rank or priority described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;

(vii) be executed in the manner described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;

(viii) be subject to the terms of redemption or tender, with or without premium, as described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;

(ix) be payable in the medium of payment and at the place described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued; and

(x) have any other characteristics described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued.

Section 12. Section 63H-6-203 is enacted to read:

63H-6-203. Sources from which a corporation bond may be made payable --

Corporation powers regarding corporation bond.

(1) The principal and interest on a corporation bond may be made payable from the income and revenues of the corporation.

(2) In connection with the issuance of a corporation bond, the corporation may:

(a) pledge all or any part of the corporation's gross or net revenues to which the corporation:

(i) has a right that exists at issuance of the corporation bond; or

(ii) may have a right that comes into existence after issuance of the corporation bond;

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and

(b) make any covenant or perform any act calculated to make the bond more marketable.

(3) A member of the board or other person executing a corporation bond is not liable personally on the corporation bond.

(4) (a) A corporation bond:

(i) is not a general obligation or liability of the state or any of the state's political subdivisions; and

(ii) does not constitute a charge against the general credit or taxing powers of the state or any of the state's political subdivisions.

(b) A corporation bond is not payable out of money or properties other than those of the corporation pledged for the payment of the bond.

(c) A community, the state, or a political subdivision of the state may not be liable on a corporation bond.

(d) A corporation bond does not constitute indebtedness within the meaning of a constitutional or statutory debt limitation.

(5) A corporation bond is fully negotiable.

(6) A corporation bond is:

(a) issued for an essential public and governmental purpose; and

(b) together with interest on the corporation bond and income from the corporation bond, exempt from state taxes except the corporate franchise tax.

(7) Nothing in this section may be construed to limit the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the corporation on the corporation's rents, fees, grants, properties, or revenues.

Section 13. Section **63H-6-204** is enacted to read:

63H-6-204. Purchaser of a corporation bond.

(1) The following may purchase a corporation bond with funds owned or controlled by the purchaser:

(a) a person;

(b) a political subdivision of the state;

(c) another entity; or

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(d) a public or private officer.

(2) Nothing in this part may be construed to relieve a purchaser of a corporation bond of a duty to exercise reasonable care in selecting securities.

(3) The corporation may purchase the corporation's own corporation bond at a price that the board determines.

Section 14. Section 63H-6-205 is enacted to read:

63H-6-205. Obligee rights.

In addition to a right that is conferred on an obligee of a corporation bond and subject to contractual restrictions binding on the obligee, an obligee may:

(1) by mandamus, suit, action, or other proceeding:

(a) compel the corporation and the corporation's board, officers, agents, or employees to perform every term, provision, and covenant contained in a contract of the corporation with or for the benefit of the obligee; and

(b) require the corporation to carry out the covenants and agreements of the corporation and to fulfill the duties imposed on the corporation by this part; and

(2) by suit, action, or proceeding in equity enjoin an act that is unlawful or violates the rights of the obligee.

Section 15. Repealer.

This bill repeals:

Section 63A-5-306, Leasing of state fair park -- Lease -- Terms -- Demolition of facilities -- Limits on debt or obligations.

Section ~~{10}~~16. Appropriation.

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for the fiscal year beginning July 1, 2016, and ending June 30, 2017, the following sums of money are appropriated from resources not otherwise appropriated, or reduced from amounts previously appropriated, out of the funds or amounts indicated. These sums of money are in addition to amounts previously appropriated for fiscal year 2017.

To Legislature - Senate

From General Fund \$15,000

Schedule of Programs:

Administration \$15,000

SB0173S01 compared with SB0173

To Legislature - House of Representatives

From General Fund \$15,000

Schedule of Programs:

Administration \$15,000

To Legislature - Office of Legislative Research and General Counsel

From General Fund \$40,000

Schedule of Programs:

Administration \$40,000

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Legislative Review Note

~~Office of Legislative Research and General Counsel~~