

HB 2722 -- HIGHWAY CONSTRUCTION FUNDING

SPONSOR: Korman

This bill creates the "State Road Constitutional Bond Fund" for the purposes of constructing and maintaining an adequate system of connected state highways and for the purpose of improving freight corridors in this state by constructing intersections, additional lanes, emergency access locations, and other necessary improvements.

For each year from 2020 through 2030, the Highways and Transportation Commission may issue bonds or other evidence of indebtedness under this section to finance or refinance the construction or reconstruction of the state highway system in an amount not to exceed \$100 million annually. Such bonds shall be offered at public sale or negotiated sale. The bonds shall be for a period of not less than one year and not more than three years from their date of issuance and shall bear interest at a rate not to exceed the rate permitted by law. Proceeds from the issuance of such bonds shall be paid into the State Road Constitutional Bond Fund.

The moneys in the State Road Constitutional Fund shall stand appropriated without legislative action to be used and expended by the Highways and Transportation Commission for the following purposes:

- (1) To pay the principal and interest on any outstanding state road bonds;
- (2) To maintain a balance in the State Road Fund in the amount deemed necessary to satisfy the payment of principal and interest of bonds issued under this section for the upcoming 12 months; and
- (3) To provide to the Department of Transportation to pay for the costs of planning, designing, and constructing engineering and construction projects that improve or maintain the State Highway System. These projects are specified in the bill.

If the moneys in the State Road Constitutional Bond Fund are insufficient to satisfy obligations, then the State General Revenue Fund shall be used to satisfy such obligations.