

# Senate Finance Committee

Minutes  
2007



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## MINUTES

### SENATE FINANCE COMMITTEE

**DATE:** March 30, 2007

**TIME:** 5:45 P.M.

**PLACE:** Room 328, Statehouse

**Present:** Chairman Cameron, Keough, Richardson, Broadsword, Fulcher, Bastian, Bair, Hammond, Douglas (for Werk)

**Absent/  
Excused:** Senator Bilyeu

**336**      **Highway Transportation Projects (GARVEE Funding)**

**Eric Milstead, Budget & Policy Analyst, Legislative Services Office,** explained the following, section by section, regarding H336. This bill provides bonding authority for the issuance of Grant Anticipation Revenue Vehicle (GARVEE) bonds in a principal amount to finance up to \$250,000,000 for six highway transportation projects. This bill authorizes the use of bond proceeds and allocates a range of expenditures for each of the six projects as indicated in the bill.

Section 2 of the bill also states that the Legislature finds that the bonding authorized by this act shall be used in a manner that does not obligate future legislatures or governors for additional bonding authority.

Section 3 of the bill directs that neither the Transportation Board nor the Transportation Department are to increase the scope or enlarge the projects listed in Section 2 of this act.

Section 4 provides that, to the extent the Transportation Board and the Transportation Department determine that GARVEE program management services are necessary, any agreement governing those services shall, to the extent possible, be transparent to the public and the Legislature.

Section 5 includes a provision that the bonds shall be issued upon an approved resolution by the Transportation Board. Further, it is Legislative intent that the bonds be issued on an "as needed" basis as determined by the Transportation Board, in an amount approximately, but not mandatorily, one-half the total bonding amount authorized by this act.

This provision is designed to delay issuance of bonds until funds need to be obligated for expenditure.

Section 6 provides that the Transportation Board direct the expenditure of bond revenue in a priority fashion. The first priority shall be expenditures for construction, followed by expenditures for right-of-way acquisition, and then followed by expenditures for other necessary project-related costs.

Section 7 states that to the extent feasible and practical, the Transportation Department perform project-related work within the Department itself. The goal of this language is to help preserve the expenditure of bond revenue for the priorities listed in Section 6 of the act.

Section 8 gives the Transportation Board flexibility to adjust the allocation of funds established in Section 2 of this bill, provided that any such adjustment is necessary due to unanticipated reasons or circumstances, or to accommodate Federally approved alternative and innovative approaches to overall project development.

Section 9 authorizes the transfer of up to \$7,000,000 from the State Highway Account to provide the state match portion on bond debt service in fiscal year 2008. (This transfer is the required state match for the debt service on the \$200 million worth of bonds sold under the authority of 2006 House Bill 854).

Section 10 requires the Transportation Board to submit to the Legislature by September 30 each year, an annual update and report concerning GARVEE projects.

Section 11 of the bill requires that the bonds described in this act shall be issued or sold no later than June 30, 2008.

Section 12 directs that on and after July 1, 2008, the allocation of GARVEE bond proceeds shall be the sole responsibility and duty of the Transportation Board while the Legislature shall have the authority to approve a total GARVEE bond amount .

Section 13 amends Section 40-315 of Idaho Code, and provides similar provisions as Section 12. Section 13 provides that beginning on July 1, 2008, it is the responsibility of the Transportation Board to allocate GARVEE bond proceeds among projects, while the Legislature shall have the authority to approve a total GARVEE bond amount on an annual basis.

**MOTION:** Senator Bastian moved that **H336 be sent to the Floor with a Do Pass** recommendation. The motion was seconded by Senator Keough.

**ROLL CALL  
VOTE:**

**AYES:** Cameron, Keough, Richardson, Broadsword, Fulcher,  
Bastian, Bair, Hammond, Douglas (for Werk)

**NAYS:** None

**Absent/Excused:**

The majority having voted in the affirmative, the motion has passed and without objection will carry a DO PASS recommendation. There being no objection, it was so ordered by Chairman Cameron.

**ADJOURN:** There being no further business to come before the Committee, the meeting adjourned at 5:59 P.M.

Respectfully submitted,

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**Dean L. Cameron, Chairman**

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**Peggy Moyer, Committee Secretary**