

1 S.4

2 Introduced by Senator Sears of Bennington District

3 Referred to Committee on

4 Date:

5 Subject: Transportation; bonding; GARVEE bonds

6 Statement of purpose: This bill proposes to authorize the state treasurer to
7 issue Grant Anticipation Revenue Vehicles (“GARVEE”) bonds, which are
8 financing instruments issued in anticipation of reimbursement with future
9 federal aid funds for transportation projects of \$10 million or more.

10 AN ACT RELATING TO THE ISSUANCE OF GARVEE BONDS FOR
11 CERTAIN TRANSPORTATION CAPITAL PROJECTS

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. 19 V.S.A. § 12d is added to read:

14 § 12d. BONDING AUTHORITY

15 (a) It is the policy of the state of Vermont to manage state and federal
16 financial resources in as judicious a manner as possible, including the select
17 use of Grant Anticipation Revenue Vehicles (“GARVEE”) bonds. These are
18 debt-financing instruments issued in anticipation of reimbursement with future
19 federal aid funds. To that end, the state treasurer is authorized to issue
20 GARVEE bonds for transportation projects undertaken by the agency of

1 transportation which cost \$10 million or more, and are in the approved
2 transportation program.

3 (b) The secretary of transportation, consulting with the treasurer, shall
4 identify transportation projects that will be funded with bond proceeds. The
5 secretary, in consultation with the treasurer, may revise the project list. The
6 secretary of transportation shall notify the state treasurer within 30 days of the
7 postponement of any authorized projects for which bonding is the source of
8 funds.