

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 108

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE EMPLOYMENT SECURITY LAW AND TO UNEMPLOYMENT BENEFIT FI-
2 NANCING; AMENDING SECTION 67-6205, IDAHO CODE, TO PROVIDE DEFINITIONS
3 FOR "DEPARTMENT OF LABOR" AND "DEPARTMENT OF LABOR PROJECT" AND TO
4 MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 67-6206, IDAHO CODE, TO
5 PROVIDE POWERS AND AUTHORITY RELATING TO THE FINANCING OF DEPARTMENT
6 OF LABOR PROJECTS AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION
7 67-6210, IDAHO CODE, TO PROVIDE FOR ADDITIONAL PROVISIONS FOR RESOLU-
8 TIONS AUTHORIZING NOTES OR BONDS OR ANY ISSUE THEREOF AND TO PROVIDE
9 THAT THE IDAHO HOUSING AND FINANCE ASSOCIATION SHALL NOT ISSUE NOTES OR
10 BONDS TO FINANCE DEPARTMENT OF LABOR PROJECTS UNLESS CERTAIN CONDITIONS
11 ARE MET; AMENDING CHAPTER 13, TITLE 72, IDAHO CODE, BY THE ADDITION OF
12 A NEW SECTION 72-1346B, IDAHO CODE, TO AUTHORIZE THE ISSUANCE OF UN-
13 EMPLOYMENT BENEFIT BONDS AND NOTES, TO PROVIDE FOR APPROPRIATION OF
14 REVENUES IN THE DEPARTMENT OF LABOR'S EMPLOYMENT SECURITY RESERVE FUND,
15 TO ALLOW THE DEPARTMENT OF LABOR'S EMPLOYMENT SECURITY FUND TO REPAY
16 THE EMPLOYMENT SECURITY RESERVE FUND AND TO REQUIRE THE DIRECTOR OF THE
17 DEPARTMENT OF LABOR TO OBTAIN FEDERAL ADVANCES AS NECESSARY TO PAY UNEM-
18 PLOYMENT INSURANCE BENEFITS; AMENDING SECTION 72-1350, IDAHO CODE, TO
19 INCREASE THE FUND SIZE MULTIPLIER; PROVIDING SEVERABILITY; AND DECLAR-
20 ING AN EMERGENCY.
21

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

23 SECTION 1. That Section 67-6205, Idaho Code, be, and the same is hereby
24 amended to read as follows:

25 67-6205. DEFINITIONS. The following terms, wherever used or referred
26 to in this chapter, shall have the following respective meanings, unless a
27 different meaning clearly appears from the context:

28 (a) "Association" or "housing association" shall mean the Idaho hous-
29 ing and finance association created by section 67-6202, Idaho Code.

30 (b) "Housing project" shall mean any work or undertaking:

31 (1) To demolish, clear or remove buildings from any slum area; such work
32 or undertaking may embrace the adoption of such area to public purposes,
33 including parks or other recreational or community purposes; or

34 (2) To construct, sell, lease, finance, improve, operate or otherwise
35 provide decent, safe and sanitary urban or rural dwellings, apartments
36 or other living accommodations for persons of low income; such work or
37 undertaking may include buildings, land, equipment, facilities and
38 other real or personal property which are necessary, convenient or de-
39 sirable appurtenances, such as, but not limited to, streets, sewers,
40 water service, parks, site preparation, gardening, administrative,
41 community, health, recreational, and welfare or other purposes; or

1 (3) To accomplish a combination of the foregoing. The term "housing
2 project" also may be applied to the planning of the buildings and im-
3 provements, for either single or multi-family housing, the acquisition
4 of property, the demolition of existing structures, the construction,
5 reconstruction, rehabilitation, alteration and repair of the buildings
6 and improvements and all other work in connection therewith.

7 (c) "Governing body" shall mean the city council, board of commission-
8 ers, board of trustees or other body having charge of the locality in which
9 the association desires to undertake a housing project.

10 (d) "Federal government" shall include the United States of America, or
11 any other agency or instrumentality, corporate or otherwise, of the United
12 States of America.

13 (e) "City" shall mean any city in the state of Idaho, including each
14 city having a special charter.

15 (f) "County" or "counties" shall include all counties in the state of
16 Idaho as designated in chapter 1, title 31, Idaho Code.

17 (g) "Clerk" shall mean the clerk of the city or county as the case may be
18 or the officer charged with the duties customarily imposed on such clerk.

19 (h) "Area of operation" shall mean the state of Idaho.

20 (i) "Slum" shall mean any area where dwellings predominate which, by
21 reason of dilapidation, overcrowding, lack of ventilation, light or san-
22 itary facilities or any combination of these factors, are detrimental to
23 safety, health or morals.

24 (j) "Person of ~~low-income~~ low income" means persons deemed by the asso-
25 ciation, including those defined as "elderly" in the United States Housing
26 Act of 1937 42 U.S.C., section 1437 et seq., as amended, to require assis-
27 tance available under this act on account of insufficient personal or family
28 income, to pay the rents or carrying charges required by the unaided opera-
29 tion of private enterprise in providing an adequate supply of decent, safe
30 and sanitary housing and in making such determination the association shall
31 take into consideration, without limitation, such factors as:

32 (1) The amount of the total income of such persons available for housing
33 needs;

34 (2) The size of the family;

35 (3) The cost and condition of housing facilities available;

36 (4) Standards established for various federal programs determining el-
37 igibility based on income of such persons; and

38 (5) The ability of such persons to compete successfully in the normal
39 housing market and to pay the amounts at which private enterprise is
40 providing decent, safe and sanitary housing.

41 (k) "Bonds," "notes" or "bond anticipation notes," and "obligations"
42 shall mean any bonds, notes, interim certificates, debentures or other evi-
43 dences of financial indebtedness issued by the association pursuant to this
44 chapter.

45 (l) "Real property" shall include all lands, including improvements
46 and fixtures thereon, and property of any nature, appurtenant thereto, or
47 used in connection therewith, and every estate, interest and right, legal or
48 equitable, therein, including terms for years and liens by way of judgment,
49 mortgage or otherwise and the indebtedness secured by such liens.

1 (m) "Housing authority" or "authority" means a housing authority es-
2 tablished pursuant to the "housing authorities and cooperation law" consti-
3 tuting chapter 19, title 50, Idaho Code.

4 (n) "Rent" shall mean the periodic payment made by a person of ~~low in-~~
5 ~~come~~ low income in a housing project whether such money is being used as rent,
6 or for the development of equity by such person.

7 (o) "Interim financing" means a short-term construction loan for plan-
8 ning and/or development of residential housing for persons of ~~low-income~~ low
9 income and other persons which loan shall run until financing can be assumed
10 through other federal, state or private financing.

11 (p) "Housing sponsor" means individuals, joint ventures, partner-
12 ships, limited partnerships, public bodies, trusts, firms, associations, or
13 other legal entities or any combination thereof, and corporations, coopera-
14 tives, and condominiums, approved by the association as qualified either to
15 own, construct, acquire, rehabilitate, operate, manage or maintain a hous-
16 ing project, subject to the regulatory powers of the association and other
17 terms and conditions set forth in this chapter. A "housing sponsor" shall be
18 either a "limited profit" sponsor or a "nonprofit" sponsor.

19 (q) "Mortgage lender" means any bank or trust company, savings bank,
20 mortgage company, mortgage banker, credit union, national banking associa-
21 tion, savings and loan association, building and loan association, life in-
22 surance company, and any other financial institution authorized to transact
23 business in the state.

24 (r) "Mortgage loan" means an interest-bearing obligation secured by a
25 deed of trust, a mortgage, bond, note, or other instrument which is a lien on
26 property in the state except in the case of loans insured by the federal hous-
27 ing administration or the association and which are made for the rehabilita-
28 tion or improvement of existing dwellings; in such case the loans need not be
29 secured by an instrument constituting a lien on property in the state.

30 (s) "Mixed income housing project" means a housing project which con-
31 tains dwellings occupied or to be occupied by persons of ~~low-income~~ low in-
32 come constituting at least twenty percent (20%) of such occupancy.

33 (t) "Facilities" means land, rights in land, buildings, structures,
34 equipment, landscaping, utilities, approaches, roadways and parking, han-
35 dling and storage areas, and portions of any of the foregoing and similar an-
36 cillary facilities.

37 (u) "Nonprofit corporation" means a nonprofit corporation organized
38 and operating in accordance with Idaho law or a nonprofit corporation orga-
39 nized and operating in accordance with comparable laws within another state
40 or territory of the United States.

41 (v) "Nonprofit facilities" means facilities owned or used by a non-
42 profit corporation for a nonprofit purpose of the corporation; provided that
43 facilities for health facilities which may be funded pursuant to chapter 14,
44 title 39, Idaho Code, shall not be included in this definition, except for
45 such health facilities as may be specifically approved by the Idaho health
46 facilities authority. Facilities owned or used, consistent with its non-
47 profit purpose, by a nonprofit corporation recognized by a state institution
48 of higher education as its college or university foundation shall be consid-
49 ered nonprofit facilities under this chapter.

50 (w) "Project costs of a nonprofit facility" means costs of:

- 1 (1) Acquisition, construction and improvement of any facilities in-
2 cluded in a nonprofit facility;
- 3 (2) Architectural, engineering, consulting, accounting and legal
4 costs related directly to the development, financing and construction
5 of a nonprofit facility, including costs of studies assessing the fea-
6 sibility of a nonprofit facility;
- 7 (3) Finance costs, including discounts, if any, the costs of issuing
8 bonds, and costs incurred in carrying out any provisions thereof;
- 9 (4) Interest during construction and during the six (6) months after
10 estimated completion of construction, and capitalized debt service or
11 repair and replacement or other appropriate reserves;
- 12 (5) The refunding of any outstanding obligations incurred for any of
13 the costs outlined in this subsection; and
- 14 (6) Other costs incidental to any of the costs listed in this section.
- 15 (x) "Agricultural facility or facilities" means land, any building or
16 other improvement thereon or thereto, to be owned by a beginning farmer or
17 rancher and any personal properties deemed necessary or suitable for use,
18 whether or not now in existence in farming or ranching, the production of
19 agricultural commodities, including, without limitation, the products of
20 aquaculture, hydroponics and silviculture, or the treating, processing or
21 storing of such agricultural commodities when such activities are customar-
22 ily engaged in by beginning farmers or ranchers as a part of farming or ranch-
23 ing.
- 24 (y) "Municipality" means any county, municipal corporation, highway
25 district, taxing district or other political subdivision of this state.
- 26 (z) "State" means the state of Idaho.
- 27 (aa) "State body" means any department, board, commission or agency of
28 the state of Idaho.
- 29 (bb) "Transportation board" means the Idaho transportation board and
30 its successors.
- 31 (cc) "Transportation department" means the Idaho transportation de-
32 partment and its successors.
- 33 (dd) "Transportation project" means any transportation infrastruc-
34 ture project including, without limitation, a road, street, parkway,
35 right-of-way, bridge, railroad crossing, drainage structure, sign,
36 guardrail, structure, interstate, surface, resurface, shoulder, roadside,
37 or any other work, and any planning development, management and construction
38 related thereto, all as approved or recommended to the association by the
39 transportation board.
- 40 (ee) "Economic development project or projects" means any commercial or
41 industrial project including, without limitation, any manufacturing, pro-
42 cessing, production, assembly, warehousing, solid waste disposal, recre-
43 ation, office, research and development, energy or other business project
44 owned by one (1) or more persons or other legal entities, any costs relating
45 thereto including, without limitation, costs for buildings, land, equip-
46 ment, furnishings, interest, costs of operation, financing, architectural,
47 engineering and other professional costs and other related costs, as well as
48 any working capital costs or expenses for such businesses.
- 49 (ff) "Department of labor" means the Idaho department of labor and its
50 successors.

1 (gg) "Department of labor project" means any project to assist the de-
2 partment of labor in providing or financing unemployment compensation bene-
3 fits all as approved or recommended to the association by the director of the
4 department of labor pursuant to section 72-1346B, Idaho Code.

5 SECTION 2. That Section 67-6206, Idaho Code, be, and the same is hereby
6 amended to read as follows:

7 67-6206. POWERS OF ASSOCIATION. The housing and finance association
8 is an independent public body corporate and politic, exercising public and
9 essential governmental functions, and having all the powers which are hereby
10 declared to be public purposes necessary or convenient to carry out and ef-
11 fectuate the purposes and provisions of this chapter, including the follow-
12 ing powers in addition to others herein granted:

13 (a) To sue and to be sued; to have a seal and to alter the same at plea-
14 sure; to have perpetual succession; to make and execute contracts and other
15 instruments necessary or convenient to the exercise of the powers of the as-
16 sociation; and to make and from time to time amend and repeal bylaws, rules,
17 not inconsistent with this chapter, to carry into effect the powers and pur-
18 poses of the association.

19 (b) To conduct its operations within any or all of the counties of the
20 state.

21 (c) To cooperate with housing authorities throughout Idaho in the de-
22 velopment of housing projects.

23 (d) To assign priorities for action and revise or modify said priori-
24 ties from time to time.

25 (e) To make and execute agreements, contracts and other instruments
26 necessary or convenient in the exercise of the powers and functions of
27 the association under this chapter, including contracts with any housing
28 sponsor, mortgage lender, person, firm, corporation, governmental agency,
29 or other entity; and to include in any contract let in connection with a
30 project, stipulations requiring that the contractor and any subcontractors
31 comply with requirements as to minimum wages and maximum hours of labor, and
32 comply with any conditions which the federal government may have attached to
33 its financial aid of the project and to designate mortgage lenders to act for
34 and in behalf of the association, with respect to originating or servicing
35 and processing mortgage loans of the association, and to pay the reasonable
36 value of service rendered to the association by such mortgage lenders pur-
37 suant to contracts with mortgage lenders.

38 (f) To lease, sell, construct, finance, reconstruct, restore, reha-
39 bilitate, operate or rent any housing projects, nonprofit facilities or any
40 dwellings, houses, accommodations, lands, buildings, structures or facili-
41 ties embraced in any housing project or nonprofit facilities and, subject to
42 the limitations contained in this chapter, to establish and revise the rents
43 or charges therefor.

44 (g) To own, hold and improve real or personal property; to purchase,
45 lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent
46 domain or otherwise, any real or personal property or any interest therein.

47 (h) To acquire any real property; to sell, lease, exchange, transfer,
48 assign, pledge or dispose of any real or personal property or any interest
49 therein.

1 (i) To insure or provide for the insurance of any real or personal prop-
2 erty or operation of the association against any risks or hazards, and to
3 procure or agree to the procurement of insurance or guarantees from the fed-
4 eral government or other source for the payment or purchase of any bonds or
5 parts thereof issued by the association, including the power to pay for any
6 such insurance or guarantees.

7 (j) To invest any funds held in reserves or sinking funds, or any funds
8 not required for immediate disbursement, in property or securities in which
9 a bank, as defined in the "bank act," title 26, Idaho Code, may legally invest
10 funds including without limitation, to agree to purchase the obligations of
11 any federal, state or local government upon such conditions as the associa-
12 tion may determine to be prudent and in its best interest.

13 (k) Within its area of operation: to investigate into living, dwelling
14 and housing conditions and into the means and methods of improving such con-
15 ditions; to determine where slum areas exist or where there is a shortage of
16 adequate, safe and sanitary dwelling accommodations for persons of ~~low-in-~~
17 ~~come~~ low income; to make studies and recommendations relating to the problem
18 of clearing, replanning and reconstruction of slum areas and the problem of
19 providing dwelling accommodations for persons of ~~low-income~~ low income, and
20 to cooperate with the city, the county, the state or any political subdivi-
21 sion thereof in action taken in connection with such problems; and to engage
22 in research, studies and experimentation on the subject of housing.

23 (l) To participate in cooperative ventures with any agencies, organi-
24 zations and individuals in order to undertake the provision of housing for
25 persons of ~~low-income~~ low income, to undertake the provision of nonprofit
26 facilities, economic development projects or agricultural facilities.

27 (m) To provide research and technical assistance to eligible agencies,
28 organizations and individuals eligible to develop low-cost housing and to
29 research new low-cost housing development and construction methods.

30 (n) To make and undertake commitments to make or participate in the
31 making of mortgage loans to persons of ~~low-income~~ low income and to housing
32 sponsors, including without limitation federally insured mortgage loans,
33 and to make temporary loans and advances in anticipation of permanent loans
34 to housing sponsors; said mortgage loans to housing sponsors shall be made
35 to finance the construction, improvement, or rehabilitation of housing
36 projects for persons of ~~low-income~~ low income, and/or mixed income housing
37 projects upon the terms and conditions set forth in this chapter; provided,
38 however, that such loans shall be made only upon the determination by the
39 association that mortgage loans are not otherwise available, wholly or in
40 part, from private lenders upon reasonably equivalent terms and conditions.

41 (o) To purchase, or make commitments to purchase or participate in the
42 purchase of mortgage loans from mortgage lenders which loans have been made
43 for the construction, improvement, or rehabilitation of housing projects
44 for persons of ~~low-income~~ low income and/or mixed income housing projects
45 or loans which have been made to persons of ~~low-income~~ low income for resi-
46 dential housing, upon terms set forth in this chapter; provided, however,
47 that any such purchase shall be made only upon the determination by the as-
48 sociation that the mortgage loans to be made are not otherwise being made by
49 mortgage lenders upon reasonably equivalent terms and conditions. Also,
50 to purchase, or make commitments to purchase or participate in the purchase

1 of mortgage loans from mortgage lenders whether or not said loans were made
2 to persons of ~~low-income~~ low income, upon terms set forth in this chapter;
3 provided, however, that the proceeds from such purchase or the equivalent
4 thereof shall be reinvested in obligations of the association, in mortgage
5 loans to persons of ~~low-income~~ low income or in mortgage loans for housing
6 projects for persons of ~~low-income~~ low income and/or mixed income housing
7 projects, and provided that any such purchase shall be made only upon the
8 determination by the association that the mortgage loans to be made are not
9 otherwise being made by mortgage lenders upon reasonably equivalent terms
10 and conditions.

11 (p) To provide interim financing for housing projects including mixed
12 income housing projects approved by the association, provided that the as-
13 sociation has determined that such financing is not otherwise available from
14 mortgage lenders upon reasonably equivalent terms and conditions.

15 (q) To prescribe rules and policies in connection with the performance
16 of its functions and duties.

17 (r) To do all other things deemed necessary and desirable to accomplish
18 the objectives of this chapter.

19 (s) To borrow money and issue bonds and notes or other obligations, to
20 invest the proceeds thereof in any lawful manner and to fund or refund the
21 same, and to provide for the rights of the holders of its obligations as pro-
22 vided in this chapter and in connection therewith, to waive, by resolution
23 or other document of the association, the exemption from federal income tax-
24 ation of interest on any of the association's obligations under existing or
25 future federal law and to establish, maintain and preserve the association's
26 general obligation rating and any rating on its bonds, notes or other obliga-
27 tions.

28 (t) To receive and accept aid or contributions from any source.

29 (u) To employ architects, engineers, attorneys, accountants, housing
30 construction and financial experts and such other advisors, consultants and
31 agents as may be necessary in its judgment and to fix their compensation.

32 (v) To insure mortgage payments of any mortgage loan made for the pur-
33 pose of constructing, rehabilitating, purchasing, leasing, or refinancing
34 housing projects upon such terms and conditions as the association may pre-
35 scribe.

36 (w) To fix and revise from time to time and charge and collect fees and
37 charges in connection with loans made or other services provided by the as-
38 sociation pursuant to this chapter, and to make and publish rules respecting
39 the making and purchase of mortgage loans.

40 (x) To organize a nonprofit corporation to assist the association in
41 providing for housing projects.

42 (y) To enter upon and inspect any housing project, including housing
43 projects undertaken by housing sponsors, for the purpose of investigating
44 the physical and financial condition thereof, and its construction, reha-
45 bilitation, operation, management and maintenance, and to examine all books
46 and records with respect to capitalization, income and other matters relat-
47 ing thereto.

48 (z) To order such alterations, changes or repairs as may be necessary
49 to protect the security of its investment in a housing project or the health,
50 safety, and welfare of the occupants thereof.

1 (aa) To make or purchase secured loans for the purpose of providing tem-
2 porary or permanent financing or refinancing of all or part of the project
3 costs of any nonprofit facility, economic development project or agricul-
4 tural facility, including the refunding of any outstanding obligations,
5 mortgages or advances issued, made or given by any person for the project
6 costs of a nonprofit facility, economic development project or agricultural
7 facility; provided that private financial institutions shall be involved in
8 providing such financing for economic development projects, and further,
9 that the association will work with private financial institutions as the
10 primary or preferred credit enhancement providers if credit enhancement is
11 needed for such financings, and to charge and collect interest on the loans
12 for the loan payments upon such terms and conditions, including without lim-
13 itation bond rating and issuance conditions, as the board of commissioners
14 considers advisable which are not in conflict with this chapter.

15 (bb) As security for the payment of the principal of and interest on any
16 revenue bonds issued and any agreements made in connection therewith, to
17 mortgage, pledge, or otherwise encumber any or all of nonprofit facilities,
18 economic development projects or agricultural facilities or any part or
19 parts thereof, whether then owned or thereafter acquired, and to assign any
20 mortgage and repledge any security conveyed to the association, to secure
21 any loan made by the association and to pledge the revenues and receipts
22 therefrom.

23 (cc) To issue bonds for the purpose of financing all or part of the
24 project cost on any nonprofit facility, economic development project or
25 agricultural facility and to secure the payment of the bonds as provided in
26 this chapter.

27 (dd) To purchase or sell by installment contract or otherwise, and con-
28 vey all or any part of any nonprofit facility, economic development project
29 or agricultural facility for such purchase price and upon such terms and con-
30 ditions as this board of commissioners considers advisable which are not in
31 conflict with this chapter.

32 (ee) To lease all or any part of any nonprofit facility, economic devel-
33 opment project or agricultural facility for such rentals and upon such terms
34 and conditions, including options to purchase, as the board of commissioners
35 considers advisable and not in conflict with this chapter.

36 (ff) To construct and maintain one (1) or more nonprofit facilities,
37 economic development projects or agricultural facilities, provided that the
38 association shall not operate any nonprofit facility, economic development
39 project or agricultural facility as a business other than as lessor, seller
40 or lender. The purchase, holding and enforcing of mortgages, deeds of trust,
41 or other security interests and contracting for any servicing thereof is
42 not considered the operation of a nonprofit facility, economic development
43 project or agricultural facility as a business.

44 (gg) To act as the designated housing resource clearinghouse in the
45 state for matters relating to affordable housing.

46 (hh) To coordinate the development and maintenance of a housing policy
47 for the state.

48 (ii) To enter into agreements or other transactions with and accept
49 grants, reimbursements or other payments, ~~with~~ and the cooperation of the
50 United States or any agency thereof or of the state of Idaho or any agency

1 thereof or municipality of the state in furtherance of the purposes of this
 2 act, including, but not limited to, the development, maintenance, operation
 3 and financing of any transportation project or the financing of any depart-
 4 ment of labor project and to do any and all things necessary in order to avail
 5 the association itself of such aid and cooperation.

6 (jj) To borrow money and issue bonds and notes or other evidences of
 7 indebtedness thereof as hereinafter provided to finance transportation
 8 projects approved and recommended by the transportation board.

9 (kk) To borrow money and issue bonds and notes or other evidences of in-
 10 debtedness thereof as hereinafter provided to finance department of labor
 11 projects approved and recommended by the director of the department of labor
 12 pursuant to section 72-1346B, Idaho Code.

13 SECTION 3. That Section 67-6210, Idaho Code, be, and the same is hereby
 14 amended to read as follows:

15 67-6210. POWER TO ISSUE BONDS. The association shall have power and is
 16 hereby authorized to issue, from time to time, its negotiable notes and bonds
 17 in conformity with the applicable provisions of the uniform commercial code
 18 in such principal amount as the association shall determine to be necessary
 19 for sufficient funds for achieving any of its corporate purposes, including
 20 the payment of interest on notes and bonds of the association, establishment
 21 of reserves to secure such notes and bonds, and all other expenditures of the
 22 association incidental and necessary or convenient to carry out its corpo-
 23 rate purposes and powers; provided, however, that the association shall pro-
 24 vide in its resolution authorizing such bonds that all revenues received by
 25 the association as a result of the issuance of such bonds shall be pledged
 26 first to the payment of principal and interest on such bonds.

27 (a) The association shall have the power, from time to time, to issue:

28 (1) notes to renew notes and

29 (2) bonds to pay notes, including the interest thereon, and

30 (3) whenever it deems refunding expedient, to refund any bonds by the
 31 issuance of new bonds, whether the bonds to be refunded have or have not
 32 matured, and to issue bonds partly to refund bonds then outstanding and
 33 partly for any of its corporate purposes.

34 The refunding bonds may be:

35 (1) exchanged for the bonds to be refunded or

36 (2) sold and the proceeds applied to the purchase, redemption or pay-
 37 ment of such bonds.

38 (b) Except as may otherwise be expressly provided by the association,
 39 every issue of its notes and bonds shall be payable exclusively from the rev-
 40 enues or income of the association, including grants and contributions from
 41 the United States of America, subject only to any agreements with the holders
 42 of particular notes or bonds pledging any particular revenues.

43 (c) The notes and bonds shall be authorized by resolution or resolu-
 44 tions of the association, shall bear such date or dates and shall mature at
 45 such time or times as such resolution or resolutions may provide. The bonds
 46 may be issued as serial bonds payable in annual installments or as term bonds
 47 or as a combination thereof. The notes and bonds shall bear interest at such
 48 rate or rates, be in such denominations, be in such form, either coupon or
 49 registered, carry such registration privileges, be executed in such manner,

1 be payable in such medium of payment, at such place or places, and be subject
2 to such terms of redemption as such resolution or resolutions may provide.
3 The notes and bonds of the association may be sold by the association, at pub-
4 lic or private sale, at such price or prices as the association shall deter-
5 mine.

6 (d) Any resolution or resolutions authorizing any notes or bonds or any
7 issue thereof may contain provisions, which shall be a part of the contract
8 or contracts with the holders thereof, as to:

9 (1) pledging all or any part of the revenues to secure the payment of the
10 notes or bonds or of any issue thereof, subject to such agreements with
11 noteholders or bondholders as may then exist;

12 (2) pledging all or any part of the assets of the association includ-
13 ing mortgages and obligations securing the same, to secure the payment
14 of the notes or bonds or of any issue of notes or bonds, subject to such
15 agreements with noteholders or bondholders as may then exist;

16 (3) the use and disposition of the gross income from mortgages owned by
17 the association and payment of principal of mortgages owned by the asso-
18 ciation;

19 (4) the setting aside of reserves or sinking funds and the regulation
20 and disposition thereof;

21 (5) limitations on the purpose to which the proceeds of sale of notes or
22 bonds may be applied and pledging such proceeds to secure the payment of
23 the notes or bonds or of any issue thereof;

24 (6) limitations on the issuance of additional notes or bonds; the terms
25 upon which additional notes or bonds may be issued and secured; and the
26 refunding of outstanding or other notes or bonds;

27 (7) the procedure, if any, by which the terms of any contract with note-
28 holders or bondholders may be amended or abrogated, the amount of notes
29 or bonds the holders of which must consent thereto; and the manner in
30 which such consent may be given;

31 (8) limitations on the amount of moneys to be expended by the associa-
32 tion for operating expenses of the association;

33 (9) vesting in a trustee or trustees such property, rights, powers and
34 duties in trust as the association may determine, which may include any
35 or all of the rights, powers and duties of the trustee appointed by the
36 bondholders pursuant to this act; and limiting or abrogating the right
37 of the bondholders to appoint a trustee under this act, or limiting the
38 rights, powers and duties of such trustee;

39 (10) defining the acts or omissions to act which shall constitute a de-
40 fault in the obligations and duties of the association to the holders of
41 the notes or bonds and providing for the rights and remedies of the hold-
42 ers of the notes or bonds in the event of such default, including as a
43 matter of right the appointment of a receiver; provided, however, that
44 such rights and remedies shall not be inconsistent with the general laws
45 of the state and the other provisions of this act;

46 (11) pledging all or any part of funds allocated to the association
47 under Idaho law or other revenues or the proceeds of notes or bonds to
48 secure the payment of notes or bonds issued to finance transportation
49 projects, subject to such agreements with noteholders or bondholders as
50 may then exist;

1 (12) setting forth the provisions for any contracts relating to its
2 bonds or notes, including, without limitation, any investment or inter-
3 est rate contracts, or any contract providing for a credit enhancement,
4 including, but not limited to, letters of credit, bond insurance and
5 surety bonds provided by private financial institutions;

6 (13) setting forth the provisions for representations or certifica-
7 tions to be made by an officer of the association with respect to funds
8 to be allocated to the association for transportation projects and pro-
9 visions for the disbursements of the proceeds of the bonds or notes for
10 payment of the costs of a transportation project, costs of issuance and
11 other related costs;

12 (14) pledging all or any part of funds allocated to the association pur-
13 suant to section 72-1346B, Idaho Code, or the proceeds of notes or bonds
14 to secure the payment of notes or bonds issued to finance a department of
15 labor project, subject to such agreements with noteholders or bondhold-
16 ers as may then exist;

17 (15) setting forth the provisions for representations or certifica-
18 tions to be made by an officer of the association with respect to funds
19 to be allocated to the association for a department of labor project and
20 provisions for the disbursements of the proceeds of the bonds or notes
21 for payment of the costs of a department of labor project, costs of is-
22 suance and other related costs;

23 (16) any other matters, of like or different character, which in any way
24 affect the security or protection of the holders of the notes or bonds.

25 (e) Any pledge made by the association shall be valid and binding from
26 the time when the pledge is made; the revenues, moneys or property so pledged
27 and thereafter received by the association shall immediately be subject to
28 the lien of such pledge without any physical delivery thereof or further act,
29 and the lien of any such pledge shall be valid and binding as against all par-
30 ties having claims of any kind in tort, contract or otherwise against the as-
31 sociation, irrespective of whether such parties have notice thereof. Nei-
32 ther the resolution nor any other instrument by which a pledge is created
33 need be recorded.

34 (f) Neither the commissioners of the association nor any other person
35 executing such notes or bonds shall be subject to any personal liability or
36 accountability by reason of the issuance thereof.

37 (g) The association, subject to such agreements with noteholders or
38 bondholders as may then exist, shall have power out of any funds available
39 therefor to purchase notes or bonds of the association, which shall there-
40 upon be canceled, at a price not exceeding:

41 (1) if the notes or bonds are then redeemable, the redemption price then
42 applicable plus accrued interest to the next interest payment thereon,
43 or

44 (2) if the notes or bonds are not then redeemable, the redemption price
45 applicable on the first date after such purchase upon which the notes or
46 bonds become subject to redemption plus accrued interest to such date.

47 (h) In the discretion of the association, the bonds may be secured by
48 a trust indenture by and between the association and a corporate trustee,
49 which may be any trust company or bank having the power of a trust company in
50 the state. Such trust indenture may contain such provisions for protecting

1 and enforcing the rights and remedies of the bondholders as may be reasonable
2 and proper and not in violation of law, including covenants setting forth the
3 duties of the association in relation to the exercise of its corporate powers
4 and the custody, safeguarding and application of all moneys. The associa-
5 tion may provide by such trust indenture for the payment of the proceeds of
6 the bonds and the revenues to the trustee under such trust indenture or other
7 depository, and for the method of disbursement thereof, with such safeguards
8 and restrictions as it may determine. All expenses incurred in carrying out
9 such trust indenture may be treated as a part of the operating expenses of the
10 association. If the bonds shall be secured by a trust indenture, the bond-
11 holders shall have no authority to appoint a separate trustee to represent
12 them.

13 (i) Whether or not the notes and bonds are of such form and character as
14 to be negotiable instruments under the terms of the uniform commercial code,
15 the notes and bonds are hereby made negotiable instruments within the mean-
16 ing of and for all the purposes of the uniform commercial code, subject only
17 to the provisions of the notes and bonds for registration.

18 (j) In case any of the commissioners or officers of the association
19 whose signatures appear on any notes or bonds or coupons shall cease to be
20 such commissioners or officers before the delivery of such notes or bonds,
21 such signatures shall, nevertheless, be valid and sufficient for all pur-
22 poses, the same as if such commissioners or officers had remained in office
23 until such delivery.

24 (k) The association shall not issue any bonds or notes to finance trans-
25 portation projects unless:

26 (1) the Idaho transportation board has approved and recommended the
27 transportation projects for financing through the association;

28 (2) the Idaho transportation board has certified to the association
29 that sufficient funds are available to make the payments required for
30 the bonds or notes to be issued to finance the transportation projects
31 and that the annual, total cumulative debt service and bond-related ex-
32 penses on federally-funded highway project financing do not exceed the
33 limits specified in section 40-315(3), Idaho Code; and

34 (3) the association and the Idaho transportation board have entered
35 into an agreement for the association to provide financing of the trans-
36 portation projects.

37 (1) The association shall not issue any bonds or notes to finance a de-
38 partment of labor project unless:

39 (1) the director of the department of labor has approved and rec-
40 ommended the department of labor project for financing through the
41 association pursuant to section 72-1346B, Idaho Code;

42 (2) the director of the department of labor has certified to the associ-
43 ation that sufficient funds are available to make the payments required
44 for the bonds or notes to be issued to finance the department of labor
45 project; and

46 (3) the association and the director of the department of labor have en-
47 tered into an agreement for the association to provide financing of the
48 department of labor project.

1 SECTION 4. That Chapter 13, Title 72, Idaho Code, be, and the same is
2 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
3 ignated as Section 72-1346B, Idaho Code, and to read as follows:

4 72-1346B. UNEMPLOYMENT BENEFIT BONDS. (1) The Idaho housing and fi-
5 nance association, upon the request from and agreement with the director,
6 may contract indebtedness and issue or cause to be issued unemployment ben-
7 efit bonds or notes evidencing such indebtedness in conformity with chapter
8 62, title 67, Idaho Code, for the benefit of the department when the director
9 determines that the issuance of bonds for the repayment of federal advances
10 under title XII of the social security act, 42 U.S.C. section 1321 et seq.,
11 will result in a savings to the state and to the state's employers.

12 (2) Until unemployment benefit bonds and notes as authorized in this
13 section and chapter 62, title 67, Idaho Code, have been paid in full, the fol-
14 lowing provisions shall apply:

15 (a) In addition to the requirements of section 72-1347A, Idaho Code,
16 within the employment security reserve fund there is created a bond
17 principal payment account and a bond interest payment account. Fifty
18 million dollars (\$50,000,000) is hereby appropriated to the bond prin-
19 cipal payment account and twenty million dollars (\$20,000,000) is
20 hereby appropriated to the bond interest payment account. Moneys in the
21 bond principal payment account shall be used solely for the payment of
22 bond and note principal and moneys in the bond interest payment account
23 shall be used solely for the payment of bond and note interest and other
24 amounts required for the unemployment benefit bonds or notes issued by
25 the Idaho housing and finance association in accordance with this sec-
26 tion and chapter 62, title 67, Idaho Code.

27 (b) Moneys in the bond principal payment account and the bond interest
28 payment account are continuously appropriated in such amounts and at
29 such times as, from time to time, shall be certified by the Idaho housing
30 and finance association to the director, the state treasurer and the
31 state controller as necessary for the payment of principal, interest
32 and other amounts required for unemployment benefit bonds or notes is-
33 sued by the Idaho housing and finance association in accordance with
34 this section and chapter 62, title 67, Idaho Code, which amounts shall
35 be paid over as directed by the association.

36 (c) Moneys paid out of the bond principal payment account for principal
37 payments on unemployment benefit bonds or notes shall be repaid from the
38 benefit account in the employment security fund, section 72-1346(2),
39 Idaho Code, out of revenue the department derives from employer contri-
40 butions payable under sections 72-1349 and 72-1350, Idaho Code.

41 (d) Moneys paid out of the benefit account to the bond principal pay-
42 ment account as authorized in this section shall be made as soon as pos-
43 sible and in such amounts as deemed necessary by the director to provide
44 funds for the appropriations contained herein to make subsequent prin-
45 cipal payments on unemployment benefit bonds or notes when due.

46 (e) At any time the balance in the benefit account reaches zero (0),
47 the director shall immediately requisition funds from the state's ac-
48 count in the federal unemployment trust fund, and if funds therein
49 are not then sufficient to pay unemployment insurance benefits, the

1 director shall immediately obtain advances from the federal unemploy-
2 ment account in the unemployment trust fund as provided for in section
3 72-1346A, Idaho Code.

4 SECTION 5. That Section 72-1350, Idaho Code, be, and the same is hereby
5 amended to read as follows:

6 72-1350. TAXABLE WAGE BASE AND TAXABLE WAGE RATES. (1) All remunera-
7 tion for personal services as defined in section 72-1328, Idaho Code, equal
8 to the average annual wage in covered employment for the penultimate calen-
9 dar year, rounded to the nearest multiple of one hundred dollars (\$100), or
10 the amount of taxable wage base specified in the federal unemployment tax
11 act, whichever is higher, shall be the taxable wage base for purposes of this
12 chapter.

13 (2) Prior to December 31 of each year, the director shall determine the
14 taxable wage rates for the following calendar year for all covered employ-
15 ers, except cost reimbursement employers, in accordance with this section,
16 provided however, and notwithstanding any other provision of the employment
17 security law to the contrary, for calendar years 2005 and 2006, the taxable
18 wage rates for all covered employers except cost reimbursement employers
19 shall be determined as follows:

20 (a) For calendar year 2005, the taxable wage rate shall be determined
21 using a base tax rate of one and fifty hundredths percent (1.50%);

22 (b) For calendar year 2006, the taxable wage rate shall be determined
23 using a base tax rate of one and sixty-seven hundredths percent (1.67%)
24 unless, at any time prior to September 30, 2005, the actual balance in
25 the employment security fund, section 72-1346, Idaho Code, is fifty
26 percent (50%) or less than the actual balance in the reserve fund, sec-
27 tion 72-1347A, Idaho Code, in which case the taxable wage rate shall be
28 determined using a base tax rate calculated in accordance with subsec-
29 tion (5) of this section.

30 (3) An average high cost ratio shall be determined by calculating the
31 average of the three (3) highest benefit cost rates in the twenty (20) year
32 period ending with the preceding year. For the purposes of this section,
33 the "benefit cost rate" is the total annual benefits paid, including the
34 state's share of extended benefits but excluding the federal share of ex-
35 tended benefits and cost reimbursable benefits, divided by the total annual
36 covered wages excluding cost reimbursable wages. The resulting average high
37 cost ratio is multiplied by the desired fund size multiplier ~~of eight-tenths~~
38 ~~(0.8)~~, and the result, for the purposes of this section, is referred to as the
39 "average high cost multiple" (AHCM). The desired fund size multiplier shall
40 be eight tenths (0.8) and shall increase to nine tenths (0.9) on and after
41 January 1, 2012; to one (1) on and after January 1, 2013; to one and one-tenth
42 (1.1) on and after January 1, 2014; to one and two-tenths (1.2) on and after
43 January 1, 2015; to one and three-tenths (1.3) on and after January 1, 2016;
44 to one and four-tenths (1.4) on and after January 1, 2017; and to one and
45 five-tenths (1.5) on and after January 1, 2018.

46 (4) The fund balance ratio shall be determined by dividing the actual
47 balance of the employment security fund, section 72-1346, Idaho Code, and
48 the reserve fund, section 72-1347A, Idaho Code, on September 30 of the cur-

1 rent calendar year by the wages paid by all covered employers in Idaho, ex-
2 cept cost reimbursement employers, in the preceding calendar year.

3 (5) The base tax rate shall be determined as follows:

4 (a) Divide the fund balance ratio by the AHCM;

5 (b) Subtract the quotient obtained from the calculation in paragraph
6 (5) (a) of this section from the number two (2);

7 (c) Multiply the remainder obtained from the calculation in paragraph
8 (5) (b) of this section by two and one-tenth percent (2.1%). The product
9 obtained from this calculation shall equal the base tax rate, provided
10 however, that the base tax rate shall not be less than sixty-three hun-
11 dredths percent (0.63%) and shall not exceed three and thirty-six hun-
12 dredths percent (3.36%).

13 (6) The base tax rate calculated in accordance with subsection (5) of
14 this section shall be used to determine the taxable wage rate effective the
15 following calendar year for all covered employers except cost reimbursement
16 employers as provided in subsections (7) and (8) of this section.

17 (7) Table of Rate Classes, Tax Factors and Minimum and Maximum Taxable
18 Wage Rates

19	Cumulative Taxable Payroll Limits			Eligible Employers		
	20	More Than	Equal to	20	Minimum	Maximum
21		(% of	or Less Than	21	Taxable	Taxable
22	Rate	Taxable	(% of Taxable	22	Wage	Wage
23	Class	Payroll)	Payroll)	23	Rate	Rate
24	1	--	12	0.2857	0.180%	0.960%
25	2	12	24	0.4762	0.300%	1.600%
26	3	24	36	0.5714	0.360%	1.920%
27	4	36	48	0.6667	0.420%	2.240%
28	5	48	60	0.7619	0.480%	2.560%
29	6	60	72	0.8571	0.540%	2.880%
30	7	72	--	0.9524	0.600%	3.200%
31	Standard-Rated Employers					
32					Minimum	Maximum
33					Taxable	Taxable
34				Tax	Wage	Wage
35				Factor	Rate	Rate
36				1.000	1.000%	3.360%

1	Cumulative Taxable Payroll Limits			Deficit Employers		
	2	More Than	Equal to		Minimum	Maximum
3		(% of	or Less Than		Taxable	Taxable
4	Rate	Taxable	(% of Taxable	Tax	Wage	Wage
5	Class	Payroll)	Payroll)	Factor	Rate	Rate
6	-1	--	30	1.7143	1.080%	4.800%
7	-2	30	50	1.9048	1.200%	5.200%
8	-3	50	65	2.0952	1.320%	5.600%
9	-4	65	80	2.2857	1.440%	6.000%
10	-5	80	95	2.6667	1.680%	6.400%
11	-6	95	--	2.6667	5.400%	6.800%

12 (8) Each covered employer, except cost reimbursement employers, will
13 be assigned a taxable wage rate and a contribution rate as follows:

14 (a) Each employer, except standard-rated employers, will be assigned
15 to one (1) of the rate classes for eligible and deficit employers pro-
16 vided in subsection (7) of this section based upon the employer's
17 experience as determined under the provisions of sections 72-1319,
18 72-1319A, 72-1351 and 72-1351A, Idaho Code.

19 (b) For each rate class provided in subsection (7) of this section, the
20 department will multiply the base tax rate determined in accordance
21 with subsection (5) of this section by the tax factor listed for that
22 rate class in the table provided in subsection (7) of this section. The
23 product obtained from this calculation shall be the taxable wage rate
24 for employers assigned to that rate class, provided however, that the
25 taxable wage rate shall not be less than the minimum taxable wage rate
26 assigned to that rate class and shall not exceed the maximum taxable
27 wage rate assigned to that rate class in the table provided in subsec-
28 tion (7) of this section.

29 (c) For standard-rated employers, the department will multiply the
30 base tax rate determined in accordance with subsection (5) of this sec-
31 tion by the tax factor listed for standard-rated employers in the table
32 provided in subsection (7) of this section. The product obtained from
33 this calculation shall be the taxable wage rate for standard-rated em-
34 ployers, provided however, that the taxable wage rate shall not be less
35 than the minimum taxable wage rate assigned to standard-rated employers
36 and shall not exceed the maximum taxable wage rate assigned to stan-
37 dard-rated employers in the table provided in subsection (7) of this
38 section.

39 (d) Deficit employers who have been assigned a taxable wage rate from
40 deficit rate class six will be assigned contribution rates equal to
41 their taxable wage rate.

42 (e) All other eligible, standard-rated and deficit employers will be
43 assigned contribution rates equal to ninety-seven percent (97%) of
44 their taxable wage rate. Provided however, that for each calendar year
45 a reserve tax is imposed pursuant to section 72-1347A, Idaho Code, the
46 contribution rates for employers assigned contribution rates pursuant

1 to this paragraph shall be eighty percent (80%) of their taxable wage
2 rate.

3 (9) Each employer shall be notified of his taxable wage rate as deter-
4 mined for any calendar year pursuant to this section and section 72-1351,
5 Idaho Code. Such determination shall become conclusive and binding upon the
6 employer, unless within fourteen (14) days after delivery or mailing of the
7 notice thereof to his last known address, the employer files an application
8 for redetermination, setting forth his reasons therefor. Reconsideration
9 shall be limited to transactions occurring subsequent to any previous de-
10 termination which has become final. The employer shall be promptly notified
11 of the redetermination, which shall become final unless an appeal is filed
12 within fourteen (14) days after delivery or mailing of notice to his last
13 known address. Proceedings on the appeal shall be in accordance with the
14 provisions of section 72-1361, Idaho Code.

15 SECTION 6. SEVERABILITY. The provisions of this act are hereby declared
16 to be severable and if any provision of this act or the application of such
17 provision to any person or circumstance is declared invalid for any reason,
18 such declaration shall not affect the validity of the remaining portions of
19 this act.

20 SECTION 7. An emergency existing therefor, which emergency is hereby
21 declared to exist, this act shall be in full force and effect on and after its
22 passage and approval.