

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 336

BY APPROPRIATIONS COMMITTEE

AN ACT

RELATING TO HIGHWAY TRANSPORTATION PROJECTS; APPROVING BONDING AUTHORITY TO FINANCE CERTAIN HIGHWAY TRANSPORTATION PROJECTS; PROVIDING A LIST OF HIGHWAY TRANSPORTATION PROJECTS TO BE FINANCED WITH BOND PROCEEDS; LIMITING THE SCOPE OF TRANSPORTATION PROJECTS; PROVIDING A REQUIREMENT REGARDING A GARVEE PROGRAM MANAGEMENT SERVICES AGREEMENT; PROVIDING FOR ISSUANCE OF GARVEE BONDS; PROVIDING LEGISLATIVE INTENT AS TO THE IDAHO TRANSPORTATION BOARD'S PRIORITY USE OF BOND REVENUE; PROVIDING LEGISLATIVE INTENT REGARDING WORK PERFORMED BY THE IDAHO TRANSPORTATION DEPARTMENT; PROVIDING LEGISLATIVE INTENT AUTHORIZING THE IDAHO TRANSPORTATION BOARD TO ADJUST ALLOCATION OF BOND PROCEEDS; AUTHORIZING A TRANSFER OF FUNDS FOR DEBT SERVICE; PROVIDING A DATE FOR SUBMITTAL OF A REPORT TO THE LEGISLATURE; PROVIDING THAT BONDS AUTHORIZED BE ISSUED NO LATER THAN JUNE 30, 2008; PROVIDING FOR RESPONSIBILITIES OF THE IDAHO TRANSPORTATION BOARD AND PROVIDING FOR AUTHORITY OF THE IDAHO LEGISLATURE; AND AMENDING SECTION 40-315, IDAHO CODE, TO PROVIDE FOR RESPONSIBILITIES OF THE IDAHO TRANSPORTATION BOARD AND TO PROVIDE FOR AUTHORITY OF THE IDAHO LEGISLATURE.

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

SECTION 1. The Idaho Legislature hereby approves bonding authority for the issuance of highway transportation (GARVEE) bonds by the Idaho Housing and Finance Association in a principal amount sufficient to finance the highway transportation projects listed in Section 2 of this act in an amount up to \$250,000,000. Such bonds are expected to be paid from continuing appropriations of federal funds from the State Highway Account as provided in Section 40-707, Idaho Code.

SECTION 2. The Legislature finds that the bonding authority provided in Section 1 of this act shall be used in a manner that does not obligate future legislatures or governors for additional bonding authority. The bonding authorized in Section 1 of this act shall be used to finance the following projects and the Idaho Transportation Board shall allocate bond revenue to the projects listed with such revenue allocation falling within the range provided in this section:

			Range	
(1)	US-95	GARWOOD TO SAGLE, KOOTENAI AND BONNER COUNTIES	\$23,000,000	\$ 77,097,000
(2)	US-95	WORLEY NORTH, KOOTENAI COUNTY	\$11,168,000	\$ 12,000,000
(3)	SH-16	JUNCTION I-84 TO EMMETT	\$ 4,326,000	\$ 17,000,000
(4)	I-84	CALDWELL TO MERIDIAN	\$58,120,000	\$126,000,000
(5)	I-84	ORCHARD TO ISAACS CANYON	\$28,000,000	\$ 30,019,000
(6)	US-30	MCCAMMON TO LAVA HOT SPRINGS	\$38,387,000	\$ 40,000,000

In no event shall the Idaho Transportation Board's bond revenue allocation for the projects listed in this section exceed the bonding amount authorized in Section 1 of this act.

1 SECTION 3. The Idaho Transportation Board and the Idaho Transportation
2 Department are hereby directed to not increase the scope, nor add specific
3 projects, nor in any manner extend or enlarge the transportation projects
4 listed in Section 2 of this act.

5 SECTION 4. To the extent the Idaho Transportation Board and the Idaho
6 Transportation Department determine that GARVEE program management services
7 are necessary, any agreement governing such services shall, to the extent pos-
8 sible, be fully transparent to the public and to the Legislature.

9 SECTION 5. The bonds issued under the authority provided in Section 1 of
10 this act shall be issued upon an approved resolution by the Idaho Transporta-
11 tion Board requesting the Idaho Housing and Finance Association to issue bonds
12 in amounts necessary to ensure that: the funds are necessary to meet program
13 obligation requirements; the funds will be used and disbursed in accordance
14 with United States Treasury regulations to ensure tax exempt status is
15 retained; and the bonds are issued at prevailing market rates of interest.
16 Further, it is the intent of the Legislature that the bonds authorized by the
17 authority provided in Section 1 of this act be issued on an "as needed" basis
18 as determined by the Idaho Transportation Board in an amount approximately,
19 but not mandatorily, one-half (1/2) the total amount authorized. The purpose
20 of this intent is to delay debt service on additional bonding until funds need
21 to be obligated to pay for right-of-way acquisition, construction, and/or
22 other necessary project-related costs and to avoid violation of arbitrage
23 rules that may result from issuance of bonds too far in advance of the need to
24 obligate for expenditure. It is also the request of the Legislature that the
25 obligation of previously issued bonds be the signal for an additional issu-
26 ance, with such issuance dependent upon advantageous market rates and costs of
27 bonding transactions.

28 SECTION 6. It is legislative intent that the Idaho Transportation Board
29 direct the use of the revenue raised from the bonding authority provided in
30 Section 1 of this act in such a manner that revenue shall be expended in a
31 priority fashion and that the first priority of expenditures shall be for con-
32 struction, followed in order of priority by expenditures for right-of-way
33 acquisition, followed in priority by other necessary project-related costs.

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

39 SECTION 8. It is legislative intent that the Idaho Transportation Board
40 has the authority to adjust GARVEE bond proceeds allocated among the projects
41 as listed in Section 2 of this act, provided that such an adjustment is neces-
42 sary due to unanticipated reasons or circumstances or to accommodate federally
43 approved alternative and innovative approaches to the overall project develop-
44 ment process; and provided further, that no proceeds shall be used for any
45 projects not listed in Section 2 of this act.

46 SECTION 9. The Idaho Transportation Board is hereby authorized to trans-
47 fer up to \$7,000,000 from within the State Highway Account to the GARVEE Debt
48 Service Fund to pay the state match as required for federal funds committed to

1 pay the annual scheduled debt service on GARVEE bonds for fiscal year 2008.

2 SECTION 10. Notwithstanding any other provision of law, it is legislative
3 intent that by September 30 of each year, the board shall submit a report to
4 the Legislature concerning projects currently under construction using the
5 bond financing as authorized by the provisions of this act, and shall include
6 a list of planned highway transportation projects to be financed with such
7 bond financing during the next succeeding fiscal year.

8 SECTION 11. The bonds described herein shall be issued no later than June
9 30, 2008.

10 SECTION 12. On and after July 1, 2008, all allocations of GARVEE bond
11 proceeds shall be the sole responsibility and duty of the Idaho Transportation
12 Board. The Legislature shall have authority to approve a total GARVEE bond
13 amount on an annual basis. However, for fiscal year 2008 the Idaho Transporta-
14 tion Board is directed to allocate bond revenue only among the projects listed
15 in Section 2, Chapter 457, Laws of 2006. In making its funding allocation for
16 projects, the board shall take into consideration: the cost of the project and
17 whether or not that project could be financed without bonding; whether the
18 project is necessary to facilitate the traffic flow on vital transportation
19 corridors; and whether the project is necessary to improve safety for the
20 traveling public. On and after July 1, 2008, the board shall use due care in
21 selecting projects for bonding and shall balance and coordinate the use of
22 bonding with the use of highway construction moneys.

23 SECTION 13. That Section 40-315, Idaho Code, be, and the same is hereby
24 amended to read as follows:

25 40-315. POWERS AND DUTIES -- FEDERALLY-FUNDED HIGHWAY PROJECT FINANCING.

26 (1) In order to address the increasing need for timely improvements to Idaho's
27 highway transportation infrastructure, the board may:

28 (a) Enter into agreements with the Idaho housing and finance association
29 in connection with the funding of highway transportation projects qualify-
30 ing for reimbursement from federal funds.

31 (b) Approve and recommend federal highway transportation projects to the
32 Idaho housing and finance association for financing by the association.
33 Such federal highway transportation projects shall be eligible for feder-
34 al-aid debt financing under chapter 1, title 23, United States Code, and
35 approval by the federal highway administration as an advanced construction
36 (AC) project thereunder. The board shall select and designate such trans-
37 portation projects to be funded with bond proceeds from the following list
38 of eligible projects:

39	ROUTE	PROJECT DESCRIPTION
40	US-95	SH-1 to Canadian border
41	US-95	Garwood to Sagle
42	US-95	Worley to Setters
43	US-95	Thorn Creek to Moscow
44	US-95	Smokey Boulder to Hazard Creek
45	SH-16 Ext	South Emmett to Mesa with connection to SH-55
46	SH-16 Ext	I-84 to South Emmett
47	I-84	Caldwell to Meridian
48	I-84	Orchard to Isaacs Canyon

1 US-93 Twin Falls alternate route and new Snake River
 2 crossing
 3 SH-75 Timmerman to Ketchum
 4 US-20 St. Anthony to Ashton
 5 US-30 McCammon to Soda Springs

6 (c) On and after July 1, 2008, all allocations of GARVEE bond proceeds
 7 shall be the sole responsibility and duty of the Idaho transportation
 8 board. The legislature shall have authority to approve a total GARVEE bond
 9 amount on an annual basis. However, the Idaho transportation board is
 10 directed to allocate bond revenue only among the projects listed in sub-
 11 section (1)(b) of this section. In making its funding allocation for proj-
 12 ects, the board shall take into consideration: the cost of the project and
 13 whether or not that project could be financed without bonding; whether the
 14 project is necessary to facilitate the traffic flow on vital transporta-
 15 tion corridors; and whether the project is necessary to improve safety for
 16 the traveling public. On and after July 1, 2008, the board shall use due
 17 care in selecting projects for bonding and shall balance and coordinate
 18 the use of bonding with the use of highway construction moneys.

19 Notwithstanding the provisions of subsection (1)(b) of this section wherein
 20 eligible projects are listed for selection and designation by the board, if
 21 any of the designated projects are deemed to be ineligible by the board, the
 22 board shall have the authority to replace those projects with other projects
 23 ~~deemed eligible by the board~~ listed in subsection (1)(b) of this section.

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

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

30 (a) In the 2006 legislative session for the fiscal year 2007 budget,
 31 total cumulative debt service and other bond-related expenses on
 32 federally-funded highway project financing shall be no more than twenty
 33 percent (20%) of annual federal-aid highway apportionments.

34 (b) In the 2007 legislative session for the fiscal year 2008 budget,
 35 total cumulative debt service and other bond-related expenses on
 36 federally-funded highway project financing shall be no more than twenty
 37 percent (20%) of annual federal-aid highway apportionments.

38 (c) In the 2008 legislative session for the fiscal year 2009 budget,
 39 total cumulative debt service and other bond-related expenses on
 40 federally-funded highway project financing shall be no more than twenty
 41 percent (20%) of annual federal-aid highway apportionments.

42 (d) In the 2009 legislative session for the fiscal year 2010 budget,
 43 total cumulative debt service and other bond-related expenses on
 44 federally-funded highway project financing shall be no more than twenty
 45 percent (20%) of annual federal-aid highway apportionments.

46 (e) In the 2010 legislative session for the fiscal year 2011 budget,
 47 total cumulative debt service and other bond-related expenses on
 48 federally-funded highway project financing shall be no more than thirty
 49 percent (30%) of annual federal-aid highway apportionments.

50 (f) Beginning with the 2011 legislative session for the fiscal year 2012
 51 budget, or for any year thereafter, the thirty percent (30%) limit may be
 52 exceeded, but only by affirmative action of both the house of representa-
 53 tives and the senate, and with the approval of the governor.

54 (4) In the event the board selects and designates to be funded with bond

1 proceeds any of the transportation projects listed in subsection (1) of this
2 section, and prior to entering into agreements with the Idaho housing and
3 finance association as provided herein, the Idaho transportation department,
4 as part of its annual budget request prepared pursuant to section 67-3502,
5 Idaho Code, shall include a request for bonding authority as a separate item
6 of its budget request. This request for bonding authority shall include a list
7 of planned highway transportation projects to be financed with such bond
8 financing during the next succeeding fiscal year.

9 (5) By June 30 of each year, the board shall submit a report to the leg-
10 islature concerning projects currently under construction using the bond
11 financing as authorized by the provisions of this section, and shall include a
12 list of planned highway transportation projects to be financed with such bond
13 financing during the next succeeding fiscal year.