

IN THE SENATE

SENATE BILL NO. 1188, As Amended

BY JUDICIARY AND RULES COMMITTEE

AN ACT

1 RELATING TO PROVIDING MONEYS FOR HIGHWAY CONSTRUCTION AND MAINTENANCE;
2 APPROVING GARVEE BONDING AUTHORITY TO FINANCE CERTAIN HIGHWAY TRANS-
3 PORTATION PROJECTS; PROVIDING A DESCRIPTION OF PROJECTS TO BE FINANCED
4 WITH BOND PROCEEDS; LIMITING THE SCOPE OF THE PROJECTS; PROVIDING A
5 REQUIREMENT REGARDING A GARVEE PROGRAM MANAGEMENT SERVICES AGREEMENT;
6 PROVIDING FOR ISSUANCE OF GARVEE BONDS; PROVIDING THAT BONDS BE ISSUED
7 WHEN NECESSARY; AMENDING SECTION 40-315, IDAHO CODE, TO REMOVE AN EL-
8 IGIBLE PROJECT; AMENDING SECTION 40-701, IDAHO CODE, TO PROVIDE FOR
9 MONEYS FROM THE STRATEGIC INITIATIVES PROGRAM AND TO REMOVE MONEYS GO-
10 ING TO THE LAW ENFORCEMENT FUND; AMENDING SECTION 40-719, IDAHO CODE,
11 TO REVISE DISTRIBUTION FROM THE STRATEGIC INITIATIVES PROGRAM AND TO
12 MAKE A TECHNICAL CORRECTION; AMENDING CHAPTER 7, TITLE 40, IDAHO CODE,
13 BY THE ADDITION OF A NEW SECTION 40-720, IDAHO CODE, TO CREATE CAPACITY,
14 SAFETY AND CONGESTION MITIGATION PROGRAMS AND TO ESTABLISH PROVISIONS
15 TO ADMINISTER THE PROGRAMS; AMENDING CHAPTER 7, TITLE 40, IDAHO CODE,
16 BY THE ADDITION OF A NEW SECTION 40-721, IDAHO CODE, TO CREATE THE CA-
17 PACITY, SAFETY AND CONGESTION MITIGATION PROGRAM CAPITAL PROJECT FUND
18 AND DEBT SERVICE FUND IN THE STATE TREASURY; AMENDING SECTION 57-814,
19 IDAHO CODE, TO REVISE WHEN A TRANSFER IS MADE; AMENDING SECTION 63-3638,
20 IDAHO CODE, TO PROVIDE FOR DISTRIBUTION TO THE CAPACITY, SAFETY AND CON-
21 GESTION MITIGATION PROGRAM FUND AND TO PROVIDE FOR A DISTRIBUTION TO THE
22 LAW ENFORCEMENT FUND; AMENDING SECTION 17, CHAPTER 341, LAWS OF 2015,
23 TO EXTEND A SUNSET DATE FOR FIVE ADDITIONAL YEARS; PROVIDING FOR A PER-
24 FORMANCE EVALUATION OF THE LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL;
25 PROVIDING SEVERABILITY; DECLARING AN EMERGENCY AND PROVIDING EFFECTIVE
26 DATES.
27

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

29 SECTION 1. The Legislature hereby approves bonding authority for the
30 issuance of highway transportation (GARVEE) bonds by the Idaho Housing and
31 Finance Association in a principal amount sufficient to finance new con-
32 struction of the highway transportation projects listed in Section 40-315,
33 Idaho Code, in an amount up to three hundred million dollars (\$300,000,000).
34 Moneys may be expended only on the original corridors enumerated in Section
35 40-315, Idaho Code. Such bonds are expected to be paid from continuing ap-
36 propriations of federal funds from the State Highway Account as provided in
37 Section 40-707, Idaho Code.

38 SECTION 2. The Legislature finds that the bonding authority provided in
39 Section 1 of this act shall be used in a manner that does not obligate future
40 legislatures or governors for additional bonding authority.

1 SECTION 3. The Idaho Transportation Board and the Idaho Transportation
2 Department are hereby directed to neither increase the scope nor in any man-
3 ner extend or enlarge the transportation projects listed in Section 40-315,
4 Idaho Code.

5 SECTION 4. To the extent the Idaho Transportation Board and the Idaho
6 Transportation Department determine that management services are necessary
7 to implement the projects funded by the bonds issued under the authority pro-
8 vided in Section 1 of this act, any agreement governing such services shall,
9 to the extent possible, be fully transparent to the public and to the Legis-
10 lature.

11 SECTION 5. The bonds issued under the authority provided in Section 1
12 of this act shall be issued upon an approved resolution by the Idaho Trans-
13 portation Board requesting the Idaho Housing and Finance Association to is-
14 sue bonds in amounts necessary to ensure that: the funds are necessary to
15 meet program obligation requirements; the funds will be used and disbursed
16 in accordance with United States Treasury regulations to ensure tax-exempt
17 status is retained; and the bonds are issued at prevailing market rates of
18 interest. It is the request of the Legislature that the issuance is depen-
19 dent upon advantageous market rates and costs of bonding transactions.

20 SECTION 6. Should the Idaho Transportation Board determine it neces-
21 sary to complete the transportation projects funded through the bonds is-
22 sued under the authority provided in Section 1 of this act, the board may,
23 through the rulemaking process outlined in Chapter 52, Title 67, Idaho Code,
24 temporarily raise the statutory limit on the use of design/build contract-
25 ing contained in Section 40-904, Idaho Code, from the current twenty percent
26 (20%) to no more than fifty percent (50%).

27 SECTION 7. The bonds described herein in Section 1 of this act shall be
28 issued when necessary as determined by the Idaho Transportation Board.

29 SECTION 8. That Section 40-315, Idaho Code, be, and the same is hereby
30 amended to read as follows:

31 40-315. POWERS AND DUTIES -- FEDERALLY-FUNDED HIGHWAY PROJECT FINANC-
32 ING. (1) In order to address the increasing need for timely improvements to
33 Idaho's highway transportation infrastructure, the board may:

34 (a) Enter into agreements with the Idaho housing and finance associa-
35 tion in connection with the funding of highway transportation projects
36 qualifying for reimbursement from federal funds.

37 (b) Approve and recommend federal highway transportation projects to
38 the Idaho housing and finance association for financing by the associa-
39 tion. Such federal highway transportation projects shall be eligible
40 for federal-aid debt financing under chapter 1, title 23, United States
41 Code, and approval by the federal highway administration as an advanced
42 construction (AC) project thereunder. The board shall select and des-
43 ignate such transportation projects to be funded with bond proceeds
44 from the following list of eligible projects:

1	ROUTE	PROJECT DESCRIPTION
2	US-95	SH-1 to Canadian border
3	US-95	Garwood to Sagle
4	US-95	Worley to Setters
5	US-95	Thorn Creek to Moscow
6	US 95	Smokey Boulder to Hazard Creek
7	SH-16 Ext	South Emmett to Mesa with connection to SH-55
8	SH-16 Ext	I-84 to South Emmett
9	I-84	Caldwell to Meridian
10	I-84	Orchard to Isaacs Canyon
11	US-93	Twin Falls alternate route and new Snake River
12		crossing
13	SH-75	Timmerman to Ketchum
14	US-20	St. Anthony to Ashton
15	US-30	McCammon to Soda Springs

16 (c) On and after July 1, 2008, all allocations of GARVEE bond proceeds
 17 shall be the sole responsibility and duty of the Idaho transportation
 18 board. The legislature shall have authority to approve a total GARVEE
 19 bond amount on an annual basis. However, the Idaho transportation board
 20 is directed to allocate bond revenue only among the projects listed in
 21 subsection (1) (b) of this section. In making its funding allocation
 22 for projects, the board shall take into consideration: the cost of the
 23 project and whether or not that project could be financed without bond-
 24 ing; whether the project is necessary to facilitate the traffic flow on
 25 vital transportation corridors; and whether the project is necessary
 26 to improve safety for the traveling public. On and after July 1, 2008,
 27 the board shall use due care in selecting projects for bonding and shall
 28 balance and coordinate the use of bonding with the use of highway con-
 29 struction moneys.

30 Notwithstanding the provisions of subsection (1) (b) of this section wherein
 31 eligible projects are listed for selection and designation by the board, if
 32 any of the designated projects are deemed to be ineligible by the board, the
 33 board shall have the authority to replace those projects with other projects
 34 listed in subsection (1) (b) of this section.

35 (2) Prior to issuance by the Idaho housing and finance association of
 36 any bonds or notes to finance highway transportation projects, the board
 37 shall certify to the association that sufficient federal transportation
 38 funds are available to make any payments required for such bonds or notes.

39 (3) The board shall limit annual, total cumulative debt service and
 40 other bond-related expenses as follows:

41 (a) In the 2006 legislative session for the fiscal year 2007 budget, to-
 42 tal cumulative debt service and other bond-related expenses on feder-
 43 ally-funded highway project financing shall be no more than twenty per-
 44 cent (20%) of annual federal-aid highway apportionments.

1 (b) In the 2007 legislative session for the fiscal year 2008 budget, to-
 2 tal cumulative debt service and other bond-related expenses on feder-
 3 ally-funded highway project financing shall be no more than twenty per-
 4 cent (20%) of annual federal-aid highway apportionments.

5 (c) In the 2008 legislative session for the fiscal year 2009 budget, to-
 6 tal cumulative debt service and other bond-related expenses on feder-
 7 ally-funded highway project financing shall be no more than twenty per-
 8 cent (20%) of annual federal-aid highway apportionments.

9 (d) In the 2009 legislative session for the fiscal year 2010 budget, to-
 10 tal cumulative debt service and other bond-related expenses on feder-
 11 ally-funded highway project financing shall be no more than twenty per-
 12 cent (20%) of annual federal-aid highway apportionments.

13 (e) In the 2010 legislative session for the fiscal year 2011 budget, to-
 14 tal cumulative debt service and other bond-related expenses on feder-
 15 ally-funded highway project financing shall be no more than thirty per-
 16 cent (30%) of annual federal-aid highway apportionments.

17 (f) Beginning with the 2011 legislative session for the fiscal year
 18 2012 budget, or for any year thereafter, the thirty percent (30%) limit
 19 may be exceeded, but only by affirmative action of both the house of
 20 representatives and the senate, and with the approval of the governor.

21 (4) In the event the board selects and designates to be funded with bond
 22 proceeds any of the transportation projects listed in subsection (1) of this
 23 section, and prior to entering into agreements with the Idaho housing and fi-
 24 nance association as provided herein, the Idaho transportation department,
 25 as part of its annual budget request prepared pursuant to section 67-3502,
 26 Idaho Code, shall include a request for bonding authority as a separate item
 27 of its budget request. This request for bonding authority shall include a
 28 list of planned highway transportation projects to be financed with such
 29 bond financing during the next succeeding fiscal year.

30 (5) By June 30 of each year, the board shall submit a report to the leg-
 31 islature concerning projects currently under construction using the bond
 32 financing as authorized by the provisions of this section, and shall include
 33 a list of planned highway transportation projects to be financed with such
 34 bond financing during the next succeeding fiscal year.

35 SECTION 9. That Section 40-701, Idaho Code, be, and the same is hereby
 36 amended to read as follows:

37 40-701. HIGHWAY DISTRIBUTION ACCOUNT -- APPORTIONMENT. (1) There is
 38 established in the state treasury an account known as the "Highway Distribu-
 39 tion Account," to which shall be credited:

40 (a) Moneys as provided by sections 63-2412(1)(f)4. and 63-2418(4),
 41 Idaho Code;

42 (b) All moneys collected by the department, their agents and vendors,
 43 and county assessors and sheriffs, under the provisions of title 49,
 44 Idaho Code, except as otherwise specifically provided for; and

45 (c) All other moneys as may be provided by law.

46 (2) The highway distribution account shall be apportioned as follows:

47 (a) ~~Thirty-eight~~ Forty percent (~~38~~40%) to local units of government as
 48 provided in section 40-709, Idaho Code;

1 (b) ~~Fifty-seven~~ Sixty percent (5760%) to the state highway account es-
2 tablished in section 40-702, Idaho Code; and

3 ~~(c) Five percent (5%) to the law enforcement account, established in~~
4 ~~section 67-2914, Idaho Code. The state controller shall cause the re-~~
5 ~~mittance of the moneys apportioned to local units of government not~~
6 ~~later than January 25, April 25, July 25 and October 25 of each year,~~
7 ~~and to the state highway account and the law enforcement account as the~~
8 ~~moneys become available to the highway distribution account.~~

9 (3) All new revenues generated by increases in registration fees and
10 fees on electric and hybrid vehicles pursuant to ~~the provisions of House Bill~~
11 ~~No. 312, as amended in the Senate, as amended in the Senate, during the first~~
12 ~~regular session of the sixty-third Idaho legislature~~ chapter 341, laws of
13 2015, shall be apportioned as follows:

14 (a) Forty percent (40%) to local units of government as provided in sec-
15 tion 40-709, Idaho Code; and

16 (b) Sixty percent (60%) to the state highway account established in
17 section 40-702, Idaho Code.

18 (4) Interest earned on the investment of idle moneys in the highway dis-
19 tribution account shall be paid to the highway distribution account.

20 (5) All idle moneys in the dedicated highway trust or asset accounts or
21 subaccounts established from highway user revenues, reimbursements, fees or
22 permits shall be invested by the state treasurer in the same manner as pro-
23 vided under section 67-1210, Idaho Code, with respect to other surplus or
24 idle moneys in the state treasury. Interest earned on the investments shall
25 be returned to the various highway trust or asset accounts and subaccounts.

26 (6) The state controller is empowered to withhold the distribution of
27 all funds to those local units of government that have failed to submit the
28 required reports as provided in chapter 341, laws of 2015, by June 30 of each
29 year.

30 (a) The state controller shall deposit all funds withheld pursuant to
31 this requirement in the budget stabilization fund created by section
32 57-814, Idaho Code.

33 (b) Failure to submit such reports or the making of false statements
34 in such reports shall subject the person so doing to the penalties pre-
35 scribed in section 40-207, Idaho Code, or be used as the grounds for re-
36 moval from office of the offending officials.

37 SECTION 10. That Section 40-719, Idaho Code, be, and the same is hereby
38 amended to read as follows:

39 40-719. STRATEGIC INITIATIVES PROGRAM. (1) The Idaho transportation
40 department shall establish and maintain a strategic initiatives program.
41 The purpose of the program is to fund transportation projects that are pro-
42 posed by the department's six (6) districts and local units of government.
43 Proposed projects shall compete for strategic initiative program selection
44 and funding on a statewide basis based on an analysis of their return on in-
45 vestment in the following categories:

46 (a) Safety, including the projected reduction of crashes, injuries and
47 fatalities;

48 (b) Mobility, including projected traffic-flow improvements for
49 freight and passenger cars;

1 (c) Economic opportunity, including the projected cost-benefit ratio
2 for users and businesses;

3 (d) The repair and maintenance of bridges; and

4 (e) The purchase of public rights-of-way.

5 (2) There is hereby established in the state treasury the strategic
6 initiatives program fund to which shall be deposited:

7 (a) Notwithstanding the provisions of section 57-814, Idaho Code, the
8 provisions of this paragraph shall only be in effect from the effective
9 date of this act through May 31, 2017~~22~~. ~~The state controller shall~~
10 ~~transfer fifty percent (50%) of any excess cash balance from the gen-~~
11 ~~eral fund to the strategic initiatives program fund upon the financial~~
12 ~~close of the current fiscal year subject to the following criteria:~~
13 ~~When calculating any excess cash balance the state controller shall~~
14 ~~first provide for the ending balance as determined by the legislative~~
15 ~~record to be carried over into the next fiscal year, plus an amount suf-~~
16 ~~ficient to cover encumbrances as approved by the division of financial~~
17 ~~management, and an amount sufficient to cover any reappropriation as~~
18 ~~authorized by the legislature~~ After the close of the fiscal year, the
19 state controller shall determine any excess cash balance in the general
20 fund. When calculating any excess cash balance the state controller
21 shall first provide for the ending balance as determined by the legisla-
22 tive record to be carried over into the next fiscal year, plus an amount
23 sufficient to cover encumbrances as approved by the division of finan-
24 cial management, and an amount sufficient to cover any reappropriation
25 as authorized by the legislature. On July 1, or as soon thereafter as is
26 practicable, the state controller shall transfer fifty percent (50%) of
27 any general fund excess to the strategic initiatives fund.

28 (b) Any other appropriated moneys for funding of the strategic initia-
29 tives program.

30 (c) Unless otherwise specified, moneys transferred into the strate-
31 gic initiatives program fund after May 30, 2017, shall be apportioned as
32 follows:

33 (i) Sixty percent (60%) to projects proposed by the Idaho trans-
34 portation department's six (6) districts; and

35 (ii) Forty percent (40%) to projects proposed by local units of
36 government.

37 (d) The strategic initiatives program for local units of government
38 shall be exempt from the requirements contained in subsection (1) (c) of
39 this section.

40 (3) Interest earned on the investment of idle moneys in the fund shall
41 be paid to the fund. All moneys in the fund shall be used for funding the
42 strategic initiatives program.

43 SECTION 11. That Chapter 7, Title 40, Idaho Code, be, and the same is
44 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
45 ignated as Section 40-720, Idaho Code, and to read as follows:

46 40-720. CAPACITY, SAFETY AND CONGESTION MITIGATION PROGRAM. (1) The
47 Idaho transportation department and the local highway technical assistance
48 council shall each establish and maintain a capacity, safety and congestion
49 mitigation program. The purpose of the program is to:

1 (a) Fund transportation projects that are proposed by the department's
 2 six (6) districts that are constructed within counties having a popula-
 3 tion greater than one hundred seventy-five thousand (175,000) accord-
 4 ing to the latest United States census bureau annual estimate;

5 (b) Fund transportation projects that are proposed by local units of
 6 government across the entire state; and

7 (c) Service of debt authorized in section 2 of this act.

8 (2) Proposed projects shall compete for capacity, safety and conges-
 9 tion mitigation program selection and funding on a statewide basis based on
 10 an analysis of their ability to mitigate capacity, safety or congestion con-
 11 cerns.

12 (3) There is hereby established in the state treasury the capacity,
 13 safety and congestion mitigation program fund, to which shall be deposited:

14 (a) One and nineteen-hundredths percent (1.19%) of funds collected
 15 through sales tax, as authorized by section 63-3638, Idaho Code;

16 (b) Any other appropriated moneys for funding of the capacity, safety
 17 and congestion mitigation program; and

18 (c) Unless otherwise specified, moneys transferred into the capacity,
 19 safety and congestion mitigation program fund shall be apportioned as
 20 follows:

21 (i) Sixty percent (60%) to the Idaho transportation department
 22 for projects proposed by its six (6) districts; and

23 (ii) Forty percent (40%) to the local highway technical assis-
 24 tance council for projects proposed by local units of government.

25 (iii) Except that all funds received pursuant to section 63-2520,
 26 Idaho Code, shall be reserved for projects proposed by the Idaho
 27 transportation department.

28 (4) Interest earned on the investment of idle moneys in the fund shall
 29 be paid to the fund. All moneys in the fund shall be used for funding the ca-
 30 pacity, safety and congestion mitigation program.

31 (5) From moneys in the capacity, safety and congestion mitigation
 32 program fund established in this section, there are hereby continuously
 33 appropriated first such amounts as from time to time shall be certified by
 34 the Idaho housing and finance association to the state controller, the state
 35 treasurer and the board as necessary for payment of principal, interest and
 36 other amounts required for transportation bonds or notes of the Idaho hous-
 37 ing and finance association in accordance with chapter 62, title 67, Idaho
 38 Code which are issued to finance improvements described in this section,
 39 which amounts shall be transferred to the capacity, safety and congestion
 40 mitigation program debt service fund established in section 40-721, Idaho
 41 Code.

42 SECTION 12. That Chapter 7, Title 40, Idaho Code, be, and the same is
 43 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 44 ignated as Section 40-721, Idaho Code, and to read as follows:

45 40-721. CAPACITY, SAFETY AND CONGESTION MITIGATION PROGRAM CAPITAL
 46 PROJECT FUND -- CAPACITY, SAFETY AND CONGESTION MITIGATION PROGRAM DEBT SER-
 47 VICE FUND. (1) There is hereby established in the state treasury a fund known
 48 as the capacity, safety and congestion mitigation program capital project
 49 fund that shall include:

1 (a) Any draw by the board of proceeds from the transportation bonds
2 or notes issued by the Idaho housing and finance association in accor-
3 dance with chapter 62, title 67, Idaho Code, to finance improvements
4 described in section 40-720, Idaho Code.

5 (b) Interest earned on the investments of idle moneys in the GARVEE
6 capital project fund shall be paid to the capacity, safety and conges-
7 tion mitigation program capital project fund. Disbursements from this
8 fund shall be made for projects in accordance with section 40-720, Idaho
9 Code. All moneys in the fund are hereby continuously appropriated to
10 the department.

11 (2) There is hereby established in the state treasury a fund known as
12 the capacity, safety and congestion mitigation program debt service fund for
13 the purpose of paying the principal, interest and other amounts required for
14 transportation bonds or notes of the Idaho housing and finance association
15 in accordance with chapter 62, title 67, Idaho Code, issued to finance im-
16 provements described in section 40-720, Idaho Code. The fund shall include:

17 (a) Amounts distributed pursuant to section 63-3638(15), Idaho Code,
18 provided that such moneys distributed to the capacity, safety and con-
19 gestion mitigation program debt service fund pursuant to this paragraph
20 shall be used for payment of principal, interest and other amounts re-
21 quired for transportation bonds or notes issued by the Idaho housing
22 and finance association for improvements described in section 40-720,
23 Idaho Code.

24 (b) Interest earned on the investment of idle moneys in the capacity,
25 safety and congestion mitigation program debt service fund shall be
26 paid to the capacity, safety and congestion mitigation program debt
27 service fund. From moneys within this fund, there are hereby continu-
28 ously appropriated such amounts as from time to time shall be certified
29 by the Idaho housing and finance association to the state controller,
30 the state treasurer and the board as necessary for payment of principal,
31 interest and other amounts required for transportation bonds or notes
32 of the Idaho housing and finance association in accordance with chapter
33 62, title 67, Idaho Code, issued for improvements described in section
34 40-720, Idaho Code, which amounts shall be paid over as directed by the
35 association.

36 (c) Any funds in excess of the amount necessary to meet the payment au-
37 thorized in this section shall be transferred to the capacity, safety
38 and congestion mitigation program fund established in section 40-720,
39 Idaho Code.

40 SECTION 13. That Section 57-814, Idaho Code, be, and the same is hereby
41 amended to read as follows:

42 57-814. BUDGET STABILIZATION FUND. (1) There is hereby created in the
43 state treasury the budget stabilization fund for the purpose of meeting gen-
44 eral fund revenue shortfalls and to meet expenses incurred as the result of
45 a major disaster declared by the governor. All moneys in the budget reserve
46 account at the date of approval of this act shall be transferred to the budget
47 stabilization fund. Interest earnings from the investment of moneys in this
48 fund by the state treasurer shall be credited to the permanent building ac-
49 count subject to the provisions of section 67-1210, Idaho Code.

1 (2) Subject to the requirements of section 63-3203, Idaho Code, the
2 state controller shall annually transfer moneys from the general fund to
3 the budget stabilization fund if the state controller certifies that the
4 receipts to the general fund for the fiscal year just ending have exceeded
5 the receipts of the previous fiscal year by more than four percent (4%), then
6 the state controller shall transfer all general fund collections in excess
7 of said four percent (4%) to the budget stabilization fund, up to a maximum of
8 one percent (1%) of the actual general fund collections of the prior fiscal
9 year. The state controller shall make the transfer upon the financial close
10 of the current fiscal year.

11 ~~(3) The state controller shall transfer fifty percent (50%) of any ex-~~
12 ~~cess cash balance from the general fund to the budget stabilization fund upon~~
13 ~~the financial close of the current fiscal year subject to the following cri-~~
14 ~~teria: When calculating any excess cash balance the state controller shall~~
15 ~~first provide for the ending balance as determined by the legislative record~~
16 ~~to be carried over into the next fiscal year, plus an amount sufficient to~~
17 ~~cover encumbrances as approved by the division of financial management, and~~
18 ~~an amount sufficient to cover any reappropriation as authorized by the leg-~~
19 ~~islature After the close of the fiscal year, the state controller shall de-~~
20 ~~termine any excess cash balance in the general fund. When calculating any~~
21 ~~excess cash balance the state controller shall first provide for the end-~~
22 ~~ing balance as determined by the legislative record to be carried over into~~
23 ~~the next fiscal year, plus an amount sufficient to cover encumbrances as ap-~~
24 ~~proved by the division of financial management, and an amount sufficient to~~
25 ~~cover any reappropriation as authorized by the legislature. On July 1, or as~~
26 ~~soon thereafter as is practicable, the state controller shall transfer fifty~~
27 ~~percent (50%) of any general fund excess to the budget stabilization fund.~~

28 (4) If a majority of the membership of each house of the legislature
29 adopt a concurrent resolution requesting the amount of the transfer speci-
30 fied in subsection (2) of this section be reduced, the state controller shall
31 reduce the amount of the transfer.

32 (5) Appropriations of moneys from the budget stabilization fund in
33 any year shall be limited to fifty percent (50%) after the fund balance has
34 reached ten percent (10%).

35 SECTION 14. That Section 63-3638, Idaho Code, be, and the same is hereby
36 amended to read as follows:

37 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this
38 chapter, except as may otherwise be required in sections 63-3203 and
39 63-3709, Idaho Code, shall be distributed by the state tax commission as
40 follows:

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

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

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

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

16 (5) An amount equal to the sum required by the provisions of sections
17 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated
18 by section 63-718(3), Idaho Code, is continuously appropriated and shall be
19 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

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

44 (9) One dollar (\$1.00) on each application for certificate of title
45 or initial application for registration of a motor vehicle, snowmobile,
46 all-terrain vehicle or other vehicle processed by the county assessor or the
47 Idaho transportation department excepting those applications in which any
48 sales or use taxes due have been previously collected by a retailer, shall be
49 a fee for the services of the assessor of the county or the Idaho transporta-
50 tion department in collecting such taxes, and shall be paid into the current

1 expense fund of the county or state highway account established in section
2 40-702, Idaho Code.

3 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-
4 ated and shall be distributed to the revenue sharing account which is created
5 in the state treasury, and the moneys in the revenue sharing account will be
6 paid in installments each calendar quarter by the state tax commission as
7 follows:

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

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

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

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

21 (i) One million three hundred twenty thousand dollars
22 (\$1,320,000) annually shall be distributed one forty-fourth
23 (1/44) to each of the various counties; and

24 (ii) The balance of such amount shall be paid to the various coun-
25 ties, and each county shall be entitled to an amount in the propor-
26 tion that the population of that county bears to the population of
27 the state;

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

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

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

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

45 (iv) If the dollar amount of money available under this subsection
46 (10)(c) in any quarter exceeds one hundred five percent (105%) of
47 the total payment made in the fourth quarter of calendar year 1999,
48 any amount over and above such one hundred five percent (105%)
49 shall be paid fifty percent (50%) to the various cities in the pro-
50 portion that the population of the city bears to the population of

1 all cities within the state, and fifty percent (50%) to the various
2 counties in the proportion that the population of a county bears to
3 the population of the state; and

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

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

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

16 (iii) If the dollar amount of money available under this subsec-
17 tion (10) (d) in any quarter exceeds the amount distributed under
18 paragraph (i) of this subsection (10) (d), each special purpose
19 taxing district shall be entitled to a share of the excess based on
20 the proportion each such district's current property tax budget
21 bears to the sum of the current property tax budgets of all such
22 districts in the state. The state tax commission shall calculate
23 district current property tax budgets to include any unrecovered
24 foregone amounts as determined under section 63-802(1) (e), Idaho
25 Code. When a special purpose taxing district is situated in more
26 than one (1) county, the state tax commission shall determine the
27 portion attributable to the special purpose taxing district from
28 each county in which it is situated.

29 (iv) If special purpose taxing districts are consolidated, the
30 resulting district is entitled to a base amount equal to the sum of
31 the base amounts which were received in the last calendar quarter
32 by each district prior to the consolidation.

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

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

41 (vii) For purposes of this subsection (10) (d), a special purpose
42 taxing district is any taxing district which is not a city, a
43 county or a school district.

44 (11) Amounts calculated in accordance with section 2, chapter 356, laws
45 of 2001, for annual distribution to counties and other taxing districts be-
46 ginning in October 2001 for replacement of property tax on farm machinery and
47 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool
48 districts, the state tax commission shall distribute one-fourth (1/4) of
49 this amount certified quarterly to each county. For school districts, the
50 state tax commission shall distribute one-fourth (1/4) of the amount certi-

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

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

34 (13) Amounts calculated in accordance with subsection (4) of section
35 63-602KK, Idaho Code, for annual distribution to counties and other taxing
36 districts for replacement of property tax on personal property tax exemp-
37 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which
38 amounts are continuously appropriated unless the legislature enacts a dif-
39 ferent appropriation for a particular fiscal year. For purposes of the
40 limitation provided by section 63-802, Idaho Code, moneys received pursuant
41 to this section as property tax replacement for property exempt from taxa-
42 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property
43 tax revenues. If taxing districts are consolidated, the resulting district
44 is entitled to an amount equal to the sum of the amounts that were received in
45 the last calendar year by each district pursuant to this subsection prior to
46 the consolidation. If a taxing district or revenue allocation area annexes
47 territory, the distribution of moneys received pursuant to this subsection
48 shall be unaffected. Taxing districts and revenue allocation areas formed
49 after January 1, 2013, are not entitled to a payment under the provisions of
50 this subsection.

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

8 (15) For fiscal year 2019, and each fiscal year thereafter, fifteen
9 million two hundred thousand dollars (\$15,200,000) shall be distributed to
10 the capacity, safety and congestion mitigation program fund established in
11 section 40-720, Idaho Code.

12 (16) Beginning fiscal year 2018, one and one hundred eighty-five
13 thousandths percent (1.185%) is continuously appropriated and shall be dis-
14 tributed to the law enforcement fund established in section 67-2914, Idaho
15 Code.

16 ~~(157)~~ Any moneys remaining over and above those necessary to meet and
17 reserve for payments under other subsections of this section shall be dis-
18 tributed to the general fund.

19 SECTION 15. That Section 17, Chapter 341, Laws of 2015, be, and the same
20 is hereby amended to read as follows:

21 SECTION 17. An emergency existing therefor, which emergency is
22 hereby declared to exist, Sections 6 and 7 of this act shall be in
23 full force and effect on and after passage and approval. Sections
24 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15 and 16 of this act shall be in
25 full force and effect on and after July 1, 2015. Section 7 of this
26 act shall be null, void and of no force and effect on and after May
27 31, 2017~~22~~. Sections 8 and 9 of this act shall be in full force and
28 effect on and after May 31, 2017~~22~~.

29 SECTION 16. (1) The Joint Legislative Oversight Committee shall direct
30 the Office of Performance Evaluations to manage an independent evaluation
31 of the local highway technical assistance council (LHTAC) by a qualified,
32 state consultant or consultants without current contractual relationships
33 with LHTAC, any of the local highway jurisdictions served by LHTAC, the Idaho
34 Transportation Department (ITD) or any consultant or contractor that works
35 for or with LHTAC, any of the local highway jurisdictions served by LHTAC or
36 ITD and without any other conflict of interest. The evaluation shall, at a
37 minimum, address the following:

38 (a) Whether the manner in which LHTAC awards contracts complies with
39 all applicable state statutes, procedures and policies.

40 (b) Under what circumstances, if any, has LHTAC awarded no-bid con-
41 tracts and, if so, whether LHTAC violated any state statute, procedure or
42 policy.

43 (c) Whether LHTAC, in its normal course of operation, meets industry
44 standards with respect to its review of contractor work, certification of
45 completed projects, resolution of disputes and prompt payment of contrac-
46 tors.

1 (d) Determine the portion of LHTAC funds that are consumed by adminis-
2 trative overhead, staff salaries and other non-construction and maintenance
3 activities.

4 (e) Whether the size of the LHTAC staff meets industry standards for the
5 volume and type of work it conducts.

6 (f) Whether all resources, including, but not limited to, federal and
7 state funds, have been properly accounted for and, over the last two state
8 fiscal years, and have been expended in compliance with all state and federal
9 requirements.

10 (g) Assess the feasibility and potential efficiencies of highway dis-
11 trict consolidation. Provide recommendations on how such consolidation
12 might be accomplished and include potential incentives that could promote
13 consolidation. The evaluation should include a review of current law and how
14 current law may restrict consolidation efforts.

15 (2) The independent evaluation shall address the advantages, disadvan-
16 tages, practicality and costs of possible alternatives to delivering ser-
17 vices currently being provided by LHTAC including:

18 (a) Having local highway jurisdictions complete the work themselves or
19 through the use of contractors;

20 (b) Having ITD assume responsibility for the work; or

21 (c) Other alternatives. The independent evaluation shall address how
22 similar services are provided in other states with similarly sized local
23 highway jurisdiction arrangements and budgets. The results so reported are
24 to include action item recommendations upon which the Legislature can act
25 to improve the operation of LHTAC. A final report shall be submitted to the
26 First Regular Session of the Sixty-fifth Idaho Legislature.

27 SECTION 17. SEVERABILITY. The provisions of this act are hereby de-
28 clared to be severable and if any provision of this act or the application
29 of such provision to any person or circumstance is declared invalid for any
30 reason, such declaration shall not affect the validity of the remaining por-
31 tions of this act.

32 SECTION 18. An emergency existing therefor, which emergency is hereby
33 declared to exist, Sections 9, 13, and 15 of this act shall be in full force
34 and effect on and after passage and approval. Section 14 shall be in full
35 force and effect on and after August 1, 2017. The remaining provisions of
36 this act shall be in full force and effect on and after July 1, 2017.