

HB0191S02 compared with HB0191S01

~~deleted text~~ shows text that was in HB0191S01 but was deleted in HB0191S02.

inserted text shows text that was not in HB0191S01 but was inserted into HB0191S02.

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Senator Chris H. Wilson proposes the following substitute bill:

REVENUE BOND AND CAPITAL FACILITIES

AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Douglas V. Sagers

Senate Sponsor: Chris H. Wilson

LONG TITLE

General Description:

This bill enacts provisions relating to calendar year 2022 revenue bonds and revenue for certain capital facility design and construction.

Highlighted Provisions:

This bill:

- ▶ increases the amount of revenue bonds previously approved for construction of the Impact-Epicenter building at the University of Utah;
- ▶ expresses the Legislature's intent relating to the Utah Board of Higher Education's issuance, sale, and delivery of revenue bonds to finance:
 - the construction of the fourth wing of Kahlert Village at the University of Utah;

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- the construction of the West Valley Health and Community Center at the University of Utah;
 - the construction of improvements to Maverik Stadium at Utah State University;
 - the construction of Campus View Suites Phase Three at Dixie State University;
 - the construction of a parking garage at Utah Valley University;
 - the construction of the Applied Sciences Building at the University of Utah;
 - the construction of the Mental Health Facility at the University of Utah;
 - the purchase, on behalf of Southern Utah University, of The Cottages at Shakespeare Lane apartment complex and adjoining home; and
 - the construction of an indoor football practice facility at the University of Utah;
- ▶ expresses the Legislature's intent relating to the State Building Ownership Authority's issuance of obligations to finance:
- a new state liquor store in Park City; and
 - a new state liquor store in St. George;
- ▶ creates the State Store Land Acquisition and Building Construction Fund (fund);
- ▶ authorizes uses for the fund; and
- ▶ makes conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

~~{ None }~~ This bill provides a coordination clause.

Utah Code Sections Affected:

AMENDS:

32B-2-307, as enacted by Laws of Utah 2018, Chapter 329

63B-31-201, as enacted by Laws of Utah 2021, Chapter 320

63B-31-202, as enacted by Laws of Utah 2021, Chapter 320

ENACTS:

63B-32-101, Utah Code Annotated 1953

63B-32-102, Utah Code Annotated 1953

Utah Code Sections Affected by Coordination Clause:

32B-2-307, as enacted by Laws of Utah 2018, Chapter 329

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

Section 1. Section **32B-2-307** is amended to read:

32B-2-307. State Store Land Acquisition and Building Construction Fund.

(1) As used in this section, "fund" means the State Store Land Acquisition and Building Construction Fund created in this section.

~~[(1)]~~ (2) There is created an enterprise fund known as the State Store Land Acquisition and Building Construction Fund.

~~[(2)]~~ (3) The ~~[State Store Land Acquisition Fund]~~ fund is funded from the following sources:

(a) appropriations made to the ~~[State Store Land Acquisition Fund]~~ fund by the Legislature; ~~[and]~~

(b) in accordance with Subsection ~~[(5)]~~ (6)(a), proceeds from revenue bonds authorized by Title 63B, Bonds~~[-]~~;

(c) subject to Subsection (7)(b), repayments to the fund; and

(d) the interest described in Subsection (4).

(4) (a) The fund shall earn interest.

(b) Interest earned on the fund shall be deposited into the fund.

~~[(3)]~~ (5) Subject to Subsection ~~[(4)]~~ (6), the department may use the money deposited into the ~~[State Store Land Acquisition Fund to purchase or lease property for new state stores:]~~ fund:

(a) for construction of new state stores, including to purchase or lease property; and

(b) for maintenance or renovation of existing state stores or facilities.

~~[(4)]~~ (6) (a) Before the department spends or commits money from the ~~[State Store Land Acquisition Fund]~~ fund, the department shall:

(i) present to the Infrastructure and General Government Appropriations Subcommittee a description of how the department will spend the money~~[-]~~; and

(ii) if the department intends to spend or commit money from the fund for **construction** of a new state store~~{, first}~~:

(A) receive approval from the state building board, created in Section 63A-5b-201; and

(B) receive authorization in an appropriations act.

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(b) Following a presentation described in Subsection ~~[(4)(a)]~~ (6)(a)(i), the Infrastructure and General Government Appropriations Subcommittee shall recommend whether the department spend the money in accordance with the department's presentation.

~~[(5) When the department uses money in the State Store Land Acquisition Fund to purchase or lease property for a new state store]~~

(7) (a) If the department uses money in the fund for a purpose described in Subsection (5), and subsequently issues a revenue bond for [the state store for which the department purchased or leased the property] that purpose, the department shall repay the money [used to purchase or lease the property] with proceeds from the revenue bond.

(b) If the department uses money from the fund for a purpose described in Subsection (5), and subsequently uses, instead of issuing bonds, cash funding appropriated by the Legislature to fund that purpose, the department shall reimburse the fund:

(i) with proceeds from liquor revenue in the Liquor Control Fund, created in Section 32B-2-301, on a long-term payment schedule set by the state treasurer; and

(ii) before the transfer described in Subsection 32B-2-301(7).

Section 2. Section **63B-31-201** is amended to read:

63B-31-201. Revenue bond authorizations -- Utah Board of Higher Education.

(1) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing the West Village Graduate and Family Student Housing;

(b) the University of Utah use student housing rental fees and other auxiliary revenue as the primary revenue sources for repayment of any obligation created under authority of this Subsection (1);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (1) may not exceed \$125,800,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the West Village Graduate and

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Family Student Housing, subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(2) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing the Impact - Epicenter building;

(b) the University of Utah use donations, student housing rental fees, and other auxiliary revenue as the primary revenue sources for repayment of any obligation created under authority of this Subsection (2);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (2) may not exceed [~~\$85,700,000~~] \$118,700,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the Impact - Epicenter building, subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(3) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of Utah State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing an expansion of the Electric Vehicle and Roadway building;

(b) Utah State University use research revenue, donations, and institutional funds as the primary revenue sources for repayment of any obligation created under authority of this Subsection (3);

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

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Subsection (3) may not exceed \$9,200,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the expansion of the Electric Vehicle and Roadway building, subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(4) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of Weber State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Weber State University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing the Stewart Stadium east bleachers;

(b) Weber State University use student fees and institutional funds as the primary revenue sources for repayment of any obligation created under authority of this Subsection (4);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (4) may not exceed \$4,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the Stewart Stadium east bleachers, subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(5) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of Weber State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Weber State University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing the Noorda Engineering and Applied Science building;

(b) Weber State University use lease payments as the primary revenue sources for

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repayment of any obligation created under authority of this Subsection (5);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (5) may not exceed \$8,500,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the Noorda Engineering and Applied Science building, subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

Section 3. Section **63B-31-202** is amended to read:

63B-31-202. State Building Ownership Authority obligations for new state liquor stores.

(1) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations or may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$11,725,700 for a Salt Lake City market area liquor store in Sugarhouse, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

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

(c) the Department of Alcoholic Beverage Control may request operation and maintenance funding from sales revenues; and

(d) the Department of Alcoholic Beverage Control use up to \$5,000,000 to repay the State Store Land Acquisition and Building Construction Fund under Section 32B-2-307.

(2) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations or may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$5,524,000 for a Salt Lake City area market liquor store in east Sandy,

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together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

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

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

Section 4. Section **63B-32-101** is enacted to read:

CHAPTER 32. 2022 BONDING AND FINANCING AUTHORIZATIONS

Part 1. 2022 Revenue Bond Authorizations

63B-32-101. Revenue bond authorizations -- Utah Board of Higher Education.

(1) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing the fourth wing of Kahlert Village;

(b) the University of Utah use student housing rental fees and other auxiliary revenues as the primary revenue sources for repayment of any obligation created under authority of this Subsection (1);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (1) may not exceed \$47,600,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the fourth wing of Kahlert Village subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(2) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of

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Utah to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing the West Valley Health and Community Center;

(b) the University of Utah use clinical revenues and other non-state revenues of the University of Utah Health Sciences as the primary revenue sources for repayment of any obligation created under authority of this Subsection (2);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (2) may not exceed \$400,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the West Valley Health and Community Center subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(3) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of Utah State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing improvements to Maverik Stadium;

(b) Utah State University use existing student fees as the primary revenue sources for repayment of any obligation created under authority of this Subsection (3);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (3) may not exceed \$7,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct improvements to Maverik Stadium subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(4) The Legislature intends that:

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(a) the Utah Board of Higher Education, on behalf of Dixie State University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Dixie State University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing Campus View Suites Phase Three;

(b) Dixie State University use student housing rental fees and other auxiliary revenues as the primary revenue sources for repayment of any obligation created under authority of this Subsection (4);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (4) may not exceed \$62,500,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct Campus View Suites Phase Three subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

(5) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of Utah Valley University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Utah Valley University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing a parking garage;

(b) Utah Valley University use parking fees and other auxiliary revenues as the primary revenue sources for repayment of any obligation created under authority of this Subsection (5);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (5) may not exceed \$12,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct a parking garage subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

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(6) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the University's share of the cost of constructing the Applied Sciences Building;

(b) the University of Utah use donations and University funds as the primary revenue sources for repayment of any obligation created under authority of this Subsection (6); and

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (6) may not exceed \$25,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(7) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the University's share of the cost of constructing a Mental Health Facility;

(b) the University of Utah use donations as the primary revenue sources for repayment of any obligation created under authority of this Subsection (7); and

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (7) may not exceed \$65,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(8) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of Southern Utah University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Southern Utah University to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of purchasing The Cottages at Shakespeare Lane apartment complex and adjoining home;

(b) Southern Utah University use donations, student housing rental fees, and other

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auxiliary revenues as the primary revenue sources for repayment of any obligation created under authority of this Subsection (8);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (8) may not exceed \$12,000,000 for acquisition proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements; and

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

(9) The Legislature intends that:

(a) the Utah Board of Higher Education, on behalf of the University of Utah, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit, revenues, and reserves of the university, other than appropriations of the Legislature, to finance the cost of constructing an indoor football practice facility;

(b) the University of Utah use donations and nonstate university funds as the primary revenue sources for repayment of any obligation created under authority of this Subsection (9);

(c) the amount of revenue bonds or evidences of indebtedness authorized by this Subsection (9) may not exceed \$62,000,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the indoor football practice facility, subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

Section 5. Section 63B-32-102 is enacted to read:

63B-32-102. State Building Ownership Authority obligations for new state liquor stores.

(1) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations or may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to

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provide up to \$8,214,253 for a Summit County market area liquor store in Park City, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

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

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

(2) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations or may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$7,455,342 for a Washington County area market liquor store in St. George, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

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

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

Section 6. Coordinating H.B. 191 with S.B. 82 -- Substantive amendment.

If this H.B. 191 and S.B. 82, State Facilities Management Amendments, both pass and become law, it is the intent of the Legislature that the Office of Legislative Research and General Counsel shall prepare the Utah Code database for publication by modifying Subsection 32B-2-307(6)(a)(ii)(A) to read:

"(A) receive approval from the Division of Facilities Construction and Management, created in Section 63A-5b-301."