

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 513

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO STATE SAVINGS ACCOUNTS; AMENDING CHAPTER 35, TITLE 67, IDAHO
2 CODE, BY THE ADDITION OF A NEW SECTION 67-3522, IDAHO CODE, TO PROVIDE
3 FOR THE ECONOMIC RESERVE AND INVESTMENT FUND; AND DECLARING AN EMER-
4 GENCY AND PROVIDING AN EFFECTIVE DATE.
5

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

7 SECTION 1. That Chapter 35, Title 67, Idaho Code, be, and the same is
8 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
9 ignated as Section 67-3522, Idaho Code, and to read as follows:

10 67-3522. ECONOMIC RESERVE AND INVESTMENT FUND. (1) There is hereby
11 created in the state treasury the economic reserve and investment fund for
12 the following purposes: for meeting general fund revenue shortfalls, for
13 meeting expenses incurred as the result of a major disaster declared by the
14 governor, or for providing moneys for the highway distribution account es-
15 tablished pursuant to section 40-701, Idaho Code. The fund shall consist of
16 moneys pursuant to subsections (2) and (3) of this section, including earn-
17 ings, and any other appropriated moneys as set by the legislature. The state
18 treasurer is hereby granted the authority to invest the assets of the fund as
19 permitted by sections 67-1210 and 67-1210A, Idaho Code, in accordance with
20 the uniform prudent investor act, chapter 5, title 68, Idaho Code.

21 (2) On July 1, 2020, or as soon thereafter as practicable, the
22 state controller shall transfer two hundred seventy-two million dollars
23 (\$272,000,000) from the budget stabilization fund to the economic reserve
24 and investment fund, notwithstanding section 57-814, Idaho Code, or any
25 other law to the contrary.

26 (3) After the close of the fiscal year, the state controller shall
27 determine any excess cash balance in the general fund. When calculating
28 any excess cash balance, the state controller shall first provide for the
29 ending balance as determined by the legislative record to be carried over
30 into the next fiscal year or sixty million dollars (\$60,000,000), whichever
31 is greater, plus an amount sufficient to cover encumbrances as approved by
32 the division of financial management, and an amount sufficient to cover any
33 reappropriation as authorized by the legislature. On July 1, or as soon
34 thereafter as practicable, the state controller shall transfer any general
35 fund excess to the economic reserve and investment fund.

36 (4) Beginning on July 1, 2022, or as soon thereafter as practicable, and
37 on the first business day of each July thereafter, the state treasurer shall
38 transfer an amount not exceeding five percent (5%) of the average monthly
39 fair market value of the economic reserve and investment fund for the first
40 twelve (12) months of the preceding twenty-four (24) months to the highway
41 distribution account established pursuant to section 40-701, Idaho Code.
42 Provided, distributions shall not exceed the fund's fair market value on

1 the first business day in July. No transfer shall occur if annual interest
2 earnings are negative for the year or if the balance of the fund is at or below
3 two hundred seventy-two million dollars (\$272,000,000).

4 (5) Notwithstanding subsection (4) of this section, on July 1, 2021,
5 or as soon thereafter as practicable, the state treasurer shall transfer an
6 amount not exceeding five percent (5%) of the average monthly fair market
7 value of the economic reserve and investment fund for the preceding twelve
8 (12) months or interest earnings, whichever is less, to the highway distri-
9 bution account established pursuant to section 40-701, Idaho Code. Provided
10 however, the transfer does not result in a fair market value of the fund below
11 two hundred seventy-two million dollars (\$272,000,000).

12 (6) If the fund balance in the budget stabilization fund established
13 pursuant to section 57-814, Idaho Code, is less than one and one-half per-
14 cent (1.5%) of general fund revenues for the year just ended, the state trea-
15 surer shall not make the transfers described in subsections (4) and (5) of
16 this section.

17 (7) Except as provided in this section, no appropriations from the eco-
18 nomic reserve and investment fund nor any transfers out of the fund shall be
19 made without the consent of the legislature by at least a majority of the mem-
20 bers of each house concurring therein at an ordinary session or at an extra-
21 ordinary session of the legislature called by the governor.

22 (8) In the event of a general fund revenue shortfall or a major disaster
23 declared by the governor, it is the intent of the legislature that the eco-
24 nomic reserve and investment fund created in this section be used only after
25 utilizing all funds in the budget stabilization fund established pursuant to
26 section 57-814, Idaho Code.

27 SECTION 2. An emergency existing therefor, which emergency is hereby
28 declared to exist, this act shall be in full force and effect on and after
29 June 1, 2020.