

University Facilities Financing Amendments
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: R. Neil Walter

LONG TITLE

General Description:

This bill modifies provisions relating to higher education capital projects.

Highlighted Provisions:

This bill:

- defines terms;
- repurposes the Higher Education Capital Projects Fund into a loan program;
- provides for the terms of the loan; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53B-22-201, as last amended by Laws of Utah 2020, Chapters 152, 365

63A-5b-403, as last amended by Laws of Utah 2022, Chapter 421

REPEALS AND REENACTS:

53B-22-202, as enacted by Laws of Utah 2019, Chapter 482

53B-22-204, as last amended by Laws of Utah 2024, Chapter 378

REPEALS:

53B-22-203, as enacted by Laws of Utah 2019, Chapter 482

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

Section 1. Section **53B-22-201** is amended to read:

53B-22-201 . Definitions.

As used in this part:

- (1) "Allocation formula" means the full-time enrollment at an institution multiplied by facility utilization at the same institution.

- 32 (2) "Capital development project" means the same as [capital development project, as] that
 33 term is defined in Section 63A-5b-401.
- 34 (3) "Capital improvement project" means the same as that term is defined in Section
 35 63A-5b-401.
- 36 (4) "Dedicated funds" means the funds allocated for a dedicated project.
- 37 ~~[(2) "Consumer Price Index" means the Consumer Price Index for All Urban Consumers as~~
 38 ~~published by the Bureau of Labor Statistics of the United States Department of Labor.]~~
- 39 ~~[(3)]~~ (5) "Dedicated project" means a capital development project for which state funds from
 40 an institution's allocation are requested or used.
- 41 ~~[(4)]~~ (6) "Fund" means the Higher Education Capital Projects Fund created in Section
 42 53B-22-202.
- 43 ~~[(5)]~~ (7) "Institution" means a degree-granting institution.
- 44 ~~[(6) "Institution's allocation" means the total amount of money in the fund that an~~
 45 ~~institution has been allocated in accordance with Section 53B-22-203.]~~
- 46 ~~[(7) "Nondedicated project" means a capital development project for which state funds~~
 47 ~~from a source other than an institution's allocation are requested or used.]~~
- 48 ~~[(8) "State funds" means the same as that term is defined in Section 63A-5b-401.]~~
- 49 Section 2. Section **53B-22-202** is repealed and reenacted to read:
- 50 **53B-22-202 . Higher Education Capital Projects Fund -- Funding sources -- Uses**
 51 **of fund.**
- 52 (1) This section creates an enterprise fund known as the Higher Education Capital Projects
 53 Fund.
- 54 (2)(a) For the fiscal years that begin on July 1, 2026, July 1, 2027, and July 1, 2028, the
 55 fund is funded from the following sources:
- 56 (i) dedicated funds;
 57 (ii) appropriations by the Legislature; and
 58 (iii) the interest described in Subsection (3).
- 59 (b) For the fiscal year that begins on or after July 1, 2029, the fund is funded from the
 60 following sources:
- 61 (i) appropriations from the Legislature;
 62 (ii) repayments on a loan made in accordance with Section 53B-22-204; and
 63 (iii) the interest described in Subsection (3).
- 64 (3)(a) The fund shall earn interest.
 65 (b) Interest earned on the fund shall be deposited into the fund.

- 66 (4)(a)(i) For the fiscal year that begins on July 1, 2029, the Legislature shall allocate
 67 money in the fund to an institution that receives a loan in accordance with Section
 68 53B-22-204 according to the allocation formula.
- 69 (ii) An institution may use an allocation from the fund to repay a loan issued in
 70 accordance with Section 53B-22-204.
- 71 (b) For a fiscal year that begins on or after July 1, 2030, the Division of Finance may
 72 issue a loan to an institution in accordance with Section 53B-22-204.
- 73 Section 3. Section **53B-22-204** is repealed and reenacted to read:
 74 **53B-22-204 . Funding request for capital development project.**
- 75 (1)(a) For a fiscal year that begins on or after July 1, 2026, an institution that requests
 76 funding for a capital development project or a capital improvement project may
 77 request a loan from the Legislature.
- 78 (b) The institution may use loan proceeds for:
- 79 (i) the purchase of property and the construction of a new building for the institution;
 80 or
 81 (ii) the renovation of an existing building for the institution.
- 82 (2) Before an institution receives a loan in accordance with this section, the institution shall
 83 demonstrate to the Infrastructure and General Government Appropriations
 84 Subcommittee that the institution has an adequate funding source to cover:
- 85 (a) ongoing operation and maintenance costs associated with the construction or
 86 renovation of a building; and
- 87 (b) costs to be incurred from ongoing statutory requirements associated with the
 88 construction or renovation of a building.
- 89 (3)(a) If the institution receives a loan to be used for a purpose described in Subsection
 90 (1), the institution shall repay the money:
- 91 (i) with interest at a rate of 4%; and
 92 (ii) over a term of 40 years.
- 93 (b) An institution may repay the loan in less than 40 years without penalty.
- 94 Section 4. Section **63A-5b-403** is amended to read:
 95 **63A-5b-403 . Institutions of higher education -- Capital development projects --**
 96 **Dedicated and nondedicated projects -- Recommendations and prioritization.**
- 97 (1) As used in this section:
- 98 (a) "Dedicated project" has the same meaning as that term is defined in[?]
 99 [(†)] Section 53B-2a-101, for a capital development project under Title 53B, Chapter

- 100 2a, Technical Education[;or] .
- 101 [(ii) Section 53B-22-201, for a capital development project under Title 53B, Chapter
- 102 22, Higher Education Capital Projects.]
- 103 (b) "Nondedicated project" has the same meaning as that term is defined in[;]
- 104 [(†) Section 53B-2a-101, for a capital development project under Title 53B, Chapter
- 105 2a, Technical Education[;or] .
- 106 [(ii) Section 53B-22-201, for a capital development project under Title 53B, Chapter
- 107 22, Higher Education Capital Projects.]
- 108 (2)(a) The division shall submit recommendations to the Legislature in accordance with[;]
- 109 [(†) Section 53B-2a-117, for a dedicated project under Title 53B, Chapter 2a,
- 110 Technical Education[;or] .
- 111 [(ii) Section 53B-22-204, for a dedicated project under Title 53B, Chapter 22,
- 112 Higher Education Capital Projects.]
- 113 (b) A dedicated project is not subject to prioritization by the division.
- 114 (3)(a) The division shall prioritize nondedicated projects in accordance with:
- 115 (i) Section 63A-5b-402; and
- 116 (ii)[(A)] Section 53B-2a-117, for a nondedicated project under Title 53B, Chapter
- 117 2a, Technical Education[;or] .
- 118 [(B) Section 53B-22-204, for a nondedicated project under Title 53B, Chapter 22,
- 119 Higher Education Capital Projects.]
- 120 (b) In the division's scoring process for prioritizing nondedicated projects, the division
- 121 shall give more weight to a request that is designated as a higher priority by the Utah
- 122 Board of Higher Education than a request that is designated as a lower priority by the
- 123 Utah Board of Higher Education only for determining the order of prioritization
- 124 among requests submitted by the Utah Board of Higher Education.
- 125 (4) The division shall require that an institution of higher education that submits a request
- 126 for a capital development project address whether and how, as a result of the project, the
- 127 institution of higher education will:
- 128 (a) offer courses or other resources that will help meet demand for jobs, training, and
- 129 employment in the current market and the projected market for the next five years;
- 130 (b) respond to individual skilled and technical job demand over the next three, five, and
- 131 10 years;
- 132 (c) respond to industry demands for trained workers;
- 133 (d) help meet commitments made by the Governor's Office of Economic Opportunity,

134 including relating to training and incentives;
135 (e) respond to changing needs in the economy; and
136 (f) respond to demands for online or in-class instruction, based on demographics.
137 (5) The division shall:
138 (a)(i) assist institutions of higher education in providing the information required by
139 Subsection (4); and
140 (ii) verify the completion and accuracy of the information submitted by an institution
141 of higher education under Subsection (4); and
142 (b) assist the Utah Board of Higher Education to fulfill the requirements of Section
143 53B-2a-112 in connection with the finding that the division is required to make under
144 Subsection 53B-2a-112(4)(b)[~~; and~~] .
145 [~~(e) assist the Utah Board of Higher Education in submitting a list of dedicated projects~~
146 ~~to the division for approval and nondedicated projects to the division for~~
147 ~~recommendation and prioritization pursuant to Section 53B-22-204.]
148 **Section 5. Repealer.**
149 This bill repeals:
150 Section **53B-22-203, Fund money -- Institution allocations.**
151 Section 6. **Effective date.**
152 This bill takes effect on May 7, 2025.~~