

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 402

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO NONCOGNIZABLE FUNDS; AMENDING SECTION 67-3516, IDAHO CODE,  
2 TO REVISE PROVISIONS REGARDING THE EXPENDITURE OF CERTAIN FUNDS; AND  
3 DECLARING AN EMERGENCY.  
4

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

6 SECTION 1. That Section 67-3516, Idaho Code, be, and the same is hereby  
7 amended to read as follows:

8 67-3516. APPROPRIATION ACTS DEEMED FIXED BUDGETS -- RATE OF EXPENDI-  
9 TURE. (1) Appropriation acts when passed by the legislature of the state of  
10 Idaho, and spending authority made thereunder, whether the appropriation is  
11 fixed or continuing, are fixed budgets beyond which state officers, depart-  
12 ments, bureaus and institutions may not expend.

13 (2) Funds available to any agency from sources other than state funds,  
14 if not cognizable at the time when appropriations were made whether state  
15 fiscal liability is increased or not, must have prior approval of the ad-  
16 ministrator of the division of financial management and the board of exam-  
17 iners in order that funds may be expended, except those funds received under  
18 such conditions that preclude approval by the administrator of the division  
19 and/or the board of examiners.

20 (3) Receipts from the sale of capital outlay items and insurance claim  
21 settlements may, with the approval of the division of financial management,  
22 be included as an increase to an agency's appropriation and must be identi-  
23 fied at an object code level. Expenditure of such receipts must be for cap-  
24 ital outlay items, except in the case of a sale of a motor vehicle, which,  
25 notwithstanding section 67-3511(3), Idaho Code, may be transferred to op-  
26 erating expenditures with the approval of the division of financial manage-  
27 ment.

28 (34) One state agency may bill another state agency for goods and ser-  
29 vices, provided the billing agency receives prior approval in writing from  
30 the billed agency or such billing is provided for by law. This process will  
31 be known as interagency billing to which the following rules will apply:

32 (a) The state controller will treat interagency receipts as revenue and  
33 not classify such revenue as a reduction of the expenditures of the re-  
34 ceiving agency. Interagency billing credits for all funds shall be de-  
35 posited to the appropriate fund of that agency.

36 (b) Interagency receipts may be expended by the collecting agency to  
37 the extent that authority to do so has been requested and approved by the  
38 legislature through an appropriation.

39 (c) The agency which is billed for the goods and services shall clas-  
40 sify, treat and account for such expenses in the same manner as if such  
41 expenses had been paid by warrant and may encumber unexpended balances  
42 to liquidate known or anticipated interagency billing expenses at the

1 end of a fiscal year. The state controller shall provide for the method  
2 of liquidation of these encumbrances.

3 (45) State agencies selling goods, products, and services to another  
4 state agency must use the interagency process detailed by subsection (34) of  
5 this section. State agencies, departments and institutions may sell goods,  
6 products, and services to the public and/or other political entities. These  
7 cash receipts may be expended according to the following rules:

8 (a) The state controller will classify these moneys as receipts.

9 (b) Receipts for all funds shall be deposited to the appropriate fund of  
10 that agency.

11 (c) The collecting agency may expend all such receipts only to the ex-  
12 tent that authority to do so has been requested and approved by the leg-  
13 islature through an appropriation, except receipts received by agen-  
14 cies under the circumstances cited in subsection (23) of this section.

15 (6) Notwithstanding any other provision of law, the provisions of sub-  
16 section (2) of this section shall not apply to the period from May 1, 2021,  
17 through the adjournment sine die of the second regular session of the sixty-  
18 sixth Idaho legislature, unless:

19 (a) The funds are received under such conditions that preclude approval  
20 by the administrator of the division and/or the board of examiners; or

21 (b) The funds are federal funds pursuant to the federal/state agree-  
22 ments program for the Idaho military division of the office of the gov-  
23 ernor, provided such federal funds are not governed by the provisions  
24 of Senate Bill No. 1204 as enacted by the first regular session of the  
25 sixty-sixth Idaho legislature.

26 SECTION 2. An emergency existing therefor, which emergency is hereby  
27 declared to exist, this act shall be in full force and effect on and after its  
28 passage and approval.