

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 642

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO HEALTH AND WELFARE; AMENDING SECTION 31-863, IDAHO CODE, TO PRO-
2 VIDE THAT A CERTAIN TAX MAY BE USED FOR THE PROVISION OF CERTAIN SER-
3 VICES; AMENDING CHAPTER 35, TITLE 31, IDAHO CODE, BY THE ADDITION OF A
4 NEW SECTION 31-3505H, IDAHO CODE, TO PROVIDE EXCLUSIONS FROM ELIGIBIL-
5 ITY FOR COUNTY MEDICAL ASSISTANCE AND THE CATASTROPHIC HEALTH CARE COST
6 PROGRAM; AMENDING SECTION 31-4602, IDAHO CODE, TO REVISE PROVISIONS RE-
7 GARDING A COUNTY JUSTICE FUND; AMENDING SECTION 56-209b, IDAHO CODE,
8 TO CREATE THE MEDICAID EXPANSION ACCOUNT AND TO MAKE TECHNICAL CORREC-
9 TIONS; AMENDING SECTION 63-3638, IDAHO CODE, TO REVISE THE DISTRIBUTION
10 OF SALES TAX REVENUES TO COUNTIES AND TO PROVIDE FUNDING TO THE MEDICAID
11 EXPANSION ACCOUNT; AND DECLARING AN EMERGENCY.
12

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

14 SECTION 1. That Section 31-863, Idaho Code, be, and the same is hereby
15 amended to read as follows:

16 31-863. LEVY FOR CHARITIES FUND. For the purpose of nonmedical indi-
17 gent assistance pursuant to chapter 34, title 31, Idaho Code, for the purpose
18 of providing services authorized by chapter 46, title 31, Idaho Code, and for
19 the purpose of providing financial assistance on behalf of the medically in-
20 digent, pursuant to chapter 35, title 31, Idaho Code, said boards are autho-
21 rized to levy an ad valorem tax not to exceed ten hundredths of one percent
22 (.10%) of the market value for assessment purposes of all taxable property in
23 the county.

24 SECTION 2. That Chapter 35, Title 31, Idaho Code, be, and the same is
25 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
26 ignated as Section 31-3505H, Idaho Code, and to read as follows:

27 31-3505H. ELIGIBILITY FOR FINANCIAL ASSISTANCE. (1) Notwithstanding
28 any provision of law or rule to the contrary, no person eligible for medicaid
29 pursuant to section 56-254 or 56-267, Idaho Code, shall be eligible for fi-
30 nancial assistance pursuant to this chapter.

31 (2) Notwithstanding any provision of law or rule to the contrary, no
32 person eligible for health insurance shall be eligible for financial assis-
33 tance pursuant to this chapter.

34 (3) Notwithstanding any provision of law or rule to the contrary, no
35 person committed pursuant to chapter 3, title 66, Idaho Code, who is covered
36 by medicaid or eligible for health insurance shall be eligible for financial
37 assistance pursuant to this chapter.

38 SECTION 3. That Section 31-4602, Idaho Code, be, and the same is hereby
39 amended to read as follows:

1 31-4602. JUSTICE FUND ESTABLISHMENT. The board of county commis-
2 sioners of any county may, in conjunction with development of their annual
3 budget, by resolution adopted at a public meeting of the board, establish a
4 county justice fund for any of the following purposes: to provide funding
5 for the operation of the county sheriff's office, construction, remodeling,
6 operation and maintenance of county jails, juvenile detention facilities
7 and/or county courthouses, operation of the prosecuting attorney's office,
8 provision of public defender service and otherwise court-appointed counsel,
9 and/or operation of the office of the clerk of the district court, to the ex-
10 tent that operation of that office provides support for the district court.
11 The justice fund shall be separate and distinct from the county current ex-
12 pense fund and expenditures from the justice fund shall be solely dedicated
13 to the purposes set forth in this section.

14 At the discretion of the board of county commissioners, funds deposited
15 in the county justice fund may be allowed to accumulate over a period of years
16 for designated capital improvements or be expended on a regular basis.

17 SECTION 4. That Section 56-209b, Idaho Code, be, and the same is hereby
18 amended to read as follows:

19 56-209b. MEDICAL ASSISTANCE -- MEDICAL ASSISTANCE ACCOUNT. (1) Medi-
20 cal assistance shall be awarded to persons as mandated by federal law; and
21 medical assistance may be awarded to such other persons not required to be
22 awarded medical assistance as mandated by federal law when such award is to
23 the fiscal advantage of the state of Idaho.

24 (2) There is hereby created in the dedicated fund the medical assis-
25 tance account. The medical assistance account shall be an entity primarily
26 designed to receive moneys from the families and relatives of patients re-
27 ceiving medical assistance under the state plan for medicaid, and to pro-
28 vide a source of moneys to pay for the state's share of medical assistance ex-
29 penses. Moneys in the medical assistance account may not be commingled with
30 moneys in the cooperative welfare ~~account~~ fund. Moneys in the medical as-
31 sistance account must be appropriated in order to be expended to pay for the
32 state's share of medical assistance expenses.

33 (3) In all cases where the department of health and welfare through the
34 medical assistance program has or will be required to pay medical expenses
35 for a recipient and that recipient is entitled to recover any or all such med-
36 ical expenses from any third party or entity, the department of health and
37 welfare will be subrogated to the rights of the recipient to the extent of the
38 amount of medical assistance benefits paid by the department as the result of
39 the occurrence giving rise to the claim against the third party or entity.

40 (4) If a recipient of medical assistance pursues a claim against a third
41 party or entity through litigation or a settlement, the recipient will so no-
42 tify the department. If a recipient fails to notify the department of such
43 claim, the department may recover the amount of any public assistance ob-
44 tained by the recipient while the recipient pursued such claim. In addition,
45 if the recipient recovers funds, either by settlement or judgment, from such
46 a third party or entity, the recipient shall reimburse the department to the
47 extent of the funds received in settlement minus attorney's fees and costs,
48 the amount of the medical assistance benefits paid by the department on his
49 behalf as a result of the occurrence giving rise to the need for medical as-

1 sistance. The department shall be entitled to all the legal rights and pow-
 2 ers of a creditor against a debtor in enforcing the recipient's reimburse-
 3 ment obligation.

4 (5) The department shall have priority to any amount received from a
 5 third party or entity which can reasonably be construed to compensate the re-
 6 cipient for the occurrence giving rise to the need for medical assistance,
 7 whether the settlement or judgment is obtained through the subrogation right
 8 of the department or through recovery by the recipient, and whether or not
 9 the recipient is made whole by the amount recovered. The department will be
 10 entitled to reimbursement of medical assistance benefits paid on behalf of
 11 the recipient arising from the incident or occurrence prior to any amount be-
 12 ing distributed to the recipient. The department may notify such third party
 13 or entity of the department's entitlement to receive the reimbursement prior
 14 to any amount being distributed to the recipient. Furthermore, the depart-
 15 ment may instruct the third party or entity to make such payment directly to
 16 the department prior to any amount being distributed to the recipient. Any
 17 third party or entity who distributed funds in violation of such a notice
 18 shall be liable to the department for the amount of the reimbursement.

19 (6) In the event a recipient of assistance through the medical assis-
 20 tance program incurs the obligation to pay attorney's fees and costs for the
 21 purpose of enforcing a monetary claim to which the department has a right un-
 22 der this section, the amount which the department is entitled to recover, or
 23 any lesser amount ~~which~~ that the department may agree to accept in compromise
 24 of its claim, shall be reduced by an amount ~~which~~ that bears the same rela-
 25 tion to the total amount of attorney's fees and costs actually paid by the
 26 recipient as the amount actually recovered for medical expenses paid by the
 27 department, exclusive of the reduction for attorney's fees and costs, bears
 28 to the total amount paid by the third party or entity to the recipient. If a
 29 settlement or judgment is received by the recipient without delineating what
 30 portion of the settlement or judgment is in payment of medical expenses, it
 31 will be presumed that the settlement or judgment applies first to the medical
 32 expenses incurred by the recipient in an amount equal to the expenditure for
 33 medical assistance benefits paid by the department as a result of the occur-
 34 rence giving rise to the payment or payments to the recipient.

35 (7) There is hereby created in the dedicated fund the medicaid expan-
 36 sion account. The medicaid expansion account is designed to receive mon-
 37 eys pursuant to section 63-3638(10)(b)(i), Idaho Code, and shall be used by
 38 the department for the purpose of providing medical assistance to individu-
 39 als described in section 56-267(1), Idaho Code. Moneys in the medicaid ex-
 40 pansion account may not be commingled with moneys in the cooperative welfare
 41 fund. Moneys in the medicaid expansion account must be appropriated in order
 42 to be expended to pay for the state's share of medical assistance expenses.

43 SECTION 5. That Section 63-3638, Idaho Code, be, and the same is hereby
 44 amended to read as follows:

45 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
 46 chapter, except as may otherwise be required in sections 63-3203, 63-3620F,
 47 and 63-3709, Idaho Code, and except as provided in subsection (16) of this
 48 section, shall be distributed by the state tax commission as follows:

1 (1) An amount of money shall be distributed to the state refund account
2 sufficient to pay current refund claims. All refunds authorized under this
3 chapter by the state tax commission shall be paid through the state refund
4 account, and those moneys are continuously appropriated.

5 (2) Five million dollars (\$5,000,000) per year is continuously appro-
6 priated and shall be distributed to the permanent building fund, provided by
7 section 57-1108, Idaho Code.

8 (3) Four million eight hundred thousand dollars (\$4,800,000) per year
9 is continuously appropriated and shall be distributed to the water pollution
10 control fund established by section 39-3628, Idaho Code.

11 (4) An amount equal to the sum required to be certified by the chair-
12 man of the Idaho housing and finance association to the state tax commis-
13 sion pursuant to section 67-6211, Idaho Code, in each year is continuously
14 appropriated and shall be paid to any capital reserve fund established by
15 the Idaho housing and finance association pursuant to section 67-6211, Idaho
16 Code. Such amounts, if any, as may be appropriated hereunder to the capital
17 reserve fund of the Idaho housing and finance association shall be repaid for
18 distribution under the provisions of this section, subject to the provisions
19 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-
20 tion, as soon as possible, from any moneys available therefor and in excess
21 of the amounts the association determines will keep it self-supporting.

22 (5) An amount equal to the sum required by the provisions of sections
23 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
24 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
25 paid as provided by sections 63-709 and 63-717, Idaho Code.

26 (6) An amount required by the provisions of chapter 53, title 33, Idaho
27 Code.

28 (7) An amount required by the provisions of chapter 87, title 67, Idaho
29 Code.

30 (8) For fiscal year 2011 and each fiscal year thereafter, four million
31 one hundred thousand dollars (\$4,100,000), of which two million two hundred
32 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four
33 (44) counties in equal amounts and one million nine hundred thousand dol-
34 lars (\$1,900,000) shall be distributed to the forty-four (44) counties in
35 the proportion that the population of the county bears to the population of
36 the state. For fiscal year 2012 and for each fiscal year thereafter, the
37 amount distributed pursuant to this subsection shall be adjusted annually
38 by the state tax commission in accordance with the consumer price index for
39 all urban consumers (CPI-U) as published by the U.S. department of labor,
40 bureau of labor statistics, but in no fiscal year shall the total amount
41 allocated for counties under this subsection be less than four million one
42 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-
43 justment required in this section shall be distributed to each county in the
44 proportion that the population of the county bears to the population of the
45 state. Each county shall establish a special election fund to which shall
46 be deposited all revenues received from the distribution pursuant to this
47 subsection. All such revenues shall be used exclusively to defray the costs
48 associated with conducting elections as required of county clerks by the
49 provisions of section 34-1401, Idaho Code.

1 (9) One dollar (\$1.00) on each application for certificate of title
2 or initial application for registration of a motor vehicle, snowmobile,
3 all-terrain vehicle or other vehicle processed by the county assessor or the
4 Idaho transportation department, excepting those applications in which any
5 sales or use taxes due have been previously collected by a retailer, shall be
6 a fee for the services of the assessor of the county or the Idaho transporta-
7 tion department in collecting such taxes and shall be paid into the current
8 expense fund of the county or state highway account established in section
9 40-702, Idaho Code.

10 (10) Eleven and five-tenths percent (11.5%) is continuously appro-
11 priated and shall be distributed to the revenue-sharing account, which is
12 hereby created in the state treasury, and the moneys in the revenue-sharing
13 account will be paid in installments each calendar quarter by the state tax
14 commission as follows:

15 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
16 various cities as follows:

17 (i) Fifty percent (50%) of such amount shall be paid to the vari-
18 ous cities, and each city shall be entitled to an amount in the pro-
19 portion that the population of that city bears to the population of
20 all cities within the state; and

21 (ii) Fifty percent (50%) of such amount shall be paid to the vari-
22 ous cities, and each city shall be entitled to an amount in the pro-
23 portion that the preceding year's market value for assessment pur-
24 poses for that city bears to the preceding year's market value for
25 assessment purposes for all cities within the state.

26 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the
27 various counties as follows:

28 (i) Beginning on October 1, 2020, and each year thereafter, seven-
29 teen and one-half percent (17.5%) of the distribution under this
30 paragraph shall be distributed, in quarterly payments, to the
31 medicaid expansion account established in section 56-209b, Idaho
32 Code;

33 (ii) One million three hundred twenty thousand dollars
34 (\$1,320,000) annually shall be distributed one forty-fourth
35 (1/44) to each of the various counties; and

36 (iii) The balance of such amount shall be paid to the various coun-
37 ties, and each county shall be entitled to an amount in the propor-
38 tion that the population of that county bears to the population of
39 the state;

40 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-
41 priated in this subsection shall be paid to the several counties for
42 distribution to the cities and counties as follows:

43 (i) Each city and county which received a payment under the provi-
44 sions of section 63-3638(e), Idaho Code, during the fourth quarter
45 of calendar year 1999, shall be entitled to a like amount during
46 succeeding calendar quarters.

47 (ii) If the dollar amount of money available under this subsection
48 (10) (c) in any quarter does not equal the amount paid in the fourth
49 quarter of calendar year 1999, each city's and county's payment
50 shall be reduced proportionately.

1 (iii) If the dollar amount of money available under this subsec-
2 tion (10) (c) in any quarter exceeds the amount paid in the fourth
3 quarter of calendar year 1999, each city and county shall be en-
4 titled to a proportionately increased payment, but such increase
5 shall not exceed one hundred five percent (105%) of the total pay-
6 ment made in the fourth quarter of calendar year 1999.

7 (iv) If the dollar amount of money available under this subsection
8 (10) (c) in any quarter exceeds one hundred five percent (105%) of
9 the total payment made in the fourth quarter of calendar year 1999,
10 any amount over and above such one hundred five percent (105%)
11 shall be paid fifty percent (50%) to the various cities in the pro-
12 portion that the population of the city bears to the population of
13 all cities within the state and fifty percent (50%) to the various
14 counties in the proportion that the population of the county bears
15 to the population of the state; and

16 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in
17 this subsection shall be paid to the several counties for distribution
18 to special purpose taxing districts as follows:

19 (i) Each such district which received a payment under the pro-
20 visions of section 63-3638 (e), Idaho Code, as such subsection ex-
21 isted immediately prior to July 1, 2000, during the fourth quarter
22 of calendar year 1999, shall be entitled to a like amount during
23 succeeding calendar quarters.

24 (ii) If the dollar amount of money available under this subsec-
25 tion (10) (d) in any quarter does not equal the amount paid in the
26 fourth quarter of calendar year 1999, each special purpose taxing
27 district's payment shall be reduced proportionately.

28 (iii) If the dollar amount of money available under this subsec-
29 tion (10) (d) in any quarter exceeds the amount distributed under
30 paragraph (i) of this subsection (10) (d), each special purpose
31 taxing district shall be entitled to a share of the excess based on
32 the proportion each such district's current property tax budget
33 bears to the sum of the current property tax budgets of all such
34 districts in the state. The state tax commission shall calculate
35 district current property tax budgets to include any unrecovered
36 forgone amounts as determined under section 63-802(1) (e), Idaho
37 Code. When a special purpose taxing district is situated in more
38 than one (1) county, the state tax commission shall determine the
39 portion attributable to the special purpose taxing district from
40 each county in which it is situated.

41 (iv) If special purpose taxing districts are consolidated, the
42 resulting district is entitled to a base amount equal to the sum of
43 the base amounts received in the last calendar quarter by each dis-
44 trict prior to the consolidation.

45 (v) If a special purpose taxing district is dissolved or disin-
46 corporated, the state tax commission shall continuously distrib-
47 ute to the board of county commissioners an amount equal to the
48 last quarter's distribution prior to dissolution or disincorpora-
49 tion. The board of county commissioners shall determine any re-
50 distribution of moneys so received.

1 (vi) Taxing districts formed after January 1, 2001, are not enti-
2 tled to a payment under the provisions of this subsection (10) (d).

3 (vii) For purposes of this subsection (10) (d), a special purpose
4 taxing district is any taxing district that is not a city, a county
5 or a school district.

6 (11) Amounts calculated in accordance with section 2, chapter 356, laws
7 of 2001, for annual distribution to counties and other taxing districts be-
8 ginning in October 2001 for replacement of property tax on farm machinery and
9 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
10 districts, the state tax commission shall distribute one-fourth (1/4) of
11 this amount certified quarterly to each county. For school districts, the
12 state tax commission shall distribute one-fourth (1/4) of the amount certi-
13 fied quarterly to each school district. For nonschool districts, the county
14 auditor shall distribute to each district within thirty (30) calendar days
15 from receipt of moneys from the state tax commission. Moneys received by
16 each taxing district for replacement shall be utilized in the same manner
17 and in the same proportions as revenues from property taxation. The moneys
18 remitted to the county treasurer for replacement of property exempt from
19 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the
20 counties and other taxing districts and budgeted at the same time, in the
21 same manner and in the same year as revenues from taxation on personal prop-
22 erty which these moneys replace. If taxing districts are consolidated, the
23 resulting district is entitled to an amount equal to the sum of the amounts
24 received in the last calendar quarter by each district pursuant to this
25 subsection prior to the consolidation. If a taxing district is dissolved
26 or disincorporated, the state tax commission shall continuously distribute
27 to the board of county commissioners an amount equal to the last quarter's
28 distribution prior to dissolution or disincorporation. The board of county
29 commissioners shall determine any redistribution of moneys so received. If
30 a taxing district annexes territory, the distribution of moneys received
31 pursuant to this subsection shall be unaffected. Taxing districts formed
32 after January 1, 2001, are not entitled to a payment under the provisions
33 of this subsection. School districts shall receive an amount determined by
34 multiplying the sum of the year 2000 school district levy minus .004 times
35 the market value on December 31, 2000, in the district of the property exempt
36 from taxation pursuant to section 63-602EE, Idaho Code, provided that the
37 result of these calculations shall not be less than zero (0). The result of
38 these school district calculations shall be further increased by six per-
39 cent (6%). For purposes of the limitation provided by section 63-802, Idaho
40 Code, moneys received pursuant to this section as property tax replacement
41 for property exempt from taxation pursuant to section 63-602EE, Idaho Code,
42 shall be treated as property tax revenues.

43 (12) Amounts necessary to pay refunds as provided in section 63-3641,
44 Idaho Code, to a developer of a retail complex shall be remitted to the demon-
45 stration pilot project fund created in section 63-3641, Idaho Code.

46 (13) Amounts calculated in accordance with subsection (4) of section
47 63-602KK, Idaho Code, for annual distribution to counties and other taxing
48 districts for replacement of property tax on personal property tax exemp-
49 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
50 amounts are continuously appropriated unless the legislature enacts a dif-

1 ferent appropriation for a particular fiscal year. For purposes of the
2 limitation provided by section 63-802, Idaho Code, moneys received pursuant
3 to this section as property tax replacement for property exempt from taxa-
4 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
5 tax revenues. If taxing districts are consolidated, the resulting district
6 is entitled to an amount equal to the sum of the amounts that were received in
7 the last calendar year by each district pursuant to this subsection prior to
8 the consolidation. If a taxing district or revenue allocation area annexes
9 territory, the distribution of moneys received pursuant to this subsection
10 shall be unaffected. Taxing districts and revenue allocation areas formed
11 after January 1, 2013, are not entitled to a payment under the provisions of
12 this subsection.

13 (14) Amounts collected from purchasers and paid to the state of Idaho by
14 retailers that are not engaged in business in this state and which retailer
15 would not have been required to collect the sales tax, less amounts other-
16 wise distributed in subsections (1) and (10) of this section, shall be dis-
17 tributed to the tax relief fund created in section 57-811, Idaho Code. The
18 state tax commission will determine the amounts to be distributed under this
19 subsection.

20 (15) Any moneys remaining over and above those necessary to meet and
21 reserve for payments under other subsections of this section shall be dis-
22 tributed to the general fund.

23 (16) One percent (1%), but not less than fifteen million dollars
24 (\$15,000,000), is continuously appropriated and shall be distributed to the
25 transportation expansion and congestion mitigation fund established in sec-
26 tion 40-720, Idaho Code. The distribution provided for in this subsection
27 must immediately follow the distribution provided for in subsection (10) of
28 this section.

29 SECTION 6. An emergency existing therefor, which emergency is hereby
30 declared to exist, this act shall be in full force and effect on and after its
31 passage and approval.