

1                                   **REVENUE BONDS AND CAPITAL FACILITIES**

2   **AUTHORIZATIONS**

3   2019 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Kirk A. Cullimore**

6   House Sponsor: Douglas V. Sagers

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8                   **LONG TITLE**

9                   **General Description:**

10                   This bill authorizes certain state agencies and institutions to issue revenue bonds and  
11 authorizes the construction or lease of certain capital facilities.

12                   **Highlighted Provisions:**

13                   This bill:

- 14                   ▶ authorizes the State Building Ownership Authority to issue revenue bonds as  
15 follows:
- 16                   • up to \$10,091,100 in revenue bonds for the downtown liquor store relocation;
  - 17 and
  - 18                   • up to \$14,000,000 in revenue bonds for constructing two liquor stores in the  
19 Taylorsville and West Valley City market areas;
  - 20                   ▶ authorizes the Board of Regents to issue revenue bonds as follows:
  - 21                   • up to \$40,000,000 for constructing the Kathryn F. Kirk Center for  
22 Comprehensive Cancer Care and Women's Cancers at the University of Utah;
  - 23                   • up to \$80,000,000 for the Rice-Eccles Stadium South End Zone upgrade at the  
24 University of Utah;
  - 25                   • up to \$41,600,000 for constructing the Mountain View Residence Hall  
26 replacement at Utah State University;
  - 27                   • up to \$11,700,000 for constructing the east parking terrace at Utah State



28 University;

- 29 • up to \$37,700,000 for constructing the Space Dynamics Laboratory Research

30 Building at Utah State University;

- 31 • up to \$15,000,000 for constructing the Space Dynamics Laboratory High Bay

32 Building at Utah State University;

- 33 • up to \$41,835,000 for constructing a student housing facility at Dixie State

34 University; and

- 35 • up to \$24,650,000 for the remodel and expansion of the Sorensen Center at Utah

36 Valley University;

- 37 ▶ authorizes the University of Utah to use up to \$89,000,000 in donations and other

38 Huntsman Cancer Institute Funds to plan, design, and construct the Kathryn F. Kirk

39 Center for Comprehensive Cancer Care and Women's Cancers;

- 40 ▶ authorizes Utah State University to use up to \$7,700,000 in institutional funds to

41 plan, design, and construct an information technology services building and

42 authorizes the university to use state funds for operation and maintenance costs and

43 capital improvements of the building; and

- 44 ▶ authorizes Utah State University to use up to \$11,000,000 in institutional funds to

45 plan, design, and construct the Moab Academic Building and authorizes the

46 university to use state funds for operation and maintenance costs and capital

47 improvements of the building.

48 **Money Appropriated in this Bill:**

49 None

50 **Other Special Clauses:**

51 None

52 **Utah Code Sections Affected:**

53 ENACTS:

54 **63B-29-101**, Utah Code Annotated 1953

55 **63B-29-102**, Utah Code Annotated 1953

56 **63B-29-201**, Utah Code Annotated 1953



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

59 Section 1. Section **63B-29-101** is enacted to read:

60 **CHAPTER 29. 2019 BONDING AND FINANCING AUTHORIZATIONS**

61 **Part 1. 2019 Revenue Bond Authorizations**

62 **63B-29-101. Revenue bond authorizations -- State Building Ownership Authority.**

63 (1) The Legislature intends that:

64 (a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3,  
65 State Building Ownership Authority Act, may issue or execute obligations, or may  
66 enter into or arrange for a lease-purchase agreement in which participation interests may be  
67 created, to provide up to \$10,091,100 for the downtown liquor store relocation, together with  
68 additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any  
69 existing debt service reserve requirements;

70 (b) the Department of Alcoholic Beverage Control use sales revenue as the primary  
71 revenue source for repayment of any obligation created under authority of this Subsection (1);  
72 and

73 (c) the Department of Alcoholic Beverage Control may request operation and  
74 maintenance funding from sales revenue.

75 (2) The Legislature intends that:

76 (a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3,  
77 State Building Ownership Authority Act, may issue or execute obligations, or may enter into or  
78 arrange for a lease-purchase agreement in which participation interests may be created, to  
79 provide up to \$14,000,000 for two liquor stores in the Taylorsville and West Valley City  
80 market areas, together with additional amounts necessary to pay costs of issuance, pay  
81 capitalized interest, and fund any existing debt service reserve requirements;

82 (b) the Department of Alcoholic Beverage Control use sales revenue as the primary  
83 revenue source for repayment of any obligation created under authority of this Subsection (2);  
84 and

85 (c) the Department of Alcoholic Beverage Control may request operation and  
86 maintenance funding from sales revenue.

87 Section 2. Section **63B-29-102** is enacted to read:

88 **63B-29-102. Revenue bond authorizations -- Board of Regents.**

89 (1) The Legislature intends that:

90 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
91 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
92 money on the credit, revenue, and reserves of the university, other than appropriations of the  
93 Legislature, to finance the cost of constructing the Kathryn F. Kirk Center for Comprehensive  
94 Cancer Care and Women's Cancers;

95 (b) the University of Utah use hospital revenue and donations as the primary revenue  
96 sources for repayment of any obligation created under authority of this Subsection (1);

97 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
98 this Subsection (1) may not exceed \$40,000,000 for acquisition and construction proceeds,  
99 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
100 fund any debt service reserve requirements;

101 (d) the university may, subject to the requirements of Title 63A, Chapter 5, State  
102 Building Board - Division of Facilities Construction and Management, use up to \$89,000,000  
103 in donations and other Huntsman Cancer Institute funds together with proceeds authorized  
104 under Subsection (1)(c) to plan, design, and construct the Kathryn F. Kirk Center for  
105 Comprehensive Cancer Care and Women's Cancers; and

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

108 (2) The Legislature intends that:

109 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and  
110 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow  
111 money on the credit, revenue, and reserves of the university, other than appropriations of the  
112 Legislature, to finance the cost of constructing the Rice-Eccles Stadium South End Zone  
113 upgrade;

114 (b) the University of Utah use athletic revenue and other institutional funds as the  
115 primary revenue sources for repayment of any obligation created under authority of this  
116 Subsection (2);

117 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
118 this Subsection (2) may not exceed \$80,000,000 for acquisition and construction proceeds,  
119 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
120 fund any debt service reserve requirements;

121 (d) the university may plan, design, and construct the Rice-Eccles Stadium South End  
122 Zone upgrade, subject to the requirements of Title 63A, Chapter 5, State Building Board -  
123 Division of Facilities Construction and Management; and

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

126 (3) The Legislature intends that:

127 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
128 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
129 money on the credit, revenue, and reserves of the university, other than appropriations of the  
130 Legislature, to finance the cost of constructing the Mountain View Residence Hall  
131 replacement;

132 (b) Utah State University use student housing rental fees and other auxiliary revenue as  
133 the primary revenue sources for repayment of any obligation created under authority of this  
134 Subsection (3);

135 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
136 this Subsection (3) may not exceed \$41,600,000 for acquisition and construction proceeds,  
137 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
138 fund any debt service reserve requirements;

139 (d) the university may plan, design, and construct the Mountain View Residence Hall  
140 replacement, subject to the requirements of Title 63A, Chapter 5, State Building Board -  
141 Division of Facilities Construction and Management; and

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

144 (4) The Legislature intends that:

145 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
146 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
147 money on the credit, revenue, and reserves of the university, other than appropriations of the  
148 Legislature, to finance the cost of constructing the East Parking Terrace;

149 (b) Utah State University use parking fees and other auxiliary revenue as the primary  
150 revenue sources for repayment of any obligation created under authority of this Subsection (4);

151 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by

152 this Subsection (4) may not exceed \$11,700,000 for acquisition and construction proceeds,  
153 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
154 fund any debt service reserve requirements;

155 (d) the university may plan, design, and construct the East Parking Terrace, subject to  
156 the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities  
157 Construction and Management; and

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

160 (5) The Legislature intends that:

161 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
162 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
163 money on the credit, revenue, and reserves of the university, other than appropriations of the  
164 Legislature, to finance the cost of constructing the Space Dynamics Laboratory Research  
165 Building;

166 (b) Utah State University use reimbursement from research projects as the primary  
167 revenue sources for repayment of any obligation created under authority of this Subsection (5);

168 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
169 this Subsection (5) may not exceed \$37,700,000 for acquisition and construction proceeds,  
170 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
171 fund any debt service reserve requirements;

172 (d) the university may plan, design, and construct the Space Dynamics Laboratory  
173 Research Building, subject to the requirements of Title 63A, Chapter 5, State Building Board -  
174 Division of Facilities Construction and Management; and

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

177 (6) The Legislature intends that:

178 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and  
179 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow  
180 money on the credit, revenue, and reserves of the university, other than appropriations of the  
181 Legislature, to finance the cost of constructing the Space Dynamics Laboratory High Bay  
182 Building;

183 (b) Utah State University use reimbursement from research projects as the primary  
184 revenue sources for repayment of any obligation created under authority of this Subsection (6);

185 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
186 this Subsection (6) may not exceed \$15,000,000 for acquisition and construction proceeds,  
187 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
188 fund any debt service reserve requirements;

189 (d) the university may plan, design, and construct the Space Dynamics Laboratory High  
190 Bay Building, subject to the requirements of Title 63A, Chapter 5, State Building Board -  
191 Division of Facilities Construction and Management; and

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

194 (7) The Legislature intends that:

195 (a) the Board of Regents, on behalf of Dixie State University, may issue, sell, and  
196 deliver revenue bonds or other evidences of indebtedness of Dixie State University to borrow  
197 money on the credit, revenue, and reserves of the university, other than appropriations of the  
198 Legislature, to finance the cost of constructing a student housing facility;

199 (b) Dixie State University use student housing rental fees and other auxiliary revenues  
200 as the primary revenue sources for repayment of any obligation created under authority of this  
201 Subsection (7);

202 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
203 this Subsection (7) may not exceed \$41,835,000 for acquisition and construction proceeds,  
204 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
205 fund any debt service reserve requirements;

206 (d) the university may plan, design, and construct a student housing facility, subject to  
207 the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities  
208 Construction and Management; and

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

211 (8) The Legislature intends that:

212 (a) the Board of Regents, on behalf of Utah Valley University, may issue, sell, and  
213 deliver revenue bonds or other evidences of indebtedness of Utah Valley University to borrow

214 money on the credit, revenue, and reserves of the university, other than appropriations of the  
215 Legislature, to finance the cost of remodeling and expanding the Sorensen Center;

216 (b) Utah Valley University use student fees and auxiliary revenue as the primary  
217 revenue sources for repayment of any obligation created under authority of this Subsection (8);

218 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by  
219 this Subsection (8) may not exceed \$24,560,000 for acquisition and construction proceeds,  
220 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and  
221 fund any debt service reserve requirements;

222 (d) the university may plan, design, and construct the remodel and expansion of the  
223 Sorensen Center, subject to the requirements of Title 63A, Chapter 5, State Building Board -  
224 Division of Facilities Construction and Management; and

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

227 Section 3. Section **63B-29-201** is enacted to read:

228 **Part 2. Capital Facility Design and Construction Authorizations**

229 **63B-29-201. Authorization to design and construct capital facilities using**  
230 **institutional or agency funds.**

231 (1) The Legislature intends that:

232 (a) Utah State University may, subject to the requirements of Title 63A, Chapter 5,  
233 State Building Board - Division of Facilities Construction and Management, use up to  
234 \$7,700,000 in institutional funds to plan, design, and construct an information technology  
235 services building;

236 (b) the university may not use state funds for any portion of this project; and

237 (c) the university may use state funds for operation and maintenance costs and capital  
238 improvements.

239 (2) The Legislature intends that:

240 (a) Utah State University may, subject to the requirements of Title 63A, Chapter 5,  
241 State Building Board - Division of Facilities Construction and Management, use up to  
242 \$11,000,000 in donations and institutional funds to plan, design, and construct the Moab  
243 Academic Building;

244 (b) the university may not use state funds for any portion of this project; and



245            (c) the university may use state funds for operation and maintenance costs and capital  
246 improvements.