

REVENUE BOND AND CAPITAL FACILITIES

AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Chris H. Wilson

House Sponsor: Keven J. Stratton

LONG TITLE

General Description:

This bill amends and enacts provisions relating to revenue bonds and funding for certain capital facility design and construction projects.

Highlighted Provisions:

This bill:

- ▶ addresses the use of money appropriated to the State Store Land Acquisition and Building Construction Fund; and
- ▶ 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 West Village Family and Graduate Housing Phase Two at the University of Utah;
 - the Undergraduate Student Housing project at the University of Utah;
 - the South Campus Garage at the University of Utah;
 - the John and Marcia Price Computing and Engineering project at the University of Utah;
 - the South Campus Residence Hall at Utah State University; and
 - the South Campus Parking Terrace project at Utah State University.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

32B-2-307, as last amended by Laws of Utah 2022, Chapter 315 and last amended by Coordination Clause, Laws of Utah 2022, Chapter 315

ENACTS:

63B-33-101, Utah Code Annotated 1953

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.

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

(3) The fund is funded from the following sources:

(a) appropriations made to the fund by the Legislature;

(b) in accordance with Subsection (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.

(5) Subject to Subsection (6), the department may use the money deposited into the 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.

(6) (a) Before the department spends or commits money from the 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:

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

(B) receive authorization in an appropriations act.

(b) Following a presentation described in Subsection (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.

(7) (a) If the department uses money in the fund for a purpose described in Subsection (5), and subsequently issues a revenue bond for that purpose, the department shall repay the money 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).

(8) (a) If the department uses money from the fund that the Legislature appropriated as a loan to be used for the purposes described in Subsection (5), the department shall repay the money with proceeds from liquor revenue in the Liquor Control Fund, created in Section 32B-2-301:

(i) with interest at prevailing municipal revenue bond rates for the state of Utah at the time of loan origination minus 50 basis points; and

(ii) on a term not to exceed 15 years.

(b) The department shall make each payment under Subsection (8)(a) before the transfer described in Subsection 32B-2-301(7).

Section 2. Section **63B-33-101** is enacted to read:

CHAPTER 33. 2023 BONDING AND FINANCING AUTHORIZATIONS

Part 1. 2023 Revenue Bond Authorizations

63B-33-101. 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 West Village Family and Graduate Housing Phase Two;

(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 \$214,000,000 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 Village Family and Graduate Housing Phase Two 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.

(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 Undergraduate Student Housing project;

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

117 (c) the amount of revenue bonds or evidences of indebtedness authorized by this
118 Subsection (2) may not exceed \$382,415,000 for acquisition and construction proceeds,
119 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
120 fund any debt service reserve requirements;

121 (d) the university may plan, design, and construct the Undergraduate Student Housing
122 project subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities;
123 and

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

126 (3) The Legislature intends that:

127 (a) the Utah Board of Higher Education, on behalf of the University of Utah, may
128 issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of
129 Utah to borrow money on the credit, revenues, and reserves of the university, other than
130 appropriations of the Legislature, to finance the cost of constructing the South Campus Garage;

131 (b) the University of Utah use parking fees and other auxiliary revenues as the primary
132 revenue sources for repayment of any obligation created under authority of this Subsection (3);

133 (c) the amount of revenue bonds or evidences of indebtedness authorized by this
134 Subsection (3) may not exceed \$116,300,000 for acquisition and construction proceeds,
135 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
136 fund any debt service reserve requirements;

137 (d) the university may plan, design, and construct the South Campus Garage subject to
138 the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

141 (4) The Legislature intends that:

142 (a) the Utah Board of Higher Education, on behalf of the University of Utah, may
143 issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of
144 Utah to borrow money on the credit, revenues, and reserves of the university, other than
145 appropriations of the Legislature, to finance the cost of constructing the John and Marcia Price
146 Computing and Engineering project;

147 (b) the University of Utah use donations, parking revenues, federal funds, and other
148 institutional revenues as the primary revenue sources for repayment of any obligation created
149 under authority of this Subsection (4);

150 (c) the amount of revenue bonds or evidences of indebtedness authorized by this
151 Subsection (4) may not exceed \$76,198,000 for acquisition and construction proceeds, together
152 with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any
153 debt service reserve requirements;

154 (d) the university may plan, design, and construct the John and Marcia Price
155 Computing and Engineering building subject to the requirements of Title 63A, Chapter 5b,
156 Administration of State Facilities; and

157 (e) the university may request additional state funds for operation and maintenance
158 costs and capital improvements.

159 (5) The Legislature intends that:

160 (a) the Utah Board of Higher Education, on behalf of Utah State University, may issue,
161 sell, and deliver revenue bonds or other evidences of indebtedness of Utah State University to
162 borrow money on the credit, revenues, and reserves of the university, other than appropriations
163 of the Legislature, to finance the cost of constructing the South Campus Residence Hall;

164 (b) Utah State University use student housing rental fees and other auxiliary revenues
165 as the primary revenue sources for repayment of any obligation created under authority of this
166 Subsection (5);

167 (c) the amount of revenue bonds or evidences of indebtedness authorized by this
168 Subsection (5) may not exceed \$49,293,000 for acquisition and construction proceeds, together
169 with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any

170 debt service reserve requirements;

171 (d) the university may plan, design, and construct the South Campus Residence Hall
172 subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities; and

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

175 (6) The Legislature intends that:

176 (a) the Utah Board of Higher Education, on behalf of Utah State University, may issue,
177 sell, and deliver revenue bonds or other evidences of indebtedness of Utah State University to
178 borrow money on the credit, revenues, and reserves of the university, other than appropriations
179 of the Legislature, to finance the cost of constructing the South Campus Parking Terrace
180 project;

181 (b) Utah State University use parking fees and other auxiliary revenues as the primary
182 revenue sources for repayment of any obligation created under authority of this Subsection (6);

183 (c) the amount of revenue bonds or evidences of indebtedness authorized by this
184 Subsection (6) may not exceed \$22,925,000 for acquisition and construction proceeds, together
185 with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any
186 debt service reserve requirements;

187 (d) the university may plan, design, and construct the South Campus Parking Terrace
188 project subject to the requirements of Title 63A, Chapter 5b, Administration of State Facilities;
189 and

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