

BOND AMENDMENTS

2020 THIRD SPECIAL SESSION

STATE OF UTAH

Chief Sponsor: Bradley G. Last

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

This bill addresses issuance of state general obligation bonds.

Highlighted Provisions:

This bill:

- ▶ allows the State Bonding Commission to issue certain general obligation bonds that would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution; and

- ▶ for purposes of revisor instructions, includes provisions passed during the 2020 Annual General Session that authorize the issuance of general obligation bonds for Department of Transportation projects.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides revisor instructions.

Utah Code Sections Affected:

ENACTS:

63B-27-103, Utah Code Annotated 1953

63B-30-101, Utah Code Annotated 1953

Utah Code Sections Affected by Revisor Instructions:

63B-30-101, Utah Code Annotated 1953

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

Section 1. Section **63B-27-103** is enacted to read:

63B-27-103. Highway bonds debt limitation.

(1) Notwithstanding Subsection 63B-27-101(1)(c), the commission may issue a general obligation bond authorized under Section 63B-27-101 if the issuance of the general obligation bond would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.

(2) This section supersedes any conflicting provisions of Utah law.

Section 2. Section **63B-30-101** is enacted to read:

Part 1. General Obligation Bonds

63B-30-101. General obligation bonds for transportation projects.

(1) As used in this section, "transportation projects" means Department of Transportation projects described in Subsection 63B-27-101(2).

(2) (a) When the Department of Transportation certifies to the commission that the requirements of Subsection 72-2-124(7) have been met and certifies the amount of bond proceeds that the commission needs to provide funding for the transportation projects for the current or next fiscal year, the commission may issue and sell general obligation bonds in an amount equal to the certified amount, plus additional amounts necessary to pay costs of issuance, to pay capitalized interest, and to fund any existing debt services reserve requirements, not to exceed 1% of the certified amount.

(b) The commission may issue general obligation bonds authorized under this section if the issuance of general obligation bonds would result in the total current outstanding general obligation debt of the state exceeding 50% of the limitation described in the Utah Constitution, Article XIV, Section 1.

(3) The commission may issue general obligation bonds as provided in this section.

(4) The total amount of bonds to be issued under this section may not exceed

56 \$89,510,000 for acquisition and construction proceeds, plus additional amounts necessary to
57 pay costs of issuance, to pay capitalized interest, and to fund any existing debt service reserve
58 requirements, with the total amount of the bonds not to exceed \$92,000,000.

59 (5) The commission shall ensure that proceeds from the issuance of bonds under this
60 section are provided to the Department of Transportation for use by the Department of
61 Transportation to pay all or part of the cost of the transportation projects, including:

62 (a) interest estimated to accrue on the bonds authorized in this section until the
63 completion of construction of the transportation project, plus a period of 12 months after the
64 end of construction; and

65 (b) all related engineering, architectural, and legal fees.

66 (6) The Department of Transportation shall transfer \$20,000,000 of bond proceeds
67 under this section to the Governor's Office of Economic Development for a
68 transportation-related project in a project area created by the military installation development
69 authority, created in Section [63H-1-201](#).

70 (7) (a) The Department of Transportation may enter into agreements related to the
71 transportation projects before the receipt of proceeds of bonds issued under this section.

72 (b) The state intends to use proceeds of tax-exempt bonds to reimburse itself for
73 expenditures for costs of the transportation projects.

74 (8) This section supersedes any conflicting provisions of Utah law.

75 Section 3. **Effective date.**

76 (1) Except as provided in Subsection (2), if approved by two-thirds of all the members
77 elected to each house, this bill takes effect upon approval by the governor, or the day following
78 the constitutional time limit of Utah Constitution, Article VII, Section 8, without the governor's
79 signature, or in the case of a veto, the date of veto override.

80 (2) If approved by two-thirds of all the members elected to each house, Section
81 [63B-30-101](#) takes effect on May 12, 2020.

82 Section 4. **Revisor instructions.**

83 The Legislature intends that Section [63B-30-101](#) in this bill supersedes Section
84 [63B-30-101](#) in S.B. 115, Bonding Amendments, 2020 Annual General Session, and the Office
85 of Legislative Research and General Counsel, in preparing the Utah Code database for
86 publication, replace Section [63B-30-101](#) in S.B. 115, Bonding Amendments, 2020 Annual
87 General Session, with Section [63B-30-101](#) in this bill.