

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 73

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO THE FINANCES OF LOCAL GOVERNMENTAL ENTITIES AND EDUCATION
2 PROVIDERS; PROVIDING LEGISLATIVE INTENT; AMENDING CHAPTER 4, TITLE
3 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-448, IDAHO CODE, TO
4 ESTABLISH PROVISIONS REGARDING THE COMMITTEE ON UNIFORM ACCOUNTING AND
5 TRANSPARENCY FOR LOCAL GOVERNMENTAL ENTITIES AND TO PROVIDE FOR ITS
6 MEMBERSHIP, RESPONSIBILITIES, AND MEMBER COMPENSATION; AMENDING CHAP-
7 TER 10, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-1075,
8 IDAHO CODE, TO PROVIDE FOR THE DUTY OF THE STATE CONTROLLER REGARDING
9 A UNIFORM ACCOUNTING MANUAL FOR LOCAL GOVERNMENTAL ENTITIES; AMEND-
10 ING SECTION 67-450E, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE
11 LOCAL GOVERNMENTAL ENTITIES CENTRAL REGISTRY AND TO REDESIGNATE THE
12 SECTION; REPEALING SECTION 67-1076, IDAHO CODE, RELATING TO THE LOCAL
13 GOVERNMENTAL ENTITIES CENTRAL REGISTRY UNDER THE LEGISLATIVE SERVICES
14 OFFICE; AMENDING CHAPTER 10, TITLE 67, IDAHO CODE, BY THE ADDITION OF
15 A NEW SECTION 67-1076, IDAHO CODE, TO PROVIDE FOR THE LOCAL GOVERN-
16 MENTAL ENTITIES CENTRAL REGISTRY UNDER THE STATE CONTROLLER'S OFFICE;
17 AMENDING SECTION 31-1509, IDAHO CODE, TO REVISE PROVISIONS REGARDING
18 THE COUNTY ACCOUNTING SYSTEM; AMENDING SECTION 31-1602, IDAHO CODE,
19 TO REVISE PROVISIONS REGARDING THE DUTIES OF A COUNTY BUDGET OFFICER;
20 AMENDING SECTION 31-1604, IDAHO CODE, TO REVISE PROVISIONS REGARDING
21 THE APPROVAL OF A COUNTY BUDGET; AMENDING SECTION 31-1606, IDAHO CODE,
22 TO REVISE PROVISIONS REGARDING THE CLASSIFICATION STANDARDS OF COUNTY
23 EXPENDITURES; AMENDING SECTION 31-2101, IDAHO CODE, TO REVISE PRO-
24 VISIONS REGARDING THE DUTIES OF A COUNTY TREASURER; AMENDING SECTION
25 31-3620, IDAHO CODE, TO REVISE PROVISIONS REGARDING COUNTY HOSPITAL
26 ACCOUNTING RECORDS; AMENDING SECTION 33-357, IDAHO CODE, TO DEFINE
27 TERMS, TO PROVIDE FOR POSTING CERTAIN RECORDS ON AN INTERNET-BASED WEB-
28 SITE, TO REVISE PROVISIONS REGARDING CERTAIN DATA, TO PROVIDE DUTIES
29 OF THE STATE CONTROLLER AND EDUCATION PROVIDERS, AND TO MAKE TECHNICAL
30 CORRECTIONS; AMENDING SECTION 39-414A, IDAHO CODE, TO REVISE PROVI-
31 SIONS REGARDING AUDITS OF HEALTH DISTRICT FINANCES; AMENDING SECTION
32 50-208, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE DUTIES OF A CITY
33 TREASURER; AMENDING SECTION 50-1002, IDAHO CODE, TO REVISE PROVISIONS
34 REGARDING THE PREPARATION OF A CITY BUDGET; AMENDING SECTION 50-2006,
35 IDAHO CODE, TO REVISE PROVISIONS REGARDING FINANCIAL REPORTS BY URBAN
36 RENEWAL AGENCIES AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION
37 67-450C, IDAHO CODE, TO REVISE PROVISIONS REGARDING INDEPENDENT FINAN-
38 CIAL AUDITS OF CERTAIN ORGANIZATIONS; AMENDING SECTION 67-450D, IDAHO
39 CODE, TO REVISE PROVISIONS REGARDING INDEPENDENT FINANCIAL AUDITS OF
40 CERTAIN ENTITIES; AMENDING SECTION 67-702, IDAHO CODE, TO REVISE PROVI-
41 SIONS REGARDING THE DUTIES OF THE LEGISLATIVE SERVICES OFFICE; AMENDING
42 SECTION 67-1001, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE DUTIES
43 OF THE STATE CONTROLLER; AND PROVIDING EFFECTIVE DATES.
44

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

2 SECTION 1. LEGISLATIVE INTENT. It is the intent of the Legislature to
3 provide for uniform accounting, budgeting, and financial reporting proce-
4 dures for counties, cities, urban renewal agencies, and all other local dis-
5 tricts. It is the purpose of this act to enable such local governmental en-
6 tities and the state controller's office to provide comparable data by the
7 use of uniform accounting, budgeting, and financial reporting procedures.
8 It is also the intent of the Legislature for the financial data of education
9 providers, as that term is defined in section 33-357, Idaho Code, to be sub-
10 mitted to the state controller's office to be correlated to the uniform ac-
11 counting, budgeting, and financial reporting procedures to enhance public
12 access to the education providers' financial data. It is also the intent of
13 the Legislature to ensure uniform auditing of health district finances.

14 SECTION 2. That Chapter 4, Title 67, 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 67-448, Idaho Code, and to read as follows:

17 67-448. COMMITTEE ON UNIFORM ACCOUNTING AND TRANSPARENCY FOR LOCAL
18 GOVERNMENTAL ENTITIES. (1) In order to provide for uniform and transparent
19 financial data of local governmental entities to better inform lawmakers,
20 decision-makers, and citizens, there is hereby established the committee on
21 uniform accounting and transparency for local governmental entities.

22 (2) The committee shall consist of seven (7) members comprised as fol-
23 lows:

24 (a) Three (3) members of the senate, one (1) of whom shall be the chair-
25 person of the senate local government and taxation committee or his de-
26 signee, one (1) from the majority party appointed by the president pro
27 tempore of the senate, and one (1) from the minority party appointed by
28 the minority leader;

29 (b) Three (3) members of the house of representatives, one (1) of whom
30 shall be the chairperson of the house revenue and taxation committee or
31 his designee, one (1) from the majority party appointed by the speaker
32 of the house, and one (1) from the minority party appointed by the minor-
33 ity leader; and

34 (c) The state controller or his designee.

35 (3) The cochairs of the committee shall be the chairperson of the
36 senate local government and taxation committee and the chairperson of the
37 house revenue and taxation committee or their designees. Legislative ap-
38 pointments to the committee shall be for the term of office of the member
39 appointed, and members shall serve at the pleasure of the appointing author-
40 ity. The state controller or his designee shall serve for the term of office
41 of the state controller, at the pleasure of the state controller. Any va-
42 cancy shall be filled in a manner consistent with the appointment procedure
43 set forth in this section, except the appointment shall be for the remainder
44 of the unexpired term. A committee member may be reappointed to the commit-
45 tee.

46 (4) The cochairs may appoint advisors with expertise in the fiscal af-
47 fairs, including accounting and auditing responsibilities, of local govern-

1 mental entities. Any advisors to the committee shall not receive compensa-
2 tion and shall not have voting privileges.

3 (5) The committee has as its primary duty and responsibility the col-
4 laborative task of developing, approving, monitoring, and revising as
5 needed the uniform accounting, budgeting, and financial reporting system
6 and manual for local governmental entities, pursuant to section 67-1075,
7 Idaho Code. The committee shall by a simple majority approve the uniform ac-
8 counting manual for local governmental entities and any revisions thereto.

9 (6) Legislative members of the committee are entitled to per diem at the
10 direction of the president pro tempore of the senate or the speaker of the
11 house of representatives at the rates established by the citizens' committee
12 on legislative compensation. No compensation shall be paid to the state con-
13 troller, but his designee, if not a state government employee, shall be reim-
14 bursed as provided in section 59-509(q), Idaho Code.

15 (7) The committee may direct the legislative services office to perform
16 an audit on a local governmental entity, as defined in section 67-1076, Idaho
17 Code.

18 (8) The committee may direct any local governmental entity, education
19 provider, or state agency to provide financial information necessary to the
20 state controller to fulfill his duties under the law.

21 SECTION 3. That Chapter 10, Title 67, Idaho Code, be, and the same is
22 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
23 ignated as Section 67-1075, Idaho Code, and to read as follows:

24 67-1075. UNIFORM ACCOUNTING PRACTICES AND PROCEDURES -- LOCAL GOV-
25 ERNMENTAL ENTITIES. (1) It is the duty of the state controller to ensure a
26 uniform system of accounting for local governmental entities as defined in
27 section 67-1076, Idaho Code, and to create and maintain a uniform account-
28 ing manual for local governmental entities that reflects best practices,
29 with the assistance and approval of the committee on uniform accounting and
30 transparency for local governmental entities pursuant to section 67-448,
31 Idaho Code. The manual must define and classify the various funds, accounts,
32 grants, and other financial structures by account title as necessary for
33 the uniform reporting of accounting, budgeting, and financial reporting
34 information, including estimated and actual revenues and expenditures. All
35 local governmental entities as defined in section 67-1076, Idaho Code, shall
36 comply with the reporting standards and requirements established under this
37 section and section 67-1076, Idaho Code. The state controller is responsi-
38 ble for converting financial data from local governmental entities to the
39 state controller's online platform.

40 (2) The state controller must create a public website for the reporting
41 of local governmental entities' accounting, budgeting, and financial data
42 in order to provide leaders, decision-makers, and citizens easy access to
43 search, view, and compare data across the state. The state controller has
44 the flexibility to create a staggered-phase project implementation sched-
45 ule but must have the online program fully functional by January 1, 2025.
46 The state controller must coordinate with local governmental entities as to
47 the staggered implementation schedule. The state controller must provide a
48 progress report on the implementation of the programs outlined in this sec-
49 tion to the legislature on behalf of the committee on uniform accounting and

1 transparency for local governmental entities annually until the project has
2 been fully implemented.

3 (3) Until such time as otherwise directed by the state controller's of-
4 fice, a local governmental entity shall continue to report financial data
5 required under section 67-1076, Idaho Code, to the legislative services of-
6 fice.

7 (4) The public website created and maintained by the state controller
8 pursuant to this section must additionally provide access to education
9 provider financial information. Such data may be integrated with or main-
10 tained separately from the local governmental entity data, in the discretion
11 of the state controller.

12 SECTION 4. That Section 67-450E, Idaho Code, be, and the same is hereby
13 amended to read as follows:

14 ~~67-450E~~1076. LOCAL GOVERNING GOVERNMENTAL ENTITIES CENTRAL REGISTRY
15 -- REPORTING INFORMATION REQUIRED -- PENALTIES FOR FAILURE TO REPORT. (1)
16 In addition to the provisions applicable to local ~~governing~~ governmental
17 entities found in section 67-450B, Idaho Code, the provisions of this
18 section shall also apply to local ~~governing~~ governmental entities. For
19 purposes of section 67-1075, Idaho Code, and this section, "local governing
20 governmental entity" shall have the same meaning as provided in section
21 67-450B, Idaho Code. The term local governing entity shall also include
22 without limitation all cities, counties, entities governed by chapter 20,
23 title 50, Idaho Code, authorities, and districts organized as separate legal
24 and reporting entities under Idaho law and includes the councils, commis-
25 sions, and boards as appointed or elected and charged with fiscal management
26 responsibilities of the local governmental entity. If a local governing
27 governmental entity is governed by the provisions of section 33-701, Idaho
28 Code, such entity shall not be required to comply with the provisions of this
29 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~~ governmental entities in this state. ~~To establish~~
35 ~~a complete list of all local governmental entities operating in Idaho,~~
36 ~~on the effective date of this legislation and so that the registry es-~~
37 ~~tablished will be comprehensive, every existing local governing~~ Every
38 local governmental entity shall register with the state registry. For
39 calendar year 2015, the submission of information required by subsec-
40 tion (2) of this section shall occur prior to March 1, 2015, and shall
41 be in the form and format required by the legislative services office.
42 In addition to the information required by this section for the March
43 1, 2015, filing deadline, the entity shall report the date of its last
44 independent audit. The registry listing will be available on the leg-
45 islative services office website by January 1, 2016.

46 (b) The county clerk shall notify each local ~~governing~~ governmental en-
47 tity of the requirements of this section.

48 (c) ~~After March 1, 2015, and on or before December 1 of e~~ Each year, ac-
49 cording to the schedule set forth in the uniform accounting manual for

1 local governmental entities authorized under section 67-1075, Idaho
 2 Code:

3 (i) The state tax commission shall submit a list to the legisla-
 4 tive services office of all taxing districts within the state; and
 5 (ii) The county clerk of each county shall submit a list to the
 6 legislative services office of all taxing districts in the county
 7 and any other local governing governmental entities that are au-
 8 thorized to impose fees, or assessments or to receive property tax
 9 money within the county.

10 (2) On or before December 1 of each year, every local governing
 11 governmental entity shall submit to the online central registry and report-
 12 ing portal the following information:

13 (a) Administrative information:

14 (i) The terms of membership and appointing authority for the gov-
 15 erning board member of the local governmental entity;
 16 (ii) The official name, mailing address, and electronic mailing
 17 address of the entity;
 18 (iii) The fiscal year of the entity; and
 19 (iv) Except for cities and counties, the section of Idaho Code un-
 20 der which the entity was established, the date of establishment,
 21 the establishing entity, and the statute or statutes under which
 22 the entity operates, if different from the statute or statutes un-
 23 der which the entity was established.

24 (b) Financial information:

25 (i) The most recent adopted budget of the entity; and
 26 (ii) An unaudited comparison of the budget to actual revenues and
 27 expenditures for the most recently completed fiscal year-;
 28 (iii) The date of its last independent audit; and
 29 (iv) Upon notification by the state controller, any other finan-
 30 cial information required under the uniform accounting manual for
 31 local governmental entities.

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 (d3) Within five (5) days of submitting to the central registry the in-
 39 formation required by this subsection, the local governing entity shall no-
 40 tify the entity's appointing authority, if the entity has an appointing au-
 41 thority, that it has submitted such information.

42 (e4) If any information provided by an entity as required by this sub-
 43 section changes during the year, the entity shall update its information on
 44 the registry within thirty (30) days of any such change.

45 (f5) All reasonable fees, costs, and other expenses incurred assist-
 46 ing local governing governmental entities in compiling the reporting infor-
 47 mation required by this section may be charged by the county against the lo-
 48 cal governing governmental entity requesting the county's service. An en-
 49 tity may request assistance from the county to comply with provisions of this
 50 section, but the county is under no obligation to provide such assistance.

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

7 (36) Audits required by sections 67-450B, 67-450C, and 67-450D, Idaho
8 Code, will be submitted to the online portal.

9 (47) Notification, late fees, and penalties.

10 (a) If a local governing governmental entity fails to submit informa-
11 tion required by this section or submits noncompliant information re-
12 quired by this section, the legislative services office shall notify
13 the entity immediately after the due date of the information that ei-
14 ther the information was not submitted in a timely manner or the infor-
15 mation submitted was noncompliant. The local governing governmental
16 entity shall then have thirty (30) days from the date of notice to submit
17 the information or notify the legislative services office that it will
18 comply by a time certain. The legislative services office may impose a
19 late fee for each day over said thirty (30) days that the local govern-
20 mental entity has failed to provide the information required under this
21 section. The late fee may be in the amount of up to five hundred dollars
22 (\$500) per day and is immediately payable from the local governmental
23 entity to the legislative services office, which shall deposit the fee
24 in the state general fund.

25 (b) No later than ~~September 1~~ January 15 of any year, the legislative
26 services office shall notify the appropriate board of county commis-
27 sioners and the state tax commission of the entity's failure to comply
28 with the provisions of this section. Upon receipt of such notification,
29 the board of county commissioners shall place a public notice in a news-
30 paper of general circulation in the county indicating that the entity
31 is noncompliant with the legal reporting requirements of this section.
32 The county commissioners shall assess to the entity the cost of the pub-
33 lic notice. Such costs may be deducted from any distributions of taxes,
34 fees, increment financing, or assessments collected by the county on
35 behalf of the local governing governmental entity. For any noncomply-
36 ing entity, the legislative services office shall notify the board of
37 county commissioners and the state tax commission of the compliance
38 status of such entity ~~by September 1 of each year until~~ once the entity
39 is in compliance.

40 (c) A local governing governmental entity that fails to comply with
41 this section shall be prohibited from including in its budget any bud-
42 get increase otherwise permitted by ~~either~~ subsection (1) (a) or (e) of
43 section 63-802, Idaho Code.

44 (d) In addition to any other penalty provided in this section, ~~in~~ during
45 any failure to comply with this section, the state tax commission shall
46 withhold the ~~annual~~ quarterly distribution of sales tax distribution
47 pursuant to section 63-3638(10), Idaho Code, for any noncomplying en-
48 tity. The state tax commission shall withhold and retain such money in
49 a reserve account until the legislative services office certifies that
50 the entity has complied with the provisions of this section, at which

1 point the state tax commission shall pay any money owed to the local
 2 ~~governing governmental~~ entity previously in violation of this section.

3 (e) For any local ~~governing governmental~~ entity that is a non-taxing
 4 district, including entities established pursuant to title 50, Idaho
 5 Code, upon notification to the board of county commissioners from the
 6 legislative services office of noncompliance by such entity, the board
 7 of county commissioners shall convene to determine appropriate compli-
 8 ance measures, including, but not limited to, the following:

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

12 (ii) Assess a noncompliance fee on the noncomplying entity. Such
 13 fee shall not exceed five thousand dollars (\$5,000). Such fees and
 14 costs may be deducted from any distributions of taxes, fees, in-
 15 crement financing, or assessments collected by the county on be-
 16 half of the local governing governmental entity until such time as
 17 the entity is in compliance with the requirements of this section
 18 and section 67-1075, Idaho Code. The amount of any such fee shall
 19 not be passed on to persons subject to the jurisdiction of the en-
 20 tity in the form of adjustments to any fee or assessment imposed or
 21 collected by the entity. Any fee collected shall be deposited into
 22 the county's current expense fund; and

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

25 (58) The provisions of this section shall have no impact or effect upon
 26 reporting requirements for local ~~governing governmental~~ entities relating
 27 to the state tax commission.

28 (9) It is the intent of the legislature that the duties of the legisla-
 29 tive services office regarding the registry under this section shall be
 30 transferred to the office of the state controller on or before January 1,
 31 2022. The exact date shall be determined by the state controller, who must
 32 notify all affected entities. Nothing in this section may be construed to
 33 affect or reduce the duties of the legislative services office with respect
 34 to performing audits.

35 SECTION 5. That Section 67-1076, Idaho Code, be, and the same is hereby
 36 repealed.

37 SECTION 6. That Chapter 10, Title 67, Idaho Code, be, and the same is
 38 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
 39 ignated as Section 67-1076, Idaho Code, and to read as follows:

40 67-1076. LOCAL GOVERNMENTAL ENTITIES CENTRAL REGISTRY -- REPORTING
 41 INFORMATION REQUIRED -- PENALTIES FOR FAILURE TO REPORT. (1) In addition
 42 to the provisions applicable to local governmental entities found in sec-
 43 tion 67-450B, Idaho Code, the provisions of this section also apply to local
 44 governmental entities. For purposes of section 67-1075, Idaho Code, and
 45 this section, "local governmental entity" includes without limitation all
 46 cities, counties, entities governed by chapter 20, title 50, Idaho Code,
 47 authorities, and districts organized as separate legal and reporting enti-
 48 ties under Idaho law and includes the councils, commissions, and boards as

1 appointed or elected and charged with fiscal management responsibilities of
2 the local governmental entity. If a local governmental entity is governed by
3 the provisions of section 33-701, Idaho Code, such entity is not required to
4 comply with the provisions of this section.

5 (a) There is hereby established a central registry and reporting portal
6 (registry) on the state controller's website. The registry and report-
7 ing portal shall serve as the unified location for the reporting of and
8 access to administrative and financial information of local governmen-
9 tal entities in this state. Every local governmental entity must regis-
10 ter with the state registry.

11 (b) The county clerk must notify each local governmental entity of the
12 requirements of this section.

13 (c) Each year, according to the schedule set forth in the uniform ac-
14 counting manual for local governmental entities authorized under sec-
15 tion 67-1075, Idaho Code:

16 (i) The state tax commission must submit a list to the state con-
17 troller of all taxing districts within the state; and

18 (ii) The county clerk of each county must submit a list to the
19 state controller of all taxing districts in the county and any
20 other local governmental entities that are authorized to impose
21 fees or assessments or to receive property tax money within the
22 county.

23 (2) On or before December 1 of each year, every local governmental en-
24 tity must submit to the online central registry and reporting portal the fol-
25 lowing information:

26 (a) Administrative information:

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

29 (ii) The official name, mailing address, and electronic mailing
30 address of the entity;

31 (iii) The fiscal year of the entity; and

32 (iv) Except for cities and counties, the section of Idaho Code un-
33 der which the entity was established, the date of establishment,
34 the establishing entity, and the statute or statutes under which
35 the entity operates, if different from the statute or statutes un-
36 der which the entity was established.

37 (b) Financial information:

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

39 (ii) An unaudited comparison of the budget to actual revenues and
40 expenditures for the most recently completed fiscal year;

41 (iii) The date of its last independent audit; and

42 (iv) Any other information required by the uniform accounting
43 manual for local governmental entities.

44 (c) Bonds or other debt obligation information:

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

47 (ii) The average length of term of all bond issuances or other debt
48 obligations and the average interest rate of all bonds or other
49 debt obligations.

1 (3) Within five (5) days of submitting to the central registry the in-
2 formation required by this subsection, the local governing entity must no-
3 tify the entity's appointing authority, if the entity has an appointing au-
4 thority, that it has submitted such information.

5 (4) If any information provided by an entity as required by this subsec-
6 tion changes during the year, the entity must update its information on the
7 registry within thirty (30) days of any such change.

8 (5) All reasonable fees, costs, and other expenses incurred assisting
9 local governmental entities in compiling the reporting information required
10 by this section may be charged by the county against the local governmental
11 entity requesting the county's service. An entity may request assistance
12 from the county to comply with provisions of this section, but the county
13 is under no obligation to provide such assistance. For purposes of this
14 section, reasonable fees and costs include but are not limited to the labor
15 costs, material costs, and copying costs incurred while assisting local gov-
16 ernmental entities to comply with this section. Such fees and costs may be
17 deducted from any distributions of taxes, fees, or assessments collected by
18 the county on behalf of the local governmental entity.

19 (6) Audits required by sections 67-450B, 67-450C, and 67-450D, Idaho
20 Code, will be submitted to the online portal and provided by the state con-
21 troller's office to the legislative services office.

22 (7) Notification, late fees, and penalties.

23 (a) If a local governmental entity fails to submit information required
24 by this section or submits noncompliant information required by this
25 section, the state controller must notify the entity immediately af-
26 ter the due date of the information that either the information was not
27 submitted in a timely manner or the information submitted was noncom-
28 pliant. The local governmental entity then has thirty (30) days from
29 the date of notice to submit the information or notify the state con-
30 troller that it will comply by a time certain. The state controller may
31 impose a late fee for each day over said thirty (30) days that the local
32 governmental entity has failed to provide the information required un-
33 der this section. The late fee may be in the amount of up to five hundred
34 dollars (\$500) per day and is immediately payable from the local govern-
35 mental entity to the state controller's office, which shall deposit the
36 fee in the state general fund.

37 (b) No later than January 15 of any year, the state controller must
38 notify the appropriate board of county commissioners and the state tax
39 commission of the entity's failure to comply with the provisions of this
40 section. Upon receipt of such notification, the board of county commis-
41 sioners must place a public notice in a newspaper of general circulation
42 in the county indicating that the entity is noncompliant with the legal
43 reporting requirements of this section. The county commissioners shall
44 assess to the entity the cost of the public notice. Such costs may be
45 deducted from any distributions of taxes, fees, increment financing, or
46 assessments collected by the county on behalf of the local governmental
47 entity. For any noncomplying entity, the state controller must notify
48 the board of county commissioners and the state tax commission of the
49 compliance status of such entity once the entity is in compliance.

1 (c) A local governmental entity that fails to comply with this section
2 is prohibited from including in its budget any budget increase other-
3 wise permitted by subsection (1) (a) or (e) of section 63-802, Idaho
4 Code.

5 (d) In addition to any other penalty provided in this section, during
6 any failure to comply with this section, the state tax commission must
7 withhold the quarterly distribution of sales tax distribution pursuant
8 to section 63-3638(10), Idaho Code, for any noncomplying entity. The
9 state tax commission must withhold and retain such money in a reserve
10 account until the state controller certifies that the entity has com-
11 plied with the provisions of this section, at which point the state tax
12 commission must pay any money owed to the local governmental entity pre-
13 viously in violation of this section.

14 (e) For any local governmental entity that is a non-taxing district,
15 including entities established pursuant to title 50, Idaho Code,
16 upon notification to the board of county commissioners from the state
17 controller of noncompliance by such entity, the board of county com-
18 missioners must convene to determine appropriate compliance measures,
19 including but not limited to the following:

20 (i) Require a meeting of the board of county commissioners and the
21 entity's governing body wherein the board of county commissioners
22 requires compliance of this section by the entity;

23 (ii) Assess a noncompliance fee on the noncomplying entity. Such
24 fee may not exceed five thousand dollars (\$5,000). Such fees and
25 costs may be deducted from any distributions of taxes, fees, in-
26 crement financing, or assessments collected by the county on be-
27 half of the local governmental entity until such time as the entity
28 is in compliance with the requirements of this section and section
29 67-1075, Idaho Code. The amount of any such fee may not be passed
30 on to persons subject to the jurisdiction of the entity in the form
31 of adjustments to any fee or assessment imposed or collected by the
32 entity. Any fee collected must be deposited into the county's cur-
33 rent expense fund; and

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

36 (8) The provisions of this section have no impact or effect upon report-
37 ing requirements for local governmental entities relating to the state tax
38 commission.

39 SECTION 7. That Section 31-1509, Idaho Code, be, and the same is hereby
40 amended to read as follows:

41 31-1509. ACCOUNTING SYSTEM. The system for accounting of receipts,
42 expenditures, and reporting in each county shall meet the criteria of
43 generally accepted accounting principles or the governmental accounting
44 standards board and as the same may be hereafter amended and revised and,
45 upon notification by the state controller, shall conform to the provisions
46 of the uniform accounting manual for local governmental entities as autho-
47 rized by section 67-1075, Idaho Code.

1 SECTION 8. That Section 31-1602, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 31-1602. DUTIES OF BUDGET OFFICER -- ESTIMATE OF EXPENSES. (1) The
4 county auditor of each county in this state shall be the budget officer of
5 his county, and, as such budget officer, it shall be his duty to compile and
6 prepare a preliminary budget for consideration by the county commissioners
7 of his county, and upon the adoption of the final budget, as hereinafter pro-
8 vided, it shall be his duty to see that the provisions thereof are complied
9 with.

10 (2) On or before the first Monday in May of each year, the county bud-
11 get officer shall notify, in writing, each county official, elective or
12 appointive, in charge of any office, department, service, agency, or insti-
13 tution of the county, to file with such budget officer, on or before the third
14 Monday in May thereafter, an itemized estimate showing both the probable
15 revenues from sources other than taxation that will accrue to his office,
16 department, service, agency, or institution during the fiscal year, to
17 which the budget is intended to apply, and all expenditures required by such
18 office, department, service, agency, or institution, for the same period,
19 together with a brief explanatory statement of the request.

20 (3) Said estimates and reports shall be submitted upon forms furnished
21 by the budget officer showing the entire revenues and expenditures under
22 each classification and subdivision thereof for the two (2) preceding fiscal
23 years, the amount actually received and expended to the second Monday of
24 April of the current fiscal year, and the estimated total receipts and expen-
25 ditures for the current fiscal year and show any and all estimated balances,
26 at the end of the current fiscal year, in any appropriation available and
27 applicable to the functions performed by such office, department, service,
28 agency, or institution.

29 (4) Said estimates of probable expenditures shall be under classifica-
30 tions set by the board of county commissioners, to include, at a minimum, the
31 "Salaries, Benefits, and Detail of Other Expenses."

32 (5) If any county official, elective or appointive, in charge of any of-
33 fice, department, service, agency, or institution has had, or contemplates
34 having, any expenditures, the reports of which ~~can not~~ cannot be properly
35 made under any of the above classifications, the same shall be reported in
36 detail in addition to the information provided for in said forms.

37 (6) Any official or employee failing or refusing to furnish said esti-
38 mates or information within the time ~~hereinabove~~ provided in this section
39 shall pay a penalty of not less than ten dollars (\$10.00) nor more than fifty
40 dollars (\$50.00) as may be determined by order of the board of county com-
41 missioners, said penalty to be deducted by the county auditor from the next
42 salary warrant due such official or employee and credited to the current ex-
43 pense fund of said county.

44 (7) In the event of the absence, failure, or disability of any official
45 or employee required to furnish estimates and information, as ~~hereinabove~~
46 provided in this section, the budget officer may designate any person tem-
47 porarily in charge of such office, department, service, agency, or institu-
48 tion to furnish said estimates and information required by this ~~act~~ chapter.
49 Provided, however, if for any cause said estimates and information are not

1 filed with the budget officer in proper time to be included in the county bud-
 2 get ~~hereinafter~~ provided for in this chapter, the budget officer shall pre-
 3 pare an estimate of expenditures for any such office, department, service,
 4 agency, or institution, ~~so failing to file its estimate, and such estimate~~
 5 so prepared by the budget officer and approved by the county commissioners
 6 shall be the budget for that office, department, service, agency, or insti-
 7 tution for the fiscal year to which the budget is intended to apply.

8 (8) Upon notification by the state controller, budget information
 9 shall conform to the standards established in the uniform accounting manual
 10 for local governmental entities pursuant to section 67-1075, Idaho Code.

11 SECTION 9. That Section 31-1604, Idaho Code, be, and the same is hereby
 12 amended to read as follows:

13 31-1604. APPROVAL OF TENTATIVE APPROPRIATIONS -- NOTICE -- FINAL
 14 APPROPRIATIONS. (1) The suggested budget prepared by the county budget of-
 15 ficer as ~~hereinabove~~ provided in this chapter, together with the estimates
 16 and information furnished by the various offices, departments, services,
 17 agencies, and institutions of the county, shall be submitted by said county
 18 budget officer to the board of county commissioners of his county on or be-
 19 fore the first Monday in August of each year; said county commissioners shall
 20 convene to consider said proposed budget in detail and make any alterations
 21 allowable by law and which they deem advisable, ~~and agree upon a tentative~~
 22 amount to be allowed and appropriated for the ensuing fiscal year to each
 23 office, department, service, agency, or institution of the county. Such
 24 allowances or appropriations shall be made under the classifications of:

25 "Salaries" or "~~S~~salaries and ~~B~~enefits," and
 26 "Detail of ~~O~~ther ~~E~~xpenses," or "~~D~~detail of ~~O~~ther ~~E~~xpenses and
 27 ~~B~~enefits," and may include "~~B~~enefits," as a separate category as
 28 hereinafter provided in this chapter.

29 (2) When the commissioners have agreed on such tentative appropria-
 30 tions, the county budget officer, not later than the third week in August,
 31 shall cause notice to be published setting forth the amount of anticipated
 32 revenue from property taxes and the total of revenues anticipated from
 33 sources other than property taxes and the amount proposed to be appropriated
 34 to each office, department, service, agency, or institution for the ensu-
 35 ing fiscal year, in not less than two (2) classifications and which shall
 36 include "~~S~~salaries," or "~~S~~salaries and ~~B~~enefits," and "~~D~~detail of ~~O~~ther
 37 ~~E~~xpenses," or "~~D~~detail of ~~O~~ther ~~E~~xpenses and ~~B~~enefits," and which may
 38 include "~~B~~enefits" as a separate classification together with the amounts
 39 expended under these classifications during each of the two (2) previous
 40 fiscal years by each office, department, service, agency, or institution;
 41 ~~and.~~ The notice shall also provide that the board of county commissioners
 42 will meet on or before the Tuesday following the first Monday in September,
 43 next succeeding, for the purpose of considering and fixing a final budget
 44 and making appropriations to each office, department, service, agency, or
 45 institution of the county for the ensuing fiscal year at which time any tax-
 46 payer may appear and be heard upon any part or parts of said tentative budget
 47 and fixing the time and place of such meeting. Said notice shall be published
 48 in a newspaper as prescribed in section 31-819, Idaho Code.

1 (3) Upon notification by the state controller, the classification
 2 of appropriations shall conform to the standards established in the uni-
 3 form accounting manual for local governmental entities pursuant to section
 4 67-1075, Idaho Code.

5 SECTION 10. That Section 31-1606, Idaho Code, be, and the same is hereby
 6 amended to read as follows:

7 31-1606. EXPENDITURE LIMITED BY APPROPRIATIONS -- ROAD AND BRIDGE
 8 APPROPRIATIONS -- INCREASE OF SALARIES. (1) The estimates of expendi-
 9 tures as classified in each of the three (3) general classes, "~~S~~salaries,"
 10 "~~B~~enefits" and "~~D~~etail of ~~O~~ther ~~E~~xpenses," required in section 31-1602,
 11 Idaho Code, as finally fixed and adopted as the county budget by said board
 12 of county commissioners, shall constitute the appropriations for the county
 13 for the ensuing fiscal year. Each and every county official or employee
 14 shall be limited in making expenditures or the incurring of liabilities to
 15 the respective amounts of such appropriations. Provided, in the case of
 16 road and bridge appropriations, other than "~~S~~salaries" and "~~B~~enefits," any
 17 lawful transfer deemed necessary may be made by resolution formally adopted
 18 by the board of county commissioners at a regular or special meeting thereof,
 19 which action must be entered upon the minutes of said board; provided, fur-
 20 ther, that no salary may be increased during the ensuing year after the final
 21 budget is adopted, without resolution of the board of county commissioners,
 22 which resolution shall be entered ~~upon their~~ in the minutes.

23 (2) Upon notification by the state controller, budget and appropria-
 24 tions information shall conform to the standards established in the uniform
 25 accounting manual for local governmental entities pursuant to section
 26 67-1075, Idaho Code.

27 SECTION 11. That Section 31-2101, Idaho Code, be, and the same is hereby
 28 amended to read as follows:

29 31-2101. DUTIES OF COUNTY TREASURER. The county treasurer must:
 30 (1-) Receive all moneys belonging to the county, and all other moneys by
 31 law directed to be paid to him, safely keep the same, and apply and pay them
 32 out, rendering account thereof as required by law;
 33 (2-) File and keep the certificates of the auditor delivered to him when
 34 moneys are paid into the treasury;
 35 (3-) Keep an account of the receipt and expenditure of all such moneys,
 36 in books provided for the purpose, in which must be entered the amount, the
 37 time when, from whom, and on what account all moneys were received by him,
 38 and the amount, time when, to whom, and on what account all disbursements
 39 were made by him;
 40 (4-) ~~So~~Keep his books so that the amounts received and paid out on ac-
 41 count of separate funds or specific appropriations are exhibited in separate
 42 and distinct accounts, and the whole receipts and expenditures are shown
 43 in one general or cash account. Upon notification by the state controller,
 44 county financial records shall conform to the standards established in the
 45 uniform accounting manual for local governmental entities pursuant to sec-
 46 tion 67-1075, Idaho Code;

1 ~~(5-)~~ Enter no moneys received for the current year on his account with
 2 the county for the past fiscal year, until after his annual settlement for
 3 the past year has been made with the county auditor; and

4 ~~(6-)~~ Disburse the county moneys only on county warrants issued by the
 5 county auditor, based on orders of the board of commissioners or as otherwise
 6 provided by law.

7 SECTION 12. That Section 31-3620, Idaho Code, be, and the same is hereby
 8 amended to read as follows:

9 31-3620. ACCOUNTS AND REPORTS OF PERSON IN CHARGE. The person in
 10 charge of the county hospital shall keep a correct account of all receipts
 11 and expenditures in connection therewith, and make full and complete reports
 12 thereof quarterly to the board of county commissioners. Upon notification
 13 by the state controller, all records shall be kept according to the pro-
 14 visions of the uniform accounting manual for local governmental entities
 15 authorized under section 67-1075, Idaho Code.

16 SECTION 13. That Section 33-357, Idaho Code, be, and the same is hereby
 17 amended to read as follows:

18 33-357. CREATION OF INTERNET-BASED EXPENDITURE WEBSITE. (1) As used
 19 in this section, unless otherwise required:

20 (a) "Education provider" means:

21 (i) A school district, including a specially chartered district
 22 organized and existing pursuant to law;

23 (ii) A cooperative services agency or intermediate school dis-
 24 trict;

25 (iii) A public charter school authorized pursuant to state law; or

26 (iv) A publicly funded governmental entity established by the
 27 state for the express purpose of providing online courses.

28 (b) "Entity" means a corporation, association, union, limited liabil-
 29 ity company, limited liability partnership, grantee, contractor, local
 30 government, or other legal entity, including a nonprofit corporation or
 31 an employee of the education provider.

32 (c) "Internet-based website" means a website developed and maintained
 33 by the state controller pursuant to section 67-1075, Idaho Code.

34 (d) "ISEE" means the Idaho system for educational excellence or a suc-
 35 cessor system.

36 (e) "Public record" shall have the same meaning as set forth in chapter
 37 1, title 74, Idaho Code.

38 (2) (a) ~~No later than December 1, 2011, e~~Each education provider shall
 39 ~~develop and maintain a publicly available website where, as part of its~~
 40 ~~ISEE data submissions, submit the education provider's expenditures~~
 41 ~~are posted in a nonsearchable PDF format, a searchable PDF format, a~~
 42 ~~spreadsheet or in a database format and revenues accompanying general~~
 43 ~~ledger codes consistent with the Idaho financial accounting reporting~~
 44 ~~management system or a successor system to the state board of education~~
 45 ~~on a schedule determined by the board. Within ten (10) business days of~~
 46 ~~receiving such submission, the state board of education must transmit~~
 47 ~~the full submission to the office of the state controller, which must~~

1 then correlate the education provider's data to the uniform accounting
 2 system created pursuant to section 67-1075, Idaho Code, for posting on
 3 the state controller's website.

4 (b) The internet-based website shall include the following data con-
 5 cerning all expenditures made by the education provider:

6 (i) The name and location or address of the entity receiving mon-
 7 eys;

8 (ii) The amount of expended moneys;

9 (iii) The date of the expenditure; and

10 (iv) ~~A description of the purpose of the expenditure, unless the~~
 11 ~~expenditure is self-describing;~~

12 ~~(v) Supporting contracts and performance reports upon which the~~
 13 ~~expenditure is related when these documents already exist;~~

14 ~~(vi) To the extent possible, a unique identifier for each expendi-~~
 15 ~~ture;~~

16 ~~(vii) The annual budget approved by the education provider's gov-~~
 17 ~~erning board, to be posted within thirty (30) days after its ap-~~
 18 ~~proval; and~~

19 ~~(viii) Any current master labor agreements approved by the educa-~~
 20 ~~tion provider's governing board.~~

21 (c) The expenditure data shall be provided in an open structured data
 22 format that may be downloaded by the user.

23 (d) The internet-based website shall contain only information that is a
 24 public record or that is not confidential or otherwise exempt from pub-
 25 lic disclosure pursuant to state or federal law.

26 (3) ~~(a) The education provider shall~~ state controller must:

27 ~~(a) Update the expenditures contained on the internet-based~~
 28 ~~website at least monthly; upon receiving a new transmission from~~
 29 ~~the state board of education; and~~

30 ~~(b) Archive all expenditures, which shall remain accessible and~~
 31 ~~on the internet-based website for a number of years, consistent~~
 32 ~~with state law regarding keeping and retention of records;~~

33 ~~(e) The education provider shall:~~

34 ~~(i) Make Link to the internet-based website easily accessible~~
 35 ~~from the main page of the education provider's website; and~~

36 ~~(ii) Post the following on the education provider's website:~~

37 ~~1. Supporting contracts and performance reports upon which~~
 38 ~~the expenditure is related when these documents already ex-~~
 39 ~~ist;~~

40 ~~2. The annual budget approved by the education provider's~~
 41 ~~governing board, to be posted within thirty (30) days after~~
 42 ~~its approval; and~~

43 ~~3. Any current master labor agreements approved by the edu-~~
 44 ~~cation provider's governing board.~~

45 (c) The internet-based website shall include those records beginning
 46 on the effective date of this act on July 1, 2011 referenced in this sec-
 47 tion according to the schedule set forth pursuant to section 67-1075,
 48 Idaho Code, and all data prior to that date shall be available by way of a
 49 public records request.

1 SECTION 14. That Section 39-414A, Idaho Code, be, and the same is hereby
2 amended to read as follows:

3 39-414A. AUDIT OF HEALTH DISTRICT FINANCES. It shall be the duty of
4 each district board of health to cause to be made a full and complete audit
5 of all the financial transactions of the health district no less frequently
6 than every two (2) years. Such audit shall be made by ~~or under the direction~~
7 ~~of the legislative council~~ services office, pursuant to section 67-702,
8 Idaho Code, in accordance with generally accepted auditing standards and
9 procedures. The district board of health shall include all necessary ex-
10 penses for such audit in its budget.

11 SECTION 15. That Section 50-208, Idaho Code, be, and the same is hereby
12 amended to read as follows:

13 50-208. DUTIES OF TREASURER -- RECORD OF OUTSTANDING BONDS. (1) The
14 treasurer of each city shall be the custodian of all moneys belonging to the
15 city. He shall account for each fund or appropriation made in its annual bud-
16 get appropriation or otherwise directed by the city council. Such account-
17 ing shall track the debits and credits relating thereto. The treasurer shall
18 on a monthly basis, and no more than sixty (60) days after the conclusion
19 of each month at a regular meeting of the city council, render an account-
20 ing to the city council showing the financial condition of the treasury at
21 the date of such accounting. The report shall state the balances of accounts
22 maintained in the city's treasury. The treasurer shall also make available
23 credit and debit details of all such accounts when required by the mayor or
24 by action of the governing board. Making the quarterly treasurer's report
25 available for public review on the city's website within thirty (30) days of
26 the conclusion of each quarter shall satisfy publication requirements es-
27 tablished by section 50-1011, Idaho Code.

28 (2) The treasurer shall also keep a record of all outstanding bonds
29 against the city showing the number, amount of each, and to whom said bonds
30 were issued, and when any bonds are purchased, paid, or canceled. In his an-
31 nual report, the treasurer shall describe particularly the bonds issued and
32 sold during the year and the fiscal terms of the sale including the expenses
33 related thereto.

34 (3) Upon notification by the state controller, the treasurer shall com-
35 ply with the accounting and fiscal reporting requirements set forth in the
36 uniform accounting manual for local governmental entities authorized under
37 section 67-1075, Idaho Code.

38 SECTION 16. That Section 50-1002, Idaho Code, be, and the same is hereby
39 amended to read as follows:

40 50-1002. ANNUAL BUDGET. (1) The city council of each city shall, prior
41 to passing the annual appropriation ordinance, prepare a budget, estimating
42 the probable amount of money necessary for all purposes for which an appro-
43 priation is to be made, including interest and principal due on the bonded
44 debt and sinking fund, itemizing and classifying the proposed expenditures
45 by department, fund, or service, as nearly as may be practicable, and speci-
46 fying any fund balances accumulated under section 50-1005A, Idaho Code. To

1 support such proposed expenditure, the council shall prepare an estimate
 2 of the total revenue anticipated during the ensuing fiscal year for which
 3 a budget is being prepared classifying such receipts by source as nearly
 4 as may be possible and practicable, said estimate to include any surplus
 5 not subject to the provisions of sections 50-1004 and 50-1005A, Idaho Code,
 6 nor shall said estimated revenue include funds accumulated under section
 7 50-236, Idaho Code. The proposed budget for the ensuing fiscal year shall
 8 list expenditures and revenues during each of the two (2) previous fiscal
 9 years by fund and/or department. Following tentative approval of the rev-
 10 enues and expenditures estimated by the council, the same shall be entered at
 11 length in the journal of proceedings. Prior to certifying to the county com-
 12 missioners, a notice of time and place of public hearing on the budget, which
 13 notice shall include the proposed expenditures and revenues by fund and/or
 14 department, including the two (2) previous fiscal years, and a statement of
 15 the estimated revenue from property taxes and the total amount from sources
 16 other than property taxes of the city for the ensuing fiscal year, shall be
 17 published twice at least seven (7) days apart in the official newspaper. At
 18 said hearing, any interested person may appear and show cause, if any he has,
 19 why such proposed budget should or should not be adopted.

20 (2) Upon notification by the state controller, budget information
 21 shall conform to the standards established in the uniform accounting manual
 22 for local governmental entities pursuant to section 67-1075, Idaho Code.

23 SECTION 17. That Section 50-2006, Idaho Code, be, and the same is hereby
 24 amended to read as follows:

25 50-2006. URBAN RENEWAL AGENCY.

26 (1) (a) There is hereby created in each municipality an independent pub-
 27 lic body corporate and politic to be known as the "urban renewal agency"
 28 that was created by resolution as provided in section 50-2005, Idaho
 29 Code, before July 1, 2011, for the municipality; provided, that such
 30 agency shall not transact any business or exercise its powers hereunder
 31 until or unless:—(1) the local governing body has made the findings
 32 prescribed in section 50-2005, Idaho Code; and provided further, that
 33 such.

34 (b) An urban renewal agency created after July 1, 2011, shall not trans-
 35 act any business or exercise its powers provided for in this chapter un-
 36 til (2) a majority of qualified electors, voting in a citywide or coun-
 37 tywide election, depending on the municipality in which such agency is
 38 created, vote to authorize such agency to transact business and exer-
 39 cise its powers provided for in this chapter. If prior to July 1, 2011,
 40 the local governing body has made the findings prescribed in subsection
 41 paragraph (a)(1) of this subsection, then such agency shall transact
 42 business and shall exercise its powers hereunder and is not subject to
 43 the requirements of subsection (a) (2) of this section this paragraph.

44 (b2) Upon satisfaction of the requirements under subsection (a1) of
 45 this section, the urban renewal agency is authorized to transact the busi-
 46 ness and exercise the powers hereunder by a board of commissioners to be
 47 established as follows:

48 (1a) Unless provided otherwise in this section, the mayor, by and with
 49 the advice and consent of the local governing body, shall appoint a

1 board of commissioners of the urban renewal agency, which shall consist
2 of not less than three (3) commissioners nor more than nine (9) commis-
3 sioners. In the order of appointment, the mayor shall designate the
4 number of commissioners to be appointed, and the term of each, provided
5 that the original term of office of no more than two (2) commissioners
6 shall expire in the same year. The commissioners shall serve for terms
7 not to exceed five (5) years, from the date of appointment, except that
8 all vacancies shall be filled for the unexpired term.

9 (2b) For inefficiency or neglect of duty or misconduct in office, a com-
10 missioner may be removed by a majority vote of the local governing body
11 only after a hearing and after he shall have been given a copy of the
12 charges at least ten (10) days prior to such hearing and have had an op-
13 portunity to be heard in person or by counsel. Any commission position
14 that becomes vacant at a time other than the expiration of a term shall
15 be filled by the mayor or chair of the board of county commissioners, if
16 that is the local governing body, by and with the advice and consent of
17 the local governing body, including the mayor, if applicable, and shall
18 be filled for the unexpired term.

19 (3c) By enactment of an ordinance, the local governing body may appoint
20 and designate, from among its members, ~~to be~~ members of the board of
21 commissioners of the urban renewal agency, provided that such represen-
22 tation shall be less than a majority of the board of commissioners of the
23 urban renewal agency of the members of the local governing body on and
24 after July 1, 2017, in which case all the rights, powers, duties, priv-
25 ileges, and immunities vested by the urban renewal law of 1965, and as
26 amended, in an appointed board of commissioners, shall be vested in the
27 local governing body, ~~who~~ which shall, in all respects when acting as an
28 urban renewal agency, be acting as an arm of state government, entirely
29 separate and distinct from the municipality, to achieve, perform, and
30 accomplish the public purposes prescribed and provided by said urban
31 renewal law of 1965, and as amended.

32 (4d) By enactment of an ordinance, the local governing body may termi-
33 nate the appointed board of commissioners and thereby appoint and des-
34 ignate itself as the board of commissioners of the urban renewal agency
35 for not more than one (1) calendar year.

36 (5e) By enactment of an ordinance, the local governing body may provide
37 that the board of commissioners of the urban renewal agency shall be
38 elected at an election held for such purpose on one (1) of the Novem-
39 ber dates provided in section 34-106, Idaho Code, and the ordinance
40 may provide term limits for the commissioners. In this case, all the
41 rights, powers, duties, privileges, and immunities vested by the urban
42 renewal law of 1965, and as amended, in an appointed board of commis-
43 sioners, shall be vested in the elected board of commissioners of the
44 urban renewal agency, ~~who~~ which shall, in all respects when acting as an
45 urban renewal agency, be acting as an arm of state government, entirely
46 separate and distinct from the municipality, to achieve, perform, and
47 accomplish the public purposes prescribed and provided by said urban
48 renewal law of 1965, and as amended. The provisions of chapter 66, title
49 67, Idaho Code, shall apply to elected commissioners, and the county
50 election law shall apply to the person running for commissioner as if

1 ~~they~~ the person were running for county commissioner. In the event of a
2 vacancy in an elected commissioner position, the replacement shall be
3 appointed by the mayor or chair of the board of county commissioners, if
4 that is the local governing body, by and with the advice and consent of
5 the local governing body, and shall be filled for the unexpired term.

6 (63) In all instances, a member of the board of commissioners of the ur-
7 ban renewal agency must be a resident of the county where the urban renewal
8 agency is located or is doing business.

9 (e4) A commissioner shall receive no compensation for his services but
10 shall be entitled to the necessary expenses, including ~~traveling~~ travel ex-
11 penses, incurred in the discharge of his duties. Each commissioner shall
12 hold office until his successor has been appointed and has qualified. A cer-
13 tificate of the appointment or reappointment of any commissioner shall be
14 filed with the clerk of the municipality and such certificate shall be con-
15 clusive evidence of the due and proper appointment of such commissioner.

16 (5) (a) The powers of an urban renewal agency shall be exercised by the
17 commissioners thereof. A majority of the commissioners shall consti-
18 tute a quorum for the purpose of conducting business and exercising the
19 powers of the agency and for all other purposes. Action may be taken by
20 the agency upon a vote of a majority of the commissioners present, un-
21 less in any case the bylaws shall require a larger number.

22 (b) The commissioners shall elect the chairman, cochairman, or vice
23 chairman for a term of one (1) year from among their members. An agency
24 may employ an executive director, technical experts, and such other
25 agents and employees, permanent and temporary, as it may require, and
26 determine their qualifications, duties, and compensation. For such
27 legal service as it may require, an agency may employ or retain its own
28 counsel and legal staff.

29 (c) An agency authorized to transact business and exercise powers un-
30 der this chapter shall file, with the local governing body, on or be-
31 fore March 31 of each year a report of its activities for the preced-
32 ing calendar year, which report shall include ~~a complete the financial~~
33 ~~statement setting forth its assets, liabilities, income and operating~~
34 ~~expense as of the end of such calendar year~~ data and audit reports re-
35 quired under sections 67-1075 and 67-1076, Idaho Code. The agency shall
36 be required to hold a public meeting to report these findings and take
37 comments from the public. At the time of filing the report, the agency
38 shall publish in a newspaper of general circulation in the community a
39 notice to the effect that such report has been filed with the munici-
40 pality and the state controller and that the report is available for in-
41 spection during business hours in the office of the city clerk or county
42 recorder and, in the office of the agency, and at all times on the web-
43 site of the state controller.

44 (d) An urban renewal agency shall have the same fiscal year as a mu-
45 nicipality and shall be subject to the same audit requirements as a mu-
46 nicipality. An urban renewal agency shall be required to prepare and
47 file with its local governing body an annual financial report and shall
48 prepare, approve, and adopt an annual budget for filing with the local
49 governing body, for informational purposes. A budget means an annual

1 estimate of revenues and expenses for the following fiscal year of the
2 agency.

3 (e) An urban renewal agency shall comply with the public records law
4 pursuant to chapter 1, title 74, Idaho Code, open meetings law pursuant to
5 chapter 2, title 74, Idaho Code, the ethics in government law pursuant to
6 chapter 4, title 74, Idaho Code, and the competitive bidding provisions of
7 chapter 28, title 67, Idaho Code.

8 SECTION 18. That Section 67-450C, Idaho Code, be, and the same is hereby
9 amended to read as follows:

10 67-450C. INDEPENDENT FINANCIAL AUDITS OF AFFILIATED ORGANIZATIONS
11 TO STATE GOVERNMENTAL AGENCIES OR ENTITIES -- FILING REQUIREMENTS. (1) The
12 requirements set forth in ~~this~~ section 67-450B(2), Idaho Code, are minimum
13 audit requirements for all affiliated organizations to state governmental
14 entities, and include, without limitation, all state departments, commis-
15 sions, institutions, colleges, or universities, ~~which are~~ created pursuant
16 to statute or the constitution and ~~which~~ that receive an appropriation from
17 the legislature.

18 (2) As used in this section, "affiliated organization" means an organ-
19 ization affiliated with an agency or entity of state government ~~which~~ that
20 meets all of the following criteria:

21 (a) The organization has separate legal standing, where neither direct
22 association through appointment of a voting majority of the organiza-
23 tion's body nor fiscal dependency exists;i

24 (b) The affiliation with a specific primary state government agency or
25 entity is set forth in the organization's articles of incorporation by
26 reference to the name of the primary state government agency or entity
27 in describing the purposes for which the organization was established;i

28 and

29 (c) The affiliation with a specific primary state government agency or
30 entity is set forth in the organization's application to the internal
31 revenue service for exemption for payment of federal income tax pur-
32 suant to the ~~Internal Revenue Code~~ by reference to the name of the
33 primary government in response to any of the questions contained in the
34 exemption application, and the organization has been granted that ex-
35 emption.

36 (3) Audits under these requirements are to be performed by independent
37 auditors in accordance with generally accepted governmental auditing stan-
38 dards, as defined by the United States general accounting office. The audi-
39 tor shall be employed on written contract.

40 (4) The affiliated organization's governing body shall be required to
41 include in its annual budget all necessary expenses for carrying out the pro-
42 visions of this section.

43 (5) The affiliated organization shall file one (1) copy of each com-
44 pleted audit report with the legislative services office within nine (9)
45 months after the end of the audit period.

46 ~~(2) The minimum requirements for any audit performed under the provi-~~
47 ~~sions of this section are:~~

48 ~~(a) The governing body of an affiliated organization whose annual ex-~~
49 ~~penditures (from all sources) exceeds two hundred fifty thousand dol-~~

1 ~~lars (\$250,000) shall cause a full and complete audit of its financial~~
 2 ~~statements to be made each fiscal year.~~

3 ~~(b) The governing body of an affiliated organization whose annual~~
 4 ~~expenditures (from all sources) exceed one hundred thousand dollars~~
 5 ~~(\$100,000), but do not exceed two hundred fifty thousand dollars~~
 6 ~~(\$250,000) may elect to have its financial statements audited on a bi-~~
 7 ~~ennial basis and may continue biennial auditing cycles in subsequent~~
 8 ~~years as long as the organization's annual expenditures do not exceed~~
 9 ~~two hundred fifty thousand dollars (\$250,000) during either year of any~~
 10 ~~biennial period. Biennial audits shall include an audit of each fiscal~~
 11 ~~year since the previous audit.~~

12 ~~(c) The governing body of an affiliated organization whose annual ex-~~
 13 ~~penditures (from all sources) do not exceed one hundred thousand dol-~~
 14 ~~lars (\$100,000) has no minimum audit requirements under this section.~~

15 ~~(d) Federal audit requirements applicable because of expenditure~~
 16 ~~of federal assistance supersede the minimum audit requirements provided~~
 17 ~~referenced in subsection (1) of this section.~~

18 SECTION 19. That Section 67-450D, Idaho Code, be, and the same is hereby
 19 amended to read as follows:

20 67-450D. INDEPENDENT FINANCIAL AUDITS -- DESIGNATED ENTI-
 21 TIES. (1) Notwithstanding any other provisions of the Idaho Code relating
 22 to audit requirements regarding the entities ~~hereinafter~~ designated in
 23 this section, beginning on July 1, 201~~0~~21, the requirements set forth in
 24 ~~this section 67-450B(2), Idaho Code,~~ shall constitute the minimum audit
 25 requirements for the following entities:

- 26 (a) Alfalfa and clover seed commission;
- 27 (b) Idaho apple commission;
- 28 (c) Idaho barley commission;
- 29 (d) Idaho bean commission;
- 30 (e) Idaho beef council;
- 31 (f) Idaho cherry commission;
- 32 (g) Idaho dairy products commission;
- 33 (h) Idaho food quality assurance institute;
- 34 (i) Idaho forest products commission;
- 35 (j) Idaho grape growers and wine producers commission;
- 36 (k) Idaho honey commission;
- 37 (l) Idaho hop grower's commission;
- 38 (m) Idaho mint commission;
- 39 (n) Idaho oilseed commission;
- 40 (o) Idaho pea and lentil commission;
- 41 (p) Idaho potato commission;
- 42 (q) Idaho rangeland resource commission; and
- 43 (r) Idaho wheat commission.

44 ~~(2) The minimum requirements for any audit performed under the provi-~~
 45 ~~sions of this section are:~~

46 ~~(a) Any entity whose annual expenditures (from all sources) exceed two~~
 47 ~~hundred fifty thousand dollars (\$250,000) shall cause a full and com-~~
 48 ~~plete audit of its financial statements to be made each fiscal year.~~

1 ~~(b) Any entity whose annual expenditures (from all sources) exceed~~
 2 ~~one hundred thousand dollars (\$100,000), but do not exceed two hundred~~
 3 ~~fifty thousand dollars (\$250,000), in the current year shall have an~~
 4 ~~annual audit or may elect to have its financial statements audited on~~
 5 ~~a biennial basis. The first year that expenditures exceed one hundred~~
 6 ~~thousand dollars (\$100,000) is the first year of the biennial audit~~
 7 ~~period. The designated entity may continue the biennial audit cycle in~~
 8 ~~subsequent years as long as the entity's annual expenditures during the~~
 9 ~~first year of the biennial audit period do not exceed two hundred fifty~~
 10 ~~thousand dollars (\$250,000). In the event that annual expenditures ex-~~
 11 ~~ceed two hundred fifty thousand dollars (\$250,000) in the current year~~
 12 ~~following a year in which a biennial audit was completed, the designated~~
 13 ~~entity shall complete an annual audit. In the event that annual expen-~~
 14 ~~ditures in the current year do not exceed one hundred thousand dollars~~
 15 ~~(\$100,000) following a year in which an annual or biennial audit was~~
 16 ~~completed, the designated entity has no minimum audit requirement.~~

17 ~~(c) Any entity whose annual expenditures (from all sources) do not ex-~~
 18 ~~ceed one hundred thousand dollars (\$100,000) has no minimum audit re-~~
 19 ~~quirements under the provisions of this section.~~

20 ~~(d) Federal audit requirements applicable because of expenditure of~~
 21 ~~federal assistance supersede the minimum audit requirements provided in~~
 22 ~~referenced in subsection (1) of this section.~~

23 (3) All moneys received or expended by the entities identified in sub-
 24 section (1) of this section shall be audited as ~~specified in subsection (2)~~
 25 ~~of this section~~ by a certified public accountant designated by the entity,
 26 who shall furnish a copy of such audit to the ~~director of the legislative ser-~~
 27 ~~vices office~~ local governmental entities central registry pursuant to sec-
 28 tion 67-1076, Idaho Code, and to the senate agricultural affairs committee
 29 and the house of representatives agricultural affairs committee. The audit
 30 shall be completed within ninety (90) days following the close of the commis-
 31 sion's fiscal year.

32 (4) Any entity identified in subsection (1) of this section that is not
 33 audited pursuant to the provisions of this section shall submit an unaudited
 34 annual statement of revenues, expenditures, and fund balances ~~to the direc-~~
 35 ~~tor of the legislative services office,~~ to the senate agricultural affairs
 36 committee and the house of representatives agricultural affairs committee,
 37 to the state controller, and to the division of financial management.

38 (5) The right is reserved to the state of Idaho to audit the funds of the
 39 entities identified in this section at any time.

40 SECTION 20. That Section 67-702, Idaho Code, be, and the same is hereby
 41 amended to read as follows:

42 67-702. AUDIT FUNCTION OF LEGISLATIVE SERVICES OFFICE. (1) The leg-
 43 islative services office at the direction of the legislative council has au-
 44 thority to:

45 (a) Perform an annual audit of the statewide annual financial report
 46 prepared by the state controller in accordance with generally accepted
 47 government auditing standards-;

1 (b) Perform an annual audit of federal financial assistance provided
 2 to the state that meets the requirements established by the federal gov-
 3 ernment-;

4 (c) Perform a management review of each executive department of state
 5 government at least once in a three (3) year period. Management reviews
 6 shall cover the period since the last review and may include evaluation
 7 of internal controls over financial and program activities and other
 8 matters related to the department's operations-;

9 (d) Provide audit services to any unit of state government or public
 10 institution that requests services, if authorized by the legislative
 11 council-;

12 (e) Report to the attorney general all facts ~~which~~ that may indicate
 13 malfeasance, illegal expenditure of public funds, or misappropriation
 14 of public funds or public property for such investigation or action,
 15 civil or criminal, as the attorney general may deem necessary. The
 16 governor and state controller shall also be notified when the report is
 17 made to the attorney general pursuant to this subsection. The legis-
 18 lature shall be informed through the regular audit process pursuant to
 19 section 67-429, Idaho Code-;

20 ~~Be the official repository of all audit reports of the state and~~
 21 ~~political subdivisions that are required to be audited pursuant to sec-~~
 22 ~~tions 67-450B and 67-450C, Idaho Code. Perform an audit of any local~~
 23 ~~governmental entity, as defined in section 67-1076, Idaho Code, at the~~
 24 ~~request of the legislative council or the committee on uniform account-~~
 25 ~~ing and transparency for local governmental entities established in~~
 26 ~~section 67-448, Idaho Code; and~~

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

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

36 SECTION 21. That Section 67-1001, Idaho Code, be, and the same is hereby
 37 amended to read as follows:

38 67-1001. DUTIES OF CONTROLLER. It is the duty of the state controller:

39 (1) To superintend the fiscal concerns of the state, with its account-
 40 ing, informational, payroll, and related data processing services.

41 (2) To deliver to the governor and the legislative services office on or
 42 before the first day of January, a financial statement, ~~which~~ that complies
 43 with generally accepted accounting principles, of the funds of the state,
 44 its revenues, and of the public expenditures during the preceding fiscal
 45 year.

46 (3) When requested, to give information in writing to either house of
 47 the legislature relating to the fiscal affairs of the state or the duties of
 48 his office.

1 (4) To suggest plans and provide internal control standards for the im-
2 provement and management of the public revenues, assets, expenditures, and
3 liabilities.

4 (5) To keep and state all accounts in which the state is interested.

5 (6) To keep an account of all warrants drawn upon the treasurer, and a
6 separate account under the head of each specified appropriation, showing at
7 all times the unexpended balance of such appropriation.

8 (7) To keep an account between the state and the treasurer, and therein
9 to charge the treasurer with the balance in the treasury when he came into of-
10 fice, and with all moneys received by him, and to credit him with all warrants
11 drawn on and paid by him.

12 (8) To keep a register of warrants, showing the fund or funds upon which
13 they are drawn, the number, in whose favor, the appropriation applicable to
14 the payment thereof, and when the liability accrued.

15 (9) To examine and settle the accounts of all persons indebted to the
16 state.

17 (10) In his discretion, to require any person presenting an account for
18 settlement to be sworn before him, and to answer, orally or in writing, as to
19 any facts relating to it the account for settlement.

20 (11) To require all persons who have received any moneys belonging to
21 the state, and have not accounted therefor, to settle their accounts.

22 (12) To account for the collection of all moneys due the state, not the
23 responsibility of any other agency and institute suits in its name for all
24 official delinquencies in relation to assessment, collection and payment of
25 the revenue, and against persons who by any means have become possessed of
26 public money or property and fail to pay over or deliver the same, and against
27 all debtors of the state, of which suits the courts of Ada County have juris-
28 diction, without regard to the residence of the defendants.

29 (13) To draw warrants on the treasurer for the payment of moneys di-
30 rected by law to be paid out of the treasury; but no warrant must be drawn
31 unless authorized by law.

32 (14) To furnish the state treasurer with a daily total dollar amount,
33 by fund, and/or account when requested by the state treasurer, of warrants
34 drawn upon the treasury.

35 (15) To authenticate with his signature, his electronic signature, or
36 his facsimile signature all warrants drawn by him, and all copies of official
37 documents issued from his office.

38 (16) To charge the state treasurer with money and evidences of indebted-
39 ness received from, and to credit him for money drawn by, the state board of
40 land commissioners in the moneys or accounts over which said board has con-
41 trol.

42 (17) To act ex officio as member of the state board of canvassers and
43 state board of land commissioners, secretary of the state board of examin-
44 ers, and participant in other organizations in the performance of such du-
45 ties as prescribed by law for such officer.

46 (18) To create and establish such divisions and other administrative
47 units within the office as necessary.

48 (19) To be the official repository of all audit reports of the state and
49 political subdivisions that are required to be audited pursuant to sections
50 67-450B, 67-450C, and 67-450D, Idaho Code.

1 SECTION 22. Sections 1 through 4 and Sections 7 through 21 of this act
2 shall be in full force and effect on and after July 1, 2021. Sections 5 and 6
3 of this act shall be in full force and effect on and after January 1, 2022.