LEGISLATURE OF THE STATE OF IDAHO

Sixty-sixth Legislature First Regular Session - 2021

IN THE SENATE

SENATE BILL NO. 1204

BY FINANCE COMMITTEE

AN ACT

RELATING TO AMERICAN RESCUE PLAN FUNDS; AMENDING CHAPTER 35, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-3533, IDAHO CODE, TO DECLARE FEDERAL AMERICAN RESCUE PLAN ACT OF 2021 FUNDS COGNIZABLE AND TO PROVIDE LEGISLATIVE INTENT; AMENDING CHAPTER 35, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-3534, IDAHO CODE, TO ESTABLISH THE AMERICAN RESCUE PLAN FUND; AMENDING CHAPTER 35, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-3535, IDAHO CODE, TO ESTABLISH THE AMERICAN RESCUE PLAN COST RECOVERY FUND; AND DECLARING AN EMERGENCY.

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

SECTION 1. That Chapter 35, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-3533, Idaho Code, and to read as follows:

67-3533. FEDERAL AMERICAN RESCUE PLAN ACT OF 2021 -- COGNIZABLE FUNDS -- LEGISLATIVE INTENT. (1) Notwithstanding the provisions of section 67-3516(2), Idaho Code, or any other law to the contrary, all federal funding made available to Idaho state agencies originating from the federal American rescue plan act of 2021 (ARPA), P.L. 117-2, is hereby declared cognizable, is not subject to the provisions of section 67-3516(2), Idaho Code, and requires legislative appropriation for expenditure by any Idaho state agency.

(2) With respect to the discretionary funds provided to the state under ARPA, including the coronavirus state fiscal recovery fund and the coronavirus capital projects fund, it is the intent of the legislature that, in addition to any other applicable law and guidance, the following principles shall govern the appropriation and expenditure of such funds:

(a) ARPA funds are borrowed from our grandchildren. To the extent allowable under law, the state should make long-range investments with ARPA funds that will benefit our grandchildren.

(b) In accordance with section 67-1917, Idaho Code, and the principle that onetime funding should be used for onetime expenditures, state agencies receiving ARPA funds shall plan for the reduction of these federal funds to avoid creating ongoing obligations that are shifted to the general fund after the federal funds are depleted.

(c) The use of ARPA funds should not impede or inhibit the state's constitutional mandate to provide for a balanced budget for the people of Idaho. ARPA funds should be used to maintain a long-term, structurally balanced budget such that ongoing revenue should exceed ongoing expenses. ARPA funds should also be used to lower the state's capital costs and deferred maintenance costs in the years ahead to the extent permissible.

(d) ARPA funds should not duplicate other federal programs under which support is provided to specific industries or through specific programs.

(e) Local governments and state agencies receiving direct ARPA funds from the federal government should use such direct funds as the dollars of first resort and exhaust their direct funds before requesting assistance from the coronavirus state fiscal recovery fund established under ARPA. Local governments should partner with special purpose taxing districts on addressing local needs from their local share of ARPA funds.

(f) Local governments receiving direct ARPA funds should use the funds for infrastructure investments and allowable offsets that can reduce the property tax burden that Idahoans will face into the future.

SECTION 2. That Chapter 35, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-3534, Idaho Code, and to read as follows:

67-3534. AMERICAN RESCUE PLAN FUND. There is hereby created in the state treasury the American rescue plan fund. The fund shall be used to account for receipts, disbursements, and reimbursements related to the federal American rescue plan act of 2021, P.L. 117-2, moneys received by the state of Idaho. Moneys in the fund can be expended only after legislative appropriation. Except as prohibited by law, the office of the state treasurer shall invest idle moneys, and the fund shall retain its interest.

SECTION 3. That Chapter 35, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-3535, Idaho Code, and to read as follows:

67-3535. AMERICAN RESCUE PLAN COST RECOVERY FUND. There is hereby created in the state treasury the American rescue plan cost recovery fund. The fund shall be used to account for state costs allowable for reimbursement pursuant to the federal American rescue plan act of 2021, P.L. 117-2. After review of allowable costs, the division of financial management shall request the state controller to transfer an amount not to exceed the allowable costs from the American rescue plan fund established in section 67-3534, Idaho Code, to the American rescue plan cost recovery fund. Moneys in the fund can be expended only after legislative appropriation. Except as prohibited by law, the office of the state treasurer shall invest idle moneys, and the fund shall retain its interest.

SECTION 4. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.