

IN THE SENATE

SENATE BILL NO. 1184

BY JUDICIARY AND RULES COMMITTEE

AN ACT

1 RELATING TO PROVIDING MONEYS FOR HIGHWAY CONSTRUCTION AND MAINTENANCE; AP-  
2 PROVING GARVEE AND GENERAL BONDING AUTHORITY TO FINANCE CERTAIN HIGHWAY  
3 TRANSPORTATION PROJECTS; PROVIDING A DESCRIPTION OF PROJECTS TO BE FI-  
4 NANCED WITH BOND PROCEEDS; LIMITING THE SCOPE OF THE PROJECTS; PROVID-  
5 ING A REQUIREMENT REGARDING A GARVEE PROGRAM MANAGEMENT SERVICES AGREE-  
6 MENT; PROVIDING FOR ISSUANCE OF GARVEE BONDS; PROVIDING THAT BONDS BE  
7 ISSUED WHEN NECESSARY; AMENDING SECTION 40-315, IDAHO CODE, TO REMOVE  
8 AN ELIGIBLE PROJECT; AMENDING SECTION 40-701, IDAHO CODE, TO PROVIDE  
9 FOR MONEYS FROM THE STRATEGIC INITIATIVES PROGRAM AND TO REMOVE MONEYS  
10 GOING TO THE LAW ENFORCEMENT FUND; AMENDING SECTION 40-719, IDAHO CODE,  
11 TO REVISE DISTRIBUTION FROM THE STRATEGIC INITIATIVES PROGRAM AND TO  
12 MAKE A TECHNICAL CORRECTION; AMENDING CHAPTER 7, TITLE 40, IDAHO CODE,  
13 BY THE ADDITION OF A NEW SECTION 40-720, IDAHO CODE, TO CREATE CAPACITY,  
14 SAFETY AND CONGESTION MITIGATION PROGRAMS AND TO ESTABLISH PROVISIONS  
15 TO ADMINISTER THE PROGRAMS; AMENDING CHAPTER 7, TITLE 40, IDAHO CODE,  
16 BY THE ADDITION OF A NEW SECTION 40-721, IDAHO CODE, TO CREATE THE CA-  
17 PACITY, SAFETY AND CONGESTION MITIGATION PROGRAM CAPITAL PROJECT FUND  
18 AND DEBT SERVICE FUND IN THE STATE TREASURY; AMENDING SECTION 57-814,  
19 IDAHO CODE, TO REVISE WHEN A TRANSFER IS MADE; AMENDING SECTION 63-2520,  
20 IDAHO CODE, TO REVISE DISTRIBUTION OF MONEYS; AMENDING CHAPTER 36, TI-  
21 TLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-3622VV, IDAHO  
22 CODE, TO PROVIDE AN EXEMPTION FROM THE SALES OR USE TAX ON CERTAIN MATE-  
23 RIALS USED IN CONNECTION WITH A PUBLIC ROAD AND TO PROVIDE EXCEPTIONS;  
24 AMENDING SECTION 63-3638, IDAHO CODE, TO PROVIDE FOR DISTRIBUTION TO  
25 THE CAPACITY, SAFETY AND CONGESTION MITIGATION PROGRAM FUND AND TO  
26 PROVIDE FOR A DISTRIBUTION TO THE LAW ENFORCEMENT FUND; AMENDING TITLE  
27 63, IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 46, TITLE 63, IDAHO  
28 CODE, TO PROVIDE A SHORT TITLE, TO DEFINE TERMS, TO PROVIDE PURPOSE,  
29 TO PROVIDE FOR A LOCAL OPTION SALES AND USE TAX, TO PROVIDE A PLAN, TO  
30 PROVIDE FOR ADOPTION OF A PLAN, TO PROVIDE FOR AN ELECTION TO AUTHORIZE  
31 THE TAX, TO PROVIDE FOR COLLECTION AND ADMINISTRATION, TO PROVIDE FOR  
32 THE ESTABLISHMENT OF THE LOCAL OPTION SALES AND USE TAX FUND, TO PROVIDE  
33 FOR COOPERATIVE AGREEMENTS AND TO PROVIDE FOR REPEAL OR REAUTHORIZATION  
34 OF THE TAX; AMENDING SECTION 17, CHAPTER 341, LAWS OF 2015, TO EXTEND A  
35 SUNSET DATE FOR FIVE ADDITIONAL YEARS; AMENDING SECTION 7, CHAPTER 337,  
36 LAWS OF 2014, TO REVISE A SUNSET DATE; PROVIDING FOR A PERFORMANCE EVAL-  
37 UATION OF THE LOCAL HIGHWAY TECHNICAL ASSISTANCE COUNCIL; PROVIDING  
38 SEVERABILITY; DECLARING AN EMERGENCY AND PROVIDING EFFECTIVE DATES.  
39

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

41 SECTION 1. The Legislature hereby approves bonding authority for the  
42 issuance of highway transportation (GARVEE) bonds by the Idaho Housing and  
43 Finance Association in a principal amount sufficient to finance new con-

1 construction of the highway transportation projects listed in Section 40-315,  
2 Idaho Code, in an amount up to three hundred million dollars (\$300,000,000).  
3 Moneys may be expended only on the original corridors enumerated in Section  
4 40-315, Idaho Code. Such bonds are expected to be paid from continuing ap-  
5 propriations of federal funds from the State Highway Account as provided in  
6 Section 40-707, Idaho Code.

7 SECTION 2. The Legislature hereby approves bonding authority for the  
8 issuance of highway transportation (GARVEE) bonds by the Idaho Housing and  
9 Finance Association in a principal amount sufficient to finance new con-  
10 struction of highway transportation projects as outlined in Section 12 of  
11 this act in an amount up to two hundred million dollars (\$200,000,000). Such  
12 bonds are expected to be paid from continuing appropriations from the Capac-  
13 ity, Safety and Congestion Mitigation Program Fund as provided in Section  
14 40-720, Idaho Code.

15 SECTION 3. The Legislature finds that the bonding authority provided in  
16 Sections 1 and 2 of this act shall be used in a manner that does not obligate  
17 future legislatures or governors for additional bonding authority.

18 SECTION 4. The Idaho Transportation Board and the Idaho Transportation  
19 Department are hereby directed to neither increase the scope nor in any man-  
20 ner extend or enlarge the transportation projects listed in Section 40-315,  
21 Idaho Code.

22 SECTION 5. To the extent the Idaho Transportation Board and the Idaho  
23 Transportation Department determine that management services are necessary  
24 to implement the projects funded by the bonds issued under the authority pro-  
25 vided in Sections 1 and 2 of this act, any agreement governing such services  
26 shall, to the extent possible, be fully transparent to the public and to the  
27 Legislature.

28 SECTION 6. The bonds issued under the authority provided in Sections  
29 1 and 2 of this act shall be issued upon an approved resolution by the Idaho  
30 Transportation Board requesting the Idaho Housing and Finance Association  
31 to issue bonds in amounts necessary to ensure that: the funds are neces-  
32 sary to meet program obligation requirements; the funds will be used and  
33 disbursed in accordance with United States Treasury regulations to ensure  
34 tax-exempt status is retained; and the bonds are issued at prevailing market  
35 rates of interest. It is the request of the Legislature that the issuance is  
36 dependent upon advantageous market rates and costs of bonding transactions.

37 SECTION 7. Should the Idaho Transportation Board determine it neces-  
38 sary to complete the transportation projects funded through the bonds issued  
39 under the authority provided in Sections 1 and 2 of this act, the board may,  
40 through the rulemaking process outlined in Chapter 52, Title 67, Idaho Code,  
41 temporarily raise the statutory limit on the use of design/build contract-  
42 ing contained in Section 40-904, Idaho Code, from the current twenty percent  
43 (20%) to no more than fifty percent (50%).

1 SECTION 8. The bonds described herein in Sections 1 and 2 of this act  
2 shall be issued when necessary as determined by the Idaho Transportation  
3 Board.

4 SECTION 9. That Section 40-315, Idaho Code, be, and the same is hereby  
5 amended to read as follows:

6 40-315. POWERS AND DUTIES -- FEDERALLY-FUNDED HIGHWAY PROJECT FINANC-  
7 ING. (1) In order to address the increasing need for timely improvements to  
8 Idaho's highway transportation infrastructure, the board may:

9 (a) Enter into agreements with the Idaho housing and finance associa-  
10 tion in connection with the funding of highway transportation projects  
11 qualifying for reimbursement from federal funds.

12 (b) Approve and recommend federal highway transportation projects to  
13 the Idaho housing and finance association for financing by the associ-  
14 ation. Such federal highway transportation projects shall be eligible  
15 for federal-aid debt financing under chapter 1, title 23, United States  
16 Code, and approval by the federal highway administration as an advanced  
17 construction (AC) project thereunder. The board shall select and des-  
18 ignate such transportation projects to be funded with bond proceeds  
19 from the following list of eligible projects:

ROUTE	PROJECT DESCRIPTION
US-95	SH-1 to Canadian border
US-95	Garwood to Sagle
US-95	Worley to Setters
US-95	Thorn Creek to Moscow
US 95	Smokey Boulder to Hazard Creek
<del>SH-16 Ext</del>	<del>South Emmett to Mesa with connection to SH-55</del>
SH-16 Ext	I-84 to South Emmett
I-84	Caldwell to Meridian
I-84	Orchard to Isaacs Canyon
US-93	Twin Falls alternate route and new Snake River crossing
SH-75	Timmerman to Ketchum
US-20	St. Anthony to Ashton
US-30	McCammon to Soda Springs

35 (c) On and after July 1, 2008, all allocations of GARVEE bond proceeds  
36 shall be the sole responsibility and duty of the Idaho transportation  
37 board. The legislature shall have authority to approve a total GARVEE  
38 bond amount on an annual basis. However, the Idaho transportation board  
39 is directed to allocate bond revenue only among the projects listed in  
40 subsection (1) (b) of this section. In making its funding allocation  
41 for projects, the board shall take into consideration: the cost of the  
42 project and whether or not that project could be financed without bond-

1 ing; whether the project is necessary to facilitate the traffic flow on  
2 vital transportation corridors; and whether the project is necessary  
3 to improve safety for the traveling public. On and after July 1, 2008,  
4 the board shall use due care in selecting projects for bonding and shall  
5 balance and coordinate the use of bonding with the use of highway con-  
6 struction moneys.

7 Notwithstanding the provisions of subsection (1) (b) of this section wherein  
8 eligible projects are listed for selection and designation by the board, if  
9 any of the designated projects are deemed to be ineligible by the board, the  
10 board shall have the authority to replace those projects with other projects  
11 listed in subsection (1) (b) of this section.

12 (2) Prior to issuance by the Idaho housing and finance association of  
13 any bonds or notes to finance highway transportation projects, the board  
14 shall certify to the association that sufficient federal transportation  
15 funds are available to make any payments required for such bonds or notes.

16 (3) The board shall limit annual, total cumulative debt service and  
17 other bond-related expenses as follows:

18 (a) In the 2006 legislative session for the fiscal year 2007 budget, to-  
19 tal cumulative debt service and other bond-related expenses on feder-  
20 ally-funded highway project financing shall be no more than twenty per-  
21 cent (20%) of annual federal-aid highway apportionments.

22 (b) In the 2007 legislative session for the fiscal year 2008 budget, to-  
23 tal cumulative debt service and other bond-related expenses on feder-  
24 ally-funded highway project financing shall be no more than twenty per-  
25 cent (20%) of annual federal-aid highway apportionments.

26 (c) In the 2008 legislative session for the fiscal year 2009 budget, to-  
27 tal cumulative debt service and other bond-related expenses on feder-  
28 ally-funded highway project financing shall be no more than twenty per-  
29 cent (20%) of annual federal-aid highway apportionments.

30 (d) In the 2009 legislative session for the fiscal year 2010 budget, to-  
31 tal cumulative debt service and other bond-related expenses on feder-  
32 ally-funded highway project financing shall be no more than twenty per-  
33 cent (20%) of annual federal-aid highway apportionments.

34 (e) In the 2010 legislative session for the fiscal year 2011 budget, to-  
35 tal cumulative debt service and other bond-related expenses on feder-  
36 ally-funded highway project financing shall be no more than thirty per-  
37 cent (30%) of annual federal-aid highway apportionments.

38 (f) Beginning with the 2011 legislative session for the fiscal year  
39 2012 budget, or for any year thereafter, the thirty percent (30%) limit  
40 may be exceeded, but only by affirmative action of both the house of  
41 representatives and the senate, and with the approval of the governor.

42 (4) In the event the board selects and designates to be funded with bond  
43 proceeds any of the transportation projects listed in subsection (1) of this  
44 section, and prior to entering into agreements with the Idaho housing and fi-  
45 nance association as provided herein, the Idaho transportation department,  
46 as part of its annual budget request prepared pursuant to section 67-3502,  
47 Idaho Code, shall include a request for bonding authority as a separate item  
48 of its budget request. This request for bonding authority shall include a  
49 list of planned highway transportation projects to be financed with such  
50 bond financing during the next succeeding fiscal year.

1 (5) By June 30 of each year, the board shall submit a report to the leg-  
 2 islature concerning projects currently under construction using the bond  
 3 financing as authorized by the provisions of this section, and shall include  
 4 a list of planned highway transportation projects to be financed with such  
 5 bond financing during the next succeeding fiscal year.

6 SECTION 10. That Section 40-701, Idaho Code, be, and the same is hereby  
 7 amended to read as follows:

8 40-701. HIGHWAY DISTRIBUTION ACCOUNT -- APPORTIONMENT. (1) There is  
 9 established in the state treasury an account known as the "Highway Distribu-  
 10 tion Account," to which shall be credited:

11 (a) Moneys as provided by sections 63-2412(1)(f)4. and 63-2418(4),  
 12 Idaho Code;

13 (b) All moneys collected by the department, their agents and vendors,  
 14 and county assessors and sheriffs, under the provisions of title 49,  
 15 Idaho Code, except as otherwise specifically provided for; and

16 (c) All other moneys as may be provided by law.

17 (2) The highway distribution account shall be apportioned as follows:

18 (a) ~~Thirty-eight~~ Forty percent (~~38~~40%) to local units of government as  
 19 provided in section 40-709, Idaho Code;

20 (b) ~~Fifty-seven~~ Sixty percent (~~57~~60%) to the state highway account es-  
 21 tablished in section 40-702, Idaho Code; ~~and~~

22 ~~(c) Five percent (5%) to the law enforcement account, established in~~  
 23 ~~section 67-2914, Idaho Code. The state controller shall cause the re-~~  
 24 ~~mittance of the moneys apportioned to local units of government not~~  
 25 ~~later than January 25, April 25, July 25 and October 25 of each year,~~  
 26 ~~and to the state highway account and the law enforcement account as the~~  
 27 ~~moneys become available to the highway distribution account.~~

28 (3) All new revenues generated by increases in registration fees and  
 29 fees on electric and hybrid vehicles pursuant to ~~the provisions of House Bill~~  
 30 ~~No. 312, as amended in the Senate, as amended in the Senate, during the first~~  
 31 ~~regular session of the sixty-third Idaho legislature~~ chapter 341, laws of  
 32 2015, shall be apportioned as follows:

33 (a) Forty percent (40%) to local units of government as provided in sec-  
 34 tion 40-709, Idaho Code; and

35 (b) Sixty percent (60%) to the state highway account established in  
 36 section 40-702, Idaho Code.

37 (4) Interest earned on the investment of idle moneys in the highway dis-  
 38 tribution account shall be paid to the highway distribution account.

39 (5) All idle moneys in the dedicated highway trust or asset accounts or  
 40 subaccounts established from highway user revenues, reimbursements, fees or  
 41 permits shall be invested by the state treasurer in the same manner as pro-  
 42 vided under section 67-1210, Idaho Code, with respect to other surplus or  
 43 idle moneys in the state treasury. Interest earned on the investments shall  
 44 be returned to the various highway trust or asset accounts and subaccounts.

45 (6) The state controller is empowered to withhold the distribution of  
 46 all funds to those local units of government that have failed to submit the  
 47 required reports as provided in chapter 341, laws of 2015, by June 30 of each  
 48 year.

1 (a) The state controller shall deposit all funds withheld pursuant to  
 2 this requirement in the budget stabilization fund created by section  
 3 57-814, Idaho Code.

4 (b) Failure to submit such reports or the making of false statements  
 5 in such reports shall subject the person so doing to the penalties pre-  
 6 scribed in section 40-207, Idaho Code, or be used as the grounds for re-  
 7 moval from office of the offending officials.

8 SECTION 11. That Section 40-719, Idaho Code, be, and the same is hereby  
 9 amended to read as follows:

10 40-719. STRATEGIC INITIATIVES PROGRAM. (1) The Idaho transportation  
 11 department shall establish and maintain a strategic initiatives program.  
 12 The purpose of the program is to fund transportation projects that are pro-  
 13 posed by the department's six (6) districts and local units of government.  
 14 Proposed projects shall compete for strategic initiative program selection  
 15 and funding on a statewide basis based on an analysis of their return on in-  
 16 vestment in the following categories:

17 (a) Safety, including the projected reduction of crashes, injuries and  
 18 fatalities;

19 (b) Mobility, including projected traffic-flow improvements for  
 20 freight and passenger cars;

21 (c) Economic opportunity, including the projected cost-benefit ratio  
 22 for users and businesses;

23 (d) The repair and maintenance of bridges; and

24 (e) The purchase of public rights-of-way.

25 (2) There is hereby established in the state treasury the strategic  
 26 initiatives program fund to which shall be deposited:

27 (a) Notwithstanding the provisions of section 57-814, Idaho Code, the  
 28 provisions of this paragraph shall only be in effect from the effective  
 29 date of this act through May 31, 2017~~22~~. ~~The state controller shall~~  
 30 ~~transfer fifty percent (50%) of any excess cash balance from the gen-~~  
 31 ~~eral fund to the strategic initiatives program fund upon the financial~~  
 32 ~~close of the current fiscal year subject to the following criteria:~~  
 33 ~~When calculating any excess cash balance the state controller shall~~  
 34 ~~first provide for the ending balance as determined by the legislative~~  
 35 ~~record to be carried over into the next fiscal year, plus an amount suf-~~  
 36 ~~ficient to cover encumbrances as approved by the division of financial~~  
 37 ~~management, and an amount sufficient to cover any reappropriation as~~  
 38 ~~authorized by the legislature After the close of the fiscal year, the~~  
 39 ~~state controller shall determine any excess cash balance in the general~~  
 40 ~~fund. When calculating any excess cash balance the state controller~~  
 41 ~~shall first provide for the ending balance as determined by the legisla-~~  
 42 ~~tive record to be carried over into the next fiscal year, plus an amount~~  
 43 ~~sufficient to cover encumbrances as approved by the division of finan-~~  
 44 ~~cial management, and an amount sufficient to cover any reappropriation~~  
 45 ~~as authorized by the legislature. On July 1, or as soon thereafter as is~~  
 46 ~~practicable, the state controller shall transfer fifty percent (50%) of~~  
 47 ~~any general fund excess to the strategic initiatives fund.~~

48 (b) Any other appropriated moneys for funding of the strategic initia-  
 49 tives program.

1 (c) Unless otherwise specified, moneys transferred into the strate-  
 2 gic initiatives program fund after May 30, 2017, shall be apportioned as  
 3 follows:

4 (i) Sixty percent (60%) to projects proposed by the Idaho trans-  
 5 portation department's six (6) districts; and

6 (ii) Forty percent (40%) to projects proposed by local units of  
 7 government.

8 (d) The strategic initiatives program for local units of government  
 9 shall be exempt from the requirements contained in subsection (1) (c) of  
 10 this section.

11 (3) Interest earned on the investment of idle moneys in the fund shall  
 12 be paid to the fund. All moneys in the fund shall be used for funding the  
 13 strategic initiatives program.

14 SECTION 12. That Chapter 7, Title 40, Idaho Code, be, and the same is  
 15 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
 16 ignated as Section 40-720, Idaho Code, and to read as follows:

17 40-720. CAPACITY, SAFETY AND CONGESTION MITIGATION PROGRAM. (1) The  
 18 Idaho transportation department and the local highway technical assistance  
 19 council shall each establish and maintain a capacity, safety and congestion  
 20 mitigation program. The purpose of the program is to:

21 (a) Fund transportation projects that are proposed by the department's  
 22 six (6) districts that are constructed within counties having a popula-  
 23 tion greater than one hundred seventy-five thousand (175,000) accord-  
 24 ing to the latest United States census bureau annual estimate;

25 (b) Fund transportation projects that are proposed by local units of  
 26 government across the entire state; and

27 (c) Service of debt authorized in section 2 of this act.

28 (2) Proposed projects shall compete for capacity, safety and conges-  
 29 tion mitigation program selection and funding on a statewide basis based on  
 30 an analysis of their ability to mitigate capacity, safety or congestion con-  
 31 cerns.

32 (3) There is hereby established in the state treasury the capacity,  
 33 safety and congestion mitigation program fund, to which shall be deposited:

34 (a) One and nineteen-hundredths percent (1.19%) of funds collected  
 35 through sales tax, as authorized by section 63-3638, Idaho Code;

36 (b) Any other appropriated moneys for funding of the capacity, safety  
 37 and congestion mitigation program; and

38 (c) Unless otherwise specified, moneys transferred into the capacity,  
 39 safety and congestion mitigation program fund shall be apportioned as  
 40 follows:

41 (i) Sixty percent (60%) to the Idaho transportation department  
 42 for projects proposed by its six (6) districts; and

43 (ii) Forty percent (40%) to the local highway technical assis-  
 44 tance council for projects proposed by local units of government.

45 (iii) Except that all funds received pursuant to section 63-2520,  
 46 Idaho Code, shall be reserved for projects proposed by the Idaho  
 47 transportation department.

1 (4) Interest earned on the investment of idle moneys in the fund shall  
2 be paid to the fund. All moneys in the fund shall be used for funding the ca-  
3 pacity, safety and congestion mitigation program.

4 (5) From moneys in the capacity, safety and congestion mitigation  
5 program fund established in this section, there are hereby continuously  
6 appropriated first such amounts as from time to time shall be certified by  
7 the Idaho housing and finance association to the state controller, the state  
8 treasurer and the board as necessary for payment of principal, interest and  
9 other amounts required for transportation bonds or notes of the Idaho hous-  
10 ing and finance association in accordance with chapter 62, title 67, Idaho  
11 Code which are issued to finance improvements described in this section,  
12 which amounts shall be transferred to the capacity, safety and congestion  
13 mitigation program debt service fund established in section 40-721, Idaho  
14 Code.

15 SECTION 13. That Chapter 7, Title 40, Idaho Code, be, and the same is  
16 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
17 ignated as Section 40-721, Idaho Code, and to read as follows:

18 40-721. CAPACITY, SAFETY AND CONGESTION MITIGATION PROGRAM CAPITAL  
19 PROJECT FUND -- CAPACITY, SAFETY AND CONGESTION MITIGATION PROGRAM DEBT SER-  
20 VICE FUND. (1) There is hereby established in the state treasury a fund known  
21 as the capacity, safety and congestion mitigation program capital project  
22 fund that shall include:

23 (a) Any draw by the board of proceeds from the transportation bonds  
24 or notes issued by the Idaho housing and finance association in accor-  
25 dance with chapter 62, title 67, Idaho Code, to finance improvements  
26 described in section 40-720, Idaho Code.

27 (b) Interest earned on the investments of idle moneys in the GARVEE  
28 capital project fund shall be paid to the capacity, safety and conges-  
29 tion mitigation program capital project fund. Disbursements from this  
30 fund shall be made for projects in accordance with section 40-720, Idaho  
31 Code. All moneys in the fund are hereby continuously appropriated to  
32 the department.

33 (2) There is hereby established in the state treasury a fund known as  
34 the capacity, safety and congestion mitigation program debt service fund for  
35 the purpose of paying the principal, interest and other amounts required for  
36 transportation bonds or notes of the Idaho housing and finance association  
37 in accordance with chapter 62, title 67, Idaho Code, issued to finance im-  
38 provements described in section 40-720, Idaho Code. The fund shall include:

39 (a) Amounts distributed pursuant to section 63-3638(15), Idaho Code,  
40 provided that such moneys distributed to the capacity, safety and con-  
41 gestion mitigation program debt service fund pursuant to this paragraph  
42 shall be used for payment of principal, interest and other amounts re-  
43 quired for transportation bonds or notes issued by the Idaho housing  
44 and finance association for improvements described in section 40-720,  
45 Idaho Code.

46 (b) Interest earned on the investment of idle moneys in the capacity,  
47 safety and congestion mitigation program debt service fund shall be  
48 paid to the capacity, safety and congestion mitigation program debt  
49 service fund. From moneys within this fund, there are hereby continu-



1           ously appropriated such amounts as from time to time shall be certified  
2           by the Idaho housing and finance association to the state controller,  
3           the state treasurer and the board as necessary for payment of principal,  
4           interest and other amounts required for transportation bonds or notes  
5           of the Idaho housing and finance association in accordance with chapter  
6           62, title 67, Idaho Code, issued for improvements described in section  
7           40-720, Idaho Code, which amounts shall be paid over as directed by the  
8           association.

9           (c) Any funds in excess of the amount necessary to meet the payment au-  
10          thorized in this section shall be transferred to the capacity, safety  
11          and congestion mitigation program fund established in section 40-720,  
12          Idaho Code.

13          SECTION 14. That Section 57-814, Idaho Code, be, and the same is hereby  
14          amended to read as follows:

15          57-814. BUDGET STABILIZATION FUND. (1) There is hereby created in the  
16          state treasury the budget stabilization fund for the purpose of meeting gen-  
17          eral fund revenue shortfalls and to meet expenses incurred as the result of  
18          a major disaster declared by the governor. All moneys in the budget reserve  
19          account at the date of approval of this act shall be transferred to the budget  
20          stabilization fund. Interest earnings from the investment of moneys in this  
21          fund by the state treasurer shall be credited to the permanent building ac-  
22          count subject to the provisions of section 67-1210, Idaho Code.

23          (2) Subject to the requirements of section 63-3203, Idaho Code, the  
24          state controller shall annually transfer moneys from the general fund to  
25          the budget stabilization fund if the state controller certifies that the  
26          receipts to the general fund for the fiscal year just ending have exceeded  
27          the receipts of the previous fiscal year by more than four percent (4%), then  
28          the state controller shall transfer all general fund collections in excess  
29          of said four percent (4%) to the budget stabilization fund, up to a maximum of  
30          one percent (1%) of the actual general fund collections of the prior fiscal  
31          year. The state controller shall make the transfer upon the financial close  
32          of the current fiscal year.

33          ~~(3) The state controller shall transfer fifty percent (50%) of any ex-~~  
34          ~~cess cash balance from the general fund to the budget stabilization fund upon~~  
35          ~~the financial close of the current fiscal year subject to the following cri-~~  
36          ~~teria: When calculating any excess cash balance the state controller shall~~  
37          ~~first provide for the ending balance as determined by the legislative record~~  
38          ~~to be carried over into the next fiscal year, plus an amount sufficient to~~  
39          ~~cover encumbrances as approved by the division of financial management, and~~  
40          ~~an amount sufficient to cover any reappropriation as authorized by the leg-~~  
41          ~~islature After the close of the fiscal year, the state controller shall de-~~  
42          ~~termine any excess cash balance in the general fund. When calculating any~~  
43          ~~excess cash balance the state controller shall first provide for the end-~~  
44          ~~ing balance as determined by the legislative record to be carried over into~~  
45          ~~the next fiscal year, plus an amount sufficient to cover encumbrances as ap-~~  
46          ~~proved by the division of financial management, and an amount sufficient to~~  
47          ~~cover any reappropriation as authorized by the legislature. On July 1, or as~~  
48          ~~soon thereafter as is practicable, the state controller shall transfer fifty~~  
49          ~~percent (50%) of any general fund excess to the budget stabilization fund.~~

1 (4) If a majority of the membership of each house of the legislature  
2 adopt a concurrent resolution requesting the amount of the transfer speci-  
3 fied in subsection (2) of this section be reduced, the state controller shall  
4 reduce the amount of the transfer.

5 (5) Appropriations of moneys from the budget stabilization fund in  
6 any year shall be limited to fifty percent (50%) after the fund balance has  
7 reached ten percent (10%).

8 SECTION 15. That Section 63-2520, Idaho Code, be, and the same is hereby  
9 amended to read as follows:

10 63-2520. DISTRIBUTION OF MONEYS COLLECTED. Revenues received from the  
11 taxes imposed by this chapter, and any revenues received from licenses, per-  
12 mits, penalties, interest, or deficiency additions, shall be distributed by  
13 the state tax commission as follows:

14 (a) An amount of money shall be distributed to the state refund account  
15 sufficient to pay current refund claims. All refunds authorized under this  
16 chapter by the state tax commission shall be paid through the state refund  
17 account, and those moneys are continuously appropriated.

18 (b) On and after July 1, 2014, the balance remaining with the state  
19 treasurer after deducting the amount described in subsection (a) of this  
20 section shall be distributed as follows:

21 (1) Five million dollars (\$5,000,000) shall be distributed to the per-  
22 manent building fund created by section 57-1108, Idaho Code.

23 (2) One hundred twenty thousand dollars (\$120,000) shall be dis-  
24 tributed to the central cancer registry fund and is subject to appropri-  
25 ation as provided for in chapter 35, title 67, Idaho Code.

26 (3) Three hundred thousand dollars (\$300,000) shall be distributed to  
27 the cancer control fund created by section 57-1702, Idaho Code, and is  
28 subject to appropriation as provided for in chapter 35, title 67, Idaho  
29 Code.

30 (4) An amount equal to the annual general fund appropriation for  
31 bond levy equalization, less the amount distributed under section  
32 67-7434(1), Idaho Code, if applicable, pursuant to section 33-906,  
33 Idaho Code, shall be annually distributed to the general fund.

34 (5) All remaining moneys shall be distributed as follows: For fiscal  
35 years on and after July 1, 2006, all moneys shall be distributed to the  
36 permanent building fund with the moneys to be used for the repair, re-  
37 model and restoration of the state capitol building and state facili-  
38 ties pertaining to the capitol restoration until such time as the capi-  
39 tol restoration is adequately funded as certified by the director of the  
40 department of administration. Thereafter, all remaining moneys shall  
41 be distributed in the following priority order:

42 (i) ~~Four million seven hundred thousand dollars (\$4,700,000) to~~  
43 ~~be used for the purpose of paying the state match as required for~~  
44 ~~federal funds committed to pay the annual scheduled CARVEE debt~~  
45 ~~service until such time as the Idaho housing and finance associ-~~  
46 ~~ation certifies that any such bonds or notes are adequately paid~~  
47 ~~for, in accordance with chapter 62, title 67, Idaho Code;~~

48 (ii) Five million dollars (\$5,000,000) to the secondary aquifer  
49 planning, management and implementation fund as established

1 in section 42-1780, Idaho Code. Such moneys shall be used for  
2 statewide aquifer stabilization; and

3 (iii) All remaining moneys ~~following distributions pursuant to~~  
4 ~~subparagraphs (i) and (ii) of this paragraph shall be distributed~~  
5 ~~to the state highway account for the purpose of paying for the~~  
6 ~~maintenance and repair (and including purchase of rights-of-way)~~  
7 ~~of the state highway system to the portion of the capacity, safety~~  
8 ~~and congestion mitigation program fund dedicated to projects pro-~~  
9 ~~posed by the Idaho transportation department.~~

10 SECTION 16. That Chapter 36, Title 63, Idaho Code, be, and the same is  
11 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
12 ignated as Section 63-3622VV, Idaho Code, and to read as follows:

13 63-3622VV. MATERIALS USED FOR PUBLIC ROADS. (1) There is exempted from  
14 the taxes imposed by this chapter sales of materials to a contractor or ma-  
15 terials used by a contractor, regardless of whether the materials become a  
16 component of real property or improvement or fixture thereto, when the fol-  
17 lowing conditions are met:

18 (a) The materials are used under a contract with a federal, state,  
19 county, highway district or city government entity or any political  
20 subdivision or agency of such government entity, including contracts  
21 for projects qualifying under section 63-3641, Idaho Code; and

22 (b) The primary purpose of the contract is the construction, improve-  
23 ment, replacement or maintenance of a highway, public highway, public  
24 street, or street, as defined by section 40-109, Idaho Code, including  
25 bridges, traffic control devices, and facilities.

26 (2) The provisions of this section shall not apply to:

27 (a) Property that continues to be owned by the contractor after comple-  
28 tion of a contract;

29 (b) Tools or equipment used by the contractor that do not become part  
30 of the public highway or street, even if it is consumed as part of the  
31 construction process;

32 (c) Any materials used by a private entity to develop any part of a pub-  
33 lic highway or street that has not yet been dedicated to the public;

34 (d) Any materials that remain the property of public utilities as de-  
35 fined in section 61-129, Idaho Code; and

36 (e) Materials that become part of a water or sewer system.

37 SECTION 17. That Section 63-3638, Idaho Code, be, and the same is hereby  
38 amended to read as follows:

39 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
40 chapter, except as may otherwise be required in sections 63-3203 and  
41 63-3709, Idaho Code, shall be distributed by the state tax commission as  
42 follows:

43 (1) An amount of money shall be distributed to the state refund account  
44 sufficient to pay current refund claims. All refunds authorized under this  
45 chapter by the state tax commission shall be paid through the state refund  
46 account, and those moneys are continuously appropriated.

1 (2) Five million dollars (\$5,000,000) per year is continuously appro-  
2 priated and shall be distributed to the permanent building fund, provided by  
3 section 57-1108, Idaho Code.

4 (3) Four million eight hundred thousand dollars (\$4,800,000) per year  
5 is continuously appropriated and shall be distributed to the water pollution  
6 control account established by section 39-3628, Idaho Code.

7 (4) An amount equal to the sum required to be certified by the chair-  
8 man of the Idaho housing and finance association to the state tax commis-  
9 sion pursuant to section 67-6211, Idaho Code, in each year is continuously  
10 appropriated and shall be paid to any capital reserve fund, established by  
11 the Idaho housing and finance association pursuant to section 67-6211, Idaho  
12 Code. Such amounts, if any, as may be appropriated hereunder to the capital  
13 reserve fund of the Idaho housing and finance association shall be repaid for  
14 distribution under the provisions of this section, subject to the provisions  
15 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-  
16 tion, as soon as possible, from any moneys available therefor and in excess  
17 of the amounts which the association determines will keep it self-support-  
18 ing.

19 (5) An amount equal to the sum required by the provisions of sections  
20 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
21 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
22 paid as provided by sections 63-709 and 63-717, Idaho Code.

23 (6) An amount required by the provisions of chapter 53, title 33, Idaho  
24 Code.

25 (7) An amount required by the provisions of chapter 87, title 67, Idaho  
26 Code.

27 (8) For fiscal year 2011, and each fiscal year thereafter, four million  
28 one hundred thousand dollars (\$4,100,000), of which two million two hundred  
29 thousand dollars (\$2,200,000) shall be distributed to each of the forty-four  
30 (44) counties in equal amounts, and one million nine hundred thousand dol-  
31 lars (\$1,900,000) of which shall be distributed to the forty-four (44) coun-  
32 ties in the proportion that the population of the county bears to the popula-  
33 tion of the state. For fiscal year 2012, and for each fiscal year thereafter,  
34 the amount distributed pursuant to this subsection, shall be adjusted annu-  
35 ally by the state tax commission in accordance with the consumer price index  
36 for all urban consumers (CPI-U) as published by the U.S. department of la-  
37 bor, bureau of labor statistics, but in no fiscal year shall the total amount  
38 allocated for counties under this subsection, be less than four million one  
39 hundred thousand dollars (\$4,100,000). Any increase resulting from the ad-  
40 justment required in this section shall be distributed to each county in the  
41 proportion that the population of the county bears to the population of the  
42 state. Each county shall establish a special election fund to which shall be  
43 deposited all revenues received from the distribution pursuant to this sub-  
44 section. All such revenues shall be used exclusively to defray the costs as-  
45 sociated with conducting elections as required of county clerks by the pro-  
46 visions of section 34-1401, Idaho Code.

47 (9) One dollar (\$1.00) on each application for certificate of title  
48 or initial application for registration of a motor vehicle, snowmobile,  
49 all-terrain vehicle or other vehicle processed by the county assessor or the  
50 Idaho transportation department excepting those applications in which any

1 sales or use taxes due have been previously collected by a retailer, shall be  
2 a fee for the services of the assessor of the county or the Idaho transporta-  
3 tion department in collecting such taxes, and shall be paid into the current  
4 expense fund of the county or state highway account established in section  
5 40-702, Idaho Code.

6 (10) Eleven and five-tenths percent (11.5%) is continuously appropri-  
7 ated and shall be distributed to the revenue sharing account which is created  
8 in the state treasury, and the moneys in the revenue sharing account will be  
9 paid in installments each calendar quarter by the state tax commission as  
10 follows:

11 (a) Twenty-eight and two-tenths percent (28.2%) shall be paid to the  
12 various cities as follows:

13 (i) Fifty percent (50%) of such amount shall be paid to the vari-  
14 ous cities, and each city shall be entitled to an amount in the pro-  
15 portion that the population of that city bears to the population of  
16 all cities within the state; and

17 (ii) Fifty percent (50%) of such amount shall be paid to the vari-  
18 ous cities, and each city shall be entitled to an amount in the pro-  
19 portion that the preceding year's market value for assessment pur-  
20 poses for that city bears to the preceding year's market value for  
21 assessment purposes for all cities within the state.

22 (b) Twenty-eight and two-tenths percent (28.2%) shall be paid to the  
23 various counties as follows:

24 (i) One million three hundred twenty thousand dollars  
25 (\$1,320,000) annually shall be distributed one forty-fourth  
26 (1/44) to each of the various counties; and

27 (ii) The balance of such amount shall be paid to the various coun-  
28 ties, and each county shall be entitled to an amount in the propor-  
29 tion that the population of that county bears to the population of  
30 the state;

31 (c) Thirty-five and nine-tenths percent (35.9%) of the amount appro-  
32 priated in this subsection shall be paid to the several counties for  
33 distribution to the cities and counties as follows:

34 (i) Each city and county which received a payment under the provi-  
35 sions of section 63-3638(e), Idaho Code, during the fourth quarter  
36 of calendar year 1999, shall be entitled to a like amount during  
37 succeeding calendar quarters.

38 (ii) If the dollar amount of money available under this subsection  
39 (10)(c) in any quarter does not equal the amount paid in the fourth  
40 quarter of calendar year 1999, each city's and county's payment  
41 shall be reduced proportionately.

42 (iii) If the dollar amount of money available under this subsec-  
43 tion (10)(c) in any quarter exceeds the amount paid in the fourth  
44 quarter of calendar year 1999, each city and county shall be en-  
45 titled to a proportionately increased payment, but such increase  
46 shall not exceed one hundred five percent (105%) of the total pay-  
47 ment made in the fourth quarter of calendar year 1999.

48 (iv) If the dollar amount of money available under this subsection  
49 (10)(c) in any quarter exceeds one hundred five percent (105%) of  
50 the total payment made in the fourth quarter of calendar year 1999,

1 any amount over and above such one hundred five percent (105%)  
2 shall be paid fifty percent (50%) to the various cities in the pro-  
3 portion that the population of the city bears to the population of  
4 all cities within the state, and fifty percent (50%) to the various  
5 counties in the proportion that the population of a county bears to  
6 the population of the state; and

7 (d) Seven and seven-tenths percent (7.7%) of the amount appropriated in  
8 this subsection shall be paid to the several counties for distribution  
9 to special purpose taxing districts as follows:

10 (i) Each such district which received a payment under the pro-  
11 visions of section 63-3638(e), Idaho Code, as such subsection ex-  
12 isted immediately prior to July 1, 2000, during the fourth quarter  
13 of calendar year 1999, shall be entitled to a like amount during  
14 succeeding calendar quarters.

15 (ii) If the dollar amount of money available under this subsec-  
16 tion (10) (d) in any quarter does not equal the amount paid in the  
17 fourth quarter of calendar year 1999, each special purpose taxing  
18 district's payment shall be reduced proportionately.

19 (iii) If the dollar amount of money available under this subsec-  
20 tion (10) (d) in any quarter exceeds the amount distributed under  
21 paragraph (i) of this subsection (10) (d), each special purpose  
22 taxing district shall be entitled to a share of the excess based on  
23 the proportion each such district's current property tax budget  
24 bears to the sum of the current property tax budgets of all such  
25 districts in the state. The state tax commission shall calculate  
26 district current property tax budgets to include any unrecovered  
27 foregone amounts as determined under section 63-802(1) (e), Idaho  
28 Code. When a special purpose taxing district is situated in more  
29 than one (1) county, the state tax commission shall determine the  
30 portion attributable to the special purpose taxing district from  
31 each county in which it is situated.

32 (iv) If special purpose taxing districts are consolidated, the  
33 resulting district is entitled to a base amount equal to the sum of  
34 the base amounts which were received in the last calendar quarter  
35 by each district prior to the consolidation.

36 (v) If a special purpose taxing district is dissolved or disin-  
37 corporated, the state tax commission shall continuously distrib-  
38 ute to the board of county commissioners an amount equal to the  
39 last quarter's distribution prior to dissolution or disincorpora-  
40 tion. The board of county commissioners shall determine any re-  
41 distribution of moneys so received.

42 (vi) Taxing districts formed after January 1, 2001, are not enti-  
43 tled to a payment under the provisions of this subsection (10) (d).

44 (vii) For purposes of this subsection (10) (d), a special purpose  
45 taxing district is any taxing district which is not a city, a  
46 county or a school district.

47 (11) Amounts calculated in accordance with section 2, chapter 356, laws  
48 of 2001, for annual distribution to counties and other taxing districts be-  
49 ginning in October 2001 for replacement of property tax on farm machinery and  
50 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool

1 districts, the state tax commission shall distribute one-fourth (1/4) of  
2 this amount certified quarterly to each county. For school districts, the  
3 state tax commission shall distribute one-fourth (1/4) of the amount certi-  
4 fied quarterly to each school district. For nonschool districts, the county  
5 auditor shall distribute to each district within thirty (30) calendar days  
6 from receipt of moneys from the state tax commission. Moneys received by  
7 each taxing district for replacement shall be utilized in the same manner  
8 and in the same proportions as revenues from property taxation. The moneys  
9 remitted to the county treasurer for replacement of property exempt from  
10 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the  
11 counties and other taxing districts and budgeted at the same time, in the  
12 same manner and in the same year as revenues from taxation on personal prop-  
13 erty which these moneys replace. If taxing districts are consolidated, the  
14 resulting district is entitled to an amount equal to the sum of the amounts  
15 which were received in the last calendar quarter by each district pursuant  
16 to this subsection prior to the consolidation. If a taxing district is  
17 dissolved or disincorporated, the state tax commission shall continuously  
18 distribute to the board of county commissioners an amount equal to the  
19 last quarter's distribution prior to dissolution or disincorporation. The  
20 board of county commissioners shall determine any redistribution of moneys  
21 so received. If a taxing district annexes territory, the distribution of  
22 moneys received pursuant to this subsection shall be unaffected. Taxing  
23 districts formed after January 1, 2001, are not entitled to a payment under  
24 the provisions of this subsection. School districts shall receive an amount  
25 determined by multiplying the sum of the year 2000 school district levy mi-  
26 nus .004 times the market value on December 31, 2000, in the district of the  
27 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-  
28 vided that the result of these calculations shall not be less than zero (0).  
29 The result of these school district calculations shall be further increased  
30 by six percent (6%). For purposes of the limitation provided by section  
31 63-802, Idaho Code, moneys received pursuant to this section as property tax  
32 replacement for property exempt from taxation pursuant to section 63-602EE,  
33 Idaho Code, shall be treated as property tax revenues.

34 (12) Amounts necessary to pay refunds as provided in section 63-3641,  
35 Idaho Code, to a developer of a retail complex shall be remitted to the demon-  
36 stration pilot project fund created in section 63-3641, Idaho Code.

37 (13) Amounts calculated in accordance with subsection (4) of section  
38 63-602KK, Idaho Code, for annual distribution to counties and other taxing  
39 districts for replacement of property tax on personal property tax exemp-  
40 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which  
41 amounts are continuously appropriated unless the legislature enacts a dif-  
42 ferent appropriation for a particular fiscal year. For purposes of the  
43 limitation provided by section 63-802, Idaho Code, moneys received pursuant  
44 to this section as property tax replacement for property exempt from taxa-  
45 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property  
46 tax revenues. If taxing districts are consolidated, the resulting district  
47 is entitled to an amount equal to the sum of the amounts that were received in  
48 the last calendar year by each district pursuant to this subsection prior to  
49 the consolidation. If a taxing district or revenue allocation area annexes  
50 territory, the distribution of moneys received pursuant to this subsection

1 shall be unaffected. Taxing districts and revenue allocation areas formed  
2 after January 1, 2013, are not entitled to a payment under the provisions of  
3 this subsection.

4 (14) Amounts collected from purchasers and paid to the state of Idaho by  
5 retailers that are not engaged in business in this state and which retailer  
6 would not have been required to collect the sales tax, less amounts other-  
7 wise distributed in subsections (1) and (10) of this section, shall be dis-  
8 tributed to the tax relief fund created in section 57-811, Idaho Code. The  
9 state tax commission will determine the amounts to be distributed under this  
10 subsection.

11 (15) For fiscal year 2019, and each fiscal year thereafter, fifteen  
12 million two hundred thousand dollars (\$15,200,000) shall be distributed to  
13 the capacity, safety and congestion mitigation program fund established in  
14 section 40-720, Idaho Code.

15 (16) Beginning fiscal year 2018, one and one hundred eighty-five  
16 thousandths percent (1.185%) is continuously appropriated and shall be dis-  
17 tributed to the law enforcement fund established in section 67-2914, Idaho  
18 Code.

19 (157) Any moneys remaining over and above those necessary to meet and  
20 reserve for payments under other subsections of this section shall be dis-  
21 tributed to the general fund.

22 SECTION 18. That Title 63, Idaho Code, be, and the same is hereby  
23 amended by the addition thereto of a NEW CHAPTER, to be known and designated  
24 as Chapter 46, Title 63, Idaho Code, and to read as follows:

25 CHAPTER 46  
26 LOCAL OPTION SALES TAX ACT

27 63-4601. SHORT TITLE. This chapter shall be known and may be cited as  
28 the "Local Option Sales Tax Act."

29 63-4602. DEFINITIONS. As used in this chapter:

- 30 (1) "Board" means the board of county commissioners of a county.  
31 (2) "Commission" means the state tax commission.  
32 (3) "County" means a county of this state.  
33 (4) "Tax" means a local option sales tax authorized under this chapter.

34 63-4603. PURPOSE. The purpose of this chapter is to authorize a county  
35 to impose a tax as an additional source of revenue and to thereby assist the  
36 county to meet its transportation project financial needs.

37 63-4604. LOCAL OPTION SALES TAX. A county may levy a tax within its au-  
38 thorized jurisdiction as provided in this section.

39 (1) The qualified electors of a county shall have the legal authority  
40 to authorize the board to adopt, implement, and collect a tax upon all tax-  
41 able sales and use sold, received, or delivered within the county, includ-  
42 ing cities within the county, which taxable sales are subject to taxation un-  
43 der chapter 36, title 63, Idaho Code, for the purposes described herein. In  
44 accordance with applicable destination-based sourcing rules adopted by the  
45 state tax commission, the board shall have the power and authority to adopt



1 and collect a tax if approved by a majority of all votes cast by the qualified  
2 electors of the county voting in an election conducted for that purpose at an  
3 election held in a general election as provided for in section 34-101, Idaho  
4 Code.

5 (2) The rate of the tax shall not exceed one percent (1%) of the sales  
6 price of an item subject to the tax.

7 (3) The revenues, after the necessary costs of collection and adminis-  
8 tration and any refund or credits authorized by law, generated by a tax under  
9 this chapter may be used for any transportation infrastructure or operations  
10 within or related to the county under a plan approved pursuant to this chap-  
11 ter.

12 63-4605. PLAN. Prior to seeking authorization from the qualified  
13 electors, a county intending to impose a tax shall:

14 (1) Adopt an ordinance, approved by the board, to impose the tax follow-  
15 ing adoption of a plan and authorization by a majority of all votes cast by  
16 the qualified electors of the county voting to impose the tax; and

17 (2) Develop a plan that includes, at a minimum, a detailed explanation  
18 of the proposed use of revenues derived from the tax.

19 63-4606. ADOPTION OF A PLAN. (1) Prior to the adoption of a plan, the  
20 county shall conduct a public hearing.

21 (2) Notice of the hearing shall be posted at least thirty (30) days  
22 prior to the hearing at a conspicuous place within the county. A copy of the  
23 notice shall also be published pursuant to the provisions of section 40-206,  
24 Idaho Code. The place, hour and date of the hearing shall be specified in the  
25 notice, as well as the place where the draft plan may be examined prior to the  
26 hearing. A summary of the plan shall be published with and as a part of the  
27 notice of publication of the notice of hearing.

28 (3) Nothing in this chapter shall be interpreted to limit the authority  
29 of the county to adopt the plan.

30 63-4607. ELECTION TO AUTHORIZE TAX. (1) In an election, the question  
31 presented to the qualified electors of the county shall:

32 (a) Provide a description and general explanation of the tax to be ap-  
33 proved;

34 (b) Provide a detailed summary of the plan adopted by the board follow-  
35 ing the public hearing;

36 (c) State that the rate of the tax to be assessed shall be set by the  
37 county as set forth in the plan, but that the rate shall be at least one-  
38 tenth of one percent (0.1%) but not more than one percent (1%) of the  
39 sales price of an item subject to taxation;

40 (d) State that the revenues derived from the tax shall be used only for  
41 purposes specified in the plan; and

42 (e) State the estimated term of the tax.

43 (2) Upon voter approval of the tax, the county shall provide by resolu-  
44 tion the methods for reporting and collecting the taxes due. The resolution  
45 shall also state the rate to be assessed, established as follows:

1 (a) The county, pursuant to an estimate based on the voter-authorized  
2 plan and anticipated reserve or other monetary requirements, shall im-  
3 pose a tax of at least one-tenth of one percent (0.1%) but not more than  
4 one percent (1%) of the sales price of an item subject to taxation.

5 (b) The county shall comply with the filing and recording requirements  
6 of section 63-215, Idaho Code, and shall cause a copy of a resolution, or  
7 amendment thereto, to be forwarded to the state treasurer, the chairman  
8 of the state tax commission and the chairman of the state board of tax  
9 appeals.

10 (3) Taxes collected shall constitute revenue of the county available  
11 for purposes of implementing the plan. Tax collection shall commence on a  
12 date set forth in the resolution, but not earlier than the next quarter that  
13 commences at least sixty (60) days after the date of the election.

14 63-4608. COLLECTION AND ADMINISTRATION OF TAX BY THE STATE TAX COMMIS-  
15 SION -- DISTRIBUTION. (1) A county that has levied a tax pursuant to this  
16 chapter shall contract with the state tax commission for the collection and  
17 administration of the tax in like manner and under definitions and rules of  
18 the state tax commission for the collection and administration of the state  
19 sales and use tax under chapter 36, title 63, Idaho Code. The state tax com-  
20 mission is authorized to adopt additional rules as may be necessary for ef-  
21 ficient and effective tax collection and administration under this chapter,  
22 including, without limitation, destination-based sourcing rules as are com-  
23 patible with chapter 36, title 63, Idaho Code, and use tax credit rules as are  
24 compatible with section 1., article V, section 63-3701, Idaho Code.

25 (2) The county shall contract with the state tax commission for the col-  
26 lection and administration of such taxes. Additional services, such as au-  
27 dit, appeals, compliance or legal representation, may be contracted with the  
28 state tax commission as determined appropriate by the council or the board.  
29 The costs of such contracted services shall be paid from the tax receipts  
30 subject to subsection (3) (b) of this section.

31 (3) All revenues collected by the state tax commission pursuant to this  
32 chapter shall be distributed as follows:

33 (a) An amount of money shall be distributed to the state refund fund  
34 sufficient to pay current refund claims. All refunds authorized by the  
35 state tax commission to be paid shall be paid through the state refund  
36 fund, and those moneys are continuously appropriated.

37 (b) An amount of money shall be distributed to the state tax commission  
38 equal to the fee as may be agreed upon between the state tax commission  
39 and the county for the actual cost of the collection and administration  
40 of the tax. The amount retained by the state tax commission shall not  
41 exceed the amount authorized to be expended by appropriation by the leg-  
42 islature. Any unencumbered balance in excess of the actual cost at the  
43 end of the fiscal year shall be distributed as provided in paragraph (c)  
44 of this subsection.

45 (c) All remaining moneys shall be placed in the local option sales tax  
46 fund established in section 63-4609, Idaho Code, and distributed as  
47 provided in that section.

1           63-4609. LOCAL OPTION SALES TAX FUND ESTABLISHED -- DISTRIBUTION OF  
2 MONEYS. (1) There is hereby established in the state treasury a fund known  
3 as the local option sales and use tax fund, to which shall be credited moneys  
4 as provided in section 63-4608, Idaho Code.

5           (2) Interest earned on the investment of idle moneys in the fund shall  
6 be paid to the fund.

7           (3) Distributions from the fund shall be made to the appropriate  
8 county, upon demand of the county, to be spent, pledged or accumulated for  
9 any purpose in furtherance of the plan.

10          (4) By providing written notice to the state tax commission, a county  
11 may request that the commission transfer a portion of the revenues to desig-  
12 nated governmental entities in implementation of the plan.

13          (5) An audit shall be conducted of the financial affairs of the fund and  
14 of distributions from the fund associated with the plan as required by sec-  
15 tion 67-450B, Idaho Code, within sixty (60) days after the end of the fiscal  
16 year of a county. Any governmental entity that receives moneys from the fund  
17 shall cooperate with the city or county in conducting the annual audit and  
18 provide all financial information associated with the plan.

19          63-4610. COOPERATIVE AGREEMENTS. Counties may enter into cooperative  
20 agreements with the state, other authorities, counties, cities and highway  
21 districts under the provisions of section 67-2328, Idaho Code, including,  
22 without limitation, cooperative agreements for the distributions from the  
23 fund and to carry out the provisions of this chapter.

24          63-4611. TAX REPEAL OR REAUTHORIZATION. The tax or the rate of tax in  
25 effect may be changed, repealed or extended, but only if approved by a major-  
26 ity of all votes cast by the qualified electors voting in a repeal, reautho-  
27 rization or rate-change election conducted for such purpose. This election  
28 may be held in any year prior to the expiration of the term of the tax then  
29 in effect on the November election date specified in section 34-106, Idaho  
30 Code. A summary of the plan adopted by the board with respect to the exten-  
31 sion of the term of the tax in question shall be included. If the extension of  
32 the term of the tax is reauthorized, a copy of the board resolution authoriz-  
33 ing an extension of the term of the tax shall be provided to the state trea-  
34 surer, the chairman of the state tax commission and the chairman of the state  
35 board of tax appeals.

36          SECTION 19. That Section 17, Chapter 341, Laws of 2015, be, and the same  
37 is hereby amended to read as follows:

38               SECTION 17. An emergency existing therefor, which emergency is  
39 hereby declared to exist, Sections 6 and 7 of this act shall be in  
40 full force and effect on and after passage and approval. Sections  
41 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15 and 16 of this act shall be in  
42 full force and effect on and after July 1, 2015. Section 7 of this  
43 act shall be null, void and of no force and effect on and after May  
44 31, 2017~~22~~. Sections 8 and 9 of this act shall be in full force and  
45 effect on and after May 31, 2017~~22~~.

1 SECTION 20. That Section 7, Chapter 337, Laws of 2014, be, and the same  
2 is hereby amended to read as follows:

3 SECTION 7. Sections 1 and 2 of this act shall be in full force and  
4 effect on and after July 1, 2014~~7~~. ~~Sections 3, 4, 5 and 6 shall be in~~  
5 ~~full force and effect on and after July 1, 2019.~~

6 SECTION 21. (1) The Joint Legislative Oversight Committee shall direct  
7 the Office of Performance Evaluations to manage an independent evaluation  
8 of the local highway technical assistance council (LHTAC) by a qualified,  
9 state consultant or consultants without current contractual relationships  
10 with LHTAC, any of the local highway jurisdictions served by LHTAC, the Idaho  
11 Transportation Department (ITD) or any consultant or contractor that works  
12 for or with LHTAC, any of the local highway jurisdictions served by LHTAC or  
13 ITD and without any other conflict of interest. The evaluation shall, at a  
14 minimum, address the following:

15 (a) Whether the manner in which LHTAC awards contracts complies with  
16 all applicable state statutes, procedures and policies.

17 (b) Under what circumstances, if any, has LHTAC awarded no-bid con-  
18 tracts and, if so, whether LHTAC violated any state statute, procedure or  
19 policy.

20 (c) Whether LHTAC, in its normal course of operation, meets industry  
21 standards with respect to its review of contractor work, certification of  
22 completed projects, resolution of disputes and prompt payment of contrac-  
23 tors.

24 (d) Determine the portion of LHTAC funds that are consumed by adminis-  
25 trative overhead, staff salaries and other non-construction and maintenance  
26 activities.

27 (e) Whether the size of the LHTAC staff meets industry standards for the  
28 volume and type of work it conducts.

29 (f) Whether all resources, including, but not limited to, federal and  
30 state funds, have been properly accounted for and, over the last two state  
31 fiscal years, and have been expended in compliance with all state and federal  
32 requirements.

33 (g) Assess the feasibility and potential efficiencies of highway dis-  
34 trict consolidation. Provide recommendations on how such consolidation  
35 might be accomplished and include potential incentives that could promote  
36 consolidation. The evaluation should include a review of current law and how  
37 current law may restrict consolidation efforts.

38 (2) The independent evaluation shall address the advantages, disadvan-  
39 tages, practicality and costs of possible alternatives to delivering ser-  
40 vices currently being provided by LHTAC including:

41 (a) Having local highway jurisdictions complete the work themselves or  
42 through the use of contractors;

43 (b) Having ITD assume responsibility for the work; or

44 (c) Other alternatives. The independent evaluation shall address how  
45 similar services are provided in other states with similarly sized local  
46 highway jurisdiction arrangements and budgets. The results so reported are  
47 to include action item recommendations upon which the Legislature can act  
48 to improve the operation of LHTAC. A final report shall be submitted to the  
49 First Regular Session of the Sixty-fifth Idaho Legislature.

1           SECTION 22. SEVERABILITY. The provisions of this act are hereby de-  
2           clared to be severable and if any provision of this act or the application  
3           of such provision to any person or circumstance is declared invalid for any  
4           reason, such declaration shall not affect the validity of the remaining por-  
5           tions of this act.

6           SECTION 23. An emergency existing therefor, which emergency is hereby  
7           declared to exist, Sections 12, 14 and 19 of this act shall be in full force  
8           and effect on and after passage and approval. Section 17 shall be in full  
9           force and effect on and after August 1, 2017. The remaining provisions of  
10          this act shall be in full force and effect on and after July 1, 2017.