

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 285

BY APPROPRIATIONS COMMITTEE

AN ACT

1 RELATING TO HIGHWAY TRANSPORTATION PROJECTS; APPROVING BONDING AUTHORITY TO  
2 FINANCE CERTAIN HIGHWAY TRANSPORTATION PROJECTS; REFERENCING PROJECTS  
3 TO BE FINANCED WITH BOND PROCEEDS; LIMITING THE SCOPE OF TRANSPORTATION  
4 PROJECTS; PROVIDING A REQUIREMENT REGARDING A GARVEE PROGRAM MANAGE-  
5 MENT SERVICES AGREEMENT; PROVIDING FOR ISSUANCE OF GARVEE BONDS; PRO-  
6 VIDING LEGISLATIVE INTENT AS TO THE IDAHO TRANSPORTATION BOARD'S PRI-  
7 ORITY USE OF BOND REVENUE; PROVIDING LEGISLATIVE INTENT REGARDING WORK  
8 PERFORMED BY THE IDAHO TRANSPORTATION DEPARTMENT; AUTHORIZING A TRANS-  
9 FER OF FUNDS FOR DEBT SERVICE; PROVIDING A DATE FOR SUBMISSION OF A RE-  
10 PORT TO THE LEGISLATURE; AND DECLARING AN EMERGENCY.  
11

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

13 SECTION 1. The Idaho Legislature hereby approves bonding authority for  
14 the issuance of highway transportation (GARVEE) bonds by the Idaho Housing  
15 and Finance Association in a principal amount sufficient to finance the  
16 highway transportation projects listed in Section 40-315, Idaho Code, in  
17 an amount up to \$162,000,000. Such bonds are expected to be paid from con-  
18 tinuing appropriations of federal funds from the State Highway Account as  
19 provided in Section 40-707, Idaho Code.

20 SECTION 2. The Legislature finds that the bonding authority provided  
21 in Section 1 of this act shall be used in a manner that does not obligate fu-  
22 ture legislatures or governors for additional bonding authority. The Idaho  
23 Transportation Board shall allocate revenue generated from bonds authorized  
24 in Section 1 of this act to finance projects listed in Section 40-315, Idaho  
25 Code.

26 SECTION 3. The Idaho Transportation Board and the Idaho Transportation  
27 Department shall not increase the scope, nor add specific projects, nor in  
28 any manner extend or enlarge the transportation projects listed in Section  
29 40-315, Idaho Code.

30 SECTION 4. To the extent the Idaho Transportation Board and the Idaho  
31 Transportation Department determine that GARVEE program management ser-  
32 vices are necessary, any agreement governing such services shall, to the  
33 extent possible, be fully transparent to the public and Legislature and  
34 shall endeavor to negotiate those services at the best possible rates.

35 SECTION 5. The bonds issued under the authority provided by Section 1  
36 of this act shall be issued upon an approved resolution by the Idaho Trans-  
37 portation Board requesting Idaho Housing and Finance Association to issue  
38 bonds in amounts necessary to ensure that: the funds are necessary to meet  
39 program obligation requirements; the funds will be used and disbursed in ac-

1 cordance with United States Treasury regulations to ensure tax exempt status  
2 is retained; and the bonds are issued at prevailing market rates of interest.  
3 Further, it is the intent of the Legislature that the bonds authorized by the  
4 authority provided in Section 1 of this act be issued on an "as needed" basis  
5 as determined by the Idaho Transportation Board. The purpose of this intent  
6 is to delay debt service on additional bonding until funds must be obligated  
7 to pay for right-of-way acquisition, construction, and/or other project-re-  
8 lated costs and avoid violation of arbitrage rules that may result from is-  
9 suance of bonds too far in advance of the need to obligate funds for expendi-  
10 ture. The issuance of additional bonds shall be dependent upon advantageous  
11 market rates and costs of bonding transactions as determined by the Idaho  
12 Transportation Board.

13 SECTION 6. It is legislative intent that the Idaho Transportation Board  
14 direct the use of the revenue raised from the bonding authority provided in  
15 Section 1 of this act in such a manner that revenue shall be expended in a pri-  
16 ority fashion and that the first priority of expenditures shall be for con-  
17 tract construction, followed in order of priority by expenditures for right-  
18 of-way acquisition, followed in priority by other necessary project-related  
19 costs. Further, any savings realized from lower than expected cost esti-  
20 mates or other efficiencies shall be applied to complete remaining projects  
21 as soon as practicable, with any final remainder of savings applied to sched-  
22 uled debt service.

23 SECTION 7. Relating to the projects referenced in Section 2 of this  
24 act, it is legislative intent, that to the extent feasible and practical,  
25 the Idaho Transportation Department perform project-related work within the  
26 Department itself. The goal of this directive is to preserve the expenditure  
27 of GARVEE funds for the priorities described in Section 6 of this act.

28 SECTION 8. The Idaho Transportation Board is hereby authorized to  
29 transfer up to \$4,000,000 from within the State Highway Account to the GARVEE  
30 Debt Service Fund to pay the state match as required for federal funds com-  
31 mitted to pay the annual scheduled debt service on GARVEE bonds for fiscal  
32 year 2012.

33 SECTION 9. Notwithstanding any other provisions of law, it is legisla-  
34 tive intent that by September 30 of each year, the board shall submit a report  
35 to the Legislature concerning projects currently under construction using  
36 the bond financing as authorized by the provisions of this act, and shall in-  
37 clude a list of planned highway transportation projects to be financed with  
38 such bond financing during the next succeeding fiscal year.

39 SECTION 10. An emergency existing therefor, which emergency is hereby  
40 declared to exist, this act shall be in full force and effect on and after its  
41 passage and approval.