

**CHAPTER 2****(SB 54)**

AN ACT relating to approval of a capital project, appropriating funds therefor, and declaring an emergency.

WHEREAS, KRS 45.763 requires that an institution of higher education shall obtain authorization from the General Assembly prior to entering into an agreement for the use, purchase, or acceptance of real property of any value, or equipment with a value in excess of four hundred thousand dollars (\$400,000), if the institution of higher education will become the owner of the real property or equipment at any time and all or any portion of the purchase price of the real property or equipment is funded through the issuance of a financial instrument which requires payment of principal and interest, regardless of the identity of the issuer; and

WHEREAS, Western Kentucky University intends to enter in a memorandum of agreement with the City of Bowling Green to make improvements on state-owned property to be financed through the issuance by the City of Bowling Green of general obligation bonds for the public project, consisting of the renovation of E. A. Diddle Arena and related facilities at Western Kentucky University, consistent with KRS Chapter 58 and KRS 66.011 and without exposure of liability to the Commonwealth of Kentucky; and

WHEREAS, Western Kentucky University will seek authorization for the use of student athletic fees as contemplated by the memorandum of agreement. Student athletic fees shall consist of those fees assessed and collected from Western Kentucky University students and dedicated to Western Kentucky University athletics; and

WHEREAS, the renovation of state-owned property will promote recreational, economic, and cultural opportunities for the general public in Bowling Green and the region as well as the students of Western Kentucky University;

NOW, THEREFORE,

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

Section 1. The General Assembly approves, authorizes, and appropriates thirty-two million five hundred thousand dollars (\$32,500,000) in other funds in fiscal year 2001-2002 for the renovation of Diddle Arena and related athletic facilities at Western Kentucky University, provided:

- (1) That Western Kentucky University submit the proposed memorandum of agreement with the City of Bowling Green to the Council on Postsecondary Education, the Finance and Administration Cabinet, and to the Capital Projects and Bond Oversight Committee for their respective review and approval to ensure consistency with appropriate state fiscal and legal interests and procedures prior to the execution of the memorandum of agreement; and
- (2) That Western Kentucky University submit quarterly progress reports to the Council on Postsecondary Education, the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee.

Section 2. Western Kentucky University is authorized to use student athletic fees as contemplated by the memorandum of agreement.

Section 3. Whereas it is imperative that the commencement of this capital project begin in fiscal year 2001-2002, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

**Approved February 8, 2002**