

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 536

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO EXCHANGES OF STATE ENDOWMENT LANDS; AMENDING SECTION 58-138,  
2 IDAHO CODE, TO REVISE REQUIREMENTS OF THE STATE BOARD OF LAND COMMIS-  
3 SIONERS REGARDING THE EXCHANGE OF STATE ENDOWMENT LAND; AND AMENDING  
4 SECTION 67-702, IDAHO CODE, TO REVISE DUTIES OF THE AUDIT DIVISION OF  
5 THE LEGISLATIVE SERVICES OFFICE REGARDING EXCHANGES OF STATE ENDOWMENT  
6 LANDS.  
7

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

9 SECTION 1. That Section 58-138, Idaho Code, be, and the same is hereby  
10 amended to read as follows:

11 58-138. EXCHANGE OF STATE LAND. (1) The state board of land commis-  
12 sioners may at its discretion, when in the state's best interest, exchange,  
13 and do all things necessary to exchange fee simple title to include full sur-  
14 face and mineral rights, to any of the state lands now or hereafter held and  
15 owned by this state for similar lands of equal value public or private, so as  
16 to consolidate state lands or aid the state in the control and management or  
17 use of state lands.

18 (2) Provided further the state board of land commissioners may, in its  
19 discretion, hereafter grant and receive less than fee simple title, and  
20 grant or allow such reservations, restrictions, easements or such other  
21 impairment to title as may be in the state's best interest.

22 (3) No exchanges shall be made involving leased lands except upon the  
23 written agreement of the lessee.

24 (4) Subject to the approval of the state board of land commissioners,  
25 the first lease on lands acquired through land exchange and in lieu selec-  
26 tions shall be offered to the present user, lessee, or permittee of the land,  
27 provided that the present user agrees in writing to enter into a contractual  
28 management program through which the resource values of the land may be en-  
29 hanced or improved for the purpose of increasing the income to the endowed  
30 institutions.

31 (5) Prior to the exchange of any state endowment lands pursuant to this  
32 section, the state board of land commissioners shall have an appraisal and  
33 review appraisal conducted of the lands it desires to exchange along with an  
34 appraisal and a review appraisal of the lands it is proposing to acquire in  
35 the exchange. All such appraisals and review appraisals shall be performed  
36 by appraisers who are licensed or certificated to perform such work in ac-  
37 cordance with chapter 41, title 54, Idaho Code, and who are designated as  
38 members of the appraisal institute (MAI). All such appraisals and review ap-  
39 praisals shall conform to the uniform standards of professional appraisal  
40 practice (USPAP) standards.

41 (6) In determining the fair market value of state endowment lands to  
42 be exchanged and acquired pursuant to this section, the state board of land

1 commissioners shall consider all relevant information and circumstances in-  
 2 cluding, but not limited to, the appraisals and review appraisals required  
 3 by the provisions of subsection (5) of this section and any evidence that en-  
 4 hances or detracts from their reliability.

5 (7) Annually on or before January 15 of each year, the state board of  
 6 land commissioners shall submit a report of all state endowment lands ex-  
 7 changed and acquired and all appraisals and review appraisals conducted pur-  
 8 suant to this section to both houses of the legislature and to the audit divi-  
 9 sion of the legislative services office.

10 SECTION 2. That Section 67-702, Idaho Code, be, and the same is hereby  
 11 amended to read as follows:

12 67-702. AUDIT FUNCTION OF LEGISLATIVE SERVICES OFFICE. (1) The leg-  
 13 islative services office at the direction of the legislative council has au-  
 14 thority to:

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

18 (b) Perform an annual audit of federal financial assistance provided  
 19 to the state that meets the requirements established by the federal gov-  
 20 ernment.

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

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

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

37 (f) Be the official repository of all audit reports of the state and po-  
 38 litical subdivisions that are required to be audited pursuant to sec-  
 39 tions 67-450B and 67-450C, Idaho Code.

40 (g) Report to the legislature annually no later than February 1 of each  
 41 year on all land exchanged by the state board of land commissioners pur-  
 42 suant to section 58-138, Idaho Code, during the preceding year, and all  
 43 appraisals and review appraisals conducted on such state endowment land  
 44 exchanges pursuant to the provisions of section 58-138, Idaho Code.

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