

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 560

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
6 PROVIDE FOR NOTIFICATION BY THE COUNTY CLERK, TO PROVIDE THAT THE STATE
7 TAX COMMISSION AND THE COUNTY CLERK SHALL SUBMIT LISTS, TO PROVIDE FOR
8 THE REPORTING OF CERTAIN INFORMATION, TO PROVIDE FOR NOTIFICATION BY
9 THE LOCAL GOVERNING ENTITY, TO PROVIDE FOR AN UPDATE OF INFORMATION, TO
10 PROVIDE FOR FEES, TO PROVIDE FOR NOTIFICATION, TO PROVIDE FOR A PUBLIC
11 NOTICE AND CERTAIN COSTS, TO PROVIDE FOR PENALTIES, TO ESTABLISH PROVI-
12 SIONS RELATING TO CERTAIN BUDGETS, TO PROVIDE FOR WITHHOLDING OF CER-
13 TAIN MONEYS, TO PROVIDE FOR ACTIONS BY THE BOARD OF COUNTY COMMISSIONERS
14 AND TO PROVIDE FOR APPLICATION OF LAWS; AND PROVIDING AN EFFECTIVE DATE.
15

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

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

20 67-450E. LOCAL GOVERNING ENTITIES CENTRAL REGISTRY -- REPORTING IN-
21 FORMATION REQUIRED -- PENALTIES FOR FAILURE TO REPORT. In addition to the
22 provisions applicable to local governing entities found in section 67-450B,
23 Idaho Code, the provisions of this section shall also apply to local govern-
24 ing entities. For purposes of this section, "local governing entity" shall
25 have the same meaning as provided in section 67-450B, Idaho Code. The term
26 local governing entity shall also include entities governed by chapter 20,
27 title 50, Idaho Code. If a local governing entity is governed by the pro-
28 visions of section 33-701, Idaho Code, such entity shall not be required to
29 comply with the provisions of this section.

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

1 report the date of its last independent audit. The registry listing
2 will be available on the legislative services office website by January
3 1, 2016.

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

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

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

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

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

17 (a) Administrative information:

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

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

22 (iii) The fiscal year of the entity;

23 (iv) Except for cities and counties, the section of Idaho Code un-
24 der which the entity was established, the date of establishment,
25 the establishing entity and the statute or statutes under which
26 the entity operates, if different from the statute or statutes un-
27 der which the entity was established.

28 (b) Financial information:

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

30 (ii) An unaudited comparison of the budget to actual revenues and
31 expenditures for the most recently completed fiscal year.

32 (c) Bonds or other debt obligation information:

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

35 (ii) The average length of term of all bond issuances or other debt
36 obligations and the average interest rate of all bonds or other
37 debt obligations.

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

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

45 (f) All reasonable fees, costs and other expenses incurred assisting
46 local governing entities in compiling the reporting information re-
47 quired by this section may be charged by the county against the local
48 governing entity requesting the county's service. An entity may re-
49 quest assistance from the county to comply with provisions of this sec-
50 tion but the county is under no obligation to provide such assistance.

1 For purposes of this section, reasonable fees and costs shall include,
2 but not be limited to, the labor costs, material costs and copying costs
3 incurred while assisting local governing entities to comply with this
4 section. Such fees and costs may be deducted from any distributions
5 of taxes, fees or assessments collected by the county on behalf of the
6 local governing entity.

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

9 (4) Notification and penalties.

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

18 (b) No later than September 1 of any year, the legislative services
19 office shall notify the appropriate board of county commissioners and
20 the state tax commission of the entity's failure to comply with the pro-
21 visions of this section. Upon receipt of such notification, the board
22 of county commissioners shall place a public notice in a newspaper of
23 general circulation in the county indicating that the entity is non-
24 compliant with the legal reporting requirements of this section. The
25 county commissioners shall assess to the entity the cost of the public
26 notice. Such costs may be deducted from any distributions of taxes,
27 fees or assessments collected by the county on behalf of the local gov-
28 erning entity. For any noncomplying entity, the legislative services
29 office shall notify the board of county commissioners and the state tax
30 commission of the compliance status of such entity by September 1 of
31 each year until the entity is in compliance.

32 (c) A local governing entity that fails to comply with this section
33 shall be prohibited from including in its budget any budget increase
34 otherwise permitted by either subsection (1)(a) or (e) of section
35 63-802, Idaho Code.

36 (d) In addition to any other penalty provided in this section, in any
37 failure to comply with this section, the state tax commission shall
38 withhold the annual distribution of sales tax distribution pursuant
39 to section 63-3638(10), Idaho Code, for any noncomplying entity. The
40 state tax commission shall withhold and retain such money in a reserve
41 account until the legislative services office certifies that the en-
42 tity has complied with the provisions of this section, at which point
43 the state tax commission shall pay any money owed to the local governing
44 entity previously in violation of this section.

45 (e) For any local governing entity that is a non-taxing district, in-
46 cluding entities established pursuant to title 50, Idaho Code, upon
47 notification to the board of county commissioners from the legislative
48 services office of noncompliance by such entity, the board of county
49 commissioners shall convene to determine appropriate compliance mea-
50 sures including, but not limited to, the following:

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

4 (ii) Assess a noncompliance fee on the noncomplying entity. Such
5 fee shall not exceed five thousand dollars (\$5,000). Such fees and
6 costs may be deducted from any distributions of taxes, fees or as-
7 sessments collected by the county on behalf of the local governing
8 entity. The amount of any such fee shall not be passed on to per-
9 sons subject to the jurisdiction of the entity in the form of ad-
10 justments to any fee or assessment imposed or collected by the en-
11 tity. Any fee collected shall be deposited into the county's cur-
12 rent expense fund;

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

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

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