

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 32

BY BUSINESS COMMITTEE

AN ACT

1 RELATING TO FINANCIAL INSTITUTIONS; AMENDING CHAPTER 11, TITLE 26, IDAHO
2 CODE, BY THE ADDITION OF A NEW SECTION 26-1111A, IDAHO CODE, TO ESTAB-
3 LISH PROVISIONS REGARDING DISCLOSURES BY FINANCIAL INSTITUTIONS TO THE
4 UNITED STATES INTERNAL REVENUE SERVICE AND TO DEFINE TERMS; AMENDING
5 SECTION 26-1112, IDAHO CODE, TO REVISE A PROVISION REGARDING PERMITTED
6 DISCLOSURES AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN EMER-
7 GENCY.
8

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

10 SECTION 1. That Chapter 11, Title 26, Idaho Code, be, and the same is
11 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
12 ignated as Section 26-1111A, Idaho Code, and to read as follows:

13 26-1111A. FINANCIAL INSTITUTION DISCLOSURES. (1) As used in this sec-
14 tion:

15 (a) "Account" means a contract of deposit of funds between a depositor
16 and a financial institution, and includes a checking account, savings
17 account, certificate of deposit, share account, or other like arrange-
18 ment.

19 (b) "Financial institution" means a bank, trust company, mutual sav-
20 ings bank, savings and loan association, or credit union authorized to
21 do business and accept deposits in the state of Idaho under state or fed-
22 eral law.

23 (2) A financial institution may not disclose to the United States in-
24 ternal revenue service any account balances, transactions, transfers, or
25 similar information with respect to any account maintained by the financial
26 institution, except to the extent that the disclosure is required by any
27 state or federal law in effect on the date of enactment of this section.

28 SECTION 2. That Section 26-1112, Idaho Code, be, and the same is hereby
29 amended to read as follows:

30 26-1112. PENALTY FOR DISCLOSURE OF CONFIDENTIAL INFORMATION. (1) Nei-
31 ther the department of finance, its director nor its employees shall dis-
32 close to any person or agency any fact or information obtained in the course
33 of business of the department under this act, except in the following cases
34 and only if permitted by the provisions of section 26-1111A, Idaho Code:

35 (a) When by the terms of this act or chapter 1, title 74, Idaho Code, it
36 is made the duty of the department to make public records and publish the
37 same-;

38 (b) When the department is required by law to take special action re-
39 garding the affairs of any bank-;

1 (c) When called as a witness in any criminal proceeding in a court of
2 competent jurisdiction, provided that the court must review such infor-
3 mation in chambers to determine the necessity of disclosing such infor-
4 mation, and subject to the privilege provided by ~~subsection (3) of sec-~~
5 tion 26-1111 (3), Idaho Code; i

6 (d) When, in the case of a problem bank, it is necessary or advisable,
7 in the discretion of the director, for the good of the public or of the
8 depositors; or

9 (e) When, in the discretion of the department, it is advisable to
10 disclose any such information to a state or federal bank supervisory
11 agency.

12 (2) Any person violating the provisions of this section shall be guilty
13 of a felony and conviction shall subject the offender to a forfeiture of his
14 office or employment.

15 SECTION 3. An emergency existing therefor, which emergency is hereby
16 declared to exist, this act shall be in full force and effect on and after its
17 passage and approval.