

IN THE SENATE

SENATE BILL NO. 1043

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE LEGISLATURE; REPEALING SECTIONS 67-201, 67-202, 67-406c, 67-412, 67-434 AND 67-436, IDAHO CODE, RELATING TO ARCHAIC STATUTES DEALING WITH THE LEGISLATURE AND WITH LEGISLATIVE APPORTIONMENT; REPEALING CHAPTER 7, TITLE 67, IDAHO CODE, RELATING TO THE LEGISLATIVE COUNSEL; AMENDING SECTION 67-401, IDAHO CODE, TO DELETE REFERENCE TO AN ARCHAIC METHOD OF LEGISLATIVE APPORTIONMENT; AMENDING SECTION 67-406, IDAHO CODE, TO DELETE ARCHAIC LANGUAGE AND TO PROVIDE CORRECT TERMINOLOGY; AMENDING SECTION 67-428, IDAHO CODE, TO PROVIDE FOR AN APPOINTMENT OF A DIRECTOR OF LEGISLATIVE SERVICES TO SERVE AT THE PLEASURE OF THE COUNCIL AND TO DELETE REFERENCE TO EMPLOYEES OF THE COUNCIL; AMENDING SECTION 67-429, IDAHO CODE, TO REVISE POWERS AND DUTIES OF THE LEGISLATIVE COUNCIL; AMENDING SECTION 67-431, IDAHO CODE, TO DELETE ARCHAIC LANGUAGE AND TO PROVIDE A CORRECT REFERENCE TO LEGISLATIVE COMPENSATION; AMENDING SECTION 67-435, IDAHO CODE, TO REVISE POWERS AND DUTIES OF THE JOINT FINANCE-APPROPRIATIONS COMMITTEE; AMENDING SECTION 67-450B, IDAHO CODE, TO REVISE REQUIREMENTS OF INDEPENDENT FINANCIAL AUDITS AND FILING REQUIREMENTS OF SUCH AUDITS BY GOVERNMENTAL ENTITIES; AMENDING SECTION 67-450C, IDAHO CODE, TO REVISE REQUIREMENTS OF INDEPENDENT FINANCIAL AUDITS AND FILING REQUIREMENTS OF SUCH AUDITS OF AFFILIATED ORGANIZATIONS TO STATE GOVERNMENTAL AGENCIES OR ENTITIES; AMENDING TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 7, TITLE 67, IDAHO CODE, TO CREATE THE LEGISLATIVE SERVICES OFFICE, TO PROVIDE FOR THE AUDIT FUNCTION OF THE LEGISLATIVE SERVICES OFFICE, TO PROVIDE THE BUDGET AND POLICY ANALYSIS FUNCTION OF THE LEGISLATIVE SERVICE OFFICE, AND TO PROVIDE FOR THE RESEARCH AND LEGISLATION FUNCTION OF THE LEGISLATIVE SERVICES OFFICE; AMENDING SECTION 72-1507, IDAHO CODE, TO DELETE REFERENCE TO THE LEGISLATIVE COUNCIL BEING DIRECTED TO FURNISH SECRETARIAL AND OTHER STAFF ASSISTANCE THAT THE REAPPORTIONMENT COMMISSION MAY REQUIRE IN THE PERFORMANCE OF ITS DUTIES; AND AMENDING SECTION 34-301, IDAHO CODE, TO DELETE AN OBSOLETE CODE REFERENCE.

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

SECTION 1. That Sections [67-201](#), [67-202](#), [67-406c](#), [67-412](#), [67-434](#) and [67-436](#), Idaho Code, be, and the same are hereby repealed.

SECTION 2. That Chapter 7, Title 67, Idaho Code, be, and the same is hereby repealed.

1 SECTION 3. That Section 67-401, Idaho Code, be, and the same is hereby amended to
2 read as follows:

3 67-401. CONSTITUTION OF LEGISLATURE. The legislature consists of a senate and
4 house of representatives, the members of which are elected from the respective senatorial and
5 representative districts, ~~as defined by chapter 2 of this title,~~ by the qualified electors of said
6 districts.

7 SECTION 4. That Section 67-406, Idaho Code, be, and the same is hereby amended to
8 read as follows:

9 67-406. COMPENSATION AND MILEAGE OF MEMBERS OF
10 LEGISLATURE. Each member of the legislature shall receive for his services ~~the~~
11 ~~sum of ten dollars (\$10.00) per day from the commencement of each regular session, but such~~
12 ~~pay shall not exceed for each member, except the presiding officers, in the aggregate \$600.00~~
13 ~~for per diem allowance for any one (1) session; and shall receive each the sum of ten cents~~
14 ~~(10¢) per mile each way by the usual traveled route.~~

15 ~~When convened in extra session by the governor, they shall each receive ten dollars~~
16 ~~(\$10.00) per day; but no extra session shall continue for a longer period than twenty (20) days.~~
17 ~~They shall receive such mileage as is allowed for regular sessions. The presiding officers of~~
18 ~~the legislature shall each, in virtue of his office, receive an additional compensation equal to~~
19 ~~one half (1/2) his per diem allowance as a member; provided, that whenever any member of the~~
20 ~~legislature shall travel on a free pass in coming to or returning from the legislature the number~~
21 ~~of miles actually traveled on such pass shall be deducted from the mileage of such member~~
22 ~~compensation and expenses in accordance with rates established by the citizens' committee on~~
23 legislative compensation authorized in section 67-406b, Idaho Code.

24 SECTION 5. That Section 67-428, Idaho Code, be, and the same is hereby amended to
25 read as follows:

26 67-428. OFFICERS OF COUNCIL – COMMITTEES – DIRECTOR OF
27 LEGISLATIVE SERVICES. The council shall select a chairman and a vice-chairman, one
28 of whom shall be a senator and the other a representative and it shall adopt its own rules of
29 procedure. The council shall appoint such committees as may be necessary for the proper
30 and efficient performance of its duties. Committees shall consist of members of the council
31 and other members of the legislature. The council shall appoint a director of legislative
32 services, who shall serve at the pleasure of the council, and ~~if~~ the council may employ such
33 other employees and engage the services of such persons and agencies as may be necessary
34 or desirable in the performance of its duties. ~~The director of legislative services and other~~
35 ~~employees shall serve at the pleasure of the council and each shall be paid a salary to be~~
36 ~~fixed by the council.~~

37 SECTION 6. That Section 67-429, Idaho Code, be, and the same is hereby amended to
38 read as follows:

39 67-429. POWERS AND DUTIES. (1) It shall be the duty of the council to collect
40 and compile information, to draft bills and to conduct research upon any subject which the

1 legislature may authorize or direct or upon any subject which it may determine, provided that
 2 all activities of the council must be reasonably related to a legislative purpose. The legislature
 3 may make specific assignments to the council by a concurrent resolution approved by both
 4 houses.

5 (2) The council may hold public hearings and it may authorize or direct any of its
 6 committees to hold public hearings on any matters within the jurisdiction of the council.

7 ~~(3) The council shall establish and maintain a legislative reference library.~~

8 ~~(4)~~ For the purpose of conducting any study within the jurisdiction of the council, by
 9 resolution adopted by the affirmative vote of two-thirds (2/3) of the entire membership of the
 10 council, the chairman of the council may subpoena witnesses, compel their attendance, take
 11 evidence and require the production of any books, papers, correspondence or other documents
 12 or records which the council deems relevant or material to any matter on which the council or
 13 any committee is conducting a study.

14 ~~(5)~~ It shall be the duty of the council to superintend and administer the legislative space
 15 in the capitol building at all times, and to prepare such space when required for the sessions of
 16 the legislature, which shall include the provision of furniture and equipment.

17 ~~(6)~~ The legislative council shall review and make recommendations to the administrator
 18 of the division of human resources on all aspects of the state personnel system, including
 19 policies, wages and salaries.

20 (6) The council shall release audit reports prepared by the legislative audits division of the
 21 legislative services office as provided in section 67-435, Idaho Code.

22 ~~(7) The council has authority to appoint committees and hire staff or contract for services~~
 23 ~~to implement the provisions of this section. In addition to the duties provided above, the~~
 24 ~~council has authority to:~~

25 ~~(a) Provide the legislature with research and analysis of current and projected state~~
 26 ~~revenue, state expenditure and state tax expenditures;~~

27 ~~(b) Provide the legislature with a report analyzing the governor's proposed levels of~~
 28 ~~revenue and expenditures for budgets and supplemental budget requests submitted to the~~
 29 ~~legislature;~~

30 ~~(c) Provide an analysis of the impact of the governor's proposed revenue and expenditure~~
 31 ~~plans for the next fiscal year;~~

32 ~~(d) Conduct research on matters of economic and fiscal policy and report to the~~
 33 ~~legislature on the result of the research;~~

34 ~~(e) Provide economic reports and studies on the state of the state's economy including~~
 35 ~~trends and forecasts for consideration by the legislature;~~

36 ~~(f) Conduct budget and tax studies and provide general fiscal and budgetary information;~~

37 ~~(g) Review and make recommendations on the operation of state programs in order~~
 38 ~~to appraise the implementation of state laws regarding the expenditure of funds and to~~
 39 ~~recommend means of improving their efficiency;~~

40 ~~(h) Recommend to the legislature changes in the mix of revenue sources for programs,~~
 41 ~~in the percentage of state expenditures devoted to major programs, and in the role of the~~
 42 ~~legislature in overseeing state government expenditures and revenue projections;~~

43 ~~(i) Make a continuing study and investigation of the building needs of the government~~
 44 ~~of the state of Idaho, including, but not limited to, the following: the current and future~~
 45 ~~requirements of new buildings, the maintenance of existing buildings, rehabilitating and~~

~~remodeling of old buildings, the planning of administrative offices, and exploring the methods of financing building and related costs; and~~

~~(j) Conduct a study of state local finance, analyzing and making recommendations to the legislature on issues including levels of state support for political subdivisions, basic levels of local need, balances of local revenues and options, relationship of local taxes to individuals' ability to pay and financial reporting by political subdivisions.~~

~~(8) In performing its duties under subsection (7) of this section, the council and its employees may consider, among other things:~~

~~(a) The relative dependence on state tax revenues, federal funds and user fees to support state funded programs, and whether the existing mix of revenue sources is appropriate given the purpose of the programs;~~

~~(b) The relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions and debt service; and~~

~~(c) The role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general account, legislative appropriation of money from funds other than the general account, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds and state agency expenditure of federal funds.~~

~~(9) The council's recommendations shall consider the long term needs of the state. The recommendations must not duplicate work done by standing committees of the senate and house of representatives.~~

~~(10) The council may, after consultation with the governor and with the chairs of the standing committees of the legislature, select mandates and state programs for review. When selecting mandates, state aids or state programs to be reviewed, the council may consider those that involve payments to local units of government. Staff from affected agencies, staff from the division of financial management and legislative staff shall participate in the reviews.~~

~~(11) The following state aids and associated state mandates may be reviewed:~~

~~(a) Local government aid, ad valorem property tax credits, tax increment financing and fiscal disparities;~~

~~(b) Human service aids;~~

~~(c) Educational support dollars utilized for school district general fund aids, school district capital expenditure fund aids, and school district debt service fund aids;~~

~~(d) General government aids including natural resource aids, environmental protection aids, transportation aids, economic development aids and general infrastructure aids.~~

~~(12) At the direction of the council, the reviews of state aids and state mandates involving state financing of local government activities listed in subsection (11) of this section may include:~~

~~(a) The employment status, wages and benefits of persons employed in administering the programs;~~

~~(b) The desirable applicability of state procedural laws or rules;~~

~~(c) Methods for increasing political subdivision options in providing their share, if any, of program costs;~~

~~(d) Desirable redistributions of funding responsibilities for the program and the time period during which any recommended funding distribution should occur;~~

1 ~~(e) Opportunities for reducing program mandates and giving political subdivisions more~~
 2 ~~flexibility in meeting program needs;~~

3 ~~(f) Comparability of treatment of similar units of government;~~

4 ~~(g) The effect of the state aid or mandate on the distribution of tax burdens among~~
 5 ~~individuals based upon ability to pay;~~

6 ~~(h) Coordination of the payment or allocation formula with other state aid programs;~~

7 ~~(i) Incentives that have been created for local spending decisions, and whether the~~
 8 ~~incentives should be changed;~~

9 ~~(j) Ways in which political subdivisions have changed their revenue raising behavior~~
 10 ~~since receiving these grants;~~

11 ~~(k) An assessment of the accountability of all government agencies that participate in the~~
 12 ~~administration of the program.~~

13 ~~(13) The legislative council may provide for a complete audit of any and every fund~~
 14 ~~in the state treasury and other state moneys at least once in every two (2) fiscal years, and~~
 15 ~~commencing for fiscal year 1995 and each year thereafter shall provide for an annual statewide~~
 16 ~~financial audit of the statewide annual financial report prepared by the state controller, and is~~
 17 ~~hereby authorized:~~

18 ~~(a) To supervise and examine the accounts and expenditures of the several departments~~
 19 ~~and public institutions of the state and to prescribe rules necessary to assure the adequacy~~
 20 ~~and timeliness of all audits performed for or on behalf of all political subdivisions thereof;~~

21 ~~(b) To inspect securities held by the several departments and public institutions of the~~
 22 ~~state and the political subdivisions thereof;~~

23 ~~(c) To examine, at any and all times, the accounts of every private corporation,~~
 24 ~~institution, association, or board receiving appropriations from the legislature or~~
 25 ~~contracting for health and welfare services with the state of Idaho;~~

26 ~~(d) To demand and receive reports from the state treasurer, state controller, director of~~
 27 ~~the department of finance, and any other officer or agency, and from the several state~~
 28 ~~depositories;~~

29 ~~(e) To publish, from time to time, for the information of the several departments and of~~
 30 ~~the general public, bulletins of the works of government;~~

31 ~~(f) To be the official depository of all audits of the several departments and public~~
 32 ~~institutions of the state and its political subdivisions; the filing of an audit with the official~~
 33 ~~depository shall satisfy all requirements for the filing of an audit with the state, any other~~
 34 ~~provision of law notwithstanding;~~

35 ~~(g) To review or have reviewed the work papers or other documentation utilized in the~~
 36 ~~audit of a state department or public institution of the state and its political subdivisions,~~
 37 ~~and to reject for filing in the official depository any report based upon unsatisfactory work~~
 38 ~~papers or inadequately supported documentation;~~

39 ~~(h) To review and approve the terms and conditions or other statement of services to be~~
 40 ~~provided on any or all contracts or agreements by state government agencies for audits or~~
 41 ~~audit type services; and~~

42 ~~(i) To report to the attorney general, for such action, civil or criminal, as the attorney~~
 43 ~~general may deem necessary, all facts showing illegal expenditure of the public money~~
 44 ~~or misappropriation of the public money or misappropriation of the public property. The~~
 45 ~~governor and state controller shall also be notified when the report is made to the attorney~~
 46 ~~general pursuant to this subsection.~~

1 ~~All reports, findings and audits of the legislative council pursuant to this subsection shall~~
 2 ~~be submitted to the legislature and to the governor.~~

3 SECTION 7. That Section 67-431, Idaho Code, be, and the same is hereby amended to
 4 read as follows:

5 67-431. COMPENSATION AND EXPENSES. Members of the council and the
 6 committees thereof shall be reimbursed for actual expenses necessarily incurred in attending
 7 meetings and in the performance of their official duties, ~~and they shall receive the sum of~~
 8 ~~thirty five dollars (\$35.00) for each day spent in traveling intrastate to or from regular council~~
 9 ~~meetings by the most direct route and in attendance at meetings or in the performance of other~~
 10 ~~duties directed by the council, and may, subject to rules adopted by the legislative council,~~
 11 ~~receive the sum of thirty five dollars (\$35.00) for each day spent in traveling to or from~~
 12 ~~intrastate meetings~~ in accordance with the rates established by the citizens' committee on
 13 legislative compensation as authorized in section 67-406b, Idaho Code.

14 SECTION 8. That Section 67-435, Idaho Code, be, and the same is hereby amended to
 15 read as follows:

16 67-435. POWERS AND DUTIES. (1) The joint finance-appropriations committee shall
 17 have the following powers and duties:

18 ~~(1a)~~ (1a) To review the executive budget and the budget requests of each state department,
 19 agency and institution, including requests for construction of capital improvements, as
 20 well as other requests for appropriations submitted to the legislature.

21 ~~(2b)~~ (2b) To conduct such hearings as it may deem necessary and proper.

22 ~~(3c)~~ (3c) To submit a report to each session of the legislature covering its activities during
 23 the preceding period and setting forth its findings and recommendations and to make
 24 such recommendations to the appropriate legislative committees as it may deem proper
 25 concerning the budget and other proposed legislation.

26 ~~(4) To require copies of all audit reports issued by the legislative council employees~~
 27 ~~or contractors, and to require access to all audit working papers and other records of the~~
 28 ~~employees or contractors of the legislative council.~~

29 ~~(5d)~~ (5d) To perform such other duties as the legislature or legislative council may by
 30 appropriate resolution direct.

31 (2) The joint finance-appropriations committee shall use the following procedures for
 32 releasing reports produced by the legislative audits division:

33 (a) All reports produced by the legislative audits division shall be delivered to the
 34 cochairs of the joint finance-appropriations committee for their review and approval prior
 35 to release;

36 (b) The cochairs of the joint finance-appropriations committee may, at their discretion,
 37 conduct hearings relating to any report and seek input and testimony prior to, or after
 38 reports are released; and

39 (c) After such review as deemed necessary and prudent by the cochairs of the joint
 40 finance-appropriations committee, the cochairs shall release the reports produced by the
 41 legislative audits division within sixty (60) days of submission to the cochairs; except in
 42 the event that a report is returned to the legislative audits division for further audit or

1 review, then the cochairs shall approve the release of reports within sixty (60) days after
 2 the report is resubmitted to the cochairs.

3 SECTION 9. That Section 67-450B, Idaho Code, be, and the same is hereby amended to
 4 read as follows:

5 67-450B. INDEPENDENT FINANCIAL AUDITS BY GOVERNMENTAL ENTITIES
 6 – FILING REQUIREMENTS. (1) The requirements set forth in this section are minimum
 7 audit requirements for all local governmental entities, and include, without limitation, all cities,
 8 counties, authorities and districts organized as separate legal and reporting entities under Idaho
 9 law, and include the councils, commissions and boards as appointed or elected and charged
 10 with fiscal management responsibilities of the local governmental entity.

11 Audits under these requirements are to be performed by independent auditors in
 12 accordance with generally accepted governmental auditing standards, as defined by the United
 13 States general accounting office. The auditor shall be employed on written contract.

14 The entity's governing body shall be required to include in its annual budget all necessary
 15 expenses for carrying out the provisions of this section.

16 The entity shall file ~~two (2) copies~~ one (1) copy of each completed audit report with
 17 the legislative ~~council services office~~ within ten (10) days after receiving the audit from the
 18 ~~contracting independent auditor~~ nine (9) months after the end of the audit period.

19 (2) The minimum requirements for any audit performed under the provisions of this
 20 section are:

21 (a) The governing body of a local governmental entity whose annual budget expenditures
 22 (from all sources) exceeds two hundred fifty thousand dollars (\$250,000) shall cause a full
 23 and complete audit of its financial statements to be made each fiscal year.

24 (b) The governing body of a local governmental entity whose annual budget expenditures
 25 (from all sources) exceeds one hundred thousand dollars (\$100,000), but does not exceed
 26 two hundred fifty thousand dollars (\$250,000) may elect to have its financial statements
 27 audited on a biennial basis and may continue biennial auditing cycles in subsequent years
 28 as long as the entity's budget annual expenditures does not exceed two hundred fifty
 29 thousand dollars (\$250,000) during either year of any biennial period. Biennial audits
 30 shall include an audit of each fiscal year since the previous audit.

31 ~~The governing body of a local governmental entity whose annual budget (from~~
 32 ~~all sources) exceeds fifty thousand dollars (\$50,000), but does not exceed one hundred~~
 33 ~~thousand dollars (\$100,000) may elect to have its financial statements reviewed on a~~
 34 ~~biennial basis and may continue biennial review cycles in subsequent years as long as the~~
 35 ~~entity's annual budget does not exceed one hundred thousand dollars (\$100,000) during~~
 36 ~~either year of any biennial period. Biennial reports of review shall include a review of~~
 37 ~~each fiscal year since the previous review report.~~

38 ~~(d)~~ The governing body of a local governmental entity whose annual budget expenditures
 39 (from all sources) does not exceed fifty one hundred thousand dollars (\$5100,000) has no
 40 minimum audit requirements under this section.

41 ~~(e)~~ Federal audit requirements applicable because of receipt expenditure of federal
 42 assistance supersede the minimum audit requirements provided in this section.

43 SECTION 10. That Section 67-450C, Idaho Code, be, and the same is hereby amended
 44 to read as follows:

1 67-450C. INDEPENDENT FINANCIAL AUDITS OF AFFILIATED
 2 ORGANIZATIONS TO STATE GOVERNMENTAL AGENCIES OR ENTITIES – FILING
 3 REQUIREMENTS. (1) The requirements set forth in this section are minimum audit
 4 requirements for all affiliated organizations to state governmental entities, and include, without
 5 limitation, all state departments, commissions, institutions, colleges or universities, which are
 6 created pursuant to statute or the constitution and which receive an appropriation from the
 7 legislature.

8 As used in this section "affiliated organization" means an organization affiliated with an
 9 agency or entity of state government which meets all of the following criteria:

10 (a) The organization has separate legal standing, where neither direct association through
 11 appointment of a voting majority of the organization's body nor fiscal dependency exists.

12 (b) The affiliation with a specific primary state government agency or entity is set forth
 13 in the organization's articles of incorporation by reference to the name of the primary
 14 state government agency or entity in describing the purposes for which the organization
 15 was established.

16 (c) The affiliation with a specific primary state government agency or entity is set forth
 17 in the organization's application to the internal revenue service for exemption for payment
 18 of federal income tax pursuant to the internal revenue code by reference to the name of
 19 the primary government in response to any of the questions contained in the exemption
 20 application and the organization has been granted that exemption.

21 Audits under these requirements are to be performed by independent auditors in
 22 accordance with generally accepted governmental auditing standards, as defined by the United
 23 States general accounting office. The auditor shall be employed on written contract.

24 The affiliated organization's governing body shall be required to include in its annual
 25 budget all necessary expenses for carrying out the provisions of this section.

26 The affiliated organization shall file ~~two (2) copies~~ one (1) copy of each completed audit
 27 report with the legislative ~~council services office~~ services office within ~~ten (10) days after receiving the audit~~
 28 ~~from the contracting independent auditor~~ nine (9) months after the end of the audit period.

29 (2) The minimum requirements for any audit performed under the provisions of this
 30 section are:

31 (a) The governing body of an affiliated organization whose annual ~~budget~~ budget expenditures
 32 (from all sources) exceeds two hundred fifty thousand dollars (\$250,000) shall cause a full
 33 and complete audit of its financial statements to be made each fiscal year.

34 (b) The governing body of an affiliated organization whose annual ~~budget~~ budget expenditures
 35 (from all sources) exceeds one hundred thousand dollars (\$100,000), but ~~does~~ not exceed
 36 two hundred fifty thousand dollars (\$250,000) may elect to have its financial statements
 37 audited on a biennial basis and may continue biennial auditing cycles in subsequent years
 38 as long as the organization's ~~budget~~ annual expenditures ~~does~~ not exceed two hundred
 39 fifty thousand dollars (\$250,000) during either year of any biennial period. Biennial
 40 audits shall include an audit of each fiscal year since the previous audit.

41 (c) The governing body of an affiliated organization whose annual ~~budget~~ budget expenditures
 42 (from all sources) ~~exceeds fifty thousand dollars (\$50,000), but does not exceed one~~
 43 ~~hundred thousand dollars (\$100,000) may elect to have its financial statements reviewed~~
 44 ~~on a biennial basis and may continue biennial review cycles in subsequent years as long~~
 45 ~~as the affiliated organization's annual budget does not exceed one hundred thousand~~
 46 ~~dollars (\$100,000) during either year of any biennial period. Biennial reports of review~~

1 ~~shall include a review of each fiscal year since the previous review report has no~~
 2 ~~minimum audit requirements under this section.~~

3 ~~(d) The governing body of an affiliated organization whose annual budget (from~~
 4 ~~all sources) does not exceed fifty thousand dollars (\$50,000) has no minimum audit~~
 5 ~~requirements under this section.~~

6 (ed) Federal audit requirements applicable because of ~~receipt~~ expenditure of federal
 7 assistance supersede the minimum audit requirements provided in this section.

8 SECTION 11. That Title 67, Idaho Code, be, and the same is hereby amended by the
 9 addition thereto of a NEW CHAPTER, to be known and designated as Chapter 7, Title 67,
 10 Idaho Code, and to read as follows:

11 CHAPTER 7
 12 LEGISLATIVE SERVICES OFFICE

13 67-701. LEGISLATIVE SERVICES OFFICE. There is hereby created under the
 14 direction of the legislative council the legislative services office which shall carry out the
 15 professional and nonpartisan responsibilities defined in this chapter. The legislative council
 16 shall appoint a director of the legislative services office who shall serve at the pleasure of the
 17 council and who may employ such employees and engage the services of such persons and
 18 agencies as may be necessary or desirable in the performance of the legislative council's duties.
 19 Employees of the legislative services office are nonclassified, at-will employees and shall serve
 20 at the pleasure of the director.

21 67-702. AUDIT FUNCTION OF LEGISLATIVE SERVICES OFFICE. (1) The
 22 legislative services office at the direction of the legislative council has authority to:

23 (a) Perform an annual audit of the statewide annual financial report prepared by the state
 24 controller in accordance with generally accepted government auditing standards.

25 (b) Perform an annual audit of federal financial assistance provided to the state that
 26 meets the requirements established by the federal government.

27 (c) Perform a management review of each executive department of state government at
 28 least once in a three (3) year period. Management reviews shall cover the period since
 29 the last review and may include evaluation of internal controls over financial and program
 30 activities and other matters related to the department's operations.

31 (d) Provide audit services to any unit of state government or public institution that
 32 requests services, if authorized by the legislative council.

33 (e) Report to the attorney general all facts which may indicate malfeasance, illegal
 34 expenditure of public funds or misappropriation of public funds or public property
 35 for such investigation or action, civil or criminal, as the attorney general may deem
 36 necessary. The governor and state controller shall also be notified when the report
 37 is made to the attorney general pursuant to this subsection. The legislature shall be
 38 informed through the regular audit process pursuant to section 67-429, Idaho Code.

39 (f) Be the official repository of all audit reports of the state and political subdivisions that
 40 are required to be audited pursuant to sections 67-450B and 67-450C, Idaho Code.

41 (2) The legislative council reserves the right to audit or examine any and every fund in
 42 the state treasury and any institution, association, board or other defined entity created by, or
 43 that receives an appropriation from, the legislature.

1 67-703. BUDGET AND POLICY ANALYSIS – FUNCTION OF LEGISLATIVE
2 SERVICES OFFICE. The legislative services office at the direction of the legislative council
3 has authority to:

4 (1) Provide the legislature with research and analysis of current and projected state
5 revenue, state expenditure and state tax expenditures;

6 (2) Provide the legislature with a report analyzing the governor's proposed levels of
7 revenue and expenditures for budgets and supplemental budget requests submitted to the
8 legislature;

9 (3) Provide an analysis of the impact of the governor's proposed revenue and expenditure
10 plans for the next fiscal year;

11 (4) Review and evaluate requests for appropriations, including proposed plans and
12 policies related to such requests, and make recommendations to the joint finance-appropriations
13 committee and the legislature in relation thereto;

14 (5) Prepare draft legislation, statements of purpose and fiscal notes that individually or
15 collectively represent motions affirmatively voted upon by the senate finance and house of
16 representatives appropriations committees to provide each state agency with an annual budget;

17 (6) Have access, with or without prior notice, during regular operating hours to any
18 records or other documents maintained by any state agency relating to their expenditures,
19 revenues, operations and structure;

20 (7) Conduct research on matters of economic and fiscal policy and report to the
21 legislature on the result of the research;

22 (8) Provide economic reports and studies on the state of the state's economy, including
23 trends and forecasts for consideration by the legislature;

24 (9) Conduct budget and tax studies and provide general fiscal and budgetary information;

25 (10) Review and make recommendations on the operation of state programs in order to
26 appraise the implementation of state laws regarding the expenditure of funds and to recommend
27 means of improving their efficiency;

28 (11) Recommend to the legislature changes in the mix of revenue sources for programs,
29 in the percentage of state expenditures devoted to major programs, and in the role of the
30 legislature in overseeing state government expenditures and revenue projections;

31 (12) Make a continuing study and investigation of the building needs of the government
32 of the state of Idaho, including, but not limited to, the following: the current and future
33 requirements of new buildings, the maintenance of existing buildings, rehabilitating and
34 remodeling of old buildings, the planning of administrative offices, and exploring the methods
35 of financing buildings and related costs;

36 (13) Conduct studies of state and local finances, analyzing and making recommendations
37 to the legislature on issues including levels of state support for political subdivisions, basic
38 levels of local need, balances of local revenues and options, relationship of local taxes to
39 individuals' abilities to pay and financial reporting by political subdivisions; and

40 (14) Develop and make available to the legislature and its standing or special legislative
41 committees such fiscal information as will assist the legislature or any legislative committee in
42 its deliberations.

43 67-704. RESEARCH AND LEGISLATION – FUNCTION OF LEGISLATIVE
44 SERVICES OFFICE. (1) The legislative services office at the direction of the legislative
45 council shall have authority to prepare or assist in the preparation or amendment of legislative

1 bills at the request of any committee or member of the senate or house of representatives.
 2 From August 1 until December 1 of each year, upon request from the governor, lieutenant
 3 governor, attorney general, state controller, secretary of state, superintendent of public
 4 instruction or state treasurer, the legislative services office at the direction of the legislative
 5 council shall have authority to prepare legislative bills for such constitutional officer.

6 (2) In administering this section the legislative services office shall establish and
 7 maintain a legislative reference library.

8 (3) The legislative services office shall review and analyze administrative rules in
 9 accordance with section 67-454, Idaho Code, and perform other duties as required by the
 10 legislative council.

11 (4) The legislative services office is directed to furnish such secretarial and other
 12 staff assistance as the citizens' committee on legislative compensation and the redistricting
 13 commission may require in the performance of their duties.

14 SECTION 12. That Section 72-1507, Idaho Code, be, and the same is hereby amended to
 15 read as follows:

16 72-1507. ~~STAFF EXPENSES OF COMMISSION. The legislative council is directed~~
 17 ~~to furnish such secretarial and other staff assistance as the commission may require in the~~
 18 ~~performance of its duties.~~ The council shall prepare and submit a budget for the expenses
 19 of the commission, including staff, equipment, meetings, salary and expense reimbursement of
 20 members, for consideration by the legislature not later than the session held in a year ending in
 21 nine (9) preceding the convening of a commission.

22 SECTION 13. That Section 34-301, Idaho Code, be, and the same is hereby amended to
 23 read as follows:

24 34-301. ESTABLISHMENT OF ELECTION PRECINCTS BY COUNTY
 25 COMMISSIONERS – LISTS AND MAPS TO BE FURNISHED TO SECRETARY OF
 26 STATE. The board of county commissioners in each county shall establish a convenient
 27 number of election precincts therein. The board of county commissioners may establish an
 28 absentee voting precinct for each legislative district within the county. The boundaries of
 29 such absentee precincts shall be the same as those of the legislative districts for which they
 30 were established. The board shall have the authority to create new or consolidate established
 31 precincts only within the boundaries of ~~the legislative districts provided by section 67-202,~~
 32 ~~Idaho Code.~~ No county shall have less than two (2) precincts. This board action shall be
 33 done no later than January 15 in a general election year. The January 15 deadline shall be
 34 waived during a general election year in which a legislative or court ordered redistricting plan
 35 is adopted. In such cases, any precinct boundary adjustments shall be accomplished by the
 36 county commissioners as soon as is practicable.

37 The county clerk of each county shall provide, and the secretary of state shall maintain in
 38 his office, a current and accurate report of the following:

- 39 (a) A list of all precincts within the county;
 40 (b) A map of all precincts within the county;
 41 (c) A count of voters registered for the latest general election, by precinct;
 42 (d) A count of votes cast at the latest general election, by precinct.