

**Senator Jerry W. Stevenson** proposes the following substitute bill:

**STATE FINANCE 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 Finance Review Commission.

**Highlighted Provisions:**

This bill:

- ▶ for the Utah Inland Port Authority, the Point of the Mountain State Land Authority, and the Military Installation Development Authority, requires each authority to report issuance of bonds;
- ▶ creates the State Finance Review Commission;
- ▶ requires the State Building Ownership Authority and the State Bonding Commission to submit an annual report to the State Finance Review Commission on obligations and outstanding bonds;
- ▶ requires a loan entity to submit information on a revolving loan fund for review to the State Finance Review Commission;
- ▶ directs the State Finance Review Commission to review the lending activities of a loan entity;
- ▶ prohibits a large public transit district or public infrastructure district created by a large public transit district from issuing a bond unless the State Finance Review



- 26 Commission has first approved the bond;
- 27       ▶ requires a bonding political subdivision and certain public infrastructure districts to
- 28 submit potential bonds for review by the State Finance Review Commission;
- 29       ▶ enacts language clarifying that a bond approved by the State Finance Review
- 30 Commission is not an obligation of the state or an act that lends the state's credit;
- 31       ▶ requires the State Finance Review Commission to provide training and information
- 32 on debt management, lending and borrowing best practices, and compliance to
- 33 certain entities;
- 34       ▶ prohibits a bonding political subdivision from entering a public-private partnership
- 35 unless the State Finance Review Commission has first approved the public-private
- 36 partnership;
- 37       ▶ requires the state treasurer, with assistance from the Governor's Office of Planning
- 38 and Budget and the Office of the Legislative Fiscal Analyst, to submit an annual
- 39 debt affordability report to the State Finance Review Commission and the Revenue
- 40 and Taxation Interim Committee; and
- 41       ▶ makes other conforming changes.

42 **Money Appropriated in this Bill:**

43       None

44 **Other Special Clauses:**

45       This bill provides a coordination clause.

46 **Utah Code Sections Affected:**

47 AMENDS:

- 48       **11-58-106**, as enacted by Laws of Utah 2021, Chapter 415
- 49       **11-58-701**, as enacted by Laws of Utah 2018, Chapter 179
- 50       **11-59-104**, as enacted by Laws of Utah 2021, Chapter 415
- 51       **11-59-202**, as last amended by Laws of Utah 2020, Chapter 354
- 52       **17D-4-301**, as renumbered and amended by Laws of Utah 2021, Chapter 314
- 53       **17B-2a-808.1**, as last amended by Laws of Utah 2021, Chapter 239
- 54       **63B-1-305**, as renumbered and amended by Laws of Utah 2003, Chapter 86
- 55       **63B-1a-102**, as enacted by Laws of Utah 2003, Chapter 2
- 56       **63H-1-104**, as enacted by Laws of Utah 2021, Chapter 415

57 [63H-1-601](#), as last amended by Laws of Utah 2011, Chapter 234

58 [63N-13-306](#), as enacted by Laws of Utah 2020, Chapter 446

59 ENACTS:

60 [63C-25-101](#), Utah Code Annotated 1953

61 [63C-25-201](#), Utah Code Annotated 1953

62 [63C-25-202](#), Utah Code Annotated 1953

63 [63C-25-203](#), Utah Code Annotated 1953

64 **Utah Code Sections Affected by Coordination Clause:**

65 [11-65-501](#), Utah Code Annotated 1953



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

68 Section 1. Section **11-58-106** is amended to read:

69 **11-58-106. Loan approval committee -- Approval of infrastructure loans.**

70 (1) As used in this section:

71 (a) "Borrower" means the same as that term is defined in Section [63A-3-401.5](#).

72 (b) "Infrastructure loan" means the same as that term is defined in Section

73 [63A-3-401.5](#).

74 (c) "Infrastructure project" means the same as that term is defined in Section

75 [63A-3-401.5](#).

76 (d) "Inland port fund" means the same as that term is defined in Section [63A-3-401.5](#).

77 (e) "Loan approval committee" means a committee consisting of:

78 (i) the two board members appointed by the governor;

79 (ii) the board member appointed by the president of the Senate;

80 (iii) the board member appointed by the speaker of the House of Representatives; and

81 (iv) the board member appointed by the chair of the Permanent Community Impact

82 Fund Board.

83 (2) The loan approval committee may approve an infrastructure loan from the inland  
84 port fund to a borrower for an infrastructure project undertaken by the borrower.

85 (3) (a) The loan approval committee shall establish the terms of an infrastructure loan  
86 in accordance with Section [63A-3-404](#).

87 (b) The loan approval committee shall require the terms of an infrastructure loan

88 secured by property tax differential to include a requirement that money from the infrastructure  
89 loan be used only for an infrastructure project within the project area that generates the  
90 property tax differential.

91 (c) The terms of an infrastructure loan that the loan approval committee approves may  
92 include provisions allowing for the infrastructure loan to be forgiven if:

- 93 (i) the infrastructure loan is to a public university in the state;
- 94 (ii) the infrastructure loan is to fund a vehicle electrification pilot project;
- 95 (iii) the amount of the infrastructure loan does not exceed \$15,000,000; and
- 96 (iv) the public university receives matching funds for the vehicle electrification pilot  
97 project from another source.

98 (4) (a) The loan approval committee shall establish policies and guidelines with respect  
99 to prioritizing requests for infrastructure loans and approving infrastructure loans.

100 (b) With respect to infrastructure loan requests for an infrastructure project on authority  
101 jurisdictional land, the policies and guidelines established under Subsection (4)(a) shall give  
102 priority to an infrastructure loan request that furthers the policies and best practices  
103 incorporated into the environmental sustainability component of the authority's business plan  
104 under Subsection 11-58-202(1)(a).

105 (5) Within 60 days after the execution of an infrastructure loan, the loan approval  
106 committee shall report the infrastructure loan, including the loan amount, terms, and security,  
107 to:

- 108 (a) the Executive Appropriations Committee[-];
- 109 (b) the state treasurer; and
- 110 (c) the state auditor.

111 (6) (a) Salaries and expenses of committee members who are legislators shall be paid  
112 in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator  
113 Compensation.

114 (b) A committee member who is not a legislator may not receive compensation or  
115 benefits for the member's service on the committee, but may receive per diem and  
116 reimbursement for travel expenses incurred as a committee member at the rates established by  
117 the Division of Finance under:

- 118 (i) Sections 63A-3-106 and 63A-3-107; and

119 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and  
120 [63A-3-107](#).

121 Section 2. Section **11-58-701** is amended to read:

122 **11-58-701. Resolution authorizing issuance of port authority bonds --**

123 **Characteristics of bonds.**

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

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

126 (b) submits the bonds for review and recommendation to the State Finance Review

127 Commission created in Section [63C-25-201](#).

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

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

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

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

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

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

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

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

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

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

148 (6) (a) A person may contest the matters set forth in Subsection (5) by filing a verified  
149 written complaint, within 30 days of the publication under Subsection (5), in the district court

150 of the county in which the person resides.

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

154 (7) No later than 60 days after the closing day of any bonds, the authority shall report  
155 the bonds issuance, including the amount of the bonds, terms, and security, to:

156 (a) the Executive Appropriations Committee;

157 (b) the state treasurer; and

158 (c) the state auditor.

159 Section 3. Section 11-59-104 is amended to read:

160 **11-59-104. Loan approval committee -- Approval of infrastructure loans.**

161 (1) As used in this section:

162 (a) "Borrower" means the same as that term is defined in Section 63A-3-401.5.

163 (b) "Infrastructure loan" means the same as that term is defined in Section  
164 63A-3-401.5.

165 (c) "Infrastructure project" means the same as that term is defined in Section  
166 63A-3-401.5.

167 (d) "Point of the mountain fund" means the same as that term is defined in Section  
168 63A-3-401.5.

169 (e) "Loan approval committee" means a committee consisting of:

170 (i) the board member:

171 (A) who is a member of the Senate appointed under Subsection 11-59-302(2)(a); and

172 (B) whose Senate district is closer to the boundary of the point of the mountain state  
173 land than is the Senate district of the other member of the Senate appointed under Subsection  
174 11-59-302(2)(a);

175 (ii) the board member:

176 (A) who is a member of the House of Representatives appointed under Subsection  
177 11-59-302(2)(b); and

178 (B) whose House district is closer to the boundary of the point of the mountain state  
179 land than is the House district of the other member of the House of Representatives appointed  
180 under Subsection 11-59-302(2)(b);

181 (iii) the board member who is appointed by the governor under Subsection  
182 11-59-302(2)(c)(i);

183 (iv) the board member who is appointed by the governor under Subsection  
184 11-59-302(2)(c)(ii); and

185 (v) the board member who is the mayor of Draper or a member of the Draper city  
186 council.

187 (2) The loan approval committee may approve an infrastructure loan from the point of  
188 the mountain fund to a borrower for an infrastructure project undertaken by the borrower.

189 (3) The loan approval committee shall establish the terms of an infrastructure loan in  
190 accordance with Section 63A-3-404.

191 (4) The loan approval committee may establish policies and guidelines with respect to  
192 prioritizing requests for infrastructure loans and approving infrastructure loans.

193 (5) Within 60 days after the execution of an infrastructure loan, the loan approval  
194 committee shall report the infrastructure loan, including the loan amount, terms, and security,  
195 to:

196 (a) the Executive Appropriations Committee[-];

197 (b) the state treasurer; and

198 (c) the state auditor.

199 (6) (a) Salaries and expenses of committee members who are legislators shall be paid  
200 in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator  
201 Compensation.

202 (b) A committee member who is not a legislator may not receive compensation or  
203 benefits for the member's service on the committee, but may receive per diem and  
204 reimbursement for travel expenses incurred as a committee member at the rates established by  
205 the Division of Finance under:

206 (i) Sections 63A-3-106 and 63A-3-107; and

207 (ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
208 63A-3-107.

209 Section 4. Section 11-59-202 is amended to read:

210 **11-59-202. Authority powers.**

211 (1) The authority may:

212            [~~1~~] (a) as provided in this chapter, plan, manage, and implement the development of  
213 the point of the mountain state land, including the ongoing operation of facilities on the point  
214 of the mountain state land;

215            [~~2~~] (b) undertake, or engage a consultant to undertake, any study, effort, or activity  
216 the board considers appropriate to assist or inform the board about any aspect of the proposed  
217 development of the point of the mountain state land, including the best development model and  
218 financial projections relevant to the authority's efforts to fulfill its duties and responsibilities  
219 under this section and Section [11-59-203](#);

220            [~~3~~] (c) sue and be sued;

221            [~~4~~] (d) enter into contracts generally;

222            [~~5~~] (e) buy, obtain an option upon, or otherwise acquire any interest in real or  
223 personal property, as necessary to accomplish the duties and responsibilities of the authority,  
224 including an interest in real property, apart from point of the mountain state land, or personal  
225 property, outside point of the mountain state land, for publicly owned infrastructure and  
226 improvements, if the board considers the purchase, option, or other interest acquisition to be  
227 necessary for fulfilling the authority's development objectives;

228            [~~6~~] (f) sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in  
229 real or personal property;

230            [~~7~~] (g) enter into a lease agreement on real or personal property, either as lessee or  
231 lessor;

232            [~~8~~] (h) provide for the development of the point of the mountain state land under one  
233 or more contracts;

234            [~~9~~] (i) exercise powers and perform functions under a contract, as authorized in the  
235 contract;

236            [~~10~~] (j) accept financial or other assistance from any public or private source for the  
237 authority's activities, powers, and duties, and expend any funds so received for any of the  
238 purposes of this chapter;

239            [~~11~~] (k) borrow money, contract with, or accept financial or other assistance from the  
240 federal government, a public entity, or any other source for any of the purposes of this chapter  
241 and comply with any conditions of the loan, contract, or assistance;

242            [~~12~~] (l) subject to Subsection (2), issue bonds to finance the undertaking of any



243 development objectives of the authority, including bonds under Title 11, Chapter 17, Utah  
244 Industrial Facilities and Development Act, and bonds under Title 11, Chapter 42, Assessment  
245 Area Act;

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

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

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

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

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

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

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

263 (2) The authority may not issue bonds under this part unless the board first submits the  
264 bonds for review and recommendation to the State Finance Review Commission created in  
265 Section [63C-25-201](#).

266 (3) No later than 60 days after the closing day of any bonds, the authority shall report  
267 the bonds issuance, including the amount of the bonds, terms, and security, to:

268 (a) the Executive Appropriations Committee;

269 (b) the state treasurer; and

270 (c) the state auditor.

271 Section 5. Section **17B-2a-808.1** is amended to read:

272 **17B-2a-808.1. Large public transit district board of trustees powers and duties --**  
273 **Adoption of ordinances, resolutions, or orders -- Effective date of ordinances.**

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

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

277 (a) hold public meetings and receive public comment;

278 (b) ensure that the policies, procedures, and management practices established by the  
279 public transit district meet state and federal regulatory requirements and federal grantee  
280 eligibility;

281 (c) subject to Subsection (8), create and approve an annual budget, including the  
282 issuance of bonds and other financial instruments, after consultation with the local advisory  
283 council;

284 (d) approve any interlocal agreement with a local jurisdiction;

285 (e) in consultation with the local advisory council, approve contracts and overall  
286 property acquisitions and dispositions for transit-oriented development;

287 (f) in consultation with constituent counties, municipalities, metropolitan planning  
288 organizations, and the local advisory council:

289 (i) develop and approve a strategic plan for development and operations on at least a  
290 four-year basis; and

291 (ii) create and pursue funding opportunities for transit capital and service initiatives to  
292 meet anticipated growth within the public transit district;

293 (g) annually report the public transit district's long-term financial plan to the State  
294 Bonding Commission;

295 (h) annually report the public transit district's progress and expenditures related to state  
296 resources to the Executive Appropriations Committee and the Infrastructure and General  
297 Government Appropriations Subcommittee;

298 (i) annually report to the Transportation Interim Committee the public transit district's  
299 efforts to engage in public-private partnerships for public transit services;

300 (j) hire, set salaries, and develop performance targets and evaluations for:

301 (i) the executive director; and

302 (ii) all chief level officers;

303 (k) supervise and regulate each transit facility that the public transit district owns and  
304 operates, including:

305 (i) fix rates, fares, rentals, charges and any classifications of rates, fares, rentals, and  
306 charges; and

307 (ii) make and enforce rules, regulations, contracts, practices, and schedules for or in  
308 connection with a transit facility that the district owns or controls;

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

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

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

315 (m) in consultation with the local advisory council created under Section  
316 [17B-2a-808.2](#), invest all funds according to the procedures and requirements of Title 51,  
317 Chapter 7, State Money Management Act;

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

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

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

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

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

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

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

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

333 (p) report at least annually to the Transportation Commission created in Section  
334 [72-1-301](#), which report shall include:

335 (i) the district's short-term and long-range public transit plans, including the portions of

336 applicable regional transportation plans adopted by a metropolitan planning organization  
337 established under 23 U.S.C. Sec. 134; and

338 (ii) any transit capital development projects that the board of trustees would like the  
339 Transportation Commission to consider;

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

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

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

347 (i) how negotiations occurred;

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

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

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

353 (u) review and approve any:

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

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

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

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

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

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

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

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

364 (ii) necessary for:

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

366 (B) the execution of district powers; and

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

368 (b) provide by resolution, under terms and conditions the board considers fit, for the

369 payment of demands against the district without prior specific approval by the board, if the

370 payment is:

371 (i) for a purpose for which the expenditure has been previously approved by the board;

372 (ii) in an amount no greater than the amount authorized; and

373 (iii) approved by the executive director or other officer or deputy as the board

374 prescribes;

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

376 (i) hold public hearings and subpoena witnesses; and

377 (ii) appoint district officers to conduct a hearing and require the officers to make

378 findings and conclusions and report them to the board; and

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

380 Subsection (2)(n).

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

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

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

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

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

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

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

388 bargained retirement plan; and

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

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

391 benefit offered.

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

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

394 [63B-1-201](#)] State Finance Review Commission created in Section [63C-25-201](#).

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

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

397 or proceeding.

398 (7) (a) The vote of the board of trustees on each ordinance or resolution shall be by roll  
399 call vote with each affirmative and negative vote recorded.

400 (b) The board of trustees of a large public transit district may not adopt an ordinance  
401 unless it is introduced at least 24 hours before the board of trustees adopts it.

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

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

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

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

413 Section 6. Section **17D-4-301** is amended to read:

414 **17D-4-301. Public infrastructure district bonds.**

415 (1) (a) ~~(A)~~ Subject to Subsection (1)(b), a public infrastructure district may issue  
416 negotiable bonds for the purposes described in Section [17D-4-203](#), as provided in, as  
417 applicable:

418 ~~(a)~~ (i) Title 11, Chapter 14, Local Government Bonding Act;

419 ~~(b)~~ (ii) Title 11, Chapter 27, Utah Refunding Bond Act;

420 ~~(c)~~ (iii) Title 11, Chapter 42, Assessment Area Act; and

421 ~~(d)~~ (iv) this section.

422 (b) (i) A public infrastructure district created by a bonding political subdivision, as  
423 defined in Section [63C-25-101](#), may not issue bonds under this part unless the board first  
424 submits the bonds for review and recommendation to the State Finance Review Commission  
425 created in Section [63C-25-201](#).

426 (ii) A public infrastructure district created by a large public transit district, as defined in  
427 Section [17B-2a-802](#), may not issue bonds under this part unless the board first submits the  
428 bonds for review and receives approval from the State Finance Review Commission created in

429 Section 63C-25-201.

430 (2) A public infrastructure district bond:

431 (a) shall mature within 40 years of the date of issuance; and

432 (b) may not be secured by any improvement or facility paid for by the public

433 infrastructure district.

434 (3) (a) A public infrastructure district may issue a limited tax bond, in the same manner  
435 as a general obligation bond:

436 (i) with the consent of 100% of surface property owners within the boundaries of the  
437 public infrastructure district and 100% of the registered voters, if any, within the boundaries of  
438 the proposed public infrastructure district; or

439 (ii) upon approval of a majority of the registered voters within the boundaries of the  
440 public infrastructure district voting in an election held for that purpose under Title 11, Chapter  
441 14, Local Government Bonding Act.

442 (b) A limited tax bond described in Subsection (3)(a):

443 (i) is not subject to the limitation on a general obligation bond described in Subsection  
444 [17B-1-1102\(4\)\(a\)\(xii\)](#); and

445 (ii) is subject to a limitation, if any, on the principal amount of indebtedness as  
446 described in the governing document.

447 (c) Unless limited tax bonds are initially purchased exclusively by one or more  
448 qualified institutional buyers as defined in Rule 144A, 17 C.F.R. Sec. 230.144A, the public  
449 infrastructure district may only issue limited tax bonds in denominations of not less than  
450 \$500,000, and in integral multiples above \$500,000 of not less than \$1,000 each.

451 (d) (i) Without any further election or consent of property owners or registered voters,  
452 a public infrastructure district may convert a limited tax bond described in Subsection (3)(a) to  
453 a general obligation bond if the principal amount of the related limited tax bond together with  
454 the principal amount of other related outstanding general obligation bonds of the public  
455 infrastructure district does not exceed 15% of the fair market value of taxable property in the  
456 public infrastructure district securing the general obligation bonds, determined by:

457 (A) an appraisal from an appraiser who is a member of the Appraisal Institute that is  
458 addressed to the public infrastructure district or a financial institution; or

459 (B) the most recent market value of the property from the assessor of the county in

460 which the property is located.

461 (ii) The consent to the issuance of a limited tax bond described in Subsection (3)(a) is  
462 sufficient to meet any statutory or constitutional election requirement necessary for the  
463 issuance of the limited tax bond and any general obligation bond to be issued in place of the  
464 limited tax bond upon meeting the requirements of this Subsection (3)(d).

465 (iii) A general obligation bond resulting from a conversion of a limited tax bond under  
466 this Subsection (3)(d) is not subject to the limitation on general obligation bonds described in  
467 Subsection 17B-1-1102(4)(a)(xii).

468 (e) A public infrastructure district that levies a property tax for payment of debt service  
469 on a limited tax bond issued under this section is not required to comply with the notice and  
470 hearing requirements of Section 59-2-919 unless the rate exceeds the rate established in:

471 (i) Section 17D-4-303, except as provided in Subsection (8);

472 (ii) the governing document; or

473 (iii) the documents relating to the issuance of the limited tax bond.

474 (4) There is no limitation on the duration of revenues that a public infrastructure  
475 district may receive to cover any shortfall in the payment of principal of and interest on a bond  
476 that the public infrastructure district issues.

477 (5) A public infrastructure district is not a municipal corporation for purposes of the  
478 debt limitation of Utah Constitution, Article XIV, Section 4.

479 (6) The board may, by resolution, delegate to one or more officers of the public  
480 infrastructure district the authority to:

481 (a) in accordance and within the parameters set forth in a resolution adopted in  
482 accordance with Section 11-14-302, approve the final interest rate, price, principal amount,  
483 maturity, redemption features, and other terms of the bond;

484 (b) approve and execute any document relating to the issuance of a bond; and

485 (c) approve any contract related to the acquisition and construction of the  
486 improvements, facilities, or property to be financed with a bond.

487 (7) (a) Any person may contest the legality of the issuance of a public infrastructure  
488 district bond or any provisions for the security and payment of the bond for a period of 30 days  
489 after:

490 (i) publication of the resolution authorizing the bond; or



491 (ii) publication of a notice of bond containing substantially the items required under  
492 Subsection 11-14-316(2).

493 (b) After the 30-day period described in Subsection (7)(a), no person may bring a  
494 lawsuit or other proceeding contesting the regularity, formality, or legality of the bond for any  
495 reason.

496 (8) (a) In the event of any statutory change in the methodology of assessment or  
497 collection of property taxes in a manner that reduces the amounts which are devoted or pledged  
498 to the repayment of limited tax bonds, a public infrastructure district may charge a rate  
499 sufficient to receive the amount of property taxes or assessment the public infrastructure  
500 district would have received before the statutory change in order to pay the debt service on  
501 outstanding limited tax bonds.

502 (b) The rate increase described in Subsection (8)(a) may exceed the limit described in  
503 Section 17D-4-303.

504 (c) The public infrastructure district may charge the rate increase described in  
505 Subsection (8)(a) until the bonds, including any associated refunding bonds, or other securities,  
506 together with applicable interest, are fully met and discharged.

507 Section 7. Section 63B-1-305 is amended to read:

508 **63B-1-305. Powers and duties of authority.**

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

510 (2) The authority may:

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

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

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

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

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

520 (f) enter into agreements with any department, agency or instrumentality of the United  
521 States or this state, financial institutions, or contractors for the purpose of leasing, maintaining,

522 and operating any facility;

523 (g) to the extent permitted under its contract with the holders of its obligations, consent  
524 to any modification relating to rate of interest, time and payment of any installment of principal  
525 or interest, security or any other term of any contract, mortgage, mortgage loan, mortgage loan  
526 commitment, contract or agreement of any kind to which it is a party;

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

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

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

534 (k) exercise the power of eminent domain;

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

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

538 (3) (a) The authority shall submit an annual written report of the authority's  
539 proceedings to the State Finance Review Commission created in Section [63C-25-201](#).

540 (b) The report shall include:

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

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

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

546 Section 8. Section **63B-1a-102** is amended to read:

547 **63B-1a-102. Commission responsibilities -- Manner of issuance -- Plan of**  
548 **financing -- Registration -- Signatures -- Replacement -- Reporting.**

549 (1) The commission may determine by resolution:

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

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

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

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

556 (e) the terms and conditions of sale, including price, whether at, below, or above face  
557 value;

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

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

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

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

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

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

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

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

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

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

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

588 (8) (a) The commission shall submit an annual written report of the commission's  
589 proceedings to the State Finance Review Commission created in Section [63C-25-201](#).

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

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

594 Section 9. Section **63H-1-104** is amended to read:

595 **63H-1-104. Loan approval committee -- Approval of infrastructure loans.**

596 (1) As used in this section:

597 (a) "Borrower" means the same as that term is defined in Section [63A-3-401.5](#).

598 (b) "Infrastructure loan" means the same as that term is defined in Section  
599 [63A-3-401.5](#).

600 (c) "Infrastructure project" means the same as that term is defined in Section  
601 [63A-3-401.5](#).

602 (d) "Military development fund" means the same as that term is defined in Section  
603 [63A-3-401.5](#).

604 (e) "Loan approval committee" means a committee consisting of:

605 (i) the board member who is appointed by the governor under Subsection  
606 [63H-1-302\(2\)\(a\)](#);

607 (ii) the board member who is appointed by the governor under Subsection  
608 [63H-1-302\(2\)\(c\)](#);

609 (iii) the board members who are appointed by the president of the Senate and the  
610 speaker of the House of Representatives under Subsection [63H-1-302\(3\)](#); and

611 (iv) a voting or nonvoting board member designated by the board.

612 (2) The loan approval committee may approve an infrastructure loan from the military  
613 development fund to a borrower for an infrastructure project undertaken by the borrower.

614 (3) The loan approval committee shall establish the terms of an infrastructure loan in

615 accordance with Section [63A-3-404](#).

616 (4) The loan approval committee may establish policies and guidelines with respect to  
617 prioritizing requests for infrastructure loans and approving infrastructure loans.

618 (5) Beginning May 5, 2021, the loan approval committee shall assume jurisdiction  
619 from the State Infrastructure Bank Fund relating to the terms of a loan under Subsection  
620 [63B-27-101](#)(3)(a).

621 (6) Within 60 days after the execution of an infrastructure loan, the loan approval  
622 committee shall report the infrastructure loan, including the loan amount, terms, and security,  
623 to:

624 (a) the Executive Appropriations Committee[-];

625 (b) the state treasurer; and

626 (c) the state auditor.

627 (7) (a) A meeting of the loan approval committee does not constitute a meeting of the  
628 board, even if a quorum of the board is present at a loan approval committee meeting.

629 (b) A quorum of board members present at a meeting of the loan approval committee  
630 may not conduct board business at the loan approval committee meeting.

631 (8) (a) Salaries and expenses of committee members who are legislators shall be paid  
632 in accordance with Section [36-2-2](#) and Legislative Joint Rules, Title 5, Chapter 3, Legislator  
633 Compensation.

634 (b) A committee member who is not a legislator may not receive compensation or  
635 benefits for the member's service on the committee, but may receive per diem and  
636 reimbursement for travel expenses incurred as a committee member at the rates established by  
637 the Division of Finance under:

638 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

639 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and  
640 [63A-3-107](#).

641 Section 10. Section **63H-1-601** is amended to read:

642 **63H-1-601. Resolution authorizing issuance of authority bonds -- Characteristics**  
643 **of bonds.**

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

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

646 (b) submits the bonds for review and recommendation to the State Finance Review  
647 Commission created in Section 63C-25-201.

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

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

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

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

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

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

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

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

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

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

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

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

674 (7) No later than 60 days after the closing day of any bonds, the authority shall report  
675 the bonds issuance, including the amount of the bonds, terms, and security, to:

676 (a) the Executive Appropriations Committee;

677 (b) the state treasurer; and

678 (c) the state auditor.

679 Section 11. Section **63C-25-101** is enacted to read:

680 **CHAPTER 25. STATE FINANCE REVIEW COMMISSION**

681 **Part 1. General Provisions**

682 **63C-25-101. Definitions.**

683 As used in this chapter:

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

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

686 (3) "Bonding political subdivision" means:

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

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

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

690 (4) "Commission" means the State Finance Review Commission created in Section

691 [63C-25-201](#).

692 (5) "Creating entity" means the same as that term is defined in Section [17D-4-102](#).

693 (6) "Large public transit district" means the same as that term is defined in Section

694 [17B-2a-802](#).

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

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

698 (9) "Public infrastructure district" means a public infrastructure district created under

699 Title 17D, Chapter 4, Public Infrastructure District Act.

700 (10) "Public-private partnership" means the same as that term is defined in Section

701 [63N-13-302](#).

702 (11) "Revolving loan fund" means:

703 (a) the Water Resources Conservation and Development Fund, created in Section

704 [73-10-24](#);

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

706 (c) the Water Resources Cities Water Loan Fund, created in Section [73-10-22](#);

707 (d) the Clean Fuel Conversion Funds, created in Title 19, Chapter 1, Part 4, Clean

708 Fuels and Vehicle Technology Program Act;

709 (e) the Water Development Security Fund and its subaccounts, created in Section

710 73-10c-5;

711 (f) the Agriculture Resource Development Fund, created in Section 4-18-106;

712 (g) the Utah Rural Rehabilitation Fund, created in Section 4-19-105;

713 (h) the Permanent Community Impact Fund, created in Section 35A-8-303;

714 (i) the Petroleum Storage Tank Trust Fund, created in Section 19-6-409;

715 (j) the School Building Revolving Account, created in Section 53F-9-206;

716 (k) the State Infrastructure Bank Fund, created in Section 72-2-202;

717 (l) the Uintah Basin Revitalization Fund, created in Section 35A-8-1602;

718 (m) the Navajo Revitalization Fund, created in Section 35A-8-1704;

719 (n) the Energy Efficiency Fund, created in Section 11-45-201;

720 (o) the Brownfields Fund, created in Section 19-8-120;

721 (p) the following enterprise revolving loan funds created in Section 63A-3-402:

722 (i) the inland port infrastructure revolving loan fund;

723 (ii) the point of the mountain infrastructure revolving loan fund; or

724 (iii) the military development infrastructure revolving loan fund; and

725 (q) any other revolving loan fund created in statute where the borrower from the

726 revolving loan fund is a public non-profit entity or political subdivision, including a fund listed

727 in Section 63A-3-205, from which a loan entity is authorized to make a loan.

728 Section 12. Section **63C-25-201** is enacted to read:

729 **Part 2. State Finance Review Commission**

730 **63C-25-201. State Finance Review Commission.**

731 (1) There is created the State Finance Review Commission.

732 (2) The commission shall:

733 (a) as described in this chapter, approve, review, and monitor the borrowing and

734 lending practices and activities of the state and other entities; and

735 (b) exercise the powers and perform other duties prescribed for the commission by

736 statute.

737 (3) The commission shall consist of:

738 (a) seven voting members as follows:



- 739 (i) the state treasurer;  
740 (ii) the state auditor or the auditor's designee;  
741 (iii) the attorney general or the attorney general's designee;  
742 (iv) the director of the Division of Finance or the director's designee;  
743 (v) the director of the Governor's Office of Planning and Budget or the director's  
744 designee; and  
745 (vi) two individuals with a background in debt management, finance, or other similar  
746 expertise who are:  
747 (A) after consultation with the state treasurer, appointed by the governor; and  
748 (B) confirmed by the Senate; and  
749 (b) the state's financial advisor described in Section [67-4-16](#), who is a nonvoting  
750 member.  
751 (4) (a) Each position described in Subsection (3)(a)(vi) is for a term of four years.  
752 (b) When a position described in Subsection (3)(a)(vi) is vacant for any reason, the  
753 governor shall appoint the replacement, with confirmation of the Senate, for the remainder of  
754 the unexpired term.  
755 (5) The state treasurer shall serve as chair of the commission.  
756 (6) A majority of the commission members constitute a quorum and may act on behalf  
757 of the commission.  
758 (7) The commission shall meet as necessary to effectively conduct the commission's  
759 business and duties as prescribed by statute.  
760 (8) (a) A commission member may not receive compensation or benefits for the  
761 commission member's service.  
762 (b) A commission member may receive per diem and travel expenses in accordance  
763 with:  
764 (i) Section [63A-3-106](#);  
765 (ii) Section [63A-3-107](#); and  
766 (iii) rules made by the Division of Finance in accordance with Sections [63A-3-106](#) and  
767 [63A-3-107](#).  
768 (9) The state treasurer's office shall provide staff support to facilitate the function of  
769 the commission and record commission action and recommendations.

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

772 Section 13. Section **63C-25-202** is enacted to read:

773 **63C-25-202. Powers and duties.**

774 (1) The commission shall annually review a report provided in accordance with Section  
775 63B-1-305 or 63B-1a-102.

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

781 (b) The commission may annually review and provide feedback for the following:

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

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

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

789 (3) (a) The commission shall review and may approve a bond before:

790 (i) a large public transit district may issue a bond; or

791 (ii) a public infrastructure district may issue a bond, if the creating entity of the public  
792 infrastructure district is a large public transit district.

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

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

796 (ii) the commission determines the bond is in the best interest of the large public transit  
797 district.

798 (c) If, after review, the commission approves a bond described in Subsection (3)(a), the  
799 large public transit district or public infrastructure district:

800 (i) may not change before issuing the bond the terms of the bond that were reviewed by

801 the commission if the change is outside the approved parameters and intended purposes; and

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

803 (d) A member of the commission who approves or reviews a bond described in

804 Subsection (3)(a) or (4)(a) is not liable personally on the bond.

805 (e) The approval or review of a bond by the commission under Subsection (3)(a) or

806 (4)(a):

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

808 (ii) is not an act that:

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

810 (B) constitutes indebtedness within the meaning of any constitutional or statutory debt

811 limitation.

812 (4) (a) The commission shall review and may make recommendations for a bond

813 before:

814 (i) a bonding political subdivision may issue a bond; or

815 (ii) a public infrastructure district may issue a bond, if the creating entity of the public

816 infrastructure district is a bonding political subdivision.

817 (b) The commission shall:

818 (i) review the issuance of a bond described in Subsection (4)(a) for:

819 (A) whether the execution and terms of the bond comply with state law; and

820 (B) whether the bond is in the best interest of the bonding political subdivision; and

821 (ii) make recommendations based on the commission's review.

822 (c) After review by the commission under Subsection (4)(a), the bonding political

823 subdivision or public infrastructure district:

824 (i) shall consider recommendations by the commission; and

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

826 (5) The commission shall provide training and other information on debt management,

827 lending and borrowing best practices, and compliance with state law to the authority, a bonding

828 political subdivision, and a loan entity.

829 (6) (a) The commission shall review and may approve a public-private partnership,

830 where the legal agreements may require payments from state funds, before a bonding political

831 subdivision may enter into an arrangement or agreement creating a public-private partnership.

832 (b) If, after review, the commission approves a public-private partnership described in  
833 Subsection (6)(a), the bonding political subdivision:

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

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

837 Section 14. Section **63C-25-203** is enacted to read:

838 **63C-25-203. Debt affordability report.**

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

843 (2) The debt affordability report shall include:

844 (a) as determined by the state treasurer, the amount of tax-supported debt that, during  
845 the next fiscal year and annually for the following nine fiscal years:

846 (i) will be outstanding; and

847 (ii) has been authorized but is not yet issued;

848 (b) a projected schedule of affordable, state tax-supported debt authorizations for the  
849 next fiscal year;

850 (c) projected debt-service requirements during the next fiscal year and annually for the  
851 following nine fiscal years based upon:

852 (i) existing outstanding debt;

853 (ii) previously authorized but unissued debt; and

854 (iii) projected bond authorizations;

855 (d) the criteria that recognized bond rating agencies use to judge the quality of issues of  
856 bonds issued by the state; and

857 (e) any other information that is relevant to:

858 (i) the state's ability to meet its projected debt service requirements;

859 (ii) the ability of the state to support additional debt service;

860 (iii) the interest rate to be borne by, the credit rating on, or any other factor affecting  
861 the marketability of state bonds; and

862 (iv) the effect of authorizing new tax-supported debt on each of the considerations

863 described in this Subsection (2).

864 Section 15. Section **63N-13-306** is amended to read:

865 **63N-13-306. Limits on application of this part.**

866 (1) Nothing in this part:

867 [(+)] (a) requires a government entity to use the facilitator to explore the possibility of  
868 filling a public need through a public-private partnership; or

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

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

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

873 (2) Notwithstanding Subsection (1)(b), a bonding political subdivision, as defined in  
874 Section [63C-25-101](#), may not enter into a public-private partnership unless the bonding  
875 political subdivision first receives approval from the State Finance Review Commission in  
876 accordance with Section [63C-25-202](#).

877 Section 16. **Coordinating H.B. 82 with H.B. 232 -- Substantive and technical**  
878 **amendments.**

879 If this H.B. 82 and H.B. 232, Utah Lake Authority, both pass and become law, it is the  
880 intent of the Legislature that the Office of Legislative Research and General Counsel shall  
881 prepare the Utah Code database for publication by making the following changes:

882 (1) modify Subsection [11-65-501\(1\)](#) to read:

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

884 (a) adopts a resolution authorizing issuance of the bonds; and

885 (b) submits the bonds for review and recommendation to the State Finance Review  
886 Commission created in Section [63C-25-201](#)."; and

887 (2) modify Subsection [63C-25-101\(3\)](#) to read:

888 "(3) "Bonding political subdivision" means:

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

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

891 (c) the Point of the Mountain State Land Authority, created in Section [11-59-201](#); or

892 (d) the Utah Lake Authority, created in Section [11-65-201](#)."