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## IN THE HOUSE OF REPRESENTATIVES

## HOUSE BILL NO. 101

## BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE ATTORNEY GENERAL; AMENDING SECTION 67-1401, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE DUTIES OF THE ATTORNEY GENERAL AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 67-1406, IDAHO CODE, TO REVISE PROVISIONS REGARDING LEGAL COUNSEL FOR CERTAIN STATE ENTITIES; AMENDING SECTION 67-1408, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE BILLING OF STATE ENTITIES FOR LEGAL SERVICES AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 67-1409, IDAHO CODE, TO REVISE PROVISIONS REGARDING CONTRACTS FOR THE PROVISION OF LEGAL SERVICES FOR STATE EN-TITIES; AMENDING SECTION 39-9004, IDAHO CODE, TO REVISE A PROVISION REGARDING A CERTAIN PENALTY AND TO PROVIDE A CORRECT CODE REFERENCE; AMENDING SECTION 54-2120, IDAHO CODE, TO CLARIFY THAT THE BOARD OF VET-ERINARY MEDICINE MAY REQUEST LEGAL SERVICES FROM THE ATTORNEY GENERAL AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 57-727, IDAHO CODE, TO REVISE PROVISIONS REGARDING LEGAL COUNSEL FOR THE ENDOWMENT FUND IN-VESTMENT BOARD AND THE MANAGER OF INVESTMENTS; AMENDING SECTION 58-120, IDAHO CODE, TO REVISE PROVISIONS REGARDING LEGAL COUNSEL FOR THE DE-PARTMENT OF LANDS; AMENDING SECTION 61-204, IDAHO CODE, TO SPECIFY THE RIGHT OF THE PUBLIC UTILITIES COMMISSION TO EMPLOY LEGAL COUNSEL OTHER THAN THE ATTORNEY GENERAL AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 63-3047, IDAHO CODE, TO PROVIDE FOR THE CONSENT OF LEGAL COUNSEL TO COMPROMISE OF CASES BY THE STATE TAX COMMISSION; AMENDING SECTION 63-3048, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE INVOLVEMENT OF LEGAL COUNSEL FOR THE STATE TAX COMMISSION IN THE SETTLEMENT OF COM-PROMISE CASES AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 63-3056, IDAHO CODE, TO AUTHORIZE THE LEGAL COUNSEL OF THE STATE TAX COMMISSION TO FILE A COURT ACTION TO ENFORCE A TAX LIEN AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 63-3066, IDAHO CODE, TO PROVIDE FOR THE RIGHT OF THE STATE TAX COMMISSION TO EMPLOY OUTSIDE LEGAL COUN-SEL; AMENDING SECTION 67-802, IDAHO CODE, TO PROVIDE THAT THE GOVERNOR MAY REQUEST THE ATTORNEY GENERAL OR OTHER LEGAL COUNSEL TO APPEAR IN SUITS BY OR AGAINST THE STATE AND TO MAKE TECHNICAL CORRECTIONS; AMEND-ING SECTION 67-2601A, IDAHO CODE, TO REVISE PROVISIONS REGARDING LEGAL COUNSEL FOR THE DIVISION OF BUILDING SAFETY; AMENDING SECTION 67-5773, IDAHO CODE, TO PROVIDE THAT THE DIRECTOR OF THE DEPARTMENT OF ADMIN-ISTRATION MAY FILE SUIT IN CERTAIN INSTANCES WITH THE ADVICE OF LEGAL COUNSEL AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 67-8725, IDAHO CODE, TO PROVIDE THAT THE STATE TREASURER MAY BE ASSISTED BY LEGAL COUNSEL AND THAT A MUNICIPALITY MUST PAY THE COSTS OF THE STATE TREA-SURER'S LEGAL COUNSEL IN CERTAIN CIRCUMSTANCES AND TO MAKE TECHNICAL CORRECTIONS; AND AMENDING SECTION 74-123, IDAHO CODE, TO REVISE PROVI-SIONS REGARDING LEGAL COUNSEL FOR THE IDAHO CODE COMMISSION, TO REVISE A PROVISION REGARDING CERTAIN FEES, AND TO MAKE A TECHNICAL CORRECTION.

SECTION 1. That Section 67-1401, Idaho Code, be, and the same is hereby amended to read as follows:

- 67-1401. DUTIES OF ATTORNEY GENERAL. Except as otherwise provided in this chapter, iIt is the duty of the attorney general:
- (1) To perform all legal services for the state required of him by the constitution of the state of Idaho or by Idaho law and to represent the state and all departments, agencies, offices, officers, boards, commissions, institutions and, when requested by them, other state entities in all courts and before all administrative tribunals or bodies of any nature. Representation shall be provided to those entities exempted pursuant to the provisions of section 67-1406, Idaho Code. Whenever required to attend upon any court or administrative tribunal, the attorney general shall be allowed necessary and actual expenses, all claims for which shall must be audited by the state board of examiners.
- (2) To advise all departments, agencies, offices, officers, boards, commissions, institutions and other state entities  $\underline{\text{requesting advice}}$  in all matters involving questions of law.
- (3) After judgment in any of the causes referred to in this chapter, to direct the issuing of such process as may be necessary to carry the same into execution.
- (4) To account for and pay over to the proper officer all moneys received  $\frac{1}{2}$  which that belong to the state.
- (5) To enforce the Idaho charitable solicitation act, chapter 12, title 48, Idaho Code; the Idaho nonprofit hospital sale or conversion act, chapter 15, title 48, Idaho Code; to supervise charitable organizations, as such term is defined in section 48-1903(4), Idaho Code; and to enforce whenever necessary any noncompliance or departure from the charitable purpose of such charitable organizations as set forth and provided in chapter 19, title 48, Idaho Code.
- (6) To give an opinion in writing, without fee, to the legislature or either house thereof, or any senator or representative, and to the governor, secretary of state, treasurer, state controller, and the superintendent of public instruction, when requested, upon any question of law relating to their respective offices. The attorney general shall must keep a record of all written opinions rendered by the office and such opinions shall be compiled annually and made available for public inspection. All costs incurred in the preparation of said opinions shall be borne by the office of the attorney general. A copy of the opinions shall must be furnished to the supreme court and to the state librarian.
- (7) When required by the public service, to repair to any county in the state and assist the prosecuting attorney thereof in the discharge of duties.
- (8) To bid upon and purchase, when necessary, in the name of the state, and under the direction of the state controller, any property offered for sale under execution issued upon judgments in favor of or for the use of the state, and to enter satisfaction in whole or in part of such judgments as the consideration for such purchases.
- (9) Whenever the property of a judgment debtor in any judgment mentioned in subsection (8) of this section has been sold under a prior judg-

ment, or is subject to any judgment, lien, or encumbrance, taking precedence of the judgment in favor of the state, under the direction of the state controller, to redeem such property from such prior judgment, lien, or encumbrance; and all sums of money necessary for such redemption must, upon the order of the board of examiners, be paid out of any money appropriated for such purposes.

- (10) When necessary for the collection or enforcement of any judgment hereinbefore mentioned, to institute and prosecute, in behalf of the state, such suits or other proceedings as may be necessary to set aside and annul all conveyances fraudulently made by such judgment debtors; the cost necessary to the prosecution must, when allowed by the board of examiners, be paid out of any appropriations for the prosecution of delinquents.
- (11) To exercise all the common law power and authority usually appertaining to the office and to discharge the other duties prescribed by law.
- (12) To report to the governor, at the time required by this section, the condition of the affairs of the attorney general's office and of the reports received from prosecuting attorneys.
- $(1\frac{3}{2})$  To appoint deputy attorneys general and special deputy attorneys general and other necessary staff to assist in the performance of the duties of the office. Such deputies and staff shall be nonclassified employees within the meaning of section 67-5302, Idaho Code.
- (143) To establish a medicaid fraud control unit pursuant to the provisions of section 56-226, Idaho Code, and to exercise concurrent investigative and prosecutorial authority and responsibility with county prosecutors to prosecute persons for the violation of the criminal provisions of chapter 2, title 56, Idaho Code, and for criminal offenses that are not defined in said chapter 2, title 56, Idaho Code, but that involve or are directly related to the use of medicaid program funds or services provided through the medicaid program.
- (154) To seek injunctive and any other appropriate relief as expeditiously as possible to preserve the rights and property of the residents of the state of Idaho, and to defend as necessary the state of Idaho, its officials, employees, and agents in the event that any law or regulation violating the public policy set forth in the Idaho health freedom act, chapter 90, title 39, Idaho Code, is enacted by any government, subdivision, or agency thereof.
- (165) To establish an internet crimes against children unit pursuant to the provisions of section 67-1410, Idaho Code, and to exercise concurrent investigative and prosecutorial authority and responsibility with county prosecutors to prosecute persons for the violation of the criminal provisions of sections 18-1507, 18-1509A, 18-1513 and 18-1515, Idaho Code, which may also encompass criminal offenses that are not defined in said sections but that involve or are directly related to child pornography and solicitation of minors for pornography, prostitution or sex-related offenses.
- $(17\underline{6})$  To respond to allegations of violation of state law by elected county officers, to investigate such claims, to issue appropriate findings and to refer such cases for further investigation and prosecution pursuant to section 31-2002, Idaho Code.
- (187) To establish a sobriety and drug monitoring program to reduce the number of people on Idaho's highways who drive under the influence of alco-

hol or drugs,  $\underline{to}$  reduce the number of repeat offenders for certain offenses in which the abuse of alcohol or drugs was a contributing factor, and  $\underline{to}$  increase pretrial and posttrial options for prosecutors and judges in responding to repeat DUI offenders and offenders for certain crimes in which the abuse of alcohol or drugs was a contributing factor in the commission of the crime  $\underline{r}$ ; and to adopt such rules and establish such fees as are necessary for the operation of said program, as set forth by law.

SECTION 2. That Section 67-1406, Idaho Code, be, and the same is hereby amended to read as follows:

- 67-1406. EMPLOYMENT OF ATTORNEYS RESTRICTED -- EXEMPTIONS. Notwithstanding any other provision of law to the contrary, no (1) A department, agency, self-governing agency enumerated in section 67-2601, Idaho Code, office, officers, board, commission, college, university, institution or other state entity shall may be represented by or obtain its legal advice from the office of the attorney general, or it may exercise litigation authority independent of the attorney general's office and obtain legal advice and be represented in court or before an administrative tribunal by an attorney at law other than licensed to practice law in Idaho outside of the office of the attorney general except as follows:, or by a combination of attorneys within and without the office of the attorney general.
- $(\pm 2)$  The legislative and judicial branches of government and the governor may employ attorneys other than those under the supervision of the attorney general, and such attorneys may appear in any court. However, such entities may, upon request, utilize the attorney general's legal services.
- (2) Those state entities within the department of self-governing agencies which are enumerated in sections 67-2601(2)(a), 67-2601(2)(b) and 67-2601(3), Idaho Code, and colleges and universities may employ private counsel to advise them and represent them before courts of the state of Idaho. Such entities may also obtain legal services from the attorney general on such terms as the parties may agree.
- (3) Whenever the attorney general determines that it is necessary or appropriate in the public interest, the attorney general may authorize contracts for legal services pursuant to the provisions of section 67-1409, Idaho Code.
- (4) The provisions of section 67-1401, Idaho Code, shall govern the normal relationship between the attorney general and the state entities in the executive branch of state government. However, if after consultation with the attorney general, the governor determines in his sole judgment, which shall is not be subject to judicial review, that counsel assigned by the attorney general to represent or give legal advice to any state entity, other than the lieutenant governor, state controller, state treasurer, secretary of state, attorney general, and the superintendent of public instruction, cannot effectively advocate or pursue the policies of the governor, the governor shall may request that other counsel be provided by the attorney general, and the attorney general shall must provide from within the office of the attorney general or obtain from outside the office of the attorney general, depending upon the request of the governor, qualified counsel acceptable to the governor to represent such state entity.

(5) Any separate counsel employed <del>pursuant to the foregoing exceptions</del> shall by a state entity <u>must</u> be compensated with funds appropriated to such state entity, unless such separate counsel shall have been was employed at the request or convenience of the attorney general or because of a conflict in representation by the attorney general, in which case the attorney general must compensate such separate counsel with funds appropriated to the office of the attorney general.

- (6) Any state entity that intends to employ separate counsel instead of or in addition to the attorney general's office for its legal services for any given fiscal year must notify the attorney general accordingly by August 1 of the prior fiscal year, or as soon thereafter as is practicable, and must provide the estimate of cost for separate counsel in its budget request required under section 67-3502, Idaho Code. If notice is not provided to the attorney general by August 1, the state entity may nonetheless employ separate counsel but may be required to use its existing appropriation to do so. A state entity that nevertheless chooses to obtain legal services from the attorney general during a fiscal year for which the state entity had previously notified the attorney general that it was declining its legal services may receive legal services from the attorney general.
- SECTION 3. That Section 67-1408, Idaho Code, be, and the same is hereby amended to read as follows:
- 67-1408. BILLING OF STATE ENTITIES FOR LEGAL SERVICES. The attorney general, in rendering requested assistance to the departments, agencies, offices, officers, boards, commissions, institutions and other state entities, shall charge for all costs of such assistance as determined pursuant to section 67-1407, Idaho Code, including, but not limited to, salaries of attorneys, paralegals, administrative, clerical and other personnel, investigative services, independent contractors, operating expenses and capital outlay expenses of the office of the attorney general. Whenever the attorney general determines that it would be beneficial to physically locate attorneys from his office within an agency a state entity that has requested legal services of his office, the attorney general and agency may must enter into an agreement defining the term of the agreement and which operating, capital or other expenses will be paid by the attorney general and which expenses will be paid by the agency.

The attorney general shall manage the attorney general's office to provide unified legal services based upon the legal needs of the state. For this purpose, the attorney general may, during any fiscal year, assign personnel based upon the legal needs existing regardless of the source of funding therefor.

- SECTION 4. That Section 67-1409, Idaho Code, be, and the same is hereby amended to read as follows:
- 67-1409. CONTRACTS FOR LEGAL SERVICES. (1) The attorney general shall determine which legal services can most efficiently and effectively be provided by the attorney general's staff and which legal services can most efficiently and effectively be provided by contract. The attorney general shall develop application forms and requests for proposals utilizing

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generally accepted cost containment considerations, for those attorneys desiring to perform contract legal services for the state. Based upon the responses received, the attorney general shall recommend to the state board of examiners which attorneys or firms should be authorized to represent the state. The state board of examiners shall consider the recommendations made by the attorney general and shall determine which attorneys or firms so recommended are authorized to contract to provide legal services for the state, and the type or types of legal services they are authorized to provide. In determining which attorneys shall be authorized for particular types of services, the board of examiners shall select attorneys who, in the board's judgment can best provide quality legal services for the state entities at an acceptable cost. The determinations of the board of examiners shall not be subject to judicial review with the attorney general's office. Whenever the attorney general determines that an immediate appointment of a special deputy attorney general would be in the best interests of the state of Idaho, the attorney general may enter into an agreement with an attorney or firm to provide legal services for the state on behalf of the attorney general. The attorney general or any state entity that contracts for legal services will monitor and supervise the work performed under the contracts and approve any payments made pursuant to the contract.

(2) The performance of all contracts for legal services shall be monitored and supervised by the attorney general or his designee, and any payments pursuant to such contracts must be approved by the attorney general. This provision shall not apply to contracts for legal services entered into by those entities exempted by section 67-1406, Idaho Code.

SECTION 5. That Section 39-9004, Idaho Code, be, and the same is hereby amended to read as follows:

39-9004. ENFORCEMENT. (1) No public official, employee, or agent of the state of Idaho or any of its political subdivisions, shall may act to impose, collect, enforce, or effectuate any penalty in the state of Idaho that violates the public policy set forth in section 39-9003(2), Idaho Code.

(2) The attorney general shall take such action as is provided in section 67-1401(154), Idaho Code, in the defense or prosecution of rights protected under this act.

SECTION 6. That Section 54-2120, Idaho Code, be, and the same is hereby amended to read as follows:

54-2120. ATTORNEY GENERAL'S OFFICE TO ADVISE AND REPRESENT. Upon request of the board, the attorney general's office of the state of Idaho shall represent the board, and shall give opinions on all questions of law arising out of the administration of the laws which it shall administer, and to act for, and on behalf of the board in all actions brought for or against it under the provisions of this chapter, or as otherwise provided by law, to the extent encompassed by the request.

SECTION 7. That Section 57-727, Idaho Code, be, and the same is hereby amended to read as follows:

- 57-727. MANAGER OF INVESTMENTS -- STAFF -- LEGAL ADVISORS. (1) With the approval of two-thirds (2/3) of the members of the board, a manager of investments and other portfolio managers may be employed or contracted with who shall perform such managerial activities and functions as the board may direct. The manager of investments and portfolio managers shall serve at the pleasure of the board in nonclassified positions, if such persons are employees. The manager of investments and portfolio managers may either be employed by the board or serve pursuant to contract. The salary or compensation of the manager of investments and portfolio managers shall be set by the board, subject to approval of the governor, and be paid from appropriations made therefor. The manager of investments and portfolio managers  $\frac{1}{1}$  shall  $\frac{1}{1}$  must be bonded in an amount established by the board if these persons are employees. If these functions are performed pursuant to contract, the contract  $\frac{1}{1}$  must contain a clause to provide for bonding of the contractor's personnel.
- (2) The board may authorize the employment of whatever staff it deems necessary for the administration of the board's business. The manager of investments may hire portfolio managers and other necessary staff who shall hold their respective positions subject to the rules of the administrator of the division of human resources promulgated pursuant to chapter 52, title 67, Idaho Code. The salaries of all staff members shall be paid from appropriations made therefor.
- (3) The director of the department of finance shall have access to any and all books and records maintained by the manager of investments and his staff as the board may deem necessary.
- (4) The board shall be furnished obtain adequate and qualified legal advisors by from the attorney general's office or other legal counsel selected by the board.
- (5) All current expenses, capital outlay, and travel expenses shall be paid from appropriations made therefor.
- (6) The board <u>shall must</u>, upon request of the agency involved, furnish advice to the treasurer, the manager of the state insurance fund, and the public employee retirement board, and the board may, upon request of the agency, invest funds of the requesting agency.
- SECTION 8. That Section 58-120, Idaho Code, be, and the same is hereby amended to read as follows:
- 58-120. ATTORNEY GENERAL LEGAL COUNSEL TO REPRESENT STATE. The attorney general shall represent or department of lands shall cause the state to be properly represented in all suits, actions, contests or controversies relating to or involving state lands or timber, before the several land offices in this state, before the general land office at Washington, D.C. federal bureau of land management or other federal land management agencies, and before the courts and administrative tribunals of this state and of the United States, and may employ a competent attorney or attorneys for that purpose, who shall be paid out of the fund provided for the department of lands.
- SECTION 9. That Section 61-204, Idaho Code, be, and the same is hereby amended to read as follows:

61-204. ATTORNEY GENERAL ATTORNEY OF COMMISSION. It shall be <u>is</u> the right and the duty of the <u>commission to select either outside legal counsel or the</u> attorney general, <u>or both</u>, to represent and appear for the people of the state of Idaho and the commission in all actions and proceedings involving any question under this act or under any order or act of the commission and, if directed to do so by the commission, to intervene, if possible, in any action or proceeding in which any such question is involved; to commence, prosecute, and expedite the final determination of all actions and proceedings directed or authorized by the commission; to advise the commission and each commissioner, when so requested, in regard to all matters connected with the powers and duties of the commission and the members thereof; and generally to perform all duties and services as attorney to the commission which the commission may require of him.

SECTION 10. That Section 63-3047, Idaho Code, be, and the same is hereby amended to read as follows:

63-3047. COMPROMISED CASES. The state tax commission or its delegate may compromise any taxes, penalties or interest arising under the provisions of this chapter instead of commencing suit thereon and may settle any such case with the consent of <u>legal counsel or</u> the attorney general after suit thereon has been commenced.

SECTION 11. That Section 63-3048, Idaho Code, be, and the same is hereby amended to read as follows:

- 63-3048. ADJUSTED OR COMPROMISED CASES -- SETTLEMENT AND CLOSING AGREEMENTS. (a) The state tax commission or its delegate is authorized to enter into an agreement in writing with any person relating to the liability of such person, or of the person for whom he is acting, in respect of any tax under this chapter for any taxable period ending prior to the date of the agreement.
- (b) Where the amount in issue relating to the tax liability of any tax-payer is equal to or exceeds fifty thousand dollars (\$50,000) and the commission has delegated the authority to enter into a settlement or closing agreement for such liability to an individual commissioner, the following minimum standards of procedure  $\frac{1}{5}$  shall apply:
  - (1) In addition to the individual commissioner delegated the principal responsibility to negotiate on behalf of the commission, a second commissioner  $\frac{1}{2}$  be present for a final review of the negotiated settlement or closing agreement. Both commissioners  $\frac{1}{2}$  be  $\frac{1}{2}$  required to sign the settlement or closing agreement to make it binding and complete.
  - (2) In addition to the two (2) commissioners present at the final review, the tax commission's legal counsel or a representative of the office of the attorney general shall must be present as well as tax commission staff, which shall include a tax policy specialist and either a representative from the audit division or other division where the case originated.
  - (3) The tax policy specialist, tax commission's legal counsel, or deputy attorney general assigned to a settlement or closing agreement

 shall prepare and submit to the commission a written summary for the final review explaining the terms of the settlement or closing agreement. The summary shall include any recommendations of agency staff including audit staff.

- (4) The tax commission  $\frac{1}{2}$  must retain a copy of all settlement and closing agreements and, in addition, all summaries prepared pursuant to subsection (b) (3) of this section.
- (c) The tax commission  $\frac{1}{2}$  must submit an annual report to the governor and the legislature by March  $\frac{1}{2}$  of each year summarizing all settlement and closing agreements entered into during the previous calendar year as defined by subsection (b) of this section.
- (d) The tax commission  $\frac{1}{2}$  may promulgate administrative rules in compliance with chapter 52, title 67, Idaho Code, to implement the provisions of this section.
- (e) Such agreement shall be final and conclusive and, except upon a showing of fraud or malfeasance, or misrepresentation of a material fact:
  - (1) The case  $\frac{\text{shall }}{\text{may}}$  not be reopened as to matters agreed upon or the agreement modified by any officer, employee, or agent of the state.
  - (2) In any suit, action, or proceeding, such agreement, or any determination, assessment, collection, payment abatement, refund, or credit made in accordance therewith,  $\frac{1}{2}$  may not be annulled, modified, set aside, or disregarded.

SECTION 12. That Section 63-3056, Idaho Code, be, and the same is hereby amended to read as follows:

63-3056. ACTION TO ENFORCE LIEN. In any case where there has been a refusal or neglect to pay any tax, including interest, penalty, additional amount or addition to such tax, together with any costs that may accrue in addition thereto, the state tax commission's legal counsel or the attorney general of the state, at the request of the state tax commission, may file an action in the district court for Idaho in the county where the property encumbered by the lien is located to enforce the lien of the state for such tax upon any property and rights to property, whether real or personal, or to subject any such property and rights to property owned by the delinquent, or in which he has any right, title, or interest, to the payment of such tax. Such action shall be commenced and pursued in like manner as is now provided by law for the foreclosure of mortgages and other liens in chapter 1, title 6, Idaho Code, which is hereby made applicable to the tax liens arising under this chapter to the extent that such provisions are not inconsistent with other provisions of this chapter, provided, however, that the redemption period may be fixed by the judge of the court wherein the proceeding was filed, but in no event shall the period of redemption exceed the time prescribed by sections 11-402 and 11-403, Idaho Code. Such action may be commenced at any time within five (5) years following the date such lien was filed, or was last extended.

SECTION 13. That Section 63-3066, Idaho Code, be, and the same is hereby amended to read as follows:

63-3066. LEGAL ADVISER. Unless the tax commission employs outside legal counsel instead of or in addition to the attorney general, the attorney general of the state shall be the <u>sole</u> legal counselor and adviser of the tax commission.

 SECTION 14. That Section 67-802, Idaho Code, be, and the same is hereby amended to read as follows:

67-802. OFFICE OF GOVERNOR -- DUTIES OF GOVERNOR. The office of the governor shall be composed of: the state liquor division, as provided by chapter 2, title 23, Idaho Code; the military division, as provided by title 46, Idaho Code; the division of financial management; and such other divisions and units as are established or assigned by law, or created through administrative action of the governor.

The governor shall appoint an administrator for each division, with the advice and consent of the senate. Administrators shall serve at the pleasure of the governor, and shall be exempt from the provisions of chapter 53, title 67, Idaho Code. Other subordinate staff necessary to accomplish a division's mission shall be subject to the provisions of chapter 53, title 67, Idaho Code.

The supreme executive power of the state is vested by section 5, article IV, of the constitution of the state of Idaho, in the governor, who is expressly charged with the duty of seeing that the laws are faithfully executed. In order that he may exercise a portion of the authority so vested, the governor is authorized and empowered to implement and exercise those powers and perform those duties by issuing executive orders from time to time, which shall have the force and effect of law when issued in accordance with this section and within the limits imposed by the constitution and laws of this state. Such executive orders, when issued, shall be serially numbered for each calendar year and may be referred to and cited by such numerical designation and title. Each executive order issued hereunder shall be effective only after signature by the governor, and attestation by and filing with the secretary of state, who shall keep a permanent register and file of such orders in the same manner as applies to acts of the legislature. In addition, each executive order required by chapter 52, title 67, Idaho Code, to be published in the administrative bulletin shall be filed with the administrative rules coordinator and published in the bulletin. Each such executive order issued by the governor must prescribe a date after which it shall cease to be effective, which shall be within four (4) calendar years of the effective date of such order, and if no date after which such order shall cease to be effective is contained in the order, then such order shall cease to be effective four (4) calendar years from the issuance thereof, unless renewed by subsequent executive order. The governor may modify or repeal any executive order by issuance of a new executive order. The procedures expressly set forth in this section shall be sufficient to make an executive order effective.

In addition to those powers prescribed above, and those prescribed by the constitution, the governor has the powers, and may perform the duties prescribed in this section and the following sections:

1. To supervise the official conduct of all executive and ministerial officers.

2. To see that all offices are filled, and the duties thereof performed, or, in default thereof, apply such remedy as the law allows; and if the remedy is imperfect, acquaint the legislature therewith at its next session.

- 3. To make the appointments and supply the vacancies provided by law.
- 4. He is the sole official organ of communication between the government of this state and the government of any other state or territory, or of the United States.
- 5. Whenever any suit or legal proceeding is pending in this state, or which that may affect the title of this state to any property, or which that may result in any claim against or by the state, he may direct the attorney general or request other legal counsel of his choosing, or both, to appear on behalf of the state.
- 6. He may require the attorney general or prosecuting attorney of any county to inquire into the affairs or management of any corporation existing under the laws of this state.
- 7. He may require the attorney general to aid any prosecuting attorney in the discharge of his duties.
- 8. He may offer rewards not exceeding one thousand dollars (\$1,000) each, payable out of the state treasury, for the apprehension of any convict who has escaped from the state prison, or of any person who has committed, or is charged with the commission of, an offense punishable with death; and also offer like rewards, not exceeding five hundred dollars (\$500) each, in cases of felony, where the offense is not punishable with death.
- 9. To perform such duties respecting fugitives from justice as are prescribed by the penal code.
  - 10. To issue and transmit election proclamations as prescribed by law.
- 11. He may require any officer to make special reports to him in writing on demand.
- 12. He has such other powers and may perform such other duties as are devolved upon him by any law of this state.
- SECTION 15. That Section 67-2601A, Idaho Code, be, and the same is hereby amended to read as follows:
- 67-2601A. DIVISION OF BUILDING SAFETY. (1) The division of building safety will be headed by an administrator appointed by and serving at the will of the governor. The division administrator, deputy administrators and regional managers shall be nonclassified employees exempt from the provisions of chapter 53, title 67, Idaho Code.
- (2) The administrator shall administer the following provisions and shall perform such additional duties as are imposed on him by law: chapter 41, title 39, Idaho Code, relating to the building code board; chapter 40, title 39, Idaho Code, relating to manufactured homes; chapter 43, title 39, Idaho Code, relating to factory built structures; chapter 21, title 44, Idaho Code, relating to manufactured home dealer and installer licensing; chapter 25, title 44, Idaho Code, relating to mobile home rehabilitation; chapter 10, title 54, Idaho Code, relating to electrical contractors and journeymen; chapter 19, title 54, Idaho Code, relating to licensing of public works contractors; chapter 26, title 54, Idaho Code, relating to public works construction management licensing; chapter 50, title 54, Idaho Code,

relating to heating, ventilation and air conditioning systems; chapter 80, title 39, Idaho Code, relating to school building safety; chapter 59, title 33, Idaho Code, relating to Idaho school safety and security; chapter 86, title 39, Idaho Code, relating to elevator safety; and chapter 22, title 55, Idaho Code, relating to underground facilities damage prevention.

- (3) The administrator shall also have the authority to perform safety inspections and safety training programs for logging operations in Idaho.
  - (a) When an inspection reveals evidence of a condition that poses an immediate threat of serious bodily harm or loss of life to any person, the administrator and, while on public highways, the director of the Idaho state police and the Idaho transportation board, may issue an order to immediately stop the work, close the facility or site, or detain the vehicle where the threat exists. The safety order shall not be rescinded until after the threat has been corrected or removed.
  - (b) The safety order may be enforced by the attorney general or by other legal counsel of the administrator's choosing, or both, in a civil action brought in the district court for the county wherein the hazardous work site or facility is located or the vehicle is detained.
  - (c) Any person who knowingly fails or refuses to comply with such an order is guilty of a misdemeanor.
  - (d) The administrator shall promulgate rules adopting minimum logging safety standards and procedures for conducting inspections and safety training.
  - (e) The director of the Idaho state police and the Idaho transportation board shall have authority on public highways to stop and inspect vehicles and enforce rules promulgated by the administrator pursuant to this section.
- (4) In addition to safety inspections of state-owned public buildings conducted under chapter 23, title 67, Idaho Code, the administrator may conduct safety inspections of buildings owned or maintained by political subdivisions of the state upon receipt of a written request from the governing body of that political subdivision, subject to the availability of division resources and the requesting entity's agreement to pay the division's current fees for such an inspection.
  - (a) The findings of the inspection shall be reported to the governing body of the political subdivision.
  - (b) The administrator may promulgate rules adopting minimum safety standards and procedures for conducting such inspections, as well as fees for performing the same.
  - (c) For purposes of this section, "political subdivision" means any governmental unit or special district of the state of Idaho other than public school districts.
- (5) In administering the laws regulating professions, trades and occupations that are devolved for administration upon the division, and in addition to the authority granted to the administrator by the laws and rules of the agencies and entities within the division, the administrator may:
  - (a) Revise the operating structure of the division as needed to provide efficient and appropriate services to the various professions, trades, occupations and programs administered within the division;

- (b) Conduct examinations to ascertain the qualifications and fitness of applicants to exercise the profession, trade or occupation for which an examination is held; pass upon the qualifications of applicants for reciprocal licenses, certificates and authorities; prescribe rules for a fair and impartial method of examination of candidates to exercise the respective professions, trades or occupations; issue registrations, licenses and certificates; and until fees are established in rule, the administrator shall charge a fee of seventy-five dollars (\$75.00) for each examination administered;
- (c) Conduct hearings on proceedings to discipline, renew or reinstate licenses, certificates or authorities of persons exercising the respective professions, trades or occupations; appoint hearing officers, administer oaths, issue subpoenas, and compel the attendance of witnesses; revoke, suspend, refuse to renew, or take other disciplinary action against such licenses, certifications or authorities; and prescribe rules to assess costs and fees incurred in the investigation and prosecution or defense of any certificate holder, licensee or registrant of the division, its boards, bureaus and programs, in accordance with the provisions of section 12-117(5), Idaho Code, when applicable, the contested case provisions of chapter 52, title 67, Idaho Code, and the laws and rules of the boards, bureaus and programs the division administers;
- (d) Assess civil penalties as authorized;

- (e) Promulgate rules establishing: a coordinated system for the issuance, renewal, cancellation and reinstatement of licenses, certificates, registrations and permits; assessment of all related fees; the terms by which fees may be prorated, if any; and procedures for the replacement of lost or destroyed licenses, certificates or registrations; and
- (f) Promulgate other rules as may be necessary for the orderly administration of the chapters specified in subsection (2) of this section, except for those related to underground facilities damage prevention contained in chapter 22, title 55, Idaho Code, and such rules as may otherwise be required by those chapters as well as rules for the standardization of operating procedures.
- (6) Notwithstanding any law governing any specific board, bureau or program comprising the division of building safety, each board member shall hold office until a successor has been duly appointed and qualified.
- (7) The administrator shall have the authority to employ individuals, make expenditures, enter into contracts, require reports, make investigations, travel, and take other actions deemed necessary.
- SECTION 16. That Section 67-5773, Idaho Code, be, and the same is hereby amended to read as follows:
- 67-5773. POWERS AND DUTIES -- RISK MANAGEMENT. (1) The director of the department of administration shall:
  - (a) Determine the nature and extent of needs for insurance coverages of all kinds, other than life and disability insurances, as to risks and property of all offices, departments, divisions, boards, commissions, institutions, agencies and operations of the government of the state of

Idaho, the premiums on which are payable in whole or in part from funds of the state.

- (b) Determine the character, terms, and amounts of insurance coverages required by such needs.
- (c) Within funds available therefor from each respective office, department, division, board, commission, institution, agency or operation with respect to coverage to be provided to it, negotiate for, procure, purchase, and have placed or continued in effect all such insurance coverages and services as may reasonably be obtainable, whether from insurers or brokers duly authorized to transact business in this state.
- (d) Administer all such coverages on behalf of the insured, including making and settlement of loss claims arising thereunder. The director, with may seek the advice of the attorney general or other legal counsel, or both, may cause with regard to causing suit to be brought with respect to any such coverage or loss.
- (e) Within available funds and personnel, make periodic inspection or appraisal of premises, property and risks as to conditions affecting insurability, risk, and premium rate, and submit a written report of each such inspection or appraisal together with recommendations, if any, to the officer, department, or agency in direct charge of such premises, property or risks.
- (f) Perform such other duties and exercise such other powers as are provided by law.
- (g) Establish a risk management advisory committee. The director shall consult with the advisory committee in the performance of those duties enumerated above.
- (2) As to all such needs and coverages, the director shall give due consideration to information furnished by and recommendations of any office, department, division, board, commission, institution or agency.
- SECTION 17. That Section 67-8725, Idaho Code, be, and the same is hereby amended to read as follows:
- 67-8725. PAYMENT TRANSFER -- NOTICE OF NONPAYMENT -- STATE FINANCIAL ASSISTANCE INTERCEPT MECHANISM -- STATE TREASURER DUTIES -- INTEREST AND PENALTY PROVISIONS.
  - (1) (a) Each municipality, with outstanding unpaid municipal bonds as set forth in this chapter held by or for the authority, shall transfer moneys sufficient for the scheduled debt service payment to its paying agent at least fifteen (15) days before any principal or interest payment date for the bonds in order that the bonds of the authority may be paid. The paying agent may be the trustee for the bonds of the authority that are secured by those municipal bonds.
  - (b) A municipality subject to this section and chapter with regard to any municipal bonds and  $\frac{1}{2}$  that is unable to transfer the scheduled debt service payment to the paying agent at least fifteen (15) days before the scheduled payment date shall immediately notify the paying agent and the state treasurer by:
    - (i) Telephone;

(ii) A writing sent by facsimile transmission; and

- (iii) A writing sent by first-class United States mail.
- (c) If sufficient funds are not transferred to the paying agent as required by this subsection, the paying agent shall notify the authority and the state treasurer of that failure in writing at least ten (10) days before the scheduled debt service payment date by:
  - (i) Telephone;

- (ii) A writing sent by facsimile transmission; and
- (iii) A writing sent by first-class United States mail.
- (d) If sufficient moneys to pay the scheduled debt service payment have not been transferred to the paying agent at least ten (10) days before the scheduled payment date, the authority or the state treasurer shall cause sufficient moneys to be transferred from the reserve fund as provided in section 67-8713, Idaho Code, to the paying agent to make the scheduled debt service payment on the bonds of the authority.
- (e) To the extent moneys transferred from the reserve fund are derived from moneys appropriated to the reserve fund by the legislature, the payment by the state treasurer transfers the rights represented by the obligation of the municipality and/or authority from the bondholders to the state.
- (2) (a) If one (1) or more payments on bonds are made by the state treasurer from moneys in the reserve fund that are derived from moneys appropriated to the reserve fund by the legislature, due to the failure of the municipality to make payment on its bonds in a timely manner, the state treasurer, subject to the limitations provided in paragraph (b) of this subsection, shall:
  - (i) Immediately intercept any payments from:
    - (A) The receipts of any payment of property taxes; or
    - (B) Sales tax moneys that would be distributed pursuant to section 63-3638, Idaho Code; or
    - (C) Liquor revenues that would be distributed pursuant to section 23-404, Idaho Code; or
    - (D) Any other source of operating moneys provided by the state to the municipality that issued the municipal bonds that would otherwise be paid to the municipality by the state; and
  - (ii) Apply the intercepted payments to reimburse the state for payments made by the state for the bonds of the authority by deposit to the reserve fund up to the amount withdrawn from the reserve fund for such purpose until all obligations of the municipality to the state arising from those payments, including interest and penalties, are paid in full.
- (b) The foregoing intercept and transfer provisions shall operate by force of law and no consent thereto is required of the municipality in order to be enforceable, provided that such provisions shall not apply to any municipal bonds that were previously deemed exempt from intercept under section 67-8728, Idaho Code, when such section was in full force and effect.
- (c) The state has no obligation to the municipality or to any person or entity to replace any moneys intercepted under the authority of this subsection. Any funds intercepted under subsection (2)(a)(i) of this

section shall be used only for payment of bonds of the authority and not the bonds of the municipality, and the municipality shall receive no credit against amounts due under its municipal bonds for any amounts intercepted under subsection (2) (a) (i) of this section.

- (3) The municipality that issued municipal bonds for which the state has made all or part of a debt service payment, either from amounts in the reserve fund that are derived from moneys appropriated by the legislature or from moneys transferred from the state sales tax account pursuant to section 67-8716, Idaho Code, shall:
  - (a) Reimburse all moneys drawn by the state treasurer on its behalf;
  - (b) Pay interest to the state on all moneys paid by the state from the date the moneys are drawn to the date they are repaid at a rate not less than the average prime rate for national money center banks plus five percent (5%); and
  - (c) Pay all penalties required by this chapter.

- (4) (a) The state treasurer shall establish the reimbursement interest rate after considering the circumstances of any prior draws by the municipality on the state, market interest and penalty rates, and the cost of funds, if any, that were required to be borrowed by the state to make payments on the bonds.
- (b) The state treasurer may, after considering the circumstances giving rise to the failure of the municipality to make payment on its bonds in a timely manner, impose on the municipality a penalty of not more than five percent (5%) of the amount paid by the state for each instance in which a payment by the state is made.
  - (5) (a) (i) If the state treasurer determines that amounts obtained under this section will not reimburse the state in full within one (1) year from the state's payment of a municipality's scheduled debt service payment, the state treasurer shall pursue any legal action, including mandamus, against the municipality to compel it to:
    - (A) Levy and provide tax or other revenues to pay debt service on its municipal bonds when due; and
    - (B) Meet its repayment obligations to the state.
  - (ii) In pursuing its rights under paragraph (a) of this subsection, the state shall have the same substantive and procedural rights as would a holder of the bonds of a municipality.
- (b) The attorney general shall assist the state treasurer <u>may select</u> the attorney general or other legal counsel, or both, to assist in these duties.
- (c) The municipality  $\frac{\text{must}}{\text{must}}$  pay the attorney's fees, expenses, and costs of the state treasurer and the attorney general  $\frac{\text{or other legal}}{\text{counsel}}$ .
- (6) (a) Except as provided in paragraph (c) of this subsection, any municipality whose operating funds were intercepted under this section may replace those funds from other municipal moneys or from property taxes, subject to the limitations provided in this subsection. Said operating funds may also be replaced by the authority from excess amounts available to it if the municipality subsequently pays the delinquent

 payments on its municipal bonds and any penalties or costs of expenses due the authority in connection therewith.

- (b) A municipality may use property taxes or other moneys to replace intercepted funds only if the property taxes or other moneys were derived from:
  - (i) Taxes originally levied to make the payment but  $\frac{\text{which}}{\text{that}}$  were not timely received by the municipality;
  - (ii) Taxes from a supplemental levy made to make the missed payment or to replace the intercepted moneys;
  - (iii) Moneys transferred from the undistributed reserve, if any, of the municipality; or
  - (iv) Any other source of money on hand and legally available.
- (c) Notwithstanding the provisions of paragraphs (a) and (b) of this subsection, a municipality may not replace operating funds intercepted by the state with moneys collected by the municipality and held to make payments on its municipal bonds if that replacement would divert moneys from the payment of future debt service on its municipal bonds and increase the risk that the state would be called upon an additional time to make payments on the bonds of the authority.

SECTION 18. That Section 74-123, Idaho Code, be, and the same is hereby amended to read as follows:

- 74-123. IDAHO CODE IS PROPERTY OF THE STATE OF IDAHO. (1) The Idaho Code is the property of the state of Idaho, and the state of Idaho and the taxpayers shall be are deemed to have a copyright on the Idaho Code. If a person reproduces or distributes the Idaho Code for the purpose of direct or indirect commercial advantage, the person shall owe to the Idaho code commission, as the agent of the state of Idaho, a royalty fee in addition to the fee charged for copying the Idaho Code. Any person who reproduces or distributes the Idaho Code in violation of the provisions of this section, shall be is deemed to be an infringer of the state of Idaho's copyright. The Idaho code commission, through the office of the attorney general or other legal counsel selected by the commission, is entitled to institute an action for any infringement of that particular right committed while the Idaho code commission or its designated agent has custody of the Idaho Code.
- (2) A court having jurisdiction of a civil action arising under this section may grant such relief as it deems appropriate. At any time while an action under this section is pending, the court may order the impounding, on such terms as it deems reasonable, of all copies claimed to have been made or used in violation of the Idaho code commission's copyright pursuant to this section.
- (3) An infringer of the state of Idaho's copyright pursuant to this section is liable for any profits the infringer has incurred by obtaining the Idaho Code for commercial purposes or is liable for statutory damages as provided in subsection (4) of this section.
- (4) The Idaho code commission, as agent of the copyright owner, may elect, at any time before final judgment is rendered, to recover, instead of actual damages and profits, an award of statutory damages for all infringements involved in the action, with respect to the Idaho Code for which any one (1) infringer is liable individually, or for which any two (2) or

more infringers are liable jointly and severally, in a sum of not less than two hundred fifty dollars (\$250) or and not more than ten thousand dollars (\$10,000), as the court considers just.

- (5) In any civil action under this section, the court may allow the recovery of full costs by or against any party and may also award reasonable attorney's fees to the prevailing party as part of the costs.
- (6) The Idaho code commission is hereby authorized to license and charge fees for the use of the Idaho Code. The Idaho code commission may grant a license for the use of the Idaho Code to a public agency in the state and waive all or a portion of the fees. All fees recovered by the Idaho code commission  $\frac{1}{2}$  be deposited in the general  $\frac{1}{2}$  account  $\frac{1}{2}$  fund.