

**Representative Jeffrey D. Stenquist** proposes the following substitute bill:

**STATE DEBT REVIEW COMMISSION**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jeffrey D. Stenquist**

Senate Sponsor: Jerry W. Stevenson

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**LONG TITLE**

**General Description:**

This bill enacts and modifies provisions related to the State Debt Review Commission.

**Highlighted Provisions:**

This bill:

- ▶ creates the State Debt Review Commission;
- ▶ requires the State Building Ownership Authority and the State Bonding Commission to submit an annual report to the State Debt Review Commission on obligations and outstanding bonds;
- ▶ requires a loan entity to submit information on a revolving loan fund for review to the State Debt Review Commission;
- ▶ directs the State Debt Review Commission to review the lending activities of a loan entity;
- ▶ prohibits a bonding political subdivision from issuing a bond unless the State Debt Review Commission has first approved the bond;
- ▶ enacts language clarifying that a bonding political subdivision bond approved by the State Debt Review Commission is not an obligation of the state or an act that lends the state's credit;
- ▶ requires the State Debt Review Commission to provide training and information on



- 26 debt management, lending and borrowing best practices, and compliance to certain entities;
- 27       ▶ prohibits a bonding political subdivision from entering a public-private partnership
- 28 unless the State Debt Review Commission has first approved the public-private
- 29 partnership;
- 30       ▶ requires the state treasurer, with assistance from the Governor's Office of Planning
- 31 and Budget and the Office of the Legislative Fiscal Analyst, to submit an annual
- 32 debt affordability report to the State Debt Review Commission and the Revenue and
- 33 Taxation Interim Committee; and
- 34       ▶ makes other conforming changes.

35 **Money Appropriated in this Bill:**

36       None

37 **Other Special Clauses:**

38       None

39 **Utah Code Sections Affected:**

40 AMENDS:

- 41       **11-58-701**, as enacted by Laws of Utah 2018, Chapter 179
- 42       **11-59-202**, as last amended by Laws of Utah 2020, Chapter 354
- 43       **17B-2a-808.1**, as last amended by Laws of Utah 2021, Chapter 239
- 44       **63B-1-305**, as renumbered and amended by Laws of Utah 2003, Chapter 86
- 45       **63B-1a-102**, as enacted by Laws of Utah 2003, Chapter 2
- 46       **63H-1-601**, as last amended by Laws of Utah 2011, Chapter 234
- 47       **63N-13-306**, as enacted by Laws of Utah 2020, Chapter 446

48 ENACTS:

- 49       **63J-10-101**, Utah Code Annotated 1953
- 50       **63J-10-201**, Utah Code Annotated 1953
- 51       **63J-10-202**, Utah Code Annotated 1953
- 52       **63J-10-203**, Utah Code Annotated 1953



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

55       Section 1. Section **11-58-701** is amended to read:

56       **11-58-701. Resolution authorizing issuance of port authority bonds --**

57 **Characteristics of bonds.**

58 (1) The authority may not issue bonds under this part unless the board first:

59 (a) adopts a resolution authorizing ~~[their]~~ issuance~~[-]~~ of the bonds; and

60 (b) receives approval from the State Debt Review Commission created in Section

61 [63J-10-201](#).

62 (2) (a) As provided in the authority resolution authorizing the issuance of bonds under  
63 this part or the trust indenture under which the bonds are issued, bonds issued under this part  
64 may be issued in one or more series and may be sold at public or private sale and in the manner  
65 provided in the resolution or indenture.

66 (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest  
67 at the rate, be in the denomination and in the form, carry the conversion or registration  
68 privileges, have the rank or priority, be executed in the manner, be subject to the terms of  
69 redemption or tender, with or without premium, be payable in the medium of payment and at  
70 the place, and have other characteristics as provided in the authority resolution authorizing  
71 their issuance or the trust indenture under which they are issued.

72 (3) Upon the board's adoption of a resolution providing for the issuance of bonds, the  
73 board may provide for the publication of the resolution:

74 (a) in a newspaper having general circulation in the authority's boundaries; and

75 (b) as required in Section [45-1-101](#).

76 (4) In lieu of publishing the entire resolution, the board may publish notice of bonds  
77 that contains the information described in Subsection [11-14-316\(2\)](#).

78 (5) For a period of 30 days after the publication, any person in interest may contest:

79 (a) the legality of the resolution or proceeding;

80 (b) any bonds that may be authorized by the resolution or proceeding; or

81 (c) any provisions made for the security and payment of the bonds.

82 (6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified  
83 written complaint, within 30 days of the publication under Subsection (5), in the district court  
84 of the county in which the person resides.

85 (b) A person may not contest the matters set forth in Subsection (5), or the regularity,  
86 formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for  
87 contesting provided in Subsection (6)(a).

88 Section 2. Section 11-59-202 is amended to read:

89 **11-59-202. Authority powers.**

90 (1) The authority may:

91 ~~[(1)]~~ (a) as provided in this chapter, plan, manage, and implement the development of  
92 the point of the mountain state land, including the ongoing operation of facilities on the point  
93 of the mountain state land;

94 ~~[(2)]~~ (b) undertake, or engage a consultant to undertake, any study, effort, or activity  
95 the board considers appropriate to assist or inform the board about any aspect of the proposed  
96 development of the point of the mountain state land, including the best development model and  
97 financial projections relevant to the authority's efforts to fulfill its duties and responsibilities  
98 under this section and Section 11-59-203;

99 ~~[(3)]~~ (c) sue and be sued;

100 ~~[(4)]~~ (d) enter into contracts generally;

101 ~~[(5)]~~ (e) buy, obtain an option upon, or otherwise acquire any interest in real or  
102 personal property, as necessary to accomplish the duties and responsibilities of the authority,  
103 including an interest in real property, apart from point of the mountain state land, or personal  
104 property, outside point of the mountain state land, for publicly owned infrastructure and  
105 improvements, if the board considers the purchase, option, or other interest acquisition to be  
106 necessary for fulfilling the authority's development objectives;

107 ~~[(6)]~~ (f) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in  
108 real or personal property;

109 ~~[(7)]~~ (g) enter into a lease agreement on real or personal property, either as lessee or  
110 lessor;

111 ~~[(8)]~~ (h) provide for the development of the point of the mountain state land under one  
112 or more contracts;

113 ~~[(9)]~~ (i) exercise powers and perform functions under a contract, as authorized in the  
114 contract;

115 ~~[(10)]~~ (j) accept financial or other assistance from any public or private source for the  
116 authority's activities, powers, and duties, and expend any funds so received for any of the  
117 purposes of this chapter;

118 ~~[(11)]~~ (k) borrow money, contract with, or accept financial or other assistance from the

119 federal government, a public entity, or any other source for any of the purposes of this chapter  
120 and comply with any conditions of the loan, contract, or assistance;

121 ~~[(12)]~~ (l) subject to Subsection (2), issue bonds to finance the undertaking of any  
122 development objectives of the authority, including bonds under Title 11, Chapter 17, Utah  
123 Industrial Facilities and Development Act, and bonds under Title 11, Chapter 42, Assessment  
124 Area Act;

125 ~~[(13)]~~ (m) hire employees, including contract employees, in addition to or in place of  
126 staff provided under Section [11-59-304](#);

127 ~~[(14)]~~ (n) transact other business and exercise all other powers provided for in this  
128 chapter;

129 ~~[(15)]~~ (o) enter into a development agreement with a developer of some or all of the  
130 point of the mountain state land;

131 ~~[(16)]~~ (p) provide for or finance an energy efficiency upgrade, a renewable energy  
132 system, or electric vehicle charging infrastructure as defined in Section [11-42a-102](#), in  
133 accordance with Title 11, Chapter 42a, Commercial Property Assessed Clean Energy Act;

134 ~~[(17)]~~ (q) exercise powers and perform functions that the authority is authorized by  
135 statute to exercise or perform;

136 ~~[(18)]~~ (r) enter into one or more interlocal agreements under Title 11, Chapter 13,  
137 Interlocal Cooperation Act, with one or more local government entities for the delivery of  
138 services to the point of the mountain state land; and

139 ~~[(19)]~~ (s) enter into an agreement with the federal government or an agency of the  
140 federal government, as the board considers necessary or advisable, to enable or assist the  
141 authority to exercise its powers or fulfill its duties and responsibilities under this chapter.

142 (2) The authority may not issue bonds under this part unless the board first receives  
143 approval from the State Debt Review Commission created in Section [63J-10-201](#).

144 Section 3. Section **17B-2a-808.1** is amended to read:

145 **17B-2a-808.1. Large public transit district board of trustees powers and duties --**  
146 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**

147 (1) The powers and duties of a board of trustees of a large public transit district stated  
148 in this section are in addition to the powers and duties stated in Section [17B-1-301](#).

149 (2) The board of trustees of each large public transit district shall:

- 150 (a) hold public meetings and receive public comment;
- 151 (b) ensure that the policies, procedures, and management practices established by the  
152 public transit district meet state and federal regulatory requirements and federal grantee  
153 eligibility;
- 154 (c) subject to Subsection (8), create and approve an annual budget, including the  
155 issuance of bonds and other financial instruments, after consultation with the local advisory  
156 council;
- 157 (d) approve any interlocal agreement with a local jurisdiction;
- 158 (e) in consultation with the local advisory council, approve contracts and overall  
159 property acquisitions and dispositions for transit-oriented development;
- 160 (f) in consultation with constituent counties, municipalities, metropolitan planning  
161 organizations, and the local advisory council:
  - 162 (i) develop and approve a strategic plan for development and operations on at least a  
163 four-year basis; and
  - 164 (ii) create and pursue funding opportunities for transit capital and service initiatives to  
165 meet anticipated growth within the public transit district;
- 166 (g) annually report the public transit district's long-term financial plan to the State  
167 Bonding Commission;
- 168 (h) annually report the public transit district's progress and expenditures related to state  
169 resources to the Executive Appropriations Committee and the Infrastructure and General  
170 Government Appropriations Subcommittee;
- 171 (i) annually report to the Transportation Interim Committee the public transit district's  
172 efforts to engage in public-private partnerships for public transit services;
- 173 (j) hire, set salaries, and develop performance targets and evaluations for:
  - 174 (i) the executive director; and
  - 175 (ii) all chief level officers;
- 176 (k) supervise and regulate each transit facility that the public transit district owns and  
177 operates, including:
  - 178 (i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and  
179 charges; and
  - 180 (ii) make and enforce rules, regulations, contracts, practices, and schedules for or in

181 connection with a transit facility that the district owns or controls;

182 (l) subject to Subsection (4), control the investment of all funds assigned to the district  
183 for investment, including funds:

184 (i) held as part of a district's retirement system; and

185 (ii) invested in accordance with the participating employees' designation or direction  
186 pursuant to an employee deferred compensation plan established and operated in compliance  
187 with Section 457 of the Internal Revenue Code;

188 (m) in consultation with the local advisory council created under Section  
189 [17B-2a-808.2](#), invest all funds according to the procedures and requirements of Title 51,  
190 Chapter 7, State Money Management Act;

191 (n) if a custodian is appointed under Subsection (3)(d), and subject to Subsection (4),  
192 pay the fees for the custodian's services from the interest earnings of the investment fund for  
193 which the custodian is appointed;

194 (o) (i) cause an annual audit of all public transit district books and accounts to be made  
195 by an independent certified public accountant;

196 (ii) as soon as practicable after the close of each fiscal year, submit to each of the  
197 councils of governments within the public transit district a financial report showing:

198 (A) the result of district operations during the preceding fiscal year;

199 (B) an accounting of the expenditures of all local sales and use tax revenues generated  
200 under Title 59, Chapter 12, Part 22, Local Option Sales and Use Taxes for Transportation Act;

201 (C) the district's financial status on the final day of the fiscal year; and

202 (D) the district's progress and efforts to improve efficiency relative to the previous  
203 fiscal year; and

204 (iii) supply copies of the report under Subsection (2)(o)(ii) to the general public upon  
205 request;

206 (p) report at least annually to the Transportation Commission created in Section  
207 [72-1-301](#), which report shall include:

208 (i) the district's short-term and long-range public transit plans, including the portions of  
209 applicable regional transportation plans adopted by a metropolitan planning organization  
210 established under 23 U.S.C. Sec. 134; and

211 (ii) any transit capital development projects that the board of trustees would like the

212 Transportation Commission to consider;

213 (q) direct the internal auditor appointed under Section 17B-2a-810 to conduct audits  
214 that the board of trustees determines, in consultation with the local advisory council created in  
215 Section 17B-2a-808.2, to be the most critical to the success of the organization;

216 (r) together with the local advisory council created in Section 17B-2a-808.2, hear audit  
217 reports for audits conducted in accordance with Subsection (2)(o);

218 (s) review and approve all contracts pertaining to reduced fares, and evaluate existing  
219 contracts, including review of:

220 (i) how negotiations occurred;

221 (ii) the rationale for providing a reduced fare; and

222 (iii) identification and evaluation of cost shifts to offset operational costs incurred and  
223 impacted by each contract offering a reduced fare;

224 (t) in consultation with the local advisory council, develop and approve other board  
225 policies, ordinances, and bylaws; and

226 (u) review and approve any:

227 (i) contract or expense exceeding \$200,000; or

228 (ii) proposed change order to an existing contract if the change order:

229 (A) increases the total contract value to \$200,000 or more;

230 (B) increases a contract of or expense of \$200,000 or more by 15% or more; or

231 (C) has a total change order value of \$200,000 or more.

232 (3) A board of trustees of a large public transit district may:

233 (a) subject to Subsection (5), make and pass ordinances, resolutions, and orders that  
234 are:

235 (i) not repugnant to the United States Constitution, the Utah Constitution, or the  
236 provisions of this part; and

237 (ii) necessary for:

238 (A) the governance and management of the affairs of the district;

239 (B) the execution of district powers; and

240 (C) carrying into effect the provisions of this part;

241 (b) provide by resolution, under terms and conditions the board considers fit, for the  
242 payment of demands against the district without prior specific approval by the board, if the



243 payment is:

- 244 (i) for a purpose for which the expenditure has been previously approved by the board;
- 245 (ii) in an amount no greater than the amount authorized; and
- 246 (iii) approved by the executive director or other officer or deputy as the board

247 prescribes;

248 (c) in consultation with the local advisory council created in Section [17B-2a-808.2](#):

- 249 (i) hold public hearings and subpoena witnesses; and
- 250 (ii) appoint district officers to conduct a hearing and require the officers to make
- 251 findings and conclusions and report them to the board; and

252 (d) appoint a custodian for the funds and securities under its control, subject to

253 Subsection (2)(n).

254 (4) For a large public transit district in existence as of May 8, 2018, on or before

255 September 30, 2019, the board of trustees of a large public transit district shall present a report

256 to the Transportation Interim Committee regarding retirement benefits of the district, including:

257 (a) the feasibility of becoming a participating employer and having retirement benefits

258 of eligible employees and officials covered in applicable systems and plans administered under

259 Title 49, Utah State Retirement and Insurance Benefit Act;

260 (b) any legal or contractual restrictions on any employees that are party to a collectively

261 bargained retirement plan; and

262 (c) a comparison of retirement plans offered by the large public transit district and

263 similarly situated public employees, including the costs of each plan and the value of the

264 benefit offered.

265 (5) The board of trustees may not issue a bond unless the board of trustees has

266 consulted and received approval from the [~~State Bonding Commission created in Section~~

267 [63B-1-201](#)] State Debt Review Commission created in Section [63J-10-201](#).

268 (6) A member of the board of trustees of a large public transit district or a hearing

269 officer designated by the board may administer oaths and affirmations in a district investigation

270 or proceeding.

271 (7) (a) The vote of the board of trustees on each ordinance or resolution shall be by roll

272 call vote with each affirmative and negative vote recorded.

273 (b) The board of trustees of a large public transit district may not adopt an ordinance

274 unless it is introduced at least 24 hours before the board of trustees adopts it.

275 (c) Each ordinance adopted by a large public transit district's board of trustees shall  
276 take effect upon adoption, unless the ordinance provides otherwise.

277 (8) (a) For a large public transit district in existence on May 8, 2018, for the budget for  
278 calendar year 2019, the board in place on May 8, 2018, shall create the tentative annual budget.

279 (b) The budget described in Subsection (8)(a) shall include setting the salary of each of  
280 the members of the board of trustees that will assume control on or before November 1, 2018,  
281 which salary may not exceed \$150,000, plus additional retirement and other standard benefits,  
282 as set by the local advisory council as described in Section [17B-2a-808.2](#).

283 (c) For a large public transit district in existence on May 8, 2018, the board of trustees  
284 that assumes control of the large public transit district on or before November 2, 2018, shall  
285 approve the calendar year 2019 budget on or before December 31, 2018.

286 Section 4. Section **63B-1-305** is amended to read:

287 **63B-1-305. Powers and duties of authority.**

288 (1) The authority shall have perpetual succession as a body politic and corporate.

289 (2) The authority may:

290 (a) sue and to be sued in its own name;

291 (b) have, and alter at will, an official seal;

292 (c) contract with experts, advisers, consultants, and agents for needed services;

293 (d) with the prior approval of the Legislature, borrow money and issue obligations,  
294 including refunding obligations;

295 (e) receive and accept aid or contributions from any source, including the United States  
296 or this state, in the form of money, property, labor, or other things of value to be held, used and  
297 applied to carry out the purposes of this part, subject to the conditions upon which this aid and  
298 contributions are made, for any purpose consistent with this part;

299 (f) enter into agreements with any department, agency or instrumentality of the United  
300 States or this state, financial institutions, or contractors for the purpose of leasing, maintaining,  
301 and operating any facility;

302 (g) to the extent permitted under its contract with the holders of its obligations, consent  
303 to any modification relating to rate of interest, time and payment of any installment of principal  
304 or interest, security or any other term of any contract, mortgage, mortgage loan, mortgage loan

305 commitment, contract or agreement of any kind to which it is a party;

306 (h) pledge revenues from any facility to secure the payment of obligations relating to  
307 that facility, including interest on obligations, and to redeem those obligations;

308 (i) cause to be executed mortgages, trust deeds, indentures, pledge agreements,  
309 assignments, security agreements, and financing statements encumbering property acquired, or  
310 constructed under this part;

311 (j) own, lease, operate, and encumber facilities acquired or constructed under this  
312 chapter by it or the division;

313 (k) exercise the power of eminent domain;

314 (l) rent or lease any facility in whole or in part to any state body; and

315 (m) have and exercise any other powers or duties that are necessary or appropriate to  
316 carry out and effectuate the purposes of this part.

317 (3) (a) The authority shall submit an annual written report of the authority's  
318 proceedings to the State Debt Review Commission created in Section [63J-10-201](#).

319 (b) The report shall include:

320 (i) a description of any outstanding money borrowed and obligations issued by the  
321 authority, including loan amounts, terms, and security;

322 (ii) facilities funded by the actions of the authority; and

323 (iii) an explanation of why the financing terms and obligations used for a facility are  
324 appropriate and in the best interest of the state.

325 Section 5. Section **63B-1a-102** is amended to read:

326 **63B-1a-102. Commission responsibilities -- Manner of issuance -- Plan of**  
327 **financing -- Registration -- Signatures -- Replacement -- Reporting.**

328 (1) The commission may determine by resolution:

329 (a) the manner in which bonds issued under this chapter may be authorized, sold, and  
330 issued;

331 (b) to issue bonds in one or more series;

332 (c) the amounts, dates, interest rates, including a variable rate or rates, and maturity  
333 dates of the bonds;

334 (d) the manner of sale, including public or private sale;

335 (e) the terms and conditions of sale, including price, whether at, below, or above face

336 value;

337 (f) the denominations, registration, exchange, form, including book-entry only, manner  
338 of execution, manner of authentication, place and medium of purchase, redemption terms, and  
339 tender rights of the bonds; and

340 (g) other provisions and details that it considers appropriate.

341 (2) The commission may, by resolution, adopt a plan of financing, which may include  
342 terms and conditions of arrangements entered into by the commission on behalf of the state  
343 with financial and other institutions for bond insurance, letters of credit, standby bond purchase  
344 agreements, reimbursement agreements, and remarketing, indexing, and tender agent  
345 agreements relating to the bonds, including payment from any legally available source of fees,  
346 charges, or other amounts coming due under the agreements entered into by the commission.

347 (3) The commission may provide for the services and payment for the services of one  
348 or more financial institutions or other entities, persons, or nominees, within or outside the state,  
349 for the authentication, registration, transfer, including record, bookkeeping, or book-entry  
350 functions, exchange, and payment of the bonds.

351 (4) The commission may provide for the calculation and payment to the United States  
352 of whatever amounts are necessary to comply with the Internal Revenue Code.

353 (5) (a) The commission shall, by resolution, authorize a public official to sign the  
354 bonds.

355 (b) That signature may be a facsimile signature of that official that is imprinted,  
356 engraved, stamped, or otherwise placed on the bonds.

357 (c) If all signatures of public officials on the bonds are facsimile signatures, the  
358 commission shall provide for a manual authenticating signature on the bonds by or on behalf of  
359 a designated authentication agent.

360 (d) If a public official ceases to hold office before delivery of the bonds signed by that  
361 official, the signature or facsimile signature of the public official is nevertheless valid for all  
362 purposes.

363 (6) The commission may cause a facsimile of the state seal to be imprinted, engraved,  
364 stamped, or otherwise placed on the bonds.

365 (7) The commission shall provide an annual report of its proceedings to the governor to  
366 include in his budget for as long as any bonds issued under this chapter remain outstanding.

367 (8) (a) The commission shall submit an annual written report of the commission's  
368 proceedings to the State Debt Review Commission created in Section 63J-10-201.

369 (b) (i) The report shall include a description of any outstanding bonds issued by the  
370 authority, including loan amounts, terms, and security; and

371 (ii) an explanation of why the loan amounts and terms are appropriate for the project  
372 and in the best interest of the state.

373 Section 6. Section **63H-1-601** is amended to read:

374 **63H-1-601. Resolution authorizing issuance of authority bonds -- Characteristics**  
375 **of bonds.**

376 (1) The authority may not issue bonds under this part unless the authority board first:

377 (a) adopts a resolution authorizing [~~their~~] issuance[-] of the bonds; and

378 (b) receives approval from the State Debt Review Commission created in Section  
379 63J-10-201.

380 (2) (a) As provided in the authority resolution authorizing the issuance of bonds under  
381 this part or the trust indenture under which the bonds are issued, bonds issued under this part  
382 may be issued in one or more series and may be sold at public or private sale and in the manner  
383 provided in the resolution or indenture.

384 (b) Bonds issued under this part shall bear the date, be payable at the time, bear interest  
385 at the rate, be in the denomination and in the form, carry the conversion or registration  
386 privileges, have the rank or priority, be executed in the manner, be subject to the terms of  
387 redemption or tender, with or without premium, be payable in the medium of payment and at  
388 the place, and have other characteristics as provided in the authority resolution authorizing  
389 their issuance or the trust indenture under which they are issued.

390 (3) Upon the board's adoption of a resolution providing for the issuance of bonds, the  
391 board may provide for the publication of the resolution:

392 (a) in a newspaper having general circulation in the authority's boundaries; and

393 (b) as required in Section 45-1-101.

394 (4) In lieu of publishing the entire resolution, the board may publish notice of bonds  
395 that contains the information described in Subsection 11-14-316(2).

396 (5) For a period of 30 days after the publication, any person in interest may contest:

397 (a) the legality of the resolution or proceeding;

398 (b) any bonds that may be authorized by the resolution or proceeding; or

399 (c) any provisions made for the security and payment of the bonds.

400 (6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified  
401 written complaint, within 30 days of the publication under Subsection (5), in the district court  
402 of the county in which the person resides.

403 (b) A person may not contest the matters set forth in Subsection (5), or the regularity,  
404 formality, or legality of the resolution or proceeding, for any reason, after the 30-day period for  
405 contesting provided in Subsection (6)(a).

406 Section 7. Section **63J-10-101** is enacted to read:

407 **CHAPTER 10. STATE DEBT REVIEW COMMISSION**

408 **Part 1. General Provisions**

409 **63J-10-101. Definitions.**

410 As used in this chapter:

411 (1) "Authority" means the same as that term is defined in Section [63B-1-303](#).

412 (2) "Bond" means the same as that term is defined in Section [63B-1-101](#).

413 (3) "Bonding political subdivision" means:

414 (a) a large public transit district as defined in Section [17B-2a-802](#);

415 (b) the Utah Inland Port Authority, created in Section [11-58-201](#);

416 (c) the Military Installation Development Authority, created in Section [63H-1-201](#); or

417 (d) the Point of the Mountain State Land Authority, created in Section [11-59-201](#).

418 (4) "Commission" means the State Debt Review Commission created in Section  
419 [63J-10-201](#).

420 (5) "Loan entity" means the board, person, unit, or agency with legal responsibility for  
421 making a loan from a revolving loan fund.

422 (6) "Obligation" means the same as that term is defined in Section [63B-1-303](#).

423 (7) "Public-private partnership" means the same as that term is defined in Section  
424 [63N-13-302](#).

425 (8) "Revolving loan fund" means:

426 (a) the Water Resources Conservation and Development Fund, created in Section  
427 [73-10-24](#);

428 (b) the Water Resources Construction Fund, created in Section [73-10-8](#);

- 429 (c) the Water Resources Cities Water Loan Fund, created in Section [73-10-22](#);  
 430 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean  
 431 Fuels and Vehicle Technology Program Act;  
 432 (e) the Water Development Security Fund and its subaccounts, created in Section  
 433 [73-10c-5](#);  
 434 (f) the Agriculture Resource Development Fund, created in Section [4-18-106](#);  
 435 (g) the Utah Rural Rehabilitation Fund, created in Section [4-19-105](#);  
 436 (h) the Permanent Community Impact Fund, created in Section [35A-8-303](#);  
 437 (i) the Petroleum Storage Tank Trust Fund, created in Section [19-6-409](#);  
 438 (j) the School Building Revolving Account, created in Section [53F-9-206](#);  
 439 (k) the State Infrastructure Bank Fund, created in Section [72-2-202](#);  
 440 (l) the Uintah Basin Revitalization Fund, created in Section [35A-8-1602](#);  
 441 (m) the Navajo Revitalization Fund, created in Section [35A-8-1704](#);  
 442 (n) the Energy Efficiency Fund, created in Section [11-45-201](#);  
 443 (o) the Brownfields Fund, created in Section [19-8-120](#);  
 444 (p) the following enterprise revolving loan funds created in Section [63A-3-402](#):  
 445 (i) the inland port infrastructure revolving loan fund;  
 446 (ii) the point of the mountain infrastructure revolving loan fund; or  
 447 (iii) the military development infrastructure revolving loan fund; and  
 448 (q) any other revolving loan fund created in statute, including a fund listed in Section  
 449 [63A-3-205](#), from which a loan entity is authorized to make a loan.

450 Section 8. Section **63J-10-201** is enacted to read:

451 **Part 2. State Debt Review Commission**

452 **63J-10-201. State Debt Review Commission.**

453 (1) There is created the State Debt Review Commission.

454 (2) The commission shall:

455 (a) as described in this chapter, approve, review, and monitor the borrowing and  
 456 lending practices and activities of the state and other entities; and

457 (b) exercise the powers and perform other duties prescribed for the commission by  
 458 statute.

459 (3) The commission shall consist of:

- 460 (a) seven voting members as follows:
- 461 (i) the state treasurer;
- 462 (ii) the state auditor or the auditor's designee;
- 463 (iii) the attorney general or the attorney general's designee;
- 464 (iv) the director of the Office of the Legislative Fiscal Analyst or the director's
- 465 designee;
- 466 (v) the director of the Division of Finance or the director's designee;
- 467 (vi) the director of the Governor's Office of Planning and Budget or the director's
- 468 designee; and
- 469 (vii) an individual with a background in debt management, finance, or other similar
- 470 expertise who is:
- 471 (A) after consultation with the state treasurer, appointed by the governor; and
- 472 (B) confirmed by the Senate; and
- 473 (b) the state's financial advisor described in Section [67-4-16](#), who is a nonvoting
- 474 member.
- 475 (4) (a) The position described in Subsection (3)(a)(vii) is for a term of four years.
- 476 (b) When the position described in Subsection (3)(a)(vii) is vacant for any reason, the
- 477 governor shall appoint the replacement, with confirmation of the Senate, for the remainder of
- 478 the unexpired term.
- 479 (5) The state treasurer shall serve as chair of the commission.
- 480 (6) A majority of the commission members constitute a quorum and may act on behalf
- 481 of the commission.
- 482 (7) The commission shall meet as necessary to effectively conduct the commission's
- 483 business and duties as prescribed by statute.
- 484 (8) (a) A commission member may not receive compensation or benefits for the
- 485 commission member's service.
- 486 (b) A commission member may receive per diem and travel expenses in accordance
- 487 with:
- 488 (i) Section [63A-3-106](#);
- 489 (ii) Section [63A-3-107](#); and
- 490 (iii) rules made by the Division of Finance in accordance with Sections [63A-3-106](#) and



491 [63A-3-107.](#)

492 (9) The state treasurer's office shall provide staff support to facilitate the function of  
493 the commission and record commission action and recommendations.

494 (10) The commission shall comply with the provisions of Title 52, Chapter 4, Open  
495 and Public Meetings Act.

496 Section 9. Section **63J-10-202** is enacted to read:

497 **63J-10-202. Powers and duties.**

498 (1) The commission shall annually review a report provided in accordance with Section  
499 63B-1-305 or 63B-1a-102.

500 (2) (a) A loan entity shall no later than January 1 of each year submit information on  
501 each revolving loan fund from which the loan entity made a loan in the previous fiscal year,  
502 including information identifying new and ongoing loan recipients, the terms of each loan, loan  
503 repayment, and any other information regarding a revolving loan fund requested by the  
504 commission.

505 (b) The commission may annually review:

506 (i) each loan entity for compliance with state law authorizing and regulating the  
507 revolving loan fund, including, as applicable, Title 11, Chapter 14, Local Government Bonding  
508 Act;

509 (ii) each loan entity's revolving loan fund policies and practices, including policies and  
510 practices for approving and setting the terms of a loan; and

511 (iii) each borrower of funds from a revolving loan fund for accurate and timely  
512 reporting by the borrower to the appropriate debt repository.

513 (3) (a) The commission shall review and may approve a bond before a bonding  
514 political subdivision may issue a bond.

515 (b) The commission may not approve issuance of a bond described in Subsection (3)(a)  
516 unless:

517 (i) the execution and terms of the bond comply with state law; and

518 (ii) the commission determines the bond is in the best interest of the bonding political  
519 subdivision.

520 (c) If, after review, the commission approves a bond described in Subsection (3)(a), the  
521 bonding political subdivision:

522 (i) may not change before issuing the bond the terms of the bond that were reviewed by  
523 the commission if the change is outside the approved parameters and intended purposes; and

524 (ii) is under no obligation to issue the bond.

525 (d) A member of the commission who approves a bond describe in Subsection (3)(a) is  
526 not liable personally on the bond.

527 (e) The review and approval of a bond by the commission under Subsection (3)(a):

528 (i) is not an obligation of the state; and

529 (ii) is not an act that:

530 (A) lends the state's credit; or

531 (B) constitutes indebtedness within the meaning of any constitutional or statutory debt  
532 limitation.

533 (4) The commission shall provide training and other information on debt management,  
534 lending and borrowing best practices, and compliance with state law to the authority, an  
535 independent political subdivision, and a loan entity.

536 (5) (a) The commission shall review and may approve a public-private partnership ~~H~~→ ,  
536a where the legal agreements may require payments from state funds, ←~~H~~  
537 before a bonding political subdivision may enter into an arrangement or agreement creating a  
538 public-private partnership.

539 (b) If, after review, the commission approves a public-private partnership described in  
540 Subsection (5)(a), the bonding political subdivision:

541 (i) may not change the terms of the public-private partnership arrangement or  
542 agreement if the change is outside the approved parameters and intended purposes; and

543 (ii) is under no obligation to enter into the public-private partnership.

544 Section 10. Section **63J-10-203** is enacted to read:

545 **63J-10-203. Debt affordability report.**

546 (1) No later than November 1 each year, the state treasurer, with assistance from the  
547 Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst,  
548 shall prepare and submit a debt affordability report to the commission and the Revenue and  
549 Taxation Interim Committee.

550 (2) The debt affordability report shall include:

551 (a) the amount of tax-supported debt that, during the next fiscal year and annually for  
552 the following nine fiscal years:

- 553 (i) will be outstanding; and  
 554 (ii) has been authorized but is not yet issued;  
 555 (b) a projected schedule of affordable, state tax-supported debt authorizations for the  
 556 next fiscal year;  
 557 (c) projected debt-service requirements during the next fiscal year and annually for the  
 558 following nine fiscal years based upon:  
 559 (i) existing outstanding debt;  
 560 (ii) previously authorized but unissued debt; and  
 561 (iii) projected bond authorizations;  
 562 (d) the criteria that recognized bond rating agencies use to judge the quality of issues of  
 563 bonds issued by the state; and  
 564 (e) any other information that is relevant to:  
 565 (i) the state's ability to meet its projected debt service requirements;  
 566 (ii) the ability of the state to support additional debt service;  
 567 (iii) the interest rate to be borne by, the credit rating on, or any other factor affecting  
 568 the marketability of state bonds; and  
 569 (iv) the effect of authorizing new tax-supported debt on each of the considerations  
 570 described in this Subsection (2).

571 Section 11. Section **63N-13-306** is amended to read:

572 **63N-13-306. Limits on application of this part.**

573 (1) Nothing in this part:

574 ~~[(1)]~~ (a) requires a government entity to use the facilitator to explore the possibility of  
 575 filling a public need through a public-private partnership; or

576 ~~[(2)]~~ (b) limits the ability of a government entity to directly:

577 ~~[(a)]~~ (i) solicit a public-private partnership; or

578 ~~[(b)]~~ (ii) respond to a private person exploring an investment opportunity in a public  
 579 project through a public-private partnership.

580 (2) Notwithstanding Subsection (1)(b), a bonding political subdivision, as defined in  
 581 Section [63J-10-101](#), may not enter into a public-private partnership unless the bonding political  
 582 subdivision first receives approval from the State Debt Review Commission in accordance  
 583 with Section [63J-10-202](#).