

HIGHER EDUCATION CAPITAL FACILITIES

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephen H. Urquhart

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts and amends provisions related to capital facilities of institutions of higher education.

Highlighted Provisions:

This bill:

- ▶ creates the Higher Education Capital Facilities Account;
 - ▶ enacts provisions related to deposits into and use of funds in the account;
 - ▶ enacts provisions related to the State Board of Regents' administration of funds in the account;
 - ▶ enacts provisions related to how an institution of higher education may use funds from the account;
 - ▶ enacts procedures for how an institution of higher education may obtain legislative approval for a capital facilities project;
 - ▶ amends provisions related to capital facilities of institutions of higher education;
- and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



28 **Utah Code Sections Affected:**

29 AMENDS:

- 30 **53B-7-101**, as last amended by Laws of Utah 2015, Chapter 361
- 31 **53B-7-103**, as enacted by Laws of Utah 1987, Chapter 167
- 32 **53B-20-103**, as last amended by Laws of Utah 1998, Chapter 342
- 33 **53B-20-104**, as last amended by Laws of Utah 2012, Chapter 242
- 34 **63A-5-103**, as last amended by Laws of Utah 2015, Chapter 297
- 35 **63A-5-104**, as last amended by Laws of Utah 2015, Chapter 297
- 36 **63A-5-206**, as last amended by Laws of Utah 2011, Chapter 14
- 37 **63B-23-101**, as enacted by Laws of Utah 2014, Chapter 113
- 38 **63I-1-263**, as last amended by Laws of Utah 2015, Chapters 182, 226, 278, 283, 409,
- 39 and 424

40 ENACTS:

- 41 **53B-7-701**, Utah Code Annotated 1953
- 42 **53B-7-702**, Utah Code Annotated 1953
- 43 **53B-7-703**, Utah Code Annotated 1953
- 44 **53B-7-704**, Utah Code Annotated 1953
- 45 **53B-7-705**, Utah Code Annotated 1953
- 46 **53B-7-706**, Utah Code Annotated 1953



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

49 Section 1. Section **53B-7-101** is amended to read:

50 **53B-7-101. Combined requests for appropriations -- Board review of operating**
 51 **budgets -- Submission of budgets -- Recommendations -- Hearing request --**
 52 **Appropriation formulas -- Allocations -- Dedicated credits -- Financial affairs.**

53 (1) As used in this section:

54 (a) (i) "Higher education institution" or "institution" means an institution of higher
55 education listed in Section **53B-1-102**.

56 (ii) "Higher education institution" or "institution" does not include the Utah College of
57 Applied Technology.

58 (b) "Research university" means the University of Utah or Utah State University.

59 (2) (a) The board shall recommend a combined appropriation for the operating budgets
60 of higher education institutions for inclusion in a state appropriations act.

61 (b) The board's combined budget recommendation shall include:

62 (i) employee compensation;

63 (ii) mandatory costs, including building operations and maintenance, fuel, and power;

64 (iii) mission based funding described in Subsection (3);

65 (iv) performance funding described in Subsection (4);

66 (v) statewide and institutional priorities, including scholarships, financial aid, and

67 technology infrastructure; and

68 (vi) unfunded historic growth.

69 (c) The board's recommendations shall be available for presentation to the governor

70 and to the Legislature at least 30 days prior to the convening of the Legislature, and shall

71 include schedules showing the recommended amounts for each institution, including separately

72 funded programs or divisions.

73 (d) The recommended appropriations shall be determined by the board only after it has

74 reviewed the proposed institutional operating budgets, and has consulted with the various

75 institutions and board staff in order to make appropriate adjustments.

76 (3) (a) The board shall establish mission based funding.

77 (b) Mission based funding shall include:

78 (i) enrollment growth; and

79 (ii) up to three strategic priorities.

80 (c) The strategic priorities described in Subsection (3)(b)(ii) shall be:

81 (i) approved by the board; and

82 (ii) designed to improve the availability, effectiveness, or quality of higher education in

83 the state.

84 (d) Concurrent with recommending mission based funding, the board shall also

85 recommend to the Legislature ways to address funding any inequities for institutions as

86 compared to institutions with similar missions.

87 (4) (a) The board shall establish performance funding.

88 (b) Performance funding shall include metrics approved by the board, including:

89 (i) degrees and certificates granted;

90 (ii) services provided to traditionally underserved populations;

91 (iii) responsiveness to workforce needs;

92 (iv) institutional efficiency; and

93 (v) for a research university, graduate research metrics.

94 (c) The board shall:

95 (i) award performance funding appropriated by the Legislature to institutions based on
96 the institution's success in meeting the metrics described in Subsection (4)(b); and

97 (ii) reallocate funding that is not awarded to an institution under Subsection (4)(c)(i)
98 for distribution to other institutions that meet the metrics described in Subsection (4)(b).

99 (5) (a) Institutional operating budgets shall be submitted to the board at least 90 days
100 prior to the convening of the Legislature in accordance with procedures established by the
101 board.

102 (b) Funding requests pertaining to capital facilities and land purchases shall be
103 submitted in accordance with procedures [~~prescribed by the State Building Board~~] described in
104 Section 53B-7-706.

105 (6) (a) The budget recommendations of the board shall be accompanied by full
106 explanations and supporting data.

107 (b) The appropriations recommended by the board shall be made with the dual
108 objective of:

109 (i) justifying for higher educational institutions appropriations consistent with their
110 needs, and consistent with the financial ability of the state; and

111 (ii) determining an equitable distribution of funds among the respective institutions in
112 accordance with the aims and objectives of the statewide master plan for higher education.

113 (7) (a) The board shall request a hearing with the governor on the recommended
114 appropriations.

115 (b) After the governor delivers his budget message to the Legislature, the board shall
116 request hearings on the recommended appropriations with the appropriate committees of the
117 Legislature.

118 (c) If either the total amount of the state appropriations or its allocation among the
119 institutions as proposed by the Legislature or its committees is substantially different from the
120 recommendations of the board, the board may request further hearings with the Legislature or

121 its appropriate committees to reconsider both the total amount and the allocation.

122 (8) The board may devise, establish, periodically review, and revise formulas for its
123 use and for the use of the governor and the committees of the Legislature in making
124 appropriation recommendations.

125 (9) (a) The board shall recommend to each session of the Legislature the minimum
126 tuitions, resident and nonresident, for each institution which it considers necessary to
127 implement the budget recommendations.

128 (b) The board may fix the tuition, fees, and charges for each institution at levels it finds
129 necessary to meet budget requirements.

130 (10) (a) Money allocated to each institution by legislative appropriation may be
131 budgeted in accordance with institutional work programs approved by the board, provided that
132 the expenditures funded by appropriations for each institution are kept within the
133 appropriations for the applicable period.

134 (b) A president of an institution shall:

135 (i) establish initiatives for the president's institution each year that are:

136 (A) aligned with the strategic priorities described in Subsection (3); and

137 (B) consistent with the institution's mission and role; and

138 (ii) allocate the institution's mission based funding to the initiatives.

139 (11) The dedicated credits, including revenues derived from tuitions, fees, federal
140 grants, and proceeds from sales received by the institutions are appropriated to the respective
141 institutions [~~and~~] to be used in accordance with institutional work programs.

142 (12) Each institution may do its own purchasing, issue its own payrolls, and handle its
143 own financial affairs under the general supervision of the board.

144 (13) (a) If the Legislature appropriates money in accordance with this section, it shall
145 be distributed to the board and higher education institutions to fund the items described in
146 Subsection (2)(b).

147 (b) During each general session of the Legislature following a fiscal year in which the
148 Legislature provides an appropriation for mission based funding or performance funding, the
149 board and institutions shall report to the Legislature's Higher Education Appropriations
150 Subcommittee on the use of the previous year's mission based funding and performance
151 funding, including performance outcomes relating to the strategic initiatives approved by the

152 board.

153 Section 2. Section **53B-7-103** is amended to read:

154 **53B-7-103. Board designated state educational agent for federal contracts and**
155 **aid -- Individual research grants -- Powers of institutions or foundations under**
156 **authorized programs.**

157 (1) The board is the designated state educational agency authorized to negotiate and
158 contract with the federal government and to accept financial or other assistance from the
159 federal government or any of its agencies in the name of and in behalf of the state of Utah,
160 under terms and conditions as may be prescribed by congressional enactment designed to
161 further higher education. [~~Nothing in this chapter alters or limits the authority of the State~~
162 ~~Building Board to act as the designated state agency to administer programs in behalf of and~~
163 ~~accept funds from federal, state, and other sources, for capital facilities for the benefit of higher~~
164 ~~education.~~]

165 (2) Subject to policies and procedures established by the board, the institutions and
166 their individual employees may apply for and receive grants or research and development
167 contracts within the educational role of the recipient institution. These authorized programs
168 may be conducted by and through the institution, or by and through any foundation or
169 organization which is established for the purpose of assisting the institution in the
170 accomplishment of its purposes.

171 (3) (a) An institution or its foundation or organization engaged in a program authorized
172 by the board may [~~do the following~~]:

173 [~~(a)~~] (i) enter into contracts with federal, state, or local governments or their agencies
174 or departments, with private organizations, companies, firms, or industries, or with individuals
175 for conducting the authorized programs;

176 [~~(b)~~] (ii) subject to the approval of the controlling state agency, conduct authorized
177 programs within any of the penal, corrective, or custodial institutions of this state and engage
178 the voluntary participation of inmates in those programs;

179 [~~(c)~~] (iii) accept contributions, grants, or gifts from, and enter into contracts and
180 cooperative agreements with, any private organization, company, firm, industry, or individual,
181 or any governmental agency or department, for support of authorized programs within the
182 educational role of the recipient institution, and may agree to provide matching funds with

183 respect to those programs from resources available to it; and

184 ~~[(d)]~~ (iv) retain, accumulate, invest, commit, and expend the funds and proceeds from
 185 programs funded under Subsection ~~[(3)(c)]~~ (3)(a)(iii), including the acquisition of real and
 186 personal property reasonably required for their accomplishment. ~~[No]~~

187 (b) An institution or its foundation or organization engaged in a program authorized by
 188 the board may not divert from or use the funds or any portion of the funds and proceeds ~~[may~~
 189 ~~be diverted from or used]~~ for purposes other than those authorized or undertaken under
 190 Subsection ~~[(3)(c), or shall]~~ (3)(a)(iii).

191 (c) Unless otherwise permitted by law, the funds specified in Subsection (3)(a)(iii) may
 192 not ever become a charge upon or obligation of:

193 (i) the state ~~[of Utah]~~; or

194 (ii) the general funds appropriated for the normal operations of the institution ~~[unless~~
 195 ~~otherwise permitted by law].~~

196 (4) All contracts and research or development grants or contracts requiring the use or
 197 commitment of facilities, equipment, or personnel under the control of an institution are subject
 198 to the approval of the board.

199 Section 3. Section **53B-7-701** is enacted to read:

Part 7. Capital Facilities Funding

201 **53B-7-701. Title.**

202 This part is known as "Capital Facilities Funding."

203 Section 4. Section **53B-7-702** is enacted to read:

204 **53B-7-702. Definitions.**

205 As used in this part:

206 (1) "Account" means the Higher Education Capital Facilities Account, created in

207 Section [53B-7-703](#).

208 (2) "Capital developments" means the same as that term is defined in Section

209 [63A-5-104](#).

210 (3) "Capital facilities project" means a capital improvement or capital development
 211 project.

212 (4) "Capital improvements" means the same as that term is defined in Section

213 [63A-5-104](#).

- 214 (5) "Education Fund revenue surplus" means the same as that term is defined in
215 Section [63J-1-313](#).
- 216 (6) "Institution" means:
217 (a) the University of Utah;
218 (b) Utah State University;
219 (c) Southern Utah University;
220 (d) Weber State University;
221 (e) Snow College;
222 (f) Dixie State University;
223 (g) Utah Valley University; or
224 (h) Salt Lake Community College.
- 225 (7) "Institution's allocation" means the total amount of funds an institution is allocated
226 under Subsection [53B-7-704\(2\)](#).
- 227 (8) "Institution's award" means the amount of funds an institution is actually awarded
228 from the institution's allocation.
- 229 (9) "Operating deficit" means the same as that term is defined in Section [63J-1-313](#).
230 Section 5. Section **53B-7-703** is enacted to read:
- 231 **53B-7-703. Higher Education Capital Facilities Account -- Deposits into the**
232 **account.**
- 233 (1) (a) There is created within the Education Fund a restricted account known as the
234 Higher Education Capital Facilities Account.
- 235 (b) The account shall be funded by legislative appropriations, the surplus revenue
236 required to be deposited into the account by this section, and other funds required to be
237 deposited into the account under this part.
- 238 (c) The account may accrue interest, which shall be deposited into the account.
- 239 (2) (a) Subject to future budget constraints, each year the Legislature shall increase the
240 amount appropriated to the account by 3% of the capital developments and capital
241 improvements amounts provided.
- 242 (b) The increase described in Subsection (2)(a) shall fund operations and maintenance
243 costs for capital facilities projects approved by the Legislature on or after January 1, 2017.
- 244 (c) The board may only distribute the increase described in Subsection (2)(a) to an

245 institution to use for operations and maintenance costs of a capital facilities project that has
246 been fully constructed at the time of distribution.

247 (3) (a) At the end of any fiscal year in which the Division of Finance, in consultation
248 with the legislative fiscal analyst and in conjunction with the completion of the annual audit by
249 the state auditor, determines that there is an Education Fund revenue surplus, the Division of
250 Finance shall transfer 12.5% of the Education Fund revenue surplus into the account.

251 (b) The Division of Finance shall calculate the amount to be transferred under this
252 Subsection (3) excluding any direct legislative appropriation made to the account.

253 (c) The Division of Finance shall transfer the amount required under this Subsection
254 (3):

255 (i) after transferring from the Education Fund revenue surplus appropriations required
256 to be transferred in accordance with Section [63J-1-313](#); and

257 (ii) before transferring from the Education Fund revenue surplus any other year-end
258 contingency appropriations, year-end set-asides, or other year-end transfers required by law.

259 (d) Notwithstanding Subsection (3)(a), if, at the end of a fiscal year, the Division of
260 Finance determines that an operating deficit exists, the Division of Finance may reduce the
261 transfer to the account by the amount necessary to eliminate the operating deficit.

262 Section 6. Section **53B-7-704** is enacted to read:

263 **53B-7-704. Board administration of account -- Remedial plans.**

264 (1) The board shall administer funds in the account in accordance with this part.

265 (2) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
266 the board shall make rules that establish factors, and assign weights to the factors, to determine
267 how to allocate funds from the account among all institutions.

268 (b) In accordance with the rules described in Subsection (2)(a), the board shall assign
269 an allocation to each institution.

270 (3) (a) The board shall award an institution all or a portion of the institution's allocation
271 in accordance with Subsections (3)(b) and (3)(c).

272 (b) To determine an institution's award, the board shall:

273 (i) rank the institutions in order based on each institution's success in meeting the
274 performance funding metrics described in Section [53B-7-101](#); and

275 (ii) subtract 3% of an institution's allocation for each ranking the institution is below

276 first.

277 (c) An institution may not have the same ranking as another institution.

278 (4) (a) For an institution that is not awarded all of the institution's allocation under
279 Subsection (3):

280 (i) the board shall place the unawarded portion of the institution's allocation in escrow
281 for the institution for two years; and

282 (ii) the institution may earn the unawarded portion of the institution's allocation
283 through a remedial plan that is approved by the board and reported to the Higher Education
284 Appropriations Subcommittee.

285 (b) If an institution does not earn the unawarded portion of the institution's allocation
286 as described in Subsection (4)(a) within two years of the day on which the unawarded portion
287 was placed in escrow, the board shall:

288 (i) take the unawarded portion out of escrow; and

289 (ii) deposit the unawarded portion into the account.

290 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
291 board shall make rules to establish required components for a remedial plan described in
292 Subsection (4) that provide measurable outcomes of progress.

293 Section 7. Section **53B-7-705** is enacted to read:

294 **53B-7-705. Institution use of award -- Accrual of awards.**

295 (1) An institution may use the institution's award:

296 (a) for a capital facilities project approved by the Legislature in accordance with
297 Section [53B-7-706](#);

298 (b) for operations and maintenance costs of a capital facilities project approved by the
299 Legislature on or after January 1, 2017, and fully constructed; or

300 (c) to pay debt service on a bond approved by the Legislature.

301 (2) An institution may accumulate the institution's awards over more than one year to
302 use for a capital facilities project.

303 Section 8. Section **53B-7-706** is enacted to read:

304 **53B-7-706. Legislative approval of a capital facilities project -- Oversight.**

305 (1) Notwithstanding any other provision of law, an institution shall obtain legislative
306 approval for a capital facilities project in accordance with this part.

307 (2) An institution shall:

308 (a) report to the board each capital facilities project for which the institution will seek
309 legislative approval;

310 (b) submit the institution's capital facilities project proposal to:

311 (i) the Infrastructure and General Government Appropriations Subcommittee; and

312 (ii) the Higher Education Appropriations Subcommittee; and

313 (c) obtain approval for the capital facilities project from the Legislature in an
314 appropriations act.

315 (3) (a) Except as provided in Subsection (3)(b), an institution is not subject to oversight
316 by:

317 (i) the Division of Facilities Construction and Management; or

318 (ii) the State Building Board.

319 (b) An institution is subject to State Building Board oversight for the purposes of
320 operations and maintenance related to a capital facilities project approved by the Legislature
321 before January 1, 2017.

322 (4) An institution may:

323 (a) oversee and manage a capital facilities project without involvement, oversight, or
324 management from the Division of Facilities Construction and Management; or

325 (b) arrange for management of the project by the Division of Facilities Construction
326 and Management.

327 (5) (a) An institution may request the State Building Board to consult with the
328 institution regarding a capital facilities project.

329 (b) If an institution makes a request under Subsection (5)(a), the State Building Board
330 shall consult with the institution.

331 Section 9. Section **53B-20-103** is amended to read:

332 **53B-20-103. Powers of state board -- Capital facilities projects -- Exceptions.**

333 (1) As used in this section, "capital facilities projects and buildings" includes any one
334 or more institutional projects and buildings.

335 (2) The board, on behalf of the institutions of higher education, may:

336 (a) acquire, purchase, construct, improve, remodel, add to, and extend capital facilities
337 projects and buildings including necessary and related utilities;

338 (b) accept buildings, land, or a combination of buildings and land, donated to an
339 eligible higher education institution without obtaining approval of the donation from the
340 director of the Division of Facilities Construction and Management;

341 (c) acquire necessary and suitable equipment, furnishings, and land for institutional
342 projects and buildings;

343 (d) set aside portions of campuses for institutional projects and buildings;

344 (e) maintain and operate institutional projects and buildings; and

345 (f) impose and collect rents, fees, and charges for the use of institutional projects and
346 buildings.

347 ~~[(3) Notwithstanding any other provision of law, if a donor donates land to an eligible~~
348 ~~institution of higher education and commits to build a building or buildings on that land, and~~
349 ~~the institution agrees to provide funds for the operations and maintenance costs from sources~~
350 ~~other than state funds, and agrees that the building or buildings will not be eligible for state~~
351 ~~capital improvement funding, the higher education institution may:]~~

352 ~~[(a) oversee and manage the construction without involvement, oversight, or~~
353 ~~management from the Division of Facilities Construction and Management; or]~~

354 ~~[(b) arrange for management of the project by the Division of Facilities Construction~~
355 ~~and Management.]~~

356 Section 10. Section **53B-20-104** is amended to read:

357 **53B-20-104. Capital facilities projects recommendations -- Rules.**

358 ~~[(1) The board shall approve all new construction, repair, or purchase of educational~~
359 ~~and general buildings and facilities financed from any source at all institutions subject to the~~
360 ~~jurisdiction of the board:]~~

361 ~~[(2) An institution may not submit plans or specifications to the State Building Board~~
362 ~~for the construction or alteration of buildings, structures, or facilities or for the purchases of~~
363 ~~equipment or fixtures for the structure without the authorization of the board:]~~

364 (1) (a) The board shall review each report received in accordance with Section
365 53B-7-706.

366 (b) The commissioner of higher education shall, based on reports described in
367 Subsection (1)(a), submit the board's capital facilities projects recommendations to:

368 (i) the Infrastructure and General Government Appropriations Subcommittee; and

369 (ii) the Higher Education Appropriations Subcommittee.
370 ~~[(3) The]~~ (2) In accordance with Title 63G, Chapter 3, Utah Administrative
371 Rulemaking Act, the board shall make rules establishing the conditions under which facilities
372 approved by the Legislature before January 1, 2017, may be eligible to request state funds for
373 operations and maintenance.

374 ~~[(4) Before approving the purchase of a building, the board shall:]~~
375 ~~[(a) determine whether or not the building will be eligible for state funds for operations~~
376 ~~and maintenance by applying the rules adopted under Subsection (3); and]~~
377 ~~[(b) if the annual request for state funding for operations and maintenance will be~~
378 ~~greater than \$100,000, notify the speaker of the House, the president of the Senate, and the~~
379 ~~cochairs of the Infrastructure and General Government subcommittee of the Legislature's Joint~~
380 ~~Appropriation Committee.]~~

381 Section 11. Section **63A-5-103** is amended to read:

382 **63A-5-103. Board -- Powers.**

383 (1) The State Building Board shall:

384 (a) in cooperation with state institutions, departments, commissions, and agencies,
385 prepare a master plan of structures built or contemplated;

386 (b) submit to the governor and the Legislature a comprehensive five-year building plan
387 for the state containing the information required by Subsection ~~[(2)]~~ (3);

388 (c) amend and keep current the five-year building program for submission to the
389 governor and subsequent legislatures;

390 (d) as a part of the long-range plan, recommend to the governor and Legislature any
391 changes in the law that are necessary to insure an effective, well-coordinated building program
392 for all state institutions;

393 (e) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
394 make rules:

395 (i) that are necessary to discharge its duties and the duties of the Division of Facilities
396 Construction and Management;

397 (ii) to establish standards and requirements for life cycle cost-effectiveness of state
398 facility projects;

399 (iii) to govern the disposition of real property by the division and establish factors,

400 including appraised value and historical significance, in evaluating the disposition;

401 (iv) to establish standards and requirements for a capital development project request,
402 including a requirement for a feasibility study; and

403 (v) to establish standards and requirements for reporting operations and maintenance
404 expenditures for state-owned facilities, including standards and requirements relating to utility
405 metering;

406 (f) with support from the Division of Facilities Construction and Management,
407 establish design criteria, standards, and procedures for planning, design, and construction of
408 new state facilities and for improvements to existing state facilities, including life-cycle
409 costing, cost-effectiveness studies, and other methods and procedures that address:

410 (i) the need for the building or facility;
411 (ii) the effectiveness of its design;
412 (iii) the efficiency of energy use; and
413 (iv) the usefulness of the building or facility over its lifetime;

414 (g) prepare and submit a yearly request to the governor and the Legislature for a
415 designated amount of square footage by type of space to be leased by the Division of Facilities
416 Construction and Management in that fiscal year;

417 (h) assure the efficient use of all building space; and

418 (i) conduct ongoing facilities maintenance audits for state-owned facilities.

419 (2) In order to provide adequate information upon which the State Building Board may
420 make its recommendation under Subsection (1), any state agency requesting new full-time
421 employees for the next fiscal year shall report those anticipated requests to the building board
422 at least 90 days before the annual general session in which the request is made.

423 (3) (a) The State Building Board shall ensure that the five-year building plan required
424 by Subsection (1)~~(c)~~(b) includes:

425 (i) a list that prioritizes construction of new buildings for all structures built or
426 contemplated based upon each agency's, department's, commission's, and institution's present
427 and future needs;

428 (ii) information, and space use data for all state-owned and leased facilities;
429 (iii) substantiating data to support the adequacy of any projected plans;
430 (iv) a summary of all statewide contingency reserve and project reserve balances as of

431 the end of the most recent fiscal year;

432 (v) a list of buildings that have completed a comprehensive facility evaluation by an
433 architect/engineer or are scheduled to have an evaluation;

434 (vi) for those buildings that have completed the evaluation, the estimated costs of
435 needed improvements; and

436 (vii) for projects recommended in the first two years of the five-year building plan:

437 (A) detailed estimates of the cost of each project;

438 (B) the estimated cost to operate and maintain the building or facility on an annual
439 basis;

440 (C) the cost of capital improvements to the building or facility, estimated at 1.1% of
441 the replacement cost of the building or facility, on an annual basis;

442 (D) the estimated number of new agency full-time employees expected to be housed in
443 the building or facility;

444 (E) the estimated cost of new or expanded programs and personnel expected to be
445 housed in the building or facility;

446 (F) the estimated lifespan of the building with associated costs for major component
447 replacement over the life of the building; and

448 (G) the estimated cost of any required support facilities.

449 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
450 State Building Board may make rules prescribing the format for submitting the information
451 required by this Subsection (3).

452 (4) Except as provided in Section 53B-7-706, capital developments and capital
453 improvements of an institution listed in Section 53B-7-702 are exempt from State Building
454 Board oversight and are governed by the procedures described in Section 53B-7-706.

455 [(4)] (5) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
456 Act, the State Building Board may make rules establishing circumstances under which bids
457 may be modified when all bids for a construction project exceed available funds as certified by
458 the director.

459 (b) In making those rules, the State Building Board shall provide for the fair and
460 equitable treatment of bidders.

461 [(5)] (6) (a) A person who violates a rule adopted by the board under Subsection (1)(e)

462 is subject to a civil penalty not to exceed \$2,500 for each violation plus the amount of any
463 actual damages, expenses, and costs related to the violation of the rule that are incurred by the
464 state.

465 (b) The board may take any other action allowed by law.

466 (c) If any violation of a rule adopted by the board is also an offense under Title 76,
467 Utah Criminal Code, the violation is subject to the civil penalty, damages, expenses, and costs
468 allowed under Subsection (1)(e) in addition to any criminal prosecution.

469 Section 12. Section **63A-5-104** is amended to read:

470 **63A-5-104. Definitions -- Capital development and capital improvement process**
471 **-- Approval requirements -- Limitations on new projects -- Emergencies.**

472 (1) As used in this section:

473 (a) "Capital developments" means a:

- 474 (i) remodeling, site, or utility project with a total cost of \$2,500,000 or more;
475 (ii) new facility with a construction cost of \$500,000 or more; or
476 (iii) purchase of real property where an appropriation is requested to fund the purchase.

477 (b) "Capital improvements" means a:

478 (i) remodeling, alteration, replacement, or repair project with a total cost of less than
479 \$2,500,000;

480 (ii) site and utility improvement with a total cost of less than \$2,500,000; or

481 (iii) new facility with a total construction cost of less than \$500,000.

482 (c) (i) "New facility" means the construction of a new building on state property
483 regardless of funding source.

484 (ii) "New facility" includes:

485 (A) an addition to an existing building; and

486 (B) the enclosure of space that was not previously fully enclosed.

487 (iii) "New facility" does not mean:

488 (A) the replacement of state-owned space that is demolished or that is otherwise
489 removed from state use, if the total construction cost of the replacement space is less than
490 \$2,500,000; or

491 (B) the construction of facilities that do not fully enclose a space.

492 (d) "Replacement cost of existing state facilities and infrastructure" means the

493 replacement cost, as determined by the Division of Risk Management, of state facilities,
494 excluding auxiliary facilities as defined by the State Building Board and the replacement cost
495 of infrastructure as defined by the State Building Board.

496 (e) "State funds" means public money appropriated by the Legislature.

497 (2) (a) [~~The~~] Except as provided in Subsection (2)(c), the State Building Board, on
498 behalf of all state agencies, commissions, departments, and institutions shall submit [its] the
499 State Building Board's capital development recommendations and priorities to the Legislature
500 for approval and prioritization.

501 (b) In developing the State Building Board's capital development recommendations and
502 priorities, the State Building Board shall:

503 (i) require each state agency, commission, department, or institution requesting an
504 appropriation for a capital development project to complete a study that demonstrates the
505 feasibility of the capital development project, including:

506 (A) the need for the capital development project;

507 (B) the appropriateness of the scope of the capital development project;

508 (C) any private funding for the capital development project; and

509 (D) the economic and community impacts of the capital development project; and

510 (ii) verify the completion and accuracy of the feasibility study described in Subsection
511 (2)(b)(i).

512 (c) This subsection (2) does not apply to an institution listed in Section [53B-7-702](#).

513 (3) (a) Except as provided in Subsections (3)(b), (d), and (e), a capital development
514 project may not be constructed on state property without legislative approval.

515 (b) Legislative approval is not required for a capital development project that consists
516 of the design or construction of a new facility if the State Building Board determines that:

517 (i) the requesting state agency, commission, department, or institution has provided
518 adequate assurance that:

519 (A) state funds will not be used for the design or construction of the facility; and

520 (B) the state agency, commission, department, or institution has a plan for funding in
521 place that will not require increased state funding to cover the cost of operations and
522 maintenance to, or state funding for, immediate or future capital improvements to the resulting
523 facility; and

524 (ii) the use of the state property is:
525 (A) appropriate and consistent with the master plan for the property; and
526 (B) will not create an adverse impact on the state.
527 (c) (i) The Division of Facilities Construction and Management shall maintain a record
528 of facilities constructed under the exemption provided in Subsection (3)(b).
529 (ii) For facilities constructed under the exemption provided in Subsection (3)(b), a state
530 agency, commission, department, or institution may not request:
531 (A) increased state funds for operations and maintenance; or
532 (B) state capital improvement funding.
533 (d) Legislative approval is not required for:
534 (i) the renovation, remodeling, or retrofitting of an existing facility with nonstate funds
535 that has been approved by the State Building Board;
536 (ii) a facility to be built with nonstate funds and owned by nonstate entities within
537 research park areas at the University of Utah and Utah State University;
538 (iii) a facility to be built at This is the Place State Park by This is the Place Foundation
539 with funds of the foundation, including grant money from the state, or with donated services or
540 materials;
541 (iv) a capital project that:
542 (A) is funded by:
543 (I) the Uintah Basin Revitalization Fund; or
544 (II) the Navajo Revitalization Fund; and
545 (B) does not provide a new facility for a state agency or higher education institution; or
546 (v) a capital project on school and institutional trust lands that is funded by the School
547 and Institutional Trust Lands Administration from the Land Grant Management Fund and that
548 does not fund construction of a new facility for a state agency or higher education institution.
549 (e) (i) Legislative approval is not required for capital development projects to be built
550 for the Department of Transportation:
551 (A) as a result of an exchange of real property under Section [72-5-111](#); or
552 (B) as a result of a sale or exchange of real property from a maintenance facility if the
553 real property is exchanged for, or the proceeds from the sale of the real property are used for,
554 another maintenance facility, including improvements for a maintenance facility and real

555 property.

556 (ii) When the Department of Transportation approves a sale or exchange under
557 Subsection (3)(e), it shall notify the president of the Senate, the speaker of the House, and the
558 cochairs of the Infrastructure and General Government Appropriations Subcommittee of the
559 Legislature's Joint Appropriation Committee about any new facilities to be built or improved
560 under this exemption.

561 (4) (a) (i) ~~[The]~~ Except as provided in Subsection (4)(h), the State Building Board, on
562 behalf of all state agencies, commissions, departments, and institutions shall by January 15 of
563 each year, submit a list of anticipated capital improvement requirements to the Legislature for
564 review and approval.

565 (ii) The list shall identify:

566 (A) a single project that costs more than \$1,000,000;

567 (B) multiple projects within a single building or facility that collectively cost more than
568 \$1,000,000;

569 (C) a single project that will be constructed over multiple years with a yearly cost of
570 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

571 (D) multiple projects within a single building or facility with a yearly cost of
572 \$1,000,000 or more and an aggregate cost of more than \$2,500,000;

573 (E) a single project previously reported to the Legislature as a capital improvement
574 project under \$1,000,000 that, because of an increase in costs or scope of work, will now cost
575 more than \$1,000,000; and

576 (F) multiple projects within a single building or facility previously reported to the
577 Legislature as a capital improvement project under \$1,000,000 that, because of an increase in
578 costs or scope of work, will now cost more than \$1,000,000.

579 (b) Unless otherwise directed by the Legislature, the State Building Board shall
580 prioritize capital improvements from the list submitted to the Legislature up to the level of
581 appropriation made by the Legislature.

582 (c) In prioritizing capital improvements, the State Building Board shall consider the
583 results of facility evaluations completed by an architect/engineer as stipulated by the building
584 board's facilities maintenance standards.

585 (d) ~~[Beginning on July 1, 2013, in]~~ In prioritizing capital improvements, the State

586 Building Board shall allocate at least 80% of the funds that the Legislature appropriates for
587 capital improvements to:

588 (i) projects that address:

589 (A) a structural issue;

590 (B) fire safety;

591 (C) a code violation; or

592 (D) any issue that impacts health and safety;

593 (ii) projects that upgrade:

594 (A) an HVAC system;

595 (B) an electrical system;

596 (C) essential equipment;

597 (D) an essential building component; or

598 (E) infrastructure, including a utility tunnel, water line, gas line, sewer line, roof,
599 parking lot, or road; or

600 (iii) projects that demolish and replace an existing building that is in extensive
601 disrepair and cannot be fixed by repair or maintenance.

602 (e) [~~Beginning on July 1, 2013, in~~] In prioritizing capital improvements, the State
603 Building Board shall allocate no more than 20% of the funds that the Legislature appropriates
604 for capital improvements to:

605 (i) remodeling and aesthetic upgrades to meet state programmatic needs; or

606 (ii) construct an addition to an existing building or facility.

607 (f) The State Building Board may require an entity that benefits from a capital
608 improvement project to repay the capital improvement funds from savings that result from the
609 project.

610 (g) The State Building Board may provide capital improvement funding to a single
611 project, or to multiple projects within a single building or facility, even if the total cost of the
612 project or multiple projects is \$2,500,000 or more, if:

613 (i) the capital improvement project or multiple projects require more than one year to
614 complete; and

615 (ii) the Legislature has affirmatively authorized the capital improvement project or
616 multiple projects to be funded in phases.

617 ~~[(h) In prioritizing and allocating capital improvement funding, the State Building~~
618 ~~Board shall comply with the requirement in Subsection 63B-23-101(2)(f).]~~

619 (h) This Subsection (4) does not apply to an institution listed in Section 53B-7-702.

620 (5) The Legislature may authorize:

621 (a) the total square feet to be occupied by each state agency; and

622 (b) the total square feet and total cost of lease space for each agency.

623 (6) If construction of a new building or facility will be paid for by nonstate funds, but
624 will require an immediate or future increase in state funding for operations and maintenance or
625 for capital improvements, the Legislature may not authorize the new building or facility until
626 the Legislature appropriates funds for:

627 (a) the portion of operations and maintenance, if any, that will require an immediate or
628 future increase in state funding; and

629 (b) the portion of capital improvements, if any, that will require an immediate or future
630 increase in state funding.

631 (7) (a) Except as provided in Subsection (7)(b) or (c), the Legislature may not fund the
632 design or construction of any new capital development projects, except to complete the funding
633 of projects for which partial funding has been previously provided, until the Legislature has
634 appropriated 1.1% of the replacement cost of existing state facilities and infrastructure to
635 capital improvements.

636 (b) (i) As used in this Subsection (7)(b):

637 (A) "Education Fund budget deficit" ~~[is as]~~ means the same as that term is defined in
638 Section 63J-1-312; and

639 (B) "General Fund budget deficit" ~~[is as]~~ means the same as that term is defined in
640 Section 63J-1-312.

641 (ii) If the Legislature determines that an Education Fund budget deficit or a General
642 Fund budget deficit exists, the Legislature may, in eliminating the deficit, reduce the amount
643 appropriated to capital improvements to 0.9% of the replacement cost of state buildings and
644 infrastructure.

645 (c) (i) The requirements under Subsections (6)(a) and (b) do not apply to the 2008-09,
646 2009-10, 2010-11, 2011-12, and 2012-13 fiscal years.

647 (ii) For the 2013-14 fiscal year, the amount appropriated to capital improvements shall

648 be reduced to 0.9% of the replacement cost of state facilities.

649 (8) ~~[It is the policy of the Legislature that a new building or facility be approved and~~
650 ~~funded for construction in a single budget action, therefore]~~ Except as provided in Title 53B,
651 Chapter 7, Part 7, Capital Facilities Funding, the Legislature may not fund the programming,
652 design, and construction of a new building or facility in phases over more than one year unless
653 the Legislature has approved each phase of the funding for the construction of the new building
654 or facility by the affirmative vote of two-thirds of all the members elected to each house.

655 (9) (a) If, after approval of capital development and capital improvement priorities by
656 the Legislature under this section, emergencies arise that create unforeseen critical capital
657 improvement projects, the State Building Board may, notwithstanding the requirements of Title
658 63J, Chapter 1, Budgetary Procedures Act, reallocate capital improvement funds to address
659 those projects.

660 (b) The State Building Board shall report any changes it makes in capital improvement
661 allocations approved by the Legislature to:

662 (i) the Office of the Legislative Fiscal Analyst within 30 days of the reallocation; and
663 (ii) the Legislature at its next annual general session.

664 (10) (a) The State Building Board may adopt a rule allocating to institutions and
665 agencies their proportionate share of capital improvement funding.

666 (b) The State Building Board shall ensure that the rule:

667 (i) reserves funds for the Division of Facilities Construction and Management for
668 emergency projects; and

669 (ii) allows the delegation of projects to some institutions and agencies with the
670 requirement that a report of expenditures will be filed annually with the Division of Facilities
671 Construction and Management and appropriate governing bodies.

672 (c) An institution listed in Section 53B-7-702 is not subject to State Building Board
673 oversight as described in Section 63A-5-103 and is exempt from this Subsection (10).

674 (11) It is the intent of the Legislature that in funding capital improvement requirements
675 under this section the General Fund be considered as a funding source for at least half of those
676 costs.

677 (12) (a) Subject to Subsection (12)(b), at least 80% of the state funds appropriated for
678 capital improvements shall be used for maintenance or repair of the existing building or

679 facility.

680 (b) The State Building Board may modify the requirement described in Subsection
681 (12)(a) if the State Building Board determines that a different allocation of capital
682 improvements funds is in the best interest of the state.

683 Section 13. Section **63A-5-206** is amended to read:

684 **63A-5-206. Construction, alteration, and repair of state facilities -- Powers of**
685 **director -- Exceptions -- Expenditure of appropriations -- Notification to local**
686 **governments for construction or modification of certain facilities.**

687 (1) As used in this section:

688 (a) "Capital developments" and "capital improvements" have the same meaning as
689 provided in Section [63A-5-104](#).

690 (b) "Compliance agency" has the same meaning as provided in Section [15A-1-202](#).

691 (c) (i) "Facility" means any building, structure, or other improvement that is
692 constructed on property owned by the state, its departments, commissions, institutions, or
693 agencies.

694 (ii) "Facility" does not mean an unoccupied structure that is a component of the state
695 highway system.

696 (d) "Life cycle cost-effective" means, as provided for in rules adopted by the State
697 Building Board, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
698 Act, the most prudent cost of owning and operating a facility, including the initial cost, energy
699 costs, operation and maintenance costs, repair costs, and the costs of energy conservation and
700 renewable energy systems.

701 (e) "Local government" means the county, municipality, or local school district that
702 would have jurisdiction to act as the compliance agency if the property on which the project is
703 being constructed were not owned by the state.

704 (f) "Renewable energy system" means a system designed to use solar, wind, geothermal
705 power, wood, or other replenishable energy source to heat, cool, or provide electricity to a
706 building.

707 (2) (a) (i) Except as provided in Subsections (3) and (4), the director shall exercise
708 direct supervision over the design and construction of all new facilities, and all alterations,
709 repairs, and improvements to existing facilities if the total project construction cost, regardless

710 of the funding source, is greater than \$100,000~~], unless there is memorandum of understanding~~
711 ~~between the director and an institution of higher education that permits the institution of higher~~
712 ~~education to exercise direct supervision for a project with a total project construction cost of~~
713 ~~not greater than \$250,000].~~

714 (ii) A state entity may exercise direct supervision over the design and construction of
715 all new facilities, and all alterations, repairs, and improvements to existing facilities if:

716 (A) the total project construction cost, regardless of the funding sources, is \$100,000 or
717 less; and

718 (B) the state entity assures compliance with the division's forms and contracts and the
719 division's design, construction, alteration, repair, improvements, and code inspection standards.

720 (b) The director shall prepare or have prepared by private firms or individuals designs,
721 plans, and specifications for the projects administered by the division.

722 (c) Before proceeding with construction, the director and the officials charged with the
723 administration of the affairs of the particular department, commission, institution, or agency
724 shall approve the location, design, plans, and specifications.

725 (3) Projects for the construction of new facilities and alterations, repairs, and
726 improvements to existing facilities are not subject to Subsection (2) if the project:

727 (a) occurs on property under the jurisdiction of the State Capitol Preservation Board;

728 (b) is within a designated research park at the University of Utah or Utah State
729 University;

730 (c) occurs within the boundaries of This is the Place State Park and is administered by
731 This is the Place Foundation except that This is the Place Foundation may request the director
732 to administer the design and construction; ~~[or]~~

733 (d) is for the creation and installation of art under Title 9, Chapter 6, Part 4, Utah
734 Percent-for-Art Act~~[-]; or~~

735 (e) is a project of an institution listed in Section [53B-7-702](#).

736 (4) (a) (i) The State Building Board may authorize the delegation of control over
737 design, construction, and all other aspects of any project to entities of state government on a
738 project-by-project basis or for projects within a particular dollar range and a particular project
739 type.

740 (ii) The state entity to whom control is delegated shall assume fiduciary control over

741 project finances, shall assume all responsibility for project budgets and expenditures, and shall
742 receive all funds appropriated for the project, including any contingency funds contained in the
743 appropriated project budget.

744 (iii) Delegation of project control does not exempt the state entity from complying with
745 the codes and guidelines for design and construction adopted by the division and the State
746 Building Board.

747 (iv) State entities that receive a delegated project may not access, for the delegated
748 project, the division's statewide contingency reserve and project reserve authorized in Section
749 [63A-5-209](#).

750 (b) For facilities that will be owned, operated, maintained, and repaired by an entity
751 that is not a state agency or institution and that are located on state property, the State Building
752 Board may authorize the owner to administer the design and construction of the project instead
753 of the division.

754 ~~[(5) Notwithstanding any other provision of this section, if a donor donates land to an
755 eligible institution of higher education and commits to build a building or buildings on that
756 land, and the institution agrees to provide funds for the operations and maintenance costs from
757 sources other than state funds, and agrees that the building or buildings will not be eligible for
758 state capital improvement funding, the higher education institution may:]~~

759 ~~[(a) oversee and manage the construction without involvement, oversight, or
760 management from the division; or]~~

761 ~~[(b) arrange for management of the project by the division.]~~

762 ~~[(6)]~~ (5) (a) The role of compliance agency as provided in Title 15A, State
763 Construction and Fire Codes Act, shall be provided by:

764 (i) the director, for projects administered by the division;

765 (ii) the entity designated by the State Capitol Preservation Board, for projects under
766 Subsection (3)(a);

767 (iii) the local government, for projects exempt from the division's administration under
768 Subsection (3)(b) or administered by This is the Place Foundation under Subsection (3)(c);

769 (iv) the state entity or local government designated by the State Building Board, for
770 projects under Subsection (4); or

771 (v) the institution, for projects exempt from the division's administration under

772 Subsection [~~(5)(a)~~] (3)(e).

773 (b) For the installation of art under Subsection (3)(d), the role of compliance agency
774 shall be provided by the entity that is acting in this capacity for the balance of the project as
775 provided in Subsection [~~(6)~~] (5)(a).

776 (c) The local government acting as the compliance agency under Subsection [~~(6)~~]
777 (5)(a)(iii) may:

778 (i) only review plans and inspect construction to enforce the State Construction Code
779 or an approved code under Title 15A, State Construction and Fire Codes Act; and

780 (ii) charge a building permit fee of no more than the amount it could have charged if
781 the land upon which the improvements are located were not owned by the state.

782 (d) (i) The use of state property and any improvements constructed on state property,
783 including improvements constructed by nonstate entities, is not subject to the zoning authority
784 of local governments as provided in Sections [10-9a-304](#) and [17-27a-304](#).

785 (ii) The state entity controlling the use of the state property shall consider any input
786 received from the local government in determining how the property shall be used.

787 [~~(7) Before~~] (6) Except as provided in Subsection (7), before construction may begin,
788 the director shall review the design of projects exempted from the division's administration
789 under Subsection [~~(4)~~] (3) to determine if the design:

790 (a) complies with any restrictions placed on the project by the State Building Board;
791 and

792 (b) is appropriate for the purpose and setting of the project.

793 (7) Except as provided in Section [53B-7-706](#), capital developments and capital
794 improvements of an institution listed in Section [53B-7-702](#) are exempt from oversight of the
795 State Building Board or the division and are governed by the procedures described in Section
796 [53B-7-706](#).

797 (8) The director shall ensure that state-owned facilities, except for facilities under the
798 control of the State Capitol Preservation Board, are life cycle cost-effective.

799 (9) The director may expend appropriations for statewide projects from funds provided
800 by the Legislature for those specific purposes and within guidelines established by the State
801 Building Board.

802 (10) (a) The director, with the approval of the Office of the Legislative Fiscal Analyst,

803 shall develop standard forms to present capital development and capital improvement cost
804 summary data.

805 (b) The director shall:

806 (i) within 30 days after the completion of each capital development project, submit cost
807 summary data for the project on the standard form to the Office of the Legislative Fiscal
808 Analyst; and

809 (ii) upon request, submit cost summary data for a capital improvement project to the
810 Office of the Legislative Fiscal Analyst on the standard form.

811 (11) Notwithstanding the requirements of Title 63J, Chapter 1, Budgetary Procedures
812 Act, the director may:

813 (a) accelerate the design of projects funded by any appropriation act passed by the
814 Legislature in its annual general session;

815 (b) use any unencumbered existing account balances to fund that design work; and

816 (c) reimburse those account balances from the amount funded for those projects when
817 the appropriation act funding the project becomes effective.

818 (12) (a) The director, the director's designee, or the state entity to whom control has
819 been designated under Subsection (4), shall notify in writing the elected representatives of local
820 government entities directly and substantively affected by any diagnostic, treatment, parole,
821 probation, or other secured facility project exceeding \$250,000, if:

822 (i) the nature of the project has been significantly altered since prior notification;

823 (ii) the project would significantly change the nature of the functions presently
824 conducted at the location; or

825 (iii) the project is new construction.

826 (b) At the request of either the state entity or the local government entity,
827 representatives from the state entity and the affected local entity shall conduct or participate in
828 a local public hearing or hearings to discuss these issues.

829 (13) (a) (i) Before beginning the construction of student housing on property owned by
830 the state, or on property owned by a public institution of higher education in accordance with
831 Section 53B-7-706, the director shall provide written notice of the proposed construction, as
832 provided in Subsection (13)(a)(ii), if any of the proposed student housing buildings is within
833 300 feet of privately owned residential property.

834 (ii) Each notice under Subsection (13)(a)(i) shall be provided to the legislative body
835 and, if applicable, the mayor of:

836 (A) the county in whose unincorporated area the privately owned residential property is
837 located; or

838 (B) the municipality in whose boundaries the privately owned residential property is
839 located.

840 (b) (i) Within 21 days after receiving the notice required by Subsection (13)(a)(i), a
841 county or municipality entitled to the notice may submit a written request to the director for a
842 public hearing on the proposed student housing construction.

843 (ii) If a county or municipality requests a hearing under Subsection (13)(b)(i), the
844 director and the county or municipality shall jointly hold a public hearing to provide
845 information to the public and to allow the director and the county or municipality to receive
846 input from the public about the proposed student housing construction.

847 Section 14. Section **63B-23-101** is amended to read:

848 **63B-23-101. Revenue bond authorizations -- Board of Regents.**

849 (1) The Legislature intends that:

850 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
851 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
852 money on the credit, revenues, and reserves of the university, other than appropriations of the
853 Legislature, to finance the cost of constructing the Lassonde Living Center;

854 (b) the University of Utah use student fees and rents as the primary revenue sources for
855 repayment of any obligation created under authority of this Subsection (1);

856 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
857 this Subsection (1) is \$45,238,000, together with other amounts necessary to pay costs of
858 issuance, pay capitalized interest, and fund any debt service reserve requirements;

859 (d) the university shall plan, design, and construct the Lassonde Living Center subject
860 to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities
861 Construction and Management; and

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

864 (2) The Legislature intends that:

865 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
 866 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
 867 money on the credit, revenues, and reserves of the university, except as provided in Subsection
 868 (2)(f), other than appropriations of the Legislature, to finance the cost of replacing the
 869 University of Utah's utility distribution infrastructure;

870 (b) the University of Utah impose a power bill surcharge as the primary revenue source
 871 for the repayment of any obligation created under authority of this Subsection (2);

872 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
 873 this Subsection (2) is \$32,000,000 together with other amounts necessary to pay costs of
 874 issuance, pay capitalized interest, and fund any debt service reserve requirements;

875 (d) the revenue bonds or evidences of indebtedness authorized by this Subsection (2)
 876 may not mature later than 10 years after the date of issuance;

877 (e) the university shall plan, design, and construct the University of Utah's replacement
 878 utility distribution infrastructure subject to the requirements of Title 63A, Chapter 5, State
 879 Building Board - Division of Facilities Construction and Management; and

880 (f) until July 1, 2024, the [~~Utah State Building~~] Board of Regents annually allocate up
 881 to \$1,500,000 of the capital improvement funding allocation given to the University of Utah
 882 under Section [~~63A-5-104~~] [53B-7-704](#) to be used to pay the debt service on the bonds
 883 authorized under this Subsection (2).

884 Section 15. Section **63I-1-263** is amended to read:

885 **63I-1-263. Repeal dates, Titles 63A to 63M.**

886 (1) Section [63A-4-204](#), authorizing the Risk Management Fund to provide coverage to
 887 any public school district which chooses to participate, is repealed July 1, 2016.

888 [~~(3)~~] (2) Section [63A-5-603](#), State Facility Energy Efficiency Fund, is repealed July 1,
 889 2016.

890 [~~(2)~~] (3) Subsection [~~63A-5-104(4)(h)~~] [63B-23-101\(2\)\(f\)](#) is repealed on July 1, 2024.

891 (4) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed July
 892 1, 2018.

893 (5) Title 63C, Chapter 16, Prison Development Commission Act, is repealed July 1,
 894 2020.

895 (6) Subsection [63G-6a-1402\(7\)](#) authorizing certain transportation agencies to award a

896 contract for a design-build transportation project in certain circumstances, is repealed July 1,
897 2015.

898 (7) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed July 1,
899 2020.

900 (8) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1, 2016.

901 (9) On July 1, 2025:

902 (a) in Subsection 17-27a-404(3)(c)(ii), the language that states "the Resource
903 Development Coordinating Committee," is repealed;

904 (b) Subsection 23-14-21(2)(c) is amended to read "(c) provide notification of proposed
905 sites for the transplant of species to local government officials having jurisdiction over areas
906 that may be affected by a transplant.";

907 (c) in Subsection 23-14-21(3), the language that states "and the Resource Development
908 Coordinating Committee" is repealed;

909 (d) in Subsection 23-21-2.3(1), the language that states "the Resource Development
910 Coordinating Committee created in Section 63J-4-501 and" is repealed;

911 (e) in Subsection 23-21-2.3(2), the language that states "the Resource Development
912 Coordinating Committee and" is repealed;

913 (f) Subsection 63J-4-102(1) is repealed and the remaining subsections are renumbered
914 accordingly;

915 (g) Subsections 63J-4-401(5)(a) and (c) are repealed;

916 (h) Subsection 63J-4-401(5)(b) is renumbered to Subsection 63J-4-401(5)(a) and the
917 word "and" is inserted immediately after the semicolon;

918 (i) Subsection 63J-4-401(5)(d) is renumbered to Subsection 63J-4-401(5)(b);

919 (j) Sections 63J-4-501, 63J-4-502, 63J-4-503, 63J-4-504, and 63J-4-505 are repealed;

920 and

921 (k) Subsection 63J-4-603(1)(e)(iv) is repealed and the remaining subsections are
922 renumbered accordingly.

923 (10) The Crime Victim Reparations and Assistance Board, created in Section
924 63M-7-504, is repealed July 1, 2017.

925 (11) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1, 2017.

926 (12) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2018.

927 (13) (a) Title 63N, Chapter 2, Part 4, Recycling Market Development Zone Act, is
928 repealed January 1, 2021.

929 (b) Subject to Subsection (13)(c), Sections 59-7-610 and 59-10-1007 regarding tax
930 credits for certain persons in recycling market development zones, are repealed for taxable
931 years beginning on or after January 1, 2021.

932 (c) A person may not claim a tax credit under Section 59-7-610 or 59-10-1007:

933 (i) for the purchase price of machinery or equipment described in Section 59-7-610 or
934 59-10-1007, if the machinery or equipment is purchased on or after January 1, 2021; or

935 (ii) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), if
936 the expenditure is made on or after January 1, 2021.

937 (d) Notwithstanding Subsections (13)(b) and (c), a person may carry forward a tax
938 credit in accordance with Section 59-7-610 or 59-10-1007 if:

939 (i) the person is entitled to a tax credit under Section 59-7-610 or 59-10-1007; and

940 (ii) (A) for the purchase price of machinery or equipment described in Section
941 59-7-610 or 59-10-1007, the machinery or equipment is purchased on or before December 31,
942 2020; or

943 (B) for an expenditure described in Subsection 59-7-610(1)(b) or 59-10-1007(1)(b), the
944 expenditure is made on or before December 31, 2020.

945 (14) Section 63N-2-512 is repealed on July 1, 2021.

946 (15) (a) Title 63N, Chapter 2, Part 6, Utah Small Business Jobs Act, is repealed
947 January 1, 2021.

948 (b) Section 59-9-107 regarding tax credits against premium taxes is repealed for
949 calendar years beginning on or after January 1, 2021.

950 (c) Notwithstanding Subsection (15)(b), an entity may carry forward a tax credit in
951 accordance with Section 59-9-107 if:

952 (i) the person is entitled to a tax credit under Section 59-9-107 on or before December
953 31, 2020; and

954 (ii) the qualified equity investment that is the basis of the tax credit is certified under
955 Section 63N-2-603 on or before December 31, 2023.

956 (16) Title 63N, Chapter 12, Part 3, Utah Broadband Outreach Center, is repealed July
957 1, 2018.

Legislative Review Note
Office of Legislative Research and General Counsel