

IN THE HOUSE OF REPRESENTATIVES

HOUSE JOINT RESOLUTION NO. 3

BY REVENUE AND TAXATION COMMITTEE

A JOINT RESOLUTION

1 PROPOSING AN AMENDMENT TO ARTICLE VIII, OF THE CONSTITUTION OF THE STATE OF
2 IDAHO, BY THE ADDITION OF A NEW SECTION 3D, ARTICLE VIII, RELATING TO AU-
3 THORIZED INDEBTEDNESS FOR MUNICIPAL ELECTRIC SYSTEMS, TO PROVIDE THAT
4 ANY CITY OWNING A MUNICIPAL ELECTRIC SYSTEM MAY ACQUIRE, CONSTRUCT,
5 INSTALL AND EQUIP ELECTRIC GENERATING, TRANSMISSION AND DISTRIBUTION
6 FACILITIES FOR THE PURPOSE OF SUPPLYING ELECTRICITY TO CUSTOMERS LO-
7 CATED WITHIN THE SERVICE AREA OF EACH SYSTEM ESTABLISHED BY LAW AND FOR
8 THE PURPOSE OF PAYING THE COST THEREOF, ISSUE REVENUE BONDS WITH THE
9 ASSENT OF A MAJORITY OF THE QUALIFIED ELECTORS VOTING AT AN ELECTION
10 HELD AS PROVIDED BY LAW AND INCUR INDEBTEDNESS OR LIABILITY UNDER AGREE-
11 MENTS TO PURCHASE, SHARE, EXCHANGE OR TRANSMIT WHOLESAL ELECTRICITY
12 FOR THE USE AND BENEFIT OF CUSTOMERS LOCATED WITHIN SUCH SERVICE AREA
13 AND PROVIDED THAT ANY REVENUE BONDS, INDEBTEDNESS OR LIABILITY SHALL
14 BE PAYABLE SOLELY FROM THE RATES, CHARGES OR REVENUES DERIVED FROM THE
15 MUNICIPAL ELECTRIC SYSTEM AND SHALL NOT BE SECURED BY THE FULL FAITH
16 AND CREDIT OR THE TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL
17 SUBDIVISION; STATING THE QUESTION TO BE SUBMITTED TO THE ELECTORATE;
18 DIRECTING THE LEGISLATIVE COUNCIL TO PREPARE THE STATEMENTS REQUIRED BY
19 LAW; AND DIRECTING THE SECRETARY OF STATE TO PUBLISH THE AMENDMENT AND
20 ARGUMENTS AS REQUIRED BY LAW.
21

22 Be It Resolved by the Legislature of the State of Idaho:

23 SECTION 1. That Article VIII, of the Constitution of the State of
24 Idaho, be, and the same is hereby amended by the addition thereto of a NEW
25 SECTION, to be known and designated as Section 3D, Article VIII, of the
26 Constitution of the State of Idaho and to read as follows:

27 SECTION 3D. MUNICIPAL ELECTRIC SYSTEMS -- AUTHORIZED INDEBT-
28 EDNESS. Notwithstanding the limitations and requirements of Sec-
29 tion 3, Article VIII, of the Constitution of the State of Idaho, any
30 city owning a municipal electric system may:

31 (a) acquire, construct, install and equip electric generating,
32 transmission and distribution facilities for the purpose of sup-
33 plying electricity to customers located within the service area of
34 each system established by law and for the purpose of paying the
35 cost thereof, may issue revenue bonds with the assent of a majority
36 of the qualified electors voting at an election held as provided by
37 law; and

38 (b) incur indebtedness or liability under agreements to purchase,
39 share, exchange or transmit wholesale electricity for the use and
40 benefit of customers located within such service area; provided
41 that any revenue bonds, indebtedness or liability shall be payable
42 solely from the rates, charges or revenues derived from the munic-

1 ipal electric system and shall not be secured by the full faith and
2 credit or the taxing power of the city, the state or any political
3 subdivision.

4 SECTION 2. The question to be submitted to the electors of the State of
5 Idaho at the next general election shall be as follows:

6 "Shall Article VIII, of the Constitution of the State of Idaho be
7 amended by the addition of a New Section 3D to provide that any city owning a
8 municipal electric system may:

9 (a) acquire, construct, install and equip electric generating, trans-
10 mission and distribution facilities for the purpose of supplying electric-
11 ity to customers located within the service area of each system established
12 by law and for the purpose of paying the cost thereof, may issue revenue bonds
13 with the assent of a majority of the qualified electors voting at an election
14 held as provided by law; and

15 (b) incur indebtedness or liability under agreements to purchase,
16 share, exchange or transmit wholesale electricity for the use and benefit of
17 customers located within such service area; provided that any revenue bonds,
18 indebtedness or liability shall be payable solely from the rates, charges or
19 revenues derived from the municipal electric system and shall not be secured
20 by the full faith and credit or the taxing power of the city, the state or any
21 political subdivision?".

22 SECTION 3. The Legislative Council is directed to prepare the state-
23 ments required by Section 67-453, Idaho Code, and file the same.

24 SECTION 4. The Secretary of State is hereby directed to publish this
25 proposed constitutional amendment and arguments as required by law.