

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 534

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE STATE INSURANCE FUND; AMENDING SECTION 67-5333, IDAHO CODE,
2 TO PROVIDE THAT STATE INSURANCE FUND EMPLOYEES HIRED AFTER A CERTAIN
3 DATE SHALL NOT PARTICIPATE IN THE SICK LEAVE PROGRAM ESTABLISHED BY THE
4 SECTION AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 72-910,
5 IDAHO CODE, TO PROVIDE THAT THE MANAGER OF THE STATE INSURANCE FUND
6 SHALL BE THE CUSTODIAN OF THE STATE INSURANCE FUND AND TO REVISE PRO-
7 VISIONS REGARDING SUCH FUND; AMENDING SECTION 72-912, IDAHO CODE, TO
8 REMOVE REFERENCES TO THE STATE TREASURER AND TO MAKE TECHNICAL CORREC-
9 TIONS; AMENDING SECTION 72-927, IDAHO CODE, TO PROVIDE FOR THE STATE
10 INSURANCE MANAGER AND TO MAKE TECHNICAL CORRECTIONS; AND DECLARING AN
11 EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
12

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

14 SECTION 1. That Section 67-5333, Idaho Code, be, and the same is hereby
15 amended to read as follows:

16 67-5333. SICK LEAVE. (1) Sick leave shall be computed as follows:

17 (a) The rate per hour at which sick leave shall accrue to classified of-
18 ficers and employees earning credited state service shall be at the rate
19 represented by the proportion 96/2080. Sick leave shall accrue without
20 limit and shall be transferable from department to department.

21 (b) Sick leave shall not accrue to any officer or employee on any kind
22 of leave of absence without pay, suspension without pay or layoff. Sick
23 leave shall accrue while an officer or employee is on approved leave
24 with pay, on approved vacation leave, on approved military leave with
25 pay, and on approved sick leave, but not when compensatory time is
26 taken.

27 (c) All accrued sick leave shall be forfeited at the time of separa-
28 tion from state service and no officer or employee shall be reimbursed
29 for accrued sick leave at the time of separation, except as provided in
30 subsection (2) of this section. If such officer or employee returns
31 to credited state service within three (3) years of such separation,
32 all sick leave credits accrued at the time of separation shall be rein-
33 stated, except to the extent that unused sick leave was utilized for the
34 purposes specified in subsection (2) of this section or transferred to a
35 school district or charter district pursuant to section 33-1217, Idaho
36 Code.

37 (d) Sick leave shall be taken on a workday basis. Regularly scheduled
38 days off and officially designated holidays falling within a period of
39 sick leave shall not be counted against sick leave. Sick leave shall not
40 be taken in advance of being earned and shall only be taken in pay peri-
41 ods subsequent to being earned.

1 (e) In cases where absences for sick leave exceed three (3) consecu-
2 tive working days, the appointing authority may require verification by
3 a physician or other authorized practitioner.

4 (f) If an absence for illness or injury extends beyond the sick leave
5 accrued to the credit of the officer or employee, the officer or em-
6 ployee may be granted leave without pay.

7 (g) The administrator shall prescribe additional requirements for sick
8 leave for classified officers and employees on a part-time or irregu-
9 lar schedule, for maintaining sick leave records, for funeral leave and
10 such other applicable purposes as necessary.

11 (2) Unused sick leave may be used as follows:

12 (a) Upon separation from state employment by retirement in accordance
13 with chapter 13, title 59, or chapter 1, title 33, Idaho Code, an em-
14 ployee's unused sick leave shall be determined based on accumulated
15 sick leave earned subsequent to July 1, 1976, and shall be reported by
16 the employer to the public employee retirement system. Upon separa-
17 tion from state employment by retirement in accordance with chapter
18 20, title 1, Idaho Code, an employee's unused sick leave shall be de-
19 termined based on accumulated sick leave earned subsequent to July 1,
20 2000, and shall be reported by the employer to the public employee re-
21 tirement system. A sum equal to one-half (1/2), or the maximum amount
22 allowed by paragraph (b) of this subsection, whichever is the lesser,
23 of the monetary value of such unused sick leave, calculated at the rate
24 of pay for such employee at the time of retirement, as determined by
25 the retirement board, shall be transferred from the sick leave account
26 provided by paragraph (c) of this subsection and shall be credited to
27 such employee's retirement account. Such sums shall be used by the
28 Idaho public employee retirement board to pay premiums, as permitted by
29 and subject to applicable federal tax laws and limits, for such health,
30 dental, vision, long-term care, prescription drug and life insurance
31 programs as may be maintained by the state, to the extent of the funds
32 credited to the employee's account pursuant to this section. Upon an
33 employee's death, any unexpended sums remaining in the account shall
34 revert to the sick leave account.

35 (b) For the purposes of determining the monetary value of unused sick
36 leave, the maximum unused sick leave which may be considered shall be:

37 (i) During the first ten thousand four hundred (10,400) hours of
38 credited state service, the maximum unused sick leave which may be
39 considered shall be four hundred twenty (420) hours;

40 (ii) During the second ten thousand four hundred (10,400) hours of
41 credited state service, the maximum unused sick leave which may be
42 considered shall be four hundred eighty (480) hours;

43 (iii) During the third ten thousand four hundred (10,400) hours of
44 credited state service, the maximum unused sick leave which may be
45 considered shall be five hundred forty (540) hours;

46 (iv) Thereafter, the maximum unused sick leave which may be con-
47 sidered shall be six hundred (600) hours; and

48 (v) For any employees of a state educational agency with unused
49 sick leave that includes sick leave credited pursuant to section
50 33-1217, Idaho Code, the credited state service requirements of

1 ~~subsection (2) (b) subparagraphs (i) through (iv) of this section~~
 2 ~~paragraph shall not apply, but the maximum unused sick leave which~~
 3 ~~may be considered shall be six hundred (600) hours.~~

4 (c) Each employer in state government shall contribute to a sick leave
 5 account maintained by the public employee retirement system in trust
 6 exclusively for the purpose of the provisions of this section. The
 7 retirement board shall serve as trustee of the trust and shall be indem-
 8 nified to the same extent as provided in section 59-1305, Idaho Code.
 9 Assets in the trust shall not be assignable or subject to execution,
 10 garnishment, or attachment or to the operation of any bankruptcy or in-
 11 solvency law. The rate of such contribution each pay period shall con-
 12 sist of a percentage of employees' salaries as determined by the board
 13 and such rate shall remain in effect until next determined by the board.
 14 Any excess balance in the sick leave account shall be invested, and the
 15 earnings therefrom shall accrue to the sick leave account except the
 16 amount required by the board to defray administrative expenses. Assets
 17 of the trust may be commingled for investment purposes with other assets
 18 managed by the retirement board. All moneys payable to the sick leave
 19 account are hereby perpetually appropriated to the board and shall not
 20 be included in its departmental budget. The state insurance fund and
 21 public health districts shall be considered employers in state gov-
 22 ernment for purposes of participation under this section, except that
 23 any employee of the state insurance fund hired after December 31, 2022,
 24 shall not participate in the sick leave program under this section.

25 SECTION 2. That Section 72-910, Idaho Code, be, and the same is hereby
 26 amended to read as follows:

27 72-910. ~~STATE TREASURER~~ MANAGER CUSTODIAN OF FUND. The ~~state trea-~~
 28 ~~surex~~ manager of the state insurance fund shall be the custodian of the state
 29 insurance fund, and all disbursements therefrom shall be for the purpose of
 30 the state insurance fund and shall be paid by him upon warrants signed by the
 31 state controller, or upon sight drafts signed by the state insurance manager
 32 as provided by section 72-927, Idaho Code. The state treasurer shall give
 33 a separate and additional bond in an amount to be fixed by the governor, and
 34 with sureties approved by him, conditioned for the faithful performance of
 35 his duty as custodian of the state insurance fund. The state treasurer may
 36 deposit any portion of the said fund not needed for immediate use, in the
 37 manner and subject to all the provisions of law respecting the deposit of
 38 other state funds by him. Interest earned by such portion of the state in-
 39 surance fund deposited by the state treasurer shall be collected by him and
 40 placed to the credit of the fund sight drafts signed by the manager or his
 41 designee. Any portion of the fund not needed for immediate use shall be de-
 42 posited by the manager in an interest-bearing account for the benefit of the
 43 state insurance fund or, if designated as surplus or reserved funds, shall
 44 be transferred to the endowment fund as provided in section 72-912, Idaho
 45 Code. The manager shall submit to the state controller all expenditures,
 46 including payroll, in a format sufficient for the state controller to post
 47 such expenditures on the transparent Idaho website or on a similar platform
 48 for review by the public, provided that any nonpublic information shall be
 49 excluded from such expenditures.

1 SECTION 3. That Section 72-912, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 72-912. INVESTMENT OF SURPLUS OR RESERVE. The endowment fund invest-
4 ment board shall at the direction of the manager invest any of the surplus
5 or reserve funds belonging to the state insurance fund in real estate and
6 the same securities and investments authorized for investments by insurance
7 companies in Idaho as shall be approved by the manager. The endowment fund
8 investment board shall be the custodian of all such securities or evidences
9 of indebtedness, provided that the endowment fund investment board may em-
10 ploy a custodial bank to hold such securities. The state insurance fund is
11 authorized to pay the actual expenses of the endowment fund investment board
12 ~~which that~~ the board incurs in investing surplus or reserve funds and ~~which~~
13 ~~that~~ are approved by the manager of the state insurance fund. It shall col-
14 lect the principal and interest thereof, when due, and pay the same into the
15 state insurance fund. ~~The state treasurer shall pay all warrants or vouch-~~
16 ~~ers drawn on the state insurance manager and by the state controller.~~ The en-
17 dowment fund investment board at the request of the manager may sell any of
18 such securities, the proceeds thereof to be paid over to the state ~~treasurer~~
19 ~~for said~~ insurance fund. Where such funds of the state insurance fund have
20 been or are hereafter invested, with real property as security, and the said
21 real property has been or is hereafter acquired by the state of Idaho by rea-
22 son of foreclosure proceedings, voluntary deed, or otherwise, such property
23 shall be held in trust by the state of Idaho for the benefit of the state in-
24 surance fund and may be sold by the endowment fund investment board at the
25 request of the manager of said fund, and said sale may be had at private sale
26 or public auction, upon such terms and under such conditions as the endowment
27 fund investment board deems for the best interest of the state, but no sale
28 of real estate at private sale may be had for a less price than the amount,
29 with accrued interest, costs and expenses, ~~which that~~ has been invested by
30 the state insurance fund in said real estate. Where such sale is to be made
31 at public auction, it must take place in the county where the real estate is
32 situated, and notice of time and place of sale must be posted in three (3) of
33 the most public places in such county, and published in a newspaper, if there
34 be one ~~(1)~~ printed in the said county, for at least once a week for not less
35 than two (2) consecutive weeks, within thirty (30) days prior to the sale.
36 Where such sale is to be made at private sale, it must take place in the county
37 where the real estate is situated, and notice of time and place of sale must
38 be posted in three (3) of the most public places in such county, and published
39 in a newspaper, if there be one ~~(1)~~ printed in said county, for at least once
40 a week for not less than two (2) consecutive weeks, within thirty (30) days
41 prior to the sale. The notice must state a day on or after which the sale will
42 be made, and a place where offers or bids will be received. The day last re-
43 ferred to must be at least fifteen (15) days from the first publication of no-
44 tice, and the sale must not be made before that day, but must be made within
45 six (6) months thereafter. The bids or offers must be in writing, sealed, and
46 delivered to the investment manager of the endowment fund investment board.
47 The real estate and tenements, or the part thereof or interest therein to
48 be sold, must be described with common certainty in the notice. The deed
49 or deeds to such real estate shall be executed in the name of the state of

1 Idaho as required by section 16, chapter 4 of the constitution of the state of
2 Idaho, and the proceeds from any such sale be paid over to the state ~~treasurer~~
3 ~~for said~~ insurance funds.

4 SECTION 4. That Section 72-927, Idaho Code, be, and the same is hereby
5 amended to read as follows:

6 72-927. PAYMENT OF COMPENSATION AND REFUNDS. The state insurance
7 manager shall submit each month to the state board of examiners an estimate
8 of the amount necessary to meet the current disbursements for ~~workmen's~~
9 worker's compensation insurance losses and premium refunds to policyholders
10 from the state insurance fund, during each succeeding calendar month, and
11 when such estimate shall be approved by the state board of examiners, the
12 state ~~treasurer~~ insurance manager is authorized to pay the same out of the
13 state insurance fund upon sight drafts drawn by the state insurance manager.
14 At the end of each calendar month, the state insurance manager shall account
15 to the state board of examiners for all money so received, furnishing proper
16 vouchers therefor.

17 SECTION 5. An emergency existing therefor, which emergency is hereby
18 declared to exist, this act shall be in full force and effect on and after
19 July 1, 2022.