

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 523

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO LOCAL GOVERNMENTAL ENTITIES; AMENDING CHAPTER 4, TITLE 67, IDAHO
2 CODE, BY THE ADDITION OF A NEW SECTION 67-450E, IDAHO CODE, TO PROVIDE A
3 DEFINITION, TO ESTABLISH PROVISIONS RELATING TO A CENTRAL REGISTRY AND
4 REPORTING PORTAL, TO PROVIDE FOR THE REPORTING OF CERTAIN INFORMATION,
5 TO PROVIDE FOR SUBMISSION OF INFORMATION FOR CALENDAR YEAR 2015, TO PRO-
6 VIDE FOR NOTIFICATION BY THE COUNTY CLERK, TO PROVIDE THAT THE STATE TAX
7 COMMISSION AND THE COUNTY CLERK SHALL SUBMIT LISTS, TO PROVIDE FOR THE
8 REPORTING OF ADMINISTRATIVE, FINANCIAL AND BOND OR OTHER DEBT INFORMA-
9 TION, TO PROVIDE FOR NOTIFICATION BY THE LOCAL GOVERNING ENTITY, TO PRO-
10 VIDE FOR FEES, TO PROVIDE FOR NOTIFICATION, TO PROVIDE FOR A PUBLIC NO-
11 TICE, TO PROVIDE FOR PENALTIES, TO PROVIDE FOR ACTIONS BY THE BOARD OF
12 COUNTY COMMISSIONERS AND TO PROVIDE FOR APPLICATION OF LAWS; AND PRO-
13 VIDING AN EFFECTIVE DATE.
14

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

16 SECTION 1. That Chapter 4, Title 67, Idaho Code, be, and the same is
17 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
18 ignated as Section 67-450E, Idaho Code, and to read as follows:

19 67-450E. LOCAL GOVERNING ENTITIES CENTRAL REGISTRY -- REPORTING IN-
20 FORMATION REQUIRED -- PENALTIES FOR FAILURE TO REPORT. In addition to the
21 provisions applicable to local governing entities found in section 67-450B,
22 Idaho Code, the provisions of this section shall also apply to local govern-
23 ing entities. For purposes of this section, "local governing entity" shall
24 have the same meaning as provided in section 67-450B, Idaho Code. If a lo-
25 cal governing entity is governed by the provisions of section 33-701, Idaho
26 Code, such entity shall not be required to comply with the provisions of this
27 section.

28 (1) (a) There is hereby established a central registry and reporting
29 portal ("registry") on the legislative services office website. The
30 registry and reporting portal shall serve as the unified location for
31 the reporting of and access to administrative and financial information
32 of local governing entities in this state. To establish a complete list
33 of all local governmental entities operating in Idaho, on the effective
34 date of this legislation and so that the registry established will be
35 comprehensive, every existing local governing entity shall register
36 with the state registry. For calendar year 2015, the submission of in-
37 formation required by subsection (2) of this section shall occur prior
38 to March 1, 2015, and shall be in the form and format required by the
39 legislative services office. In addition to the information required
40 by this section for the March 1, 2015, filing deadline, the entity shall
41 report the date of its last independent audit. The registry listing

1 will be available on the legislative services office website by January
2 1, 2016.

3 (b) The county clerk shall notify each local governing entity of the re-
4 quirements of this section.

5 (c) After March 1, 2015, and on or before December 1 of each year:

6 (i) The state tax commission shall submit a list to the legisla-
7 tive services office of all taxing districts within the state; and

8 (ii) The county clerk of each county shall submit a list to the
9 legislative services office of all taxing districts in the county
10 and any other local governing entities that are authorized to im-
11 pose fees, assessments or receive property tax money within the
12 county.

13 (2) On or before December 1 of each year, every local governing entity
14 shall submit to the online central registry and reporting portal the follow-
15 ing information:

16 (a) Administrative information:

17 (i) The terms of membership and appointing authority for the gov-
18 erning board member of the local governmental entity;

19 (ii) The official name, mailing address and electronic mailing
20 address of the entity;

21 (iii) The fiscal year of the entity;

22 (iv) A listing of all taxes, fees, assessments or charges imposed
23 and collected by the entity or on behalf of the entity, includ-
24 ing the rates or amounts charged for the reporting period and the
25 statutory authority for the levy of the tax, fee, assessment or
26 charge; and

27 (v) The section of Idaho Code under which the entity was estab-
28 lished, the date of establishment, the establishing entity and the
29 statute or statutes under which the entity operates, if differ-
30 ent from the statute or statutes under which the entity was estab-
31 lished.

32 (b) Financial information:

33 (i) The most recent adopted budget of the entity; and

34 (ii) An unaudited comparison of the budget to actual revenues and
35 expenditures for that fiscal year.

36 (c) Bonds or other debt obligation information:

37 (i) The cumulative dollar amount of all bonds or other debt obli-
38 gations issued or incurred by the entity; and

39 (ii) The average length of term of all bond issuances or other debt
40 obligations, the average interest rate of all bonds or other debt
41 obligations.

42 (d) Within five (5) days of submitting to the central registry the in-
43 formation required by this subsection, the local governing entity shall
44 notify the entity's appointing authority, if the entity has an appoint-
45 ing authority, that it has submitted such information.

46 (e) If any information provided by an entity as required by this subsec-
47 tion changes during the year, the entity shall update its information on
48 the registry within thirty (30) days of any such change.

49 (f) All reasonable fees, costs and other expenses incurred assist-
50 ing local governing entities in compiling the reporting information

1 required by this section may be charged by the board of county commis-
2 sioners against the local governing entity requesting the county's
3 service. For purposes of this section, reasonable fees and costs shall
4 include, but not be limited to, the labor costs, material costs and
5 copying costs incurred while assisting local governing entities com-
6 ply with this section. Such fees and costs shall be deducted from any
7 distributions of taxes, fees or assessments collected by the county on
8 behalf of the local governing entity.

9 (3) Audits required by section 67-450B, Idaho Code, will be submitted
10 to the online portal.

11 (4) Notification and penalties.

12 (a) If a local governing entity fails to submit information required
13 by this section or submits noncompliant information required by this
14 section, the legislative services office shall notify the entity within
15 thirty (30) days after the due date of the information that either the
16 information was not submitted in a timely manner or the information
17 submitted was noncompliant. The local governing entity shall then have
18 thirty (30) days from the date of notice to submit the information or
19 notify the legislative services office that it will comply by a time
20 certain.

21 (b) The legislative services office shall notify the appropriate board
22 of county commissioners of the entity's failure to comply with the pro-
23 visions of this section. Upon receipt of such notification, the board
24 of county commissioners shall place a public notice in a newspaper of
25 general circulation in the county indicating that the entity is non-
26 compliant with the legal reporting requirements of this section. The
27 county commissioners shall assess to the entity the cost of the public
28 notice.

29 (c) A local governing entity that fails to comply with this section
30 shall be prohibited from including in its budget any budget increase
31 otherwise permitted by either subsection (1)(a) or (e) of section
32 63-802, Idaho Code.

33 (d) For any subsequent failure to comply with this section after the
34 initial failure to comply, the state tax commission shall withhold
35 the annual distribution of sales tax distribution created by section
36 63-3638(10), Idaho Code. The state tax commission shall withhold and
37 retain such money in a reserve account until the legislative services
38 office certifies that the entity has complied with the provisions of
39 this section, at which point the state tax commission shall pay any
40 money owed to the local governing entity previously in violation of this
41 section.

42 (e) For any local governing entity that may not be governed by the pro-
43 visions of paragraph (a) or (b) of this subsection, upon notification
44 to the board of county commissioners from the legislative services of-
45 fice of noncompliance by such entity, the board of county commissioners
46 shall convene to determine appropriate compliance measures including,
47 but not limited to, the following:

48 (i) Require a meeting of the board of county commissioners and the
49 entity's governing body wherein the board of county commissioners
50 shall require compliance of this section by the entity;

1 (ii) Assess a noncompliance fee on the entity or its governing
2 body. Such fee shall not exceed five thousand dollars (\$5,000).
3 The amount of any such fee shall not be passed on to persons subject
4 to the jurisdiction of the entity in the form of adjustments to any
5 fee or assessment imposed or collected by the entity. Any fee col-
6 lected shall be deposited into the county's general fund;

7 (iii) Cause a special audit to be conducted on the entity at the
8 cost of the entity.

9 (5) The provisions of this section shall have no impact or effect upon
10 reporting requirements for local governing entities relating to the state
11 tax commission.

12 SECTION 2. This act shall be in full force and effect on and after Jan-
13 uary 1, 2015.