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TITLE 63B

BONDS

Chapter

1. General Provisions.
2. 1993 Bonding.

CHAPTER 1

GENERAL PROVISIONS

Part 1		Part 2	
Definitions		Bonding Commission	
Section		Section	
63B-1-101.	Definitions.	63B-1-201.	Members.
		63B-1-202.	Bond legislation to contain operation cost estimates of funded projects.

PART 1

DEFINITIONS

63B-1-101. Definitions.

As used in this title:

- (1) "Board" means the State Building Board.
- (2) "Commission" means the State Bonding Commission created in Section 63B-1-201.
- (3) "Division" means the Division of Facilities Construction and Management.

History: C. 1953, 63B-1-101, enacted by L. 1993, ch. 304, § 1.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Cross-References. — State Building Board, § 63A-5-101 et seq.

Division of Facilities Construction and Management, § 63A-5-201 et seq.

COLLATERAL REFERENCES

Am. Jur. 2d. — 12 Am. Jur. 2d Bonds § 1 et seq.

C.J.S. — 81A C.J.S. States § 217 et seq.

PART 2
BONDING COMMISSION

63B-1-201. Members.

- (1) There is created a State Bonding Commission composed of:
 - (a) the governor;
 - (b) the state treasurer; and
 - (c) a third person appointed by the governor to serve a two-year term, who is a member of a political party different from that of the governor.
- (2) The commission shall exercise the powers and perform the duties prescribed for the commission by statute.

History: C. 1953, 63B-1-201, enacted by L. 1993, ch. 304, § 2. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.
Effective Dates. — Laws 1993, ch. 304 be-

63B-1-202. Bond legislation to contain operation cost estimates of funded projects.

- (1) As used in this section, "capital projects" means buildings but does not include highways, roads, or capital improvements to buildings.
- (2) All legislation authorizing the commission to issue bonds for the acquisition and construction of capital projects shall contain an estimate of the annual amount of funds necessary to operate and maintain each capital project.
- (3) If any operations and maintenance costs estimates required by this section are omitted from any legislation authorizing the commission to issue bonds, that omission does not affect the authority of the commission to issue bonds.

History: C. 1953, 63B-1-202, enacted by L. 1993, ch. 304, § 3. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.
Effective Dates. — Laws 1993, ch. 304 be-

CHAPTER 2
1993 BONDING

Part 1		Section	
Capital Facilities and Capital Improvement Bonding		63B-2-104.	Manner of issuance — Amounts, interest, and maturity.
		63B-2-105.	Terms and conditions of sale — Plan of financing — Signatures — Replacement — Registration — Federal rebate.
Section		63B-2-106.	Constitutional debt limitation.
63B-2-101.	State Bonding Commission authorized to issue general obligation bonds.	63B-2-107.	Tax levy — Abatement of tax.
63B-2-102.	Maximum amount — Projects authorized.	63B-2-108.	Creation of sinking fund.
63B-2-103.	Use of bond proceeds for issuance and other costs.	63B-2-109.	Payment of interest, principal, and redemption premiums.

Section		Section	
63B-2-110.	Investment of sinking fund money.	63B-2-205.	Terms and conditions of sale — Plan of financing — Signatures — Replacement — Registration — Federal rebate.
63B-2-111.	Bond proceeds — Deposits — Investment — Disposition of investment income and unexpended proceeds.	63B-2-206.	Constitutional debt limitation.
63B-2-112.	Refunding of bonds.	63B-2-207.	Tax levy — Abatement of tax.
63B-2-113.	Certification of satisfaction of conditions precedent — Conclusiveness.	63B-2-208.	Creation of sinking fund.
63B-2-114.	Tax exemption.	63B-2-209.	Payment of interest, principal, and redemption premiums.
63B-2-115.	Legal investment status.	63B-2-210.	Investment of sinking fund money.
63B-2-116.	Publication of resolution or notice — Limitation on actions to contest legality.	63B-2-211.	Bond proceeds — Deposits — Investment — Disposition of investment income and unexpended proceeds.
63B-2-117.	Report to Legislature.	63B-2-212.	Refunding of bonds.
Part 2			
Highway General Obligation Bonds			
63B-2-201.	State Bonding Commission authorized to issue general obligation bonds.	63B-2-213.	Certification of satisfaction of conditions precedent — Conclusiveness.
63B-2-202.	Maximum amount — Projects authorized.	63B-2-214.	Tax exemption.
63B-2-203.	Bond proceeds may be used to pay costs of issuance and sale.	63B-2-215.	Legal investment status.
63B-2-204.	Manner of issuance — Amounts, interest, and maturity.	63B-2-216.	Publication of resolution or notice — Limitation on actions to contest legality.
		63B-2-217.	Report to Legislature.
Part 3			
Legislative Intent			
		63B-2-301.	Legislative intent — Additional projects.

PART 1

CAPITAL FACILITIES AND CAPITAL IMPROVEMENT BONDING

63B-2-101. State Bonding Commission authorized to issue general obligation bonds.

The commission created under Section 63B-1-201 may issue and sell general obligation bonds of the state pledging the full faith, credit, and resources of the state for the payment of the principal of and interest on the bonds to provide funds to the division.

History: C. 1953, 63B-2-101, enacted by L. 1993, ch. 304, § 4.

Effective Dates. — Laws 1993, ch. 304 be-

came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

COLLATERAL REFERENCES

Am. Jur. 2d. — 64 Am. Jur. 2d Public Securities and Obligations §§ 37 to 49.

63B-2-102. Maximum amount — Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$80,000,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide funds to pay all or part of the cost of acquiring and constructing the projects listed in this Subsection (2).

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period and all related engineering, architectural, and legal fees.

(c) For the division, proceeds shall be provided for the following:

CAPITAL IMPROVEMENTS

1	Alterations, Repairs, and Improvements	\$8,413,900
TOTAL IMPROVEMENTS		\$8,413,900

CAPITAL FACILITIES CONSTRUCTION

PROJECT PRIORITY	PROJECT DESCRIPTION	AMOUNT FUNDED	ESTIMATED OPERATIONS AND MAINTENANCE COSTS
1	Corrections — Northern Utah	\$2,729,700	\$158,000
	Community Corrections Center Phase II		
2	University of Utah Marriot Library Phase II	\$10,200,000	\$881,600
3	Ogden Courts Building Phase II	\$12,096,000	\$340,000
4	Utah National Guard — Southeast Utah Armory Phase II	\$397,800	\$70,500
5	Southern Utah University Library Phase II	\$7,004,400	\$427,000
6	Utah Valley Special Events Center Phase II	\$11,845,300	\$536,900
7	Salt Lake Community College — Land	\$1,300,000	\$0
8	Tax Commission Building	\$14,224,000	\$812,000
9	Dixie College Business Building	\$2,823,300	\$187,800
10	Salt Lake Community College South City 3rd Floor and Boiler	\$4,009,500	\$257,600

PROJECT PRIORITY	PROJECT DESCRIPTION	AMOUNT FUNDED	ESTIMATED
			OPERATIONS AND MAINTENANCE COSTS
11	Public Education — Deaf and Blind Classrooms	\$3,456,100	\$124,800
	TOTAL CONSTRUCTION	\$70,086,100	
	TOTAL IMPROVEMENTS AND CONSTRUCTION	\$78,500,000	

- (d) For purposes of this section, operations and maintenance costs:
- (i) are estimates only;
 - (ii) may include any operations and maintenance costs already funded in existing agency budgets; and
 - (iii) are not commitments by this Legislature or future Legislatures to fund those operations and maintenance costs.
- (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not constitute a limitation on the amount that may be expended for any project.
- (b) The board may revise these estimates and redistribute the amount estimated for a project among the projects authorized.
- (c) The commission, by resolution and in consultation with the board, may delete one or more projects from this list if the inclusion of that project or those projects in the list could be construed to violate state law or federal law or regulation.
- (4) (a) The division may enter into agreements related to these projects before the receipt of proceeds of bonds issued under this chapter.
- (b) The division shall make those expenditures from unexpended and unencumbered building funds already appropriated to the Capital Projects Fund.
- (c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds of bonds issued under this chapter.
- (d) The commission may, by resolution, make any statement of intent relating to that reimbursement that is necessary or desirable to comply with federal tax law.
- (5) (a) For those projects for which only partial funding is provided in Subsection (2), it is the intent of the Legislature that the balance necessary to complete the projects be addressed by future Legislatures, either through appropriations or through the issuance or sale of bonds.
- (b) For those phased projects, the division may enter into contracts for amounts not to exceed the anticipated full project funding but may not allow work to be performed on those contracts in excess of the funding already authorized by the Legislature.
- (c) Those contracts shall contain a provision for termination of the contract for the convenience of the state as required by Section 63-56-40.
- (d) It is also the intent of the Legislature that this authorization to the division does not bind future Legislatures to fund projects initiated from this authorization.

History: C. 1953, 63B-2-102, enacted by L. 1993, ch. 304, § 5. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.
Effective Dates. — Laws 1993, ch. 304 be-

63B-2-103. Use of bond proceeds for issuance and other costs.

The proceeds of bonds issued under this chapter shall be used for the purposes described in Section 63B-2-102 and to pay all or part of any cost incident to the issuance and sale of the bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees' fees, financial advisors' fees, and underwriters' discount.

History: C. 1953, 63B-2-103, enacted by L. 1993, ch. 304, § 6. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.
Effective Dates. — Laws 1993, ch. 304 be-

63B-2-104. Manner of issuance — Amounts, interest, and maturity.

(1) Bonds issued under this chapter may be authorized, sold, and issued at times and in a manner determined by the commission by resolution.

(2) Bonds may be issued in one or more series, in amounts, and shall bear dates, interest rates, including a variable rate, and maturity dates as the commission determines by resolution.

(3) A bond issued may not mature later than 20 years after the date of final passage of this chapter.

History: C. 1953, 63B-2-104, enacted by L. 1993, ch. 304, § 7. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.
Effective Dates. — Laws 1993, ch. 304 be-

63B-2-105. Terms and conditions of sale — Plan of financing — Signatures — Replacement — Registration — Federal rebate.

(1) In the issuance of bonds, the commission may determine by resolution:

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

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

(c) denominations;

(d) form;

(e) manner of execution;

(f) manner of authentication;

(g) place and medium of purchase;

(h) redemption terms; and

(i) other provisions and details it considers appropriate.

(2) The commission may by resolution adopt a plan of financing, which may include terms and conditions of arrangements entered into by the commission on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements, and remarketing, indexing, and tender agent agreements to secure the bonds, including payment

from any legally available source of fees, charges, or other amounts coming due under the agreements entered into by the commission.

(3) (a) Any signature of a public official authorized by resolution of the commission to sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or otherwise placed on the bonds.

(b) If all signatures of public officials on the bonds are facsimile signatures, provision shall be made for a manual authenticating signature on the bonds by or on behalf of a designated authentication agent.

(c) If an official ceases to hold office before delivery of the bonds signed by that official, the signature or facsimile signature of the official is nevertheless valid for all purposes.

(d) A facsimile of the state seal may be imprinted, engraved, stamped, or otherwise placed on the bonds.

(4) (a) The commission may enact resolutions providing for the replacement of lost, destroyed, or mutilated bonds, or for the exchange of bonds after issuance for bonds of smaller or larger denominations.

(b) Bonds in changed denominations shall:

(i) be exchanged for the original bonds in like aggregate principal amounts and in a manner that prevents the duplication of interest; and

(ii) bear interest at the same rate, mature on the same date, and be as nearly as practicable in the form of the original bonds.

(5) (a) Bonds may be registered as to both principal and interest or may be in a book entry form under which the right to principal and interest may be transferred only through a book entry.

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

(c) The records of ownership, registration, transfer, and exchange of the bonds, and of persons to whom payment with respect to the obligations is made, are private records as provided in Section 63-2-302 or protected records as provided in Section 63-2-304.

(d) The bonds and any evidences of participation interest in the bonds may be issued, executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with Title 15, Chapter 7, Registered Public Obligations Act, or any other act of the Legislature relating to the registration of obligations enacted to meet the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, or any successor to it, and applicable regulations.

(6) The commission may:

(a) by resolution, provide for payment to the United States of whatever amounts are necessary to comply with Section 148(f) of the Internal Revenue Code of 1986, as amended; and

(b) enter into agreements with financial and other institutions and attorneys to provide for:

(i) the calculation, holding, and payment of those amounts; and

(ii) payment from any legally available source of fees, charges, or other amounts coming due under any agreements entered into by the commission.

History: C. 1953, 63B-2-105, enacted by L. 1993, ch. 304, § 8.

Federal Law. — The Internal Revenue Code of 1986, cited in Subsections (5)(d) and (6), is Title 26 of the U.S. Code.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

63B-2-106. Constitutional debt limitation.

(1) The commission may not issue bonds under this chapter in an amount that violates the limitation described in Article XIV, Sec. 1, Utah Constitution.

(2) For purposes of applying the debt limitation contained in Article XIV, Sec. 1, Utah Constitution, the value of the taxable property in Utah is considered to be 100% of the fair market value of the taxable property of the state, as computed from the last assessment for state purposes previous to the issuance of the bonds.

History: C. 1953, 63B-2-106, enacted by L. 1993, ch. 304, § 9.

Effective Dates. — Laws 1993, ch. 304 be-

came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

63B-2-107. Tax levy — Abatement of tax.

(1) Each year after issuance of the bonds and until all outstanding bonds are retired, there is levied a direct annual tax on all real and personal property within the state subject to state taxation, sufficient to pay:

- (a) applicable bond redemption premiums, if any;
- (b) interest on the bonds as it becomes due; and
- (c) principal of the bonds as it becomes due.

(2) (a) The State Tax Commission shall fix the rate of the direct annual tax levy each year.

(b) The tax shall be collected and the proceeds applied as provided in this chapter.

(3) The direct annual tax imposed under this section is abated to the extent money is available from sources, other than ad valorem taxes in the sinking fund, for the payment of bond interest, principal, and redemption premiums.

History: C. 1953, 63B-2-107, enacted by L. 1993, ch. 304, § 10.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to

Utah Const., Art. VI, Sec. 25.

Cross-References. — State Tax Commission, § 59-1-201 et seq.

63B-2-108. Creation of sinking fund.

(1) There is created a sinking fund, to be administered by the state treasurer, entitled the "1993 General Obligation Bonds Sinking Fund."

(2) All monies deposited in the sinking fund, from whatever source, shall be used to pay debt service on the bonds.

(3) The proceeds of all taxes levied under this chapter are appropriated to this fund.

(4) The state treasurer may create separate accounts within the sinking fund for each series of bonds issued.

History: C. 1953, 63B-2-108, enacted by L. 1993, ch. 304, § 11. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-109. Payment of interest, principal, and redemption premiums.

(1) The Division of Finance shall draw warrants on the state treasury before any interest, principal, or redemption premiums become due on the bonds.

(2) After receipt of the warrants, the state treasurer shall:

- (a) promptly pay the warrants from funds within the sinking fund; and
- (b) immediately transmit the amount paid to the paying agent for the bonds.

History: C. 1953, 63B-2-109, enacted by L. 1993, ch. 304, § 12. Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to Title 63A, Chapter 3.

63B-2-110. Investment of sinking fund money.

(1) The state treasurer may, by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act, invest any money contained in the sinking fund until it is needed for the purposes for which the fund is created.

(2) Unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter, the treasurer shall retain all income from the investment of any money contained in the sinking fund in the sinking fund and use it for the payment of debt service on the bonds.

History: C. 1953, 63B-2-110, enacted by L. 1993, ch. 304, § 13. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-111. Bond proceeds — Deposits — Investment — Disposition of investment income and unexpended proceeds.

(1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within one or more accounts as determined by resolution of the commission.

(b) The state treasurer shall administer and maintain these accounts unless otherwise provided by the commission by resolution.

(c) The commission by resolution may provide for the deposit of these monies with a trustee and the administration, disposition, or investment of these monies by this trustee.

(2) (a) The commission by resolution shall provide for the kinds of investments in which the proceeds of bonds issued under this chapter may be invested.

(b) Income from the investment of proceeds of bonds issued under this chapter shall be applied as provided by resolution of the commission.

(3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

History: C. 1953, 63B-2-111, enacted by L. 1993, ch. 304, § 14. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-112. Refunding of bonds.

(1) The commission may provide for the refunding of any of the bonds in accordance with Title 11, Chapter 27, Utah Refunding Bond Act.

(2) For purposes of Title 11, Chapter 27, Utah Refunding Bond Act, the state of Utah is considered the public body and the commission its governing body.

History: C. 1953, 63B-2-112, enacted by L. 1993, ch. 304, § 15. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-113. Certification of satisfaction of conditions precedent — Conclusiveness.

(1) The commission may not issue any bond under this chapter until it finds and certifies that all conditions precedent to issuance of the bonds have been satisfied.

(2) A recital on any bond of this finding and certification conclusively establishes the completion and satisfaction of all conditions precedent.

History: C. 1953, 63B-2-113, enacted by L. 1993, ch. 304, § 16. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-114. Tax exemption.

The bonds issued under this chapter, any interest paid on the bonds, and any income from the bonds are not taxable in this state for any purpose, except for the corporate franchise tax.

History: C. 1953, 63B-2-114, enacted by L. 1993, ch. 304, § 17. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-115. Legal investment status.

Bonds issued under this chapter are legal investments for all state trust funds, insurance companies, banks, trust companies, and the State School Fund and may be used as collateral to secure legal obligations.

History: C. 1953, 63B-2-115, enacted by L. 1993, ch. 304, § 18. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-116. Publication of resolution or notice — Limitation on actions to contest legality.

- (1) The commission may:
- (a) publish any resolution it adopts under this chapter once in a newspaper having general circulation in Utah; or
 - (b) in lieu of publishing the entire resolution, publish a notice of bonds to be issued, titled as such, containing the information required in Subsection 11-14-21(3).
- (2) (a) Any interested person, for 30 days after the date of publication, may contest:
- (i) the legality of the resolution;
 - (ii) any of the bonds authorized under it; or
 - (iii) any of the provisions made for the security and repayment of the bonds.
- (b) After 30 days, a person may not contest the legality of the resolution, any of the bonds authorized under it, or any of the provisions made for the security and repayment of the bonds for any cause.

History: C. 1953, 63B-2-116, enacted by L. 1993, ch. 304, § 19. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-117. Report to Legislature.

The governor shall report the commission's proceedings to each annual general session of the Legislature in his budget for as long as bonds issued under this chapter remain outstanding.

History: C. 1953, 63B-2-117, enacted by L. 1993, ch. 304, § 20. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

PART 2

HIGHWAY GENERAL OBLIGATION BONDS

63B-2-201. State Bonding Commission authorized to issue general obligation bonds.

The commission created under Section 63B-1-201 may issue and sell general obligation bonds of the state pledging the full faith, credit, and resources of the state for the payment of the principal of and interest on the bonds, to provide funds to the Department of Transportation.

History: C. 1953, 63B-2-201, enacted by L. 1993, ch. 304, § 21. Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to **Cross-References.** — Department of Transportation, § 63-49-1.

63B-2-202. Maximum amount — Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$12,000,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the Department of Transportation as follows:

(i) not more than \$9,000,000 to provide funds to pay all or part of the cost of constructing the West Valley Highway;

(ii) not more than \$1,000,000 to provide funds to pay all or part of the cost of enhancing and improving the 90th South interchange; and

(iii) not more than \$1,000,000 to provide funds to pay all or part of the cost of enhancing and improving the I-15 interchange at South University Avenue in Provo.

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and making all improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees.

(3) If, after completion of the projects authorized under Subsection (2)(a) and payment of the costs of issuing and selling the bonds under Section 63B-2-203, any bond proceeds remain unexpended, the Department of Transportation may use those unexpended proceeds to pay all or part of the costs of construction projects approved by the Utah Transportation Commission.

(4) The Department of Transportation may enter into agreements related to that project before the receipt of proceeds of bonds issued under this chapter.

History: C. 1953, 63B-2-202, enacted by L. 1993, ch. 304, § 22.

came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-203. Bond proceeds may be used to pay costs of issuance and sale.

The proceeds of bonds issued under this chapter shall be used for the purposes described in Section 63B-2-202 and to pay all or part of any cost incident to the issuance and sale of the bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees' fees, financial advisors' fees, and underwriters' discount.

History: C. 1953, 63B-2-203, enacted by L. 1993, ch. 304, § 23.

came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-204. Manner of issuance — Amounts, interest, and maturity.

(1) Bonds issued under this chapter may be authorized, sold, and issued at times and in a manner determined by the commission by resolution.

(2) Bonds may be issued in one or more series, in amounts, and shall bear dates, interest rates, including a variable rate, and maturity dates as the commission determines by resolution.

(3) A bond issued may not mature later than 20 years after the date of final passage of this chapter.

History: C. 1953, 63B-2-204, enacted by L. 1993, ch. 304, § 24.

came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-205. Terms and conditions of sale — Plan of financing — Signatures — Replacement — Registration — Federal rebate.

(1) In the issuance of bonds, the commission may determine by resolution:

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

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

(c) denominations;

(d) form;

(e) manner of execution;

(f) manner of authentication;

(g) place and medium of purchase;

(h) redemption terms; and

(i) other provisions and details it considers appropriate.

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

(3) (a) Any signature of a public official authorized by resolution of the commission to sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or otherwise placed on the bonds.

(b) If all signatures of public officials on the bonds are facsimile signatures, provision shall be made for a manual authenticating signature on the bonds by or on behalf of a designated authentication agent.

(c) If an official ceases to hold office before delivery of the bonds signed by that official, the signature or facsimile signature of the official is nevertheless valid for all purposes.

(d) A facsimile of the state seal may be imprinted, engraved, stamped, or otherwise placed on the bonds.

(4) (a) The commission may enact resolutions providing for the replacement of lost, destroyed, or mutilated bonds, or for the exchange of bonds after issuance for bonds of smaller or larger denominations.

(b) Bonds in changed denominations shall:

(i) be exchanged for the original bonds in like aggregate principal amounts and in a manner that prevents the duplication of interest; and

(ii) bear interest at the same rate, mature on the same date, and be as nearly as practicable in the form of the original bonds.

(5) (a) Bonds may be registered as to both principal and interest or may be in a book entry form under which the right to principal and interest may be transferred only through a book entry.

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

(c) The records of ownership, registration, transfer, and exchange of the bonds, and of persons to whom payment with respect to the obligations is made, are private records as provided in Section 63-2-302, or protected records as provided in Section 63-2-304.

(d) The bonds and any evidences of participation interest in the bonds may be issued, executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with Title 15, Chapter 7, Registered Public Obligations Act, or any other act of the Legislature relating to the registration of obligations enacted to meet the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, or any successor to it, and applicable regulations.

(6) The commission may:

(a) by resolution, provide for payment to the United States of whatever amounts are necessary to comply with Section 148(f) of the Internal Revenue Code of 1986, as amended; and

(b) enter into agreements with financial and other institutions and attorneys to provide for:

(i) the calculation, holding, and payment of those amounts; and

(ii) payment from any legally available source of fees, charges, or other amounts coming due under any agreements entered into by the commission.

History: C. 1953, 63B-2-205, enacted by L. 1993, ch. 304, § 25.

Federal Law. — The Internal Revenue Code of 1986, cited in Subsections (5)(d) and (6)(a), is Title 26 of the U.S. Code.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

63B-2-206. Constitutional debt limitation.

(1) The commission may not issue bonds under this chapter in an amount that violates the limitation described in Article XIV, Sec. 1, Utah Constitution.

(2) For purposes of applying the debt limitation contained in Article XIV, Sec. 1, Utah Constitution, the value of the taxable property in Utah is considered to be 100% of the fair market value of the taxable property of the state, as computed from the last assessment for state purposes previous to the issuance of the bonds.

History: C. 1953, 63B-2-206, enacted by L. 1993, ch. 304, § 26. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.
Effective Dates. — Laws 1993, ch. 304 be-

63B-2-207. Tax levy — Abatement of tax.

(1) Each year after issuance of the bonds and until all outstanding bonds are retired, there is levied a direct annual tax on all real and personal property within the state subject to state taxation, sufficient to pay:

- (a) applicable bond redemption premiums, if any;
- (b) interest on the bonds as it becomes due; and
- (c) principal of the bonds as it becomes due.

(2) (a) The State Tax Commission shall fix the rate of the direct annual tax levy each year.

(b) The tax shall be collected and the proceeds applied as provided in this chapter.

(3) The direct annual tax imposed under this section is abated to the extent money is available from sources, other than ad valorem taxes in the sinking fund, for the payment of bond interest, principal, and redemption premiums.

History: C. 1953, 63B-2-207, enacted by L. 1993, ch. 304, § 27. Utah Const., Art. VI, Sec. 25.
Cross-References. — State Tax Commission, § 59-1-201 et seq.
Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to

63B-2-208. Creation of sinking fund.

(1) There is created a sinking fund, to be administered by the state treasurer, entitled the "1993 Highway General Obligation Bonds Sinking Fund."

(2) All monies deposited in the sinking fund, from whatever source, shall be used to pay debt service on the bonds.

(3) The proceeds of all taxes levied under this chapter are appropriated to this fund.

(4) The state treasurer may create separate accounts within the sinking fund for each series of bonds issued.

History: C. 1953, 63B-2-208, enacted by L. 1993, ch. 304, § 28. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.
Effective Dates. — Laws 1993, ch. 304 be-

63B-2-209. Payment of interest, principal, and redemption premiums.

(1) The Division of Finance shall draw warrants on the state treasury before any interest, principal, or redemption premiums become due on the bonds.

(2) After receipt of the warrants, the state treasurer shall:

- (a) promptly pay the warrants from funds within the sinking fund; and
- (b) immediately transmit the amount paid to the paying agent for the bonds.

History: C. 1953, 63B-2-209, enacted by L. 1993, ch. 304, § 29.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to

Utah Const., Art. VI, Sec. 25.

Cross-References. — Division of Finance, Title 63A, Chapter 3.

63B-2-210. Investment of sinking fund money.

(1) The state treasurer may, by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act, invest any money contained in the sinking fund until it is needed for the purposes for which the fund is created.

(2) Unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter, the treasurer shall retain all income from the investment of any money contained in the sinking fund in the sinking fund and use it for the payment of debt service on the bonds.

History: C. 1953, 63B-2-210, enacted by L. 1993, ch. 304, § 30.

Effective Dates. — Laws 1993, ch. 304 be-

came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

63B-2-211. Bond proceeds — Deposits — Investment — Disposition of investment income and unexpended proceeds.

(1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within one or more accounts as determined by resolution of the commission.

(b) The state treasurer shall administer and maintain these accounts unless otherwise provided by the commission by resolution.

(c) The commission by resolution may provide for the deposit of these monies with a trustee and the administration, disposition, or investment of these monies by this trustee.

(2) (a) The commission by resolution shall provide for the kinds of investments in which the proceeds of bonds issued under this chapter may be invested.

(b) Income from the investment of proceeds of bonds issued under this chapter shall be applied as provided by resolution of the commission.

(3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

History: C. 1953, 63B-2-211, enacted by L. 1993, ch. 304, § 31.

Effective Dates. — Laws 1993, ch. 304 be-

came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

63B-2-212. Refunding of bonds.

(1) The commission may provide for the refunding of any of the bonds in accordance with Title 11, Chapter 27, Utah Refunding Bond Act.

(2) For purposes of Title 11, Chapter 27, Utah Refunding Bond Act, the state of Utah is considered the public body and the commission its governing body.

History: C. 1953, 63B-2-212, enacted by L. 1993, ch. 304, § 32. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-213. Certification of satisfaction of conditions precedent — Conclusiveness.

(1) The commission may not issue any bond under this chapter until it finds and certifies that all conditions precedent to issuance of the bonds have been satisfied.

(2) A recital on any bond of this finding and certification conclusively establishes the completion and satisfaction of all such conditions.

History: C. 1953, 63B-2-213, enacted by L. 1993, ch. 304, § 33. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-214. Tax exemption.

The bonds issued under this chapter, any interest paid on the bonds, and any income from the bonds are not taxable in this state for any purpose, except for the corporate franchise tax.

History: C. 1953, 63B-2-214, enacted by L. 1993, ch. 304, § 34. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-215. Legal investment status.

Bonds issued under this chapter are legal investments for all state trust funds, insurance companies, banks, trust companies, and the State School Fund and may be used as collateral to secure legal obligations.

History: C. 1953, 63B-2-215, enacted by L. 1993, ch. 304, § 35. came effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-216. Publication of resolution or notice — Limitation on actions to contest legality.

(1) The commission may:

(a) publish any resolution it adopts under this chapter once in a newspaper having general circulation in Utah; or

(b) in lieu of publishing the entire resolution, publish a notice of bonds to be issued, titled as such, containing the information required by Subsection 11-14-21(3).

(2) (a) Any interested person, for 30 days after the date of publication, may contest:

- (i) the legality of the resolution;
- (ii) any of the bonds authorized under it; or
- (iii) any of the provisions made for the security and repayment of the bonds.

(b) After 30 days, a person may not contest the legality of the resolution, any of the bonds authorized under it, or any of the provisions made for the security and repayment of the bonds for any cause.

History: C. 1953, 63B-2-216, enacted by L. came effective on May 3, 1993, pursuant to 1993, ch. 304, § 36. Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

63B-2-217. Report to Legislature.

The governor shall report the commission's proceedings to each annual general session of the Legislature in his budget for as long as bonds issued under this chapter remain outstanding.

History: C. 1953, 63B-2-217, enacted by L. came effective on May 3, 1993, pursuant to 1993, ch. 304, § 37. Utah Const., Art. VI, Sec. 25.

Effective Dates. — Laws 1993, ch. 304 be-

PART 3

LEGISLATIVE INTENT

63B-2-301. Legislative intent — Additional projects.

It is the intent of the Legislature that:

(1) The Department of Employment Security use monies in the special administrative fund to plan, design, and construct a Davis County facility under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(2) The University of Utah may use donated funds to plan, design, and construct the Nora Eccles Harrison addition under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(3) The University of Utah may use hospital funds to plan, design, and construct the West Patient Services Building under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(4) The University of Utah may use federal funds to plan, design, and construct the Computational Science Building under the supervision of the director of the Division of Facilities Construction and Management

unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(5) The Board of Regents may issue revenue bonds to provide:

(a) \$6,700,000 to plan, design, and construct single student housing at Utah State University under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1; and

(b) additional monies necessary to:

(i) pay costs incident to the issuance and sale of the bonds;

(ii) pay interest on the bonds that accrues during construction and acquisition of the project and for up to one year after construction is completed; and

(iii) fund any reserve requirements for the bonds.

(6) Utah State University may use federal funds to plan, design, and construct the Natural Resources Lab addition under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(7) Utah State University may use funds derived from property sales to plan, design, and construct emergency relocation facilities for the Farmington Botanical Gardens under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(8) Utah State University may use institutional funds to plan, design, and construct an institutional residence for the president under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(9) Weber State University may use discretionary funds to construct a remodel and expansion of the stores building and mail service facilities under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(10) Weber State University may use fees and auxiliary revenue to plan, design, and construct a remodel and expansion of the Shepherd Student Union Building under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(11) Southern Utah University may use donated funds to plan, design, and construct an alumni house under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(12) The College of Eastern Utah may use auxiliary revenues and other fees to:

(a) make lease or other payments;

(b) redeem revenue bonds or repay loans issued on behalf of the college; and

(c) plan, design, and construct a 200 person residence hall under the supervision of the director of the Division of Facilities Construc-

tion and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(13) The Sevier Valley Applied Technology Center may use private and Community Impact Board funds, if approved, to plan, design, and construct a performing arts/multi-use facility under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(14) Ogden City and Weber County may have offices and related space for their attorneys included in the Ogden Courts building if the city and county are able to provide upfront funding to cover all costs associated with the design and construction of that space. In addition, the city and county shall cover their proportionate share of all operations and maintenance costs of their facility, including future major repairs to the building.

(15) If the Legislature authorizes the Division of Facilities Construction and Management to enter into a lease purchase agreement for the Department of Human Services facility at 1385 South State Street in Salt Lake City or for the State Board of Education facility and adjacent space in Salt Lake City, or for both of those facilities, the State Building Ownership Authority, at the reasonable rates and amounts it may determine, and with technical assistance from the State Treasurer, the director of the Division of Finance, and the director of the Office of Planning and Budget, may seek out the most cost effective lease purchase plans available to the state and may, pursuant to Title 63, Chapter 9a, State Building Ownership Act, certificate out interests in, or obligations of the authority pertaining to:

- (a) the lease purchase obligation; or
- (b) lease rental payments under the lease purchase obligation.

(16) Salt Lake Community College may use donated funds to plan, design, and construct an amphitheater under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by him as authorized by Section 63-1-38.1.

(17) For the Tax Commission building, that:

(a) All costs associated with the construction and furnishing of the Tax Commission building that are incurred before the issuance of the 1993 general obligation bonds be reimbursed by bond proceeds.

(b) The maximum amount of cost that may be reimbursed from the 1993 general obligation bond proceeds for the Tax Commission building and furnishings may not exceed \$14,230,000.

(c) This intent statement for Subsection (17) constitutes a declaration of official intent under Section 1.103-18 of the U.S. Treasury Regulations.

History: C. 1953, 63B-2-301, enacted by L. 1993, ch. 304, § 38.

Compiler's Notes. — Section 63-1-38.1, relating to construction, alteration, and repair of

state facilities, cited throughout this section, was renumbered in 1993 as § 63A-5-206.

Effective Dates. — Laws 1993, ch. 304 became effective on May 3, 1993, pursuant to Utah Const., Art. VI, Sec. 25.