

IN THE SENATE

SENATE BILL NO. 1162

BY JUDICIARY AND RULES COMMITTEE

AN ACT

1 RELATING TO PROVIDING MONEYS FOR HIGHWAY CONSTRUCTION AND MAINTENANCE; AP-
2 PROVING BONDING AUTHORITY TO FINANCE CERTAIN HIGHWAY TRANSPORTATION
3 PROJECTS; PROVIDING A DESCRIPTION OF PROJECTS TO BE FINANCED WITH BOND
4 PROCEEDS; LIMITING THE SCOPE OF THE PROJECTS; PROVIDING A REQUIREMENT
5 REGARDING A GARVEE PROGRAM MANAGEMENT SERVICES AGREEMENT; PROVIDING
6 FOR ISSUANCE OF GARVEE BONDS; PROVIDING THAT BONDS BE ISSUED WHEN NEC-
7 ESSARY; AND AMENDING SECTION 40-315, IDAHO CODE, TO REMOVE AN ELIGIBLE
8 PROJECT.
9

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

11 SECTION 1. The Legislature hereby approves bonding authority for the
12 issuance of highway transportation (GARVEE) bonds by the Idaho Housing and
13 Finance Association in a principal amount sufficient to finance the highway
14 transportation projects listed in Section 40-315, Idaho Code, in an amount
15 up to \$300,000,000. Such bonds are expected to be paid from continuing ap-
16 propriations of federal funds from the State Highway Account as provided in
17 Section 40-707, Idaho Code.

18 SECTION 2. The Idaho Transportation Board and the Idaho Transportation
19 Department are hereby directed to neither increase the scope nor in any man-
20 ner extend or enlarge the transportation projects listed in Section 40-315,
21 Idaho Code.

22 SECTION 3. To the extent the Idaho Transportation Board and the Idaho
23 Transportation Department determine that GARVEE program management ser-
24 vices are necessary, any agreement governing such services shall, to the
25 extent possible, be fully transparent to the public and to the Legislature.

26 SECTION 4. The bonds issued under the authority provided in Section 1
27 of this act shall be issued upon an approved resolution by the Idaho Trans-
28 portation Board requesting the Idaho Housing and Finance Association to
29 issue bonds in amounts necessary to ensure that: the funds are necessary to
30 meet program obligation requirements; the funds will be used and disbursed
31 in accordance with United States Treasury regulations to ensure tax-exempt
32 status is retained; and the bonds are issued at prevailing market rates of
33 interest. It is the request of the Legislature that the issuance is depen-
34 dent upon advantageous market rates and costs of bonding transactions. The
35 board and the department may use design build contracting as provided by
36 law, however, the twenty percent requirement in Section 40-904, Idaho Code,
37 may be raised to fifty percent for purposes of projects financed with these
38 bonds.

39 SECTION 5. The bonds described herein in Section 1 shall be issued when
40 necessary as determined by the Idaho Transportation Board.

1 SECTION 6. That Section 40-315, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 40-315. POWERS AND DUTIES -- FEDERALLY-FUNDED HIGHWAY PROJECT FINANC-
4 ING. (1) In order to address the increasing need for timely improvements to
5 Idaho's highway transportation infrastructure, the board may:

6 (a) Enter into agreements with the Idaho housing and finance associa-
7 tion in connection with the funding of highway transportation projects
8 qualifying for reimbursement from federal funds.

9 (b) Approve and recommend federal highway transportation projects to
10 the Idaho housing and finance association for financing by the associ-
11 ation. Such federal highway transportation projects shall be eligible
12 for federal-aid debt financing under chapter 1, title 23, United States
13 Code, and approval by the federal highway administration as an advanced
14 construction (AC) project thereunder. The board shall select and des-
15 ignate such transportation projects to be funded with bond proceeds
16 from the following list of eligible projects:

17	ROUTE	PROJECT DESCRIPTION
18	US-95	SH-1 to Canadian border
19	US-95	Garwood to Sagle
20	US-95	Worley to Setters
21	US-95	Thorn Creek to Moscow
22	US 95	Smokey Boulder to Hazard Creek
23	SH 16 Ext	South Emmett to Mesa with connection to SH-55
24	SH-16 Ext	I-84 to South Emmett
25	I-84	Caldwell to Meridian
26	I-84	Orchard to Isaacs Canyon
27	US-93	Twin Falls alternate route and new Snake River
28		crossing
29	SH-75	Timmerman to Ketchum
30	US-20	St. Anthony to Ashton
31	US-30	McCammon to Soda Springs

32 (c) On and after July 1, 2008, all allocations of GARVEE bond proceeds
33 shall be the sole responsibility and duty of the Idaho transportation
34 board. The legislature shall have authority to approve a total GARVEE
35 bond amount on an annual basis. However, the Idaho transportation board
36 is directed to allocate bond revenue only among the projects listed in
37 subsection (1)(b) of this section. In making its funding allocation
38 for projects, the board shall take into consideration: the cost of the
39 project and whether or not that project could be financed without bond-
40 ing; whether the project is necessary to facilitate the traffic flow on
41 vital transportation corridors; and whether the project is necessary
42 to improve safety for the traveling public. On and after July 1, 2008,
43 the board shall use due care in selecting projects for bonding and shall

1 balance and coordinate the use of bonding with the use of highway con-
2 struction moneys.

3 Notwithstanding the provisions of subsection (1) (b) of this section wherein
4 eligible projects are listed for selection and designation by the board, if
5 any of the designated projects are deemed to be ineligible by the board, the
6 board shall have the authority to replace those projects with other projects
7 listed in subsection (1) (b) of this section.

8 (2) Prior to issuance by the Idaho housing and finance association of
9 any bonds or notes to finance highway transportation projects, the board
10 shall certify to the association that sufficient federal transportation
11 funds are available to make any payments required for such bonds or notes.

12 (3) The board shall limit annual, total cumulative debt service and
13 other bond-related expenses as follows:

14 (a) In the 2006 legislative session for the fiscal year 2007 budget, to-
15 tal cumulative debt service and other bond-related expenses on feder-
16 ally-funded highway project financing shall be no more than twenty per-
17 cent (20%) of annual federal-aid highway apportionments.

18 (b) In the 2007 legislative session for the fiscal year 2008 budget, to-
19 tal cumulative debt service and other bond-related expenses on feder-
20 ally-funded highway project financing shall be no more than twenty per-
21 cent (20%) of annual federal-aid highway apportionments.

22 (c) In the 2008 legislative session for the fiscal year 2009 budget, to-
23 tal cumulative debt service and other bond-related expenses on feder-
24 ally-funded highway project financing shall be no more than twenty per-
25 cent (20%) of annual federal-aid highway apportionments.

26 (d) In the 2009 legislative session for the fiscal year 2010 budget, to-
27 tal cumulative debt service and other bond-related expenses on feder-
28 ally-funded highway project financing shall be no more than twenty per-
29 cent (20%) of annual federal-aid highway apportionments.

30 (e) In the 2010 legislative session for the fiscal year 2011 budget, to-
31 tal cumulative debt service and other bond-related expenses on feder-
32 ally-funded highway project financing shall be no more than thirty per-
33 cent (30%) of annual federal-aid highway apportionments.

34 (f) Beginning with the 2011 legislative session for the fiscal year
35 2012 budget, or for any year thereafter, the thirty percent (30%) limit
36 may be exceeded, but only by affirmative action of both the house of
37 representatives and the senate, and with the approval of the governor.

38 (4) In the event the board selects and designates to be funded with bond
39 proceeds any of the transportation projects listed in subsection (1) of this
40 section, and prior to entering into agreements with the Idaho housing and fi-
41 nance association as provided herein, the Idaho transportation department,
42 as part of its annual budget request prepared pursuant to section 67-3502,
43 Idaho Code, shall include a request for bonding authority as a separate item
44 of its budget request. This request for bonding authority shall include a
45 list of planned highway transportation projects to be financed with such
46 bond financing during the next succeeding fiscal year.

47 (5) By June 30 of each year, the board shall submit a report to the leg-
48 islature concerning projects currently under construction using the bond
49 financing as authorized by the provisions of this section, and shall include

- 1 a list of planned highway transportation projects to be financed with such
- 2 bond financing during the next succeeding fiscal year.