

IN THE SENATE

SENATE BILL NO. 1204

BY FINANCE COMMITTEE

AN ACT

1 RELATING TO AMERICAN RESCUE PLAN FUNDS; AMENDING CHAPTER 35, TITLE 67, IDAHO
2 CODE, BY THE ADDITION OF A NEW SECTION 67-3533, IDAHO CODE, TO DECLARE
3 FEDERAL AMERICAN RESCUE PLAN ACT OF 2021 FUNDS COGNIZABLE AND TO PROVIDE
4 LEGISLATIVE INTENT; AMENDING CHAPTER 35, TITLE 67, IDAHO CODE, BY THE
5 ADDITION OF A NEW SECTION 67-3534, IDAHO CODE, TO ESTABLISH THE AMERI-
6 CAN RESCUE PLAN FUND; AMENDING CHAPTER 35, TITLE 67, IDAHO CODE, BY THE
7 ADDITION OF A NEW SECTION 67-3535, IDAHO CODE, TO ESTABLISH THE AMERICAN
8 RESCUE PLAN COST RECOVERY FUND; AND DECLARING AN EMERGENCY.
9

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

11 SECTION 1. That Chapter 35, Title 67, Idaho Code, be, and the same is
12 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
13 ignated as Section 67-3533, Idaho Code, and to read as follows:

14 67-3533. FEDERAL AMERICAN RESCUE PLAN ACT OF 2021 -- COGNIZABLE
15 FUNDS -- LEGISLATIVE INTENT. (1) Notwithstanding the provisions of section
16 67-3516(2), Idaho Code, or any other law to the contrary, all federal funding
17 made available to Idaho state agencies originating from the federal American
18 rescue plan act of 2021 (ARPA), P.L. 117-2, is hereby declared cognizable,
19 is not subject to the provisions of section 67-3516(2), Idaho Code, and re-
20 quires legislative appropriation for expenditure by any Idaho state agency.

21 (2) With respect to the discretionary funds provided to the state un-
22 der ARPA, including the coronavirus state fiscal recovery fund and the coro-
23 navirus capital projects fund, it is the intent of the legislature that, in
24 addition to any other applicable law and guidance, the following principles
25 shall govern the appropriation and expenditure of such funds:

26 (a) ARPA funds are borrowed from our grandchildren. To the extent al-
27 lowable under law, the state should make long-range investments with
28 ARPA funds that will benefit our grandchildren.

29 (b) In accordance with section 67-1917, Idaho Code, and the principle
30 that onetime funding should be used for onetime expenditures, state
31 agencies receiving ARPA funds shall plan for the reduction of these fed-
32 eral funds to avoid creating ongoing obligations that are shifted to the
33 general fund after the federal funds are depleted.

34 (c) The use of ARPA funds should not impede or inhibit the state's con-
35 stitutional mandate to provide for a balanced budget for the people of
36 Idaho. ARPA funds should be used to maintain a long-term, structurally
37 balanced budget such that ongoing revenue should exceed ongoing ex-
38 penses. ARPA funds should also be used to lower the state's capital
39 costs and deferred maintenance costs in the years ahead to the extent
40 permissible.

1 (d) ARPA funds should not duplicate other federal programs under which
2 support is provided to specific industries or through specific pro-
3 grams.

4 (e) Local governments and state agencies receiving direct ARPA funds
5 from the federal government should use such direct funds as the dollars
6 of first resort and exhaust their direct funds before requesting assis-
7 tance from the coronavirus state fiscal recovery fund established under
8 ARPA. Local governments should partner with special purpose taxing dis-
9 tricts on addressing local needs from their local share of ARPA funds.

10 (f) Local governments receiving direct ARPA funds should use the funds
11 for infrastructure investments and allowable offsets that can reduce
12 the property tax burden that Idahoans will face into the future.

13 SECTION 2. That Chapter 35, Title 67, Idaho Code, be, and the same is
14 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
15 ignated as Section 67-3534, Idaho Code, and to read as follows:

16 67-3534. AMERICAN RESCUE PLAN FUND. There is hereby created in the
17 state treasury the American rescue plan fund. The fund shall be used to
18 account for receipts, disbursements, and reimbursements related to the fed-
19 eral American rescue plan act of 2021, P.L. 117-2, moneys received by the
20 state of Idaho. Moneys in the fund can be expended only after legislative ap-
21 propriation. Except as prohibited by law, the office of the state treasurer
22 shall invest idle moneys, and the fund shall retain its interest.

23 SECTION 3. That Chapter 35, Title 67, Idaho Code, be, and the same is
24 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
25 ignated as Section 67-3535, Idaho Code, and to read as follows:

26 67-3535. AMERICAN RESCUE PLAN COST RECOVERY FUND. There is hereby cre-
27 ated in the state treasury the American rescue plan cost recovery fund. The
28 fund shall be used to account for state costs allowable for reimbursement
29 pursuant to the federal American rescue plan act of 2021, P.L. 117-2. After
30 review of allowable costs, the division of financial management shall re-
31 quest the state controller to transfer an amount not to exceed the allowable
32 costs from the American rescue plan fund established in section 67-3534,
33 Idaho Code, to the American rescue plan cost recovery fund. Moneys in the
34 fund can be expended only after legislative appropriation. Except as pro-
35 hibited by law, the office of the state treasurer shall invest idle moneys,
36 and the fund shall retain its interest.

37 SECTION 4. An emergency existing therefor, which emergency is hereby
38 declared to exist, this act shall be in full force and effect on and after its
39 passage and approval.