

UNPROOFED

LEGISLATURE OF THE STATE OF IDAHO First Regular Session - 2007  
Fifty-ninth Legislature

IN THE \_\_\_\_\_  
BILL NO. \_\_\_\_\_  
BY \_\_\_\_\_

DRAFT

AN ACT

1  
2 RELATING TO THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY ACT; AMENDING SEC-  
3 TION 40-2103, IDAHO CODE, TO DEFINE "CONSTRUCT" OR "CONSTRUCTION",  
4 "PUBLIC TRANSPORTATION SYSTEM" AND "REVENUES"; AMENDING SECTION  
5 40-2108, IDAHO CODE, TO EXPAND THE CORPORATE POWERS OF AN AUTHORITY AND  
6 TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 40-2109, IDAHO CODE, TO  
7 AUTHORIZE TRANSPORTATION SERVICES BETWEEN SPECIFIED SITES TO INCLUDE  
8 COLLEGES AND TO REVISE THE DATE BY WHICH THE ANNUAL AUDIT IS DUE;  
9 AMENDING SECTION 40-2111, IDAHO CODE, TO DELETE PROVISIONS AUTHORIZING  
10 ISSUANCE OF REVENUE BONDS AND TO PROVIDE AUTHORITY FOR A LOCAL SALES  
11 AND USE TAX; AMENDING CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDITION  
12 OF A NEW SECTION 40-2112, IDAHO CODE, TO PROVIDE GENERAL PROVISIONS OF  
13 LOCAL SALES AND USE TAX ELECTIONS; AMENDING CHAPTER 21, TITLE 40, IDAHO  
14 CODE, BY THE ADDITION OF A NEW SECTION 40-2113, IDAHO CODE, TO PROVIDE  
15 FOR COLLECTION AND ADMINISTRATION OF AN AUTHORIZED LOCAL SALES AND USE  
16 TAX BY THE STATE TAX COMMISSION AND TO PROVIDE FOR DISTRIBUTION OF REV-  
17 ENUES; AMENDING CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDITION OF A  
18 NEW SECTION 40-2114, IDAHO CODE, TO AUTHORIZE BOND ISSUES; AMENDING  
19 CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDITION OF A NEW SECTION  
20 40-2115, IDAHO CODE, TO SPECIFY TERMS AND CONDITIONS FOR ISSUANCE OF  
21 BONDS BY AN REGIONAL PUBLIC TRANSPORTATION AUTHORITY; AMENDING CHAPTER  
22 21, TITLE 40, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 40-2116,  
23 IDAHO CODE, TO PROVIDE THE PROCEDURE FOR INITIATING AND CONDUCTING A  
24 BOND ELECTION; AMENDING CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDI-  
25 TION OF A NEW SECTION 40-2117, IDAHO CODE, TO PROVIDE ADDITIONAL POWERS  
26 TO AN AUTHORITY FOR SECURING PAYMENT OF BONDS; AMENDING CHAPTER 21,  
27 TITLE 40, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 40-2118, IDAHO  
28 CODE, TO PROVIDE A LIMITATION ON THE AMOUNT OF BONDS AND REVENUES  
29 PLEDGED; AMENDING CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDITION OF  
30 A NEW SECTION 40-2119, IDAHO CODE, TO PROVIDE RIGHTS OF OBLIGEEES;  
31 AMENDING CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDITION OF A NEW  
32 SECTION 40-2120, IDAHO CODE, TO PROVIDE AUTHORITY FOR SWAPS; AMENDING  
33 CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDITION OF A NEW SECTION  
34 40-2121, IDAHO CODE, TO PROVIDE FOR TERMINATION OF TAX REVENUES; AMEND-  
35 ING CHAPTER 21, TITLE 40, IDAHO CODE, BY THE ADDITION OF A NEW SECTION  
36 40-2122, IDAHO CODE, TO PROVIDE FOR CONTEST OF A LOCAL SALES AND USE  
37 TAX OR BOND ELECTION HELD PURSUANT TO THIS CHAPTER; AMENDING SECTION  
38 40-2112, IDAHO CODE, TO REDESIGNATE THE SECTION; AMENDING SECTION  
39 40-2113, IDAHO CODE, TO REDESIGNATE THE SECTION, TO PROVIDE A CODE REF-  
40ERENCE AND TO MAKE TECHNICAL CORRECTIONS; AND AMENDING SECTION 40-2114,  
41 IDAHO CODE, TO REDESIGNATE THE SECTION AND TO MAKE A TECHNICAL CORREC-

1 TION.

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

3 SECTION 1. That Section 40-2103, Idaho Code, be, and the same is  
4 hereby amended to read as follows:

5 40-2103. DEFINITIONS. (1) "Authority" means the regional public trans-  
6 portation authority.

7 (2) "Board" means the governing body of the regional public transpor-  
8 tation authority.

9 (3) "City" means an incorporated city.

10 (4) "Commission" means the board of county commissioners or the board  
11 of commissioners of a single county-wide highway district.

12 (5) "Construct" or "construction" means the planning, designing, engi-  
13 neering, acquisition, installation, construction or reconstruction of pub-  
14 lic transportation systems.

15 (6) "Public transportation service" means, without limitation, fixed  
16 transit routes; scheduled or unscheduled transit service provided by motor  
17 vehicle, bus, rail, van, aerial tramway and other modes of public convey-  
18 ance; paratransit service for the elderly and disabled; shuttle and  
19 commuter service between cities, counties, health care facilities, employ-  
20 ment centers, educational institutions or park-and-ride locations; sub-  
21 scription van and car-pooling service; and transportation services unique  
22 to social service programs.

23 (67) "Public transportation system" means any property, improvement,  
24 system or service designed to be compatible with adopted state, regional or  
25 local transportation plans for public conveyance by any means. The term  
26 includes, without limitation, any public transportation service; any  
27 financing, construction, operation or maintenance related to any public  
28 transportation system; and any real or personal property, or interest  
29 therein, that is related to any public transportation system. The term may  
30 further include, without limitation, bus systems; railroad, rail or rail  
31 corridor systems; trolley circulator systems; aerial tramway systems; other  
32 mass transit systems; park-and-ride facilities; fare collection facilities;  
33 service areas; administrative or maintenance facilities; and, as related to  
34 any of the foregoing, grounds and landscaping, paving, grading, curbs, gut-  
35 ters, culverts, drainage facilities, sidewalks, bikeways, pathways,  
36 bridges, overpasses, underpasses, cross-roads, parkways, lighting, transit  
37 shelters, bus stops, benches, waste receptacles, kiosks, and any signs,  
38 displays, posters or other messages used to advertise a product or service  
39 or other message and located on a public transportation system.

40 (8) "Region" means the geographical area encompassed by an authority  
41 which may include all of a county or contiguous parts of one (1) or more  
42 counties.

43 (9) "Revenues" means fares, fees, rates, charges, assessments, taxes,  
44 grants, contributions, or other income and revenues available to the  
45 authority.

46 SECTION 2. That Section 40-2108, Idaho Code, be, and the same is

1 hereby amended to read as follows:

2 40-2108. CORPORATE POWERS OF AN AUTHORITY. A regional public transpor-  
3 tation authority has power:

4 (1) To sue and be sued;

5 (2) To raise and expend funds as provided in this chapter;

6 (3) To issue ~~revenue~~ bonds as provided in this chapter;

7 (4) To adopt and use an official seal;

8 (5) To purchase and hold lands, make contracts, purchase and hold per-  
9 sonal property as may be necessary or convenient for the purposes of this  
10 ~~act~~ chapter, and to sell and exchange real and personal property. The board  
11 shall first adopt a resolution finding that the property to be sold or  
12 exchanged is no longer needed by or useful to the district; that a public  
13 hearing is to be held, of which hearing notice shall be published in accor-  
14 dance with the provisions of section 40-206, Idaho Code;

15 (6) In accordance with the provisions on eminent domain set forth in  
16 chapter 7, title 7, Idaho Code, to exercise the power of eminent domain in  
17 the manner provided by law for the condemnation of private property for  
18 public use to take any property within the region necessary to the exercise  
19 of the powers herein granted as related to a public transportation system;

20 (7) To enter into contracts and agreements affecting the affairs of  
21 the authority;

22 (8) To pledge all or any portion of the revenues to the payment of  
23 bonds of the authority;

24 (9) To finance, construct, operate or maintain public transportation  
25 systems within the boundaries of the region;

26 (10) To levy a local sales and use tax for purposes of financing, con-  
27 structing, operating or maintaining public transportation systems; and

28 (11) To invest any funds not needed for immediate use or disbursement,  
29 including any funds held in reserve, in:

30 (a) Securities or investments in which the state treasurer may invest  
31 funds in the state treasury pursuant to section 67-1210 and 67-1210A,  
32 Idaho Code; and

33 (b) Such other investments as may be specified in a bond resolution or  
34 trust indenture securing bonds of the authority, if such funds repre-  
35 sent bond proceeds or amounts pledged to the payment of bonds.

36 SECTION 3. That Section 40-2109, Idaho Code, be, and the same is  
37 hereby amended to read as follows:

38 40-2109. POWERS AND DUTIES OF BOARD. (1) Only one (1) regional public  
39 transportation authority shall exist within a county and when established  
40 pursuant to this chapter, the authority will have exclusive jurisdiction  
41 over all publicly funded or publicly subsidized transportation services and  
42 programs except those transportation services and programs under the juris-  
43 diction of public school districts and law enforcement agencies.

44 (2) The authority may provide public transportation services on fixed  
45 or unfixed routes; public transportation services on fixed or unfixed  
46 schedules; paratransit services for the elderly and people with disabili-  
47 ties as defined in the Americans with disabilities act; special services to

1 accommodate community celebrations, sporting events and entertainment open  
2 to the public; public transportation services between cities, rural areas,  
3 park-and-ride facilities, employment centers, health care facilities, uni-  
4 versities and colleges, and commercial and shopping areas; commuter ser-  
5 vices between communities; and van or car pool programs.

6 (3) The authority shall fix by resolution the fares and fees to be  
7 charged those who use its public transportation services. Prior to adopting  
8 any such resolution, the board shall publish proposed fares and fees in at  
9 least one (1) issue of a newspaper having general circulation in the region  
10 and shall hold at least one (1) public hearing on the proposed fares and  
11 fees.

12 (4) The authority may establish, fund, control and operate the admin-  
13 istrative, equipment maintenance, servicing, storage, fueling, and other  
14 facilities required to support a safe and efficient public transportation  
15 system. In carrying out the purposes of this chapter, the authority may  
16 employ personnel, contract for services with public and private agencies  
17 and retain legal and other professional counsel.

18 (5) The board may adopt resolutions consistent with law, as necessary,  
19 for carrying out the purposes of this chapter and discharging all powers  
20 and duties conferred to the authority pursuant to this chapter.

21 (6) The authority shall have an annual audit made of the financial  
22 affairs of the authority as required in section 67-450B, Idaho Code, ~~by the~~  
23 ~~first day of December following the close~~ within one hundred eighty (180)  
24 days after the end of the fiscal year.

25 (7) The authority may enter into cooperative agreements with the  
26 state, other authorities, counties, cities and highway districts under the  
27 provisions of section 67-2328, Idaho Code.

28 SECTION 4. That Section 40-2111, Idaho Code, be, and the same is  
29 hereby amended to read as follows:

30 40-2111. ~~ISSUANCE OF REVENUE BONDS~~ AUTHORITY FOR LOCAL SALES AND USE  
31 TAX. A regional public transportation authority may issue revenue bonds in  
32 the same manner and form as under the municipal bond law contained in chap-  
33 ter 10, title 50, Idaho Code, provided that the ordinance required therein  
34 shall be by resolution of the board. For the purpose of this section, the  
35 term "city" in the municipal bond law shall include the term "regional pub-  
36 lic transportation authority." The qualified electors of a region shall  
37 have the authority to authorize the board to adopt, implement and cause to  
38 be collected a local sales and use tax upon all sales and use, without  
39 exception, within the region that are subject to taxation under chapter 36,  
40 title 63, Idaho Code. The board shall have the power and authority to  
41 adopt, implement and collect a local sales and use tax as provided herein  
42 if approved by a simple majority of the qualified electors of the region  
43 voting in an election conducted for the purpose at a general election as  
44 defined in section 34-101, Idaho Code.

45 SECTION 5. That Chapter 21, Title 40, Idaho Code, be, and the same is  
46 hereby amended by the addition thereto of a NEW SECTION, to be known and  
47 designated as Section 40-2112, Idaho Code, and to read as follows:

1           40-2112. GENERAL PROVISIONS OF LOCAL SALES AND USE TAX ELECTIONS.  
2       (1) In an initial local sales and use tax election, the question presented  
3       to the qualified electors of the region shall:  
4           (a) Provide a description and general explanation of the local sales  
5           and use tax to be approved;  
6           (b) State the rate of the local sales and use tax to be assessed,  
7           which initially shall be no more than one-half of one percent (0.50%)  
8           of the sales price of an item subject to taxation;  
9           (c) State that the revenues derived from the local sales and use tax  
10          shall be used only for purposes of financing, constructing, operating  
11          or maintaining the region's public transportation system; and  
12          (d) State the initial term of the local sales and use tax, which shall  
13          not be in excess of twenty (20) years.  
14       (2) Upon voter approval of the local sales and use tax, the board  
15       shall provide by resolution the methods for reporting and collecting the  
16       taxes due. Such resolution shall also state the exact rate to be assessed:  
17           (a) The authority shall impose a local sales and use tax of at least  
18           one-tenth of one percent (0.10%) but not more than one-half of one per-  
19           cent (0.50%) of the sales price of an item subject to taxation as  
20           determined by the requirements of the budget adopted.  
21           (b) The board may increase the exact rate of the sales and use tax in  
22           subsequent periods, but to not more than the initially-authorized rate  
23           of one-half of one percent (0.50%), in order to meet budget needs as  
24           adopted by the board.  
25       The board shall cause a copy of any resolution, or amendment thereto, to be  
26       forwarded to the state controller, the chairman of the state tax commission  
27       and the chairman of the state board of tax appeals.  
28       (3) Taxes collected shall constitute revenue of the authority avail-  
29       able for purposes of financing, constructing, operating or maintaining the  
30       region's public transportation system. Tax collection shall commence on a  
31       date set forth in the resolution, but not earlier than the first day of  
32       April in the immediately-following calendar year.  
33       (4) Reauthorization elections may be held to increase the rate or to  
34       extend the term of the local sales and use tax then in effect, under the  
35       following conditions:  
36           (a) The rate of the tax may be increased, but only if approved by a  
37           simple majority of the qualified electors voting in a reauthorization  
38           election conducted for the purpose at a general election during the  
39           term of the local sales and use tax then in effect. No reauthorized  
40           local sales and use tax rate shall ever exceed a maximum rate of three-  
41           fourths of one percent (0.75%).  
42           (b) The term of the local sales and use tax may be extended, but only  
43           if approved by a simple majority of the qualified electors voting in a  
44           reauthorization election conducted for the purpose on the first Tuesday  
45           after the first Monday in November in that year in which the term of  
46           the tax then in effect expires, or in that year which is two (2) years  
47           prior to the expiration of the term of the local sales and use tax then  
48           in effect. If the extension of the term of the local sales and use tax  
49           is not reauthorized by the qualified electors of the region, the provi-  
50           sions of section 40-2121, Idaho Code, shall automatically apply.

1 SECTION 6. That Chapter 21, Title 40, Idaho Code, be, and the same is  
2 hereby amended by the addition thereto of a NEW SECTION, to be known and  
3 designated as Section 40-2113, Idaho Code, and to read as follows:

4 40-2113. COLLECTION AND ADMINISTRATION OF REGIONAL PUBLIC TRANSPORTA-  
5 TION AUTHORITY LOCAL SALES AND USE TAXES BY THE STATE TAX COMMISSION - DIS-  
6 TRIBUTION. (1) Any regional public transportation authority which has  
7 levied a local sales and use tax pursuant to this chapter shall contract  
8 with the state tax commission for the collection and administration of such  
9 taxes in like manner and under definitions and rules of the state tax com-  
10 mission for the collection and administration of the state sales and use  
11 tax under chapter 36, title 63, Idaho Code. An authority which levies such  
12 tax shall have the right to review and audit the records of collection  
13 thereof maintained by the tax commission and the returns of taxpayers  
14 relating to such tax.

15 (2) All revenues collected by the state tax commission pursuant to  
16 section 40-2112, Idaho Code, shall be distributed as follows:

17 (a) An amount of money shall be distributed to the state refund fund  
18 sufficient to pay current refund claims. All refunds authorized by the  
19 state tax commission to be paid shall be paid through the state refund  
20 fund and those moneys are continuously appropriated.

21 (b) An amount of money shall be distributed to the state tax commis-  
22 sion equal to such fee as may be agreed upon between the state tax com-  
23 mission and such authority for the actual cost of the collection and  
24 administration of the local sales and use tax. The amount retained by  
25 the commission shall not exceed the amount authorized to be expended by  
26 appropriation by the legislature. Any unencumbered balance in excess of  
27 the actual cost at the end of each fiscal year shall be distributed as  
28 provided in subsection (2)(c) of this section.

29 (c) All remaining moneys shall be placed in a fund designated by the  
30 state controller and remitted monthly to the board of the authority  
31 levying such local sales and use tax.

32 SECTION 7. That Chapter 21, Title 40, Idaho Code, be, and the same is  
33 hereby amended by the addition thereto of a NEW SECTION, to be known and  
34 designated as Section 40-2114, Idaho Code, and to read as follows:

35 40-2114. BOND ISSUES. (1) An authority shall have power to issue  
36 bonds, from time to time, in its discretion, for any of its corporate pur-  
37 poses. An authority shall also have power to issue refunding bonds for the  
38 purpose of paying or retiring bonds previously issued by it. In order to  
39 carry out the purposes of this chapter, an authority may issue, upon proper  
40 resolution, bonds on which the principal and interest are payable solely  
41 out of all or a specified portion of the revenues as designated by the  
42 board.

43 (2) Any such bonds may be additionally secured by a pledge of any rev-  
44 enues, moneys or property of the authority. Any pledge made by the author-  
45 ity shall be valid and binding from the time when the pledge is made and  
46 recorded; the revenues, moneys or property so pledged and thereafter  
47 received by the authority shall immediately be subject to the lien of the

1 pledge without any physical delivery thereof or further act, and the lien  
2 of any such pledge shall be valid and binding as against all parties having  
3 claims of any kind in tort, contract or otherwise against the authority,  
4 irrespective of whether the parties have notice thereof.

5 (3) Neither the board of any authority nor any person executing the  
6 bonds shall be liable personally on the bonds by reason of the issuance  
7 thereof. The bonds and other obligations of an authority shall state on  
8 their face that:

9 (a) They shall not be a debt of the county, the state or any political  
10 subdivision thereof;

11 (b) None of the county, the state or any political subdivision thereof  
12 shall be liable thereon, and

13 (c) In no event shall such bonds or obligations be payable out of any  
14 funds other than those of the authority. Bonds of an authority are  
15 declared to be issued for an essential public and governmental purpose  
16 and to be public instrumentalities and, together with interest thereon  
17 and income therefrom, shall be exempt from taxation.

18 SECTION 8. That Chapter 21, Title 40, Idaho Code, be, and the same is  
19 hereby amended by the addition thereto of a NEW SECTION, to be known and  
20 designated as Section 40-2115, Idaho Code, and to read as follows:

21 40-2115. ISSUANCE OF BONDS - TERMS - NEGOTIABLE - ACTIONS TO TEST  
22 VALIDITY - CONCLUSIVE PRESUMPTIONS. (1) Bonds of an authority shall be  
23 authorized by resolution of its board and may be issued in one (1) or more  
24 series and shall bear such date or dates, mature at such time or times not  
25 exceeding thirty (30) years, bear interest at such rate or rates as the  
26 board shall approve, be in such denomination or denominations, be in such  
27 form, either coupon or registered, carry such conversion or registration  
28 privileges, have such rank or priority, be executed in such manner, be pay-  
29 able in such medium of payment, at such place or places, and be subject to  
30 such terms of redemption, with or without premium as such resolution, its  
31 trust indenture, or the bonds so issued, may provide.

32 (2) The bonds may be sold at public or private sale at such price or  
33 prices, in such manner, and at such times as determined by the board, and  
34 the board may pay all fees, expenses, and commissions that it deems neces-  
35 sary or advantageous in connection with the sale of the bonds.

36 (3) In case any of the board members or officers of the authority  
37 whose signatures appear on any bonds or coupons, shall cease to be a board  
38 member or officer before the delivery of such bonds, such signatures shall,  
39 nevertheless, be valid and sufficient for all purposes, the same as if such  
40 board member or officer had remained in office until such delivery. Any  
41 provision of any law to the contrary notwithstanding, any bonds issued pur-  
42 suant to this chapter shall be fully negotiable.

43 (4) In any suit, action or proceedings involving the validity or  
44 enforceability of any bond of an authority or the security thereof, any  
45 such bond, reciting, in substance, that it has been issued by the authority  
46 for purposes of financing the region's public transportation system, shall  
47 be conclusively deemed to have been issued for such purposes in accordance  
48 with the provisions of this chapter.

1 SECTION 9. That Chapter 21, Title 40, Idaho Code, be, and the same is  
2 hereby amended by the addition thereto of a NEW SECTION, to be known and  
3 designated as Section 40-2116, Idaho Code, and to read as follows:

4 40-2116. RESOLUTION - ELECTION. (1) Whenever the board shall deem it  
5 advisable to issue the bonds of the authority, the board shall provide for  
6 the same by resolution, which shall specify and set forth all the purposes  
7 and objects of such bonds. The resolution shall also provide for holding an  
8 election at a time specified in section 34-106, Idaho Code, for which  
9 thirty (30) days' notice shall be given in the official newspaper of each  
10 county within the boundaries of the region. The voting at such elections  
11 shall be by ballot, and the ballot used shall be substantially as follows:  
12 "In favor of issuing bonds to the amount of \_\_\_ dollars for the purpose  
13 stated in resolution no. \_\_\_, " and "Against issuing bonds to the amount of  
14 \_\_\_ dollars for the purpose stated in resolution no. \_\_\_".  
15 (2) If, at such election held as provided in this chapter, two-thirds  
16 (2/3) of the qualified electors voting at such election, assent to the  
17 issuing of such bonds and the incurring of the indebtedness thereby created  
18 for the purpose aforesaid, such bonds shall be issued in the manner pro-  
19 vided in this chapter.

20 SECTION 10. That Chapter 21, Title 40, Idaho Code, be, and the same is  
21 hereby amended by the addition thereto of a NEW SECTION, to be known and  
22 designated as Section 40-2117, Idaho Code, and to read as follows:

23 40-2117. POWERS TO SECURE PAYMENT OF BONDS. In connection with the  
24 issuance of bonds or the incurring of obligations under leases and in order  
25 to secure the payment of such bonds or obligations, an authority, in addi-  
26 tion to its other powers, shall have power to:  
27 (1) Pledge all or any part of its revenues to which its right then  
28 exists, or may thereafter come into existence.  
29 (2) Mortgage all or any part of its real or personal property then  
30 owned or thereafter acquired.  
31 (3) Covenant against pledging all or any part of its revenues, or  
32 against permitting or suffering any lien on such revenues or property; to  
33 covenant with respect to limitations on its right to sell, lease or other-  
34 wise dispose of any project or any part thereof; and to covenant as to what  
35 other, or additional debts or obligations may be incurred by it.  
36 (4) Covenant as to the bonds to be issued and as to the issuance of  
37 such bonds in escrow or otherwise, and as to the use and disposition of the  
38 proceeds thereof; to provide for the replacement of lost, destroyed or  
39 mutilated bonds; to covenant against extending the time for the payment of  
40 its bonds or interest thereon; and to redeem the bonds, and to covenant for  
41 the redemption and to provide the terms and conditions thereof.  
42 (5) Covenant, subject to the limitations contained in this chapter, as  
43 to the revenues to be received by the authority and as to the use and dis-  
44 position to be made thereof; to create or to authorize the creation of spe-  
45 cial funds for moneys held for construction or operating costs, debt ser-  
46 vice, reserves or other purposes; and to covenant as to the use and dispo-  
47 sition of the moneys held in such funds.

1 (6) Prescribe the procedure, if any, by which the terms of any con-  
2 tract with bondholders may be amended or abrogated, the amount of bonds the  
3 holders of which must consent thereto and the manner in which such consent  
4 may be given.

5 (7) Covenant as to the use of any or all of its real or personal prop-  
6 erty; and to covenant as to the maintenance of its real and personal prop-  
7 erty, the replacement thereof, the insurance to be carried thereon and the  
8 use and disposition of insurance moneys.

9 (8) Covenant as to the rights, liabilities, powers and duties arising  
10 upon the breach by it of any covenant, condition or obligation; and to cov-  
11 enant and prescribe as to default and terms and conditions upon which any  
12 or all of its bonds or obligations shall become or may be declared due  
13 before maturity, and to the terms and conditions upon which such declara-  
14 tion and its consequences may be waived.

15 (9) Vest, in trustee or trustees or the holders of bonds or any por-  
16 tion of them, the right to enforce the payment of the bonds or any cove-  
17 nants securing or relating to the bonds; to vest in a trustee or trustees  
18 the right, in the event of a default by said authority, to take possession  
19 of any project or part thereof, and, so long as said authority shall con-  
20 tinue in default, to retain such possession and use, to operate and manage  
21 said project, and to collect the rents and revenues arising therefrom and  
22 to dispose of such moneys in accordance with the agreement of the authority  
23 with said trustee, to provide for the powers and duties of a trustee or  
24 trustees and to limit the liabilities thereof; and to provide the terms and  
25 conditions upon which the trustee or trustees or the holders of bonds or  
26 any portion of them, may enforce any covenant or rights securing or relat-  
27 ing to the bonds.

28 (10) Exercise all or any part or combination of the powers herein  
29 granted; to make covenants other than and in addition to the covenants  
30 herein expressly authorized, of like or different character; to make such  
31 covenants as will tend to make the bonds more marketable, notwithstanding  
32 that such covenants, acts or things may not be enumerated herein.

33 SECTION 11. That Chapter 21, Title 40, Idaho Code, be, and the same is  
34 hereby amended by the addition thereto of a NEW SECTION, to be known and  
35 designated as Section 40-2118, Idaho Code, and to read as follows:

36 40-2118. LIMITATION ON AMOUNT OF BONDS AND REVENUES PLEDGED. Notwith-  
37 standing the provisions of sections 40-2114 through 40-2117, Idaho Code,  
38 no authority shall have outstanding at any time an amount of bonds that  
39 requires more than twenty percent (20%) of the authority's revenues in such  
40 year to pay the highest amount of principal and interest on the bonds com-  
41 ing due in any year thereafter to and including the maturity date of the  
42 bonds.

43 SECTION 12. That Chapter 21, Title 40, Idaho Code, be, and the same is  
44 hereby amended by the addition thereto of a NEW SECTION, to be known and  
45 designated as Section 40-2119, Idaho Code, and to read as follows:

46 40-2119. RIGHTS OF OBLIGEES - MANDAMUS - INJUNCTION. An obligee of an

1 authority shall have the right, in addition to all other rights which may  
2 be conferred on such obligee, subject only to any contractual restrictions  
3 binding upon such obligee:

4 (1) By mandamus, suit, action or proceedings at law or in equity, to  
5 compel said authority and the board, officers, agents or employees thereof  
6 to perform each and every term, provision and covenant contained in any  
7 contract of said authority, with or for the benefit of such obligee, and to  
8 require the carrying out of any or all such covenants and agreements of  
9 said authority and the fulfillment of all duties imposed upon said author-  
10 ity by this chapter.

11 (2) By suit, action or proceeding in equity, to enjoin any acts which  
12 may be unlawful, or the violation of any of the rights of such obligee of  
13 said authority.

14 SECTION 13. That Chapter 21, Title 40, Idaho Code, be, and the same is  
15 hereby amended by the addition thereto of a NEW SECTION, to be known and  
16 designated as Section 40-2120, Idaho Code, and to read as follows:

17 40-2120. SWAPS. In connection with, or incidental to, the issuance or  
18 carrying of bonds, but only for the purpose of reducing the amount or dura-  
19 tion of payment, interest rate, spread or similar risk, or to result in a  
20 lower cost of borrowing, and not for purposes of investment or speculation,  
21 the authority may enter into contracts, which the authority determines to  
22 be necessary or appropriate, to hedge such risk or to place the obligation  
23 of the bonds, in whole or in part, on the interest rate, cash flow, or  
24 other basis desired by the authority, including without limitation, con-  
25 tracts commonly known as interest rate swap agreements, interest rate caps  
26 or floors, forward payment conversion agreements, futures or hedge con-  
27 tracts.

28 SECTION 14. That Chapter 21, Title 40, Idaho Code, be, and the same is  
29 hereby amended by the addition thereto of a NEW SECTION, to be known and  
30 designated as Section 40-2121, Idaho Code, and to read as follows:

31 40-2121. TERMINATION OF TAX REVENUES. Except as authorized pursuant to  
32 an election by the qualified electors of the region as provided in section  
33 40-2112, Idaho Code, no local sales and use tax assessed by the authority  
34 shall have a term exceeding twenty (20) years from the date the resolution  
35 approving the tax is adopted by the board, except that the term may be  
36 extended by the board at the rate in effect if:

37 (1) The maturity date of any bonds issued to provide funds for a spe-  
38 cific project of the authority and payable from the authority's tax reve-  
39 nues exceeds the term of the local sales and use tax, provided such bond  
40 maturity is not greater than thirty (30) years; or

41 (2) The board determines that in order to avoid a default on the  
42 bonds, it is necessary to refinance outstanding bonds payable to a maturity  
43 exceeding the maximum term of the tax permitted by section 40-2112, Idaho  
44 Code; and

45 (3) During any extension set forth in subsection (1) or (2) of this  
46 section, all local sales and use tax revenues collected by the authority

1 shall be applied to the payment of principal and interest on the bonds at  
2 the sooner of maturity or upon call for redemption of such bonds. Any local  
3 sales and use tax revenues collected by the authority that cannot be im-  
4 mediately applied to the payment of principal and interest on such bonds  
5 shall be deposited into an irrevocable escrow fund for the payment of such  
6 bonds. Any local sales and use tax revenues collected by the authority  
7 exceeding the amount necessary to repay the bonds during the period which  
8 exceeds the term of the local sales and use tax, shall be remitted to the  
9 county for property tax relief.

10 SECTION 15. That Chapter 21, Title 40, Idaho Code, be, and the same is  
11 hereby amended by the addition thereto of a NEW SECTION, to be known and  
12 designated as Section 40-2122, Idaho Code, and to read as follows:

13 40-2122. ELECTION CONTEST. With respect to the contest of any local  
14 sales and use tax or bond election held pursuant to this chapter, the pro-  
15 visions of section 34-2001A, Idaho Code, shall be applicable to the same  
16 effect as if the election were a bond election conducted by a county and a  
17 contest of same was being pursued in accordance with the provisions of sec-  
18 tion 34-2001A, Idaho Code.

19 SECTION 16. That Section 40-2112, Idaho Code, be, and the same is  
20 hereby amended to read as follows:

21 40-21123. BUDGET. (1) The board shall annually adopt a budget and  
22 cause a public hearing to be held upon the budget.

23 (2) Notice of the budget hearing shall be posted at least ten (10)  
24 days prior to the date of the meeting in at least one (1) conspicuous  
25 place in each county within the boundaries of the regional public transpor-  
26 tation authority and at the administrative offices of the regional public  
27 transportation authority. A copy of the notice shall also be published in  
28 accordance with the provisions of section 40-206, Idaho Code. The place,  
29 hour and day of the hearing shall be specified in the notice, as well as  
30 the place where the budget may be examined prior to the hearing. A full and  
31 complete copy of the proposed budget shall be published with and as a part  
32 of the publication of the notice of hearing.

33 (3) The budget shall be available for public inspection from and after  
34 the date of the posting of notice of hearing at a place and during business  
35 hours as the board may direct.

36 (4) A quorum of the board shall attend the hearing and explain the  
37 proposed budget and hear any and all objections to it.

38 (5) The budget shall be completed and finalized not later than the  
39 Tuesday following the first Monday in September for the ensuing fiscal  
40 year.

41 (6) The fiscal year of the authority shall commence on the first day  
42 of October of each year.

43 SECTION 17. That Section 40-2113, Idaho Code, be, and the same is  
44 hereby amended to read as follows:

1           40-211~~3~~24. EXEMPTION FROM TAXATION. It is hereby found, determined and  
2 declared that the creation of a regional public transportation authority is  
3 in all respects for the benefit of the people of the state of Idaho, for  
4 the improvement of their welfare and prosperity, and for the promotion of  
5 their transportation, and is a public purpose and that projects and ser-  
6 vices operated by authorities are essential parts of the public transporta-  
7 tion system, and that such authorities will be performing essential govern-  
8 mental functions in the exercise of the powers conferred upon them by this  
9 chapter. The state of Idaho declares that authorities shall be required to  
10 pay no taxes or assessments upon any of the property acquired by them or  
11 under their respective jurisdiction, control, possession, or supervision or  
12 upon the activities of authorities in the operation and maintenance of  
13 projects and services, or upon any ~~charges, fees, revenues, or other income~~  
14 received by authorities, or upon special fuels used in motor vehicles owned  
15 or leased and operated by authorities, and that the bonds of authorities  
16 and the income therefrom shall at all times be exempt from taxation.  
17 Regional public transportation authorities created pursuant to this chapter  
18 shall be exempt from the sales and use tax imposed under the provisions of  
19 sections 63-3619 and 63-3621, Idaho Code, shall be issued a tax exemption  
20 certificate as provided for in section 63-3622, Idaho Code, and shall be  
21 entitled to such credits and refunds as other political subdivisions of the  
22 state of Idaho are entitled under section 63-2423, Idaho Code.

23           SECTION 18. That Section 40-2114, Idaho Code, be, and the same is  
24 hereby amended to read as follows:

25           40-211~~4~~25. SEVERABILITY. The provisions of this chapter are hereby  
26 declared to be severable and if any provision of this ~~act~~-(chapter) or the  
27 application of such provision to any person or circumstance is declared  
28 invalid for any reason, such declaration shall not affect the validity of  
29 the remaining portions of this chapter.

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