

IN THE SENATE

SENATE BILL NO. 1163

BY JUDICIARY AND RULES COMMITTEE

AN ACT

1 RELATING TO PROVIDING MONEYS FOR HIGHWAY CONSTRUCTION AND MAINTENANCE; AP-  
2 PROVING GARVEE AND GENERAL BONDING AUTHORITY TO FINANCE CERTAIN HIGHWAY  
3 TRANSPORTATION PROJECTS; PROVIDING A DESCRIPTION OF PROJECTS TO BE  
4 FINANCED WITH BOND PROCEEDS; LIMITING THE SCOPE OF THE PROJECTS; PRO-  
5 VIDING A REQUIREMENT REGARDING A GARVEE PROGRAM MANAGEMENT SERVICES  
6 AGREEMENT; PROVIDING FOR ISSUANCE OF GARVEE BONDS; PROVIDING THAT  
7 BONDS BE ISSUED WHEN NECESSARY; AMENDING SECTION 40-315, IDAHO CODE,  
8 TO REMOVE AN ELIGIBLE PROJECT; AMENDING SECTION 40-701, IDAHO CODE, TO  
9 PROVIDE FOR MONEYS FROM THE STRATEGIC INITIATIVES PROGRAM AND TO RE-  
10 MOVE MONEYS GOING TO THE LAW ENFORCEMENT FUND; AMENDING SECTION 40-719,  
11 IDAHO CODE, TO REVISE DISTRIBUTION FROM THE STRATEGIC INITIATIVES PRO-  
12 GRAM AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 57-814, IDAHO  
13 CODE, TO REVISE WHEN A TRANSFER IS MADE; AMENDING SECTION 17, CHAPTER  
14 341, LAWS OF 2015, TO EXTEND A SUNSET DATE FOR FIVE ADDITIONAL YEARS;  
15 AMENDING CHAPTER 36, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SEC-  
16 TION 63-3622VV, IDAHO CODE, TO PROVIDE AN EXEMPTION FROM THE SALES OR  
17 USE TAX ON CERTAIN MATERIALS USED IN CONNECTION WITH A PUBLIC ROAD, TO  
18 PROVIDE EXCEPTIONS AND TO DEFINE TERMS; AND AMENDING SECTION 63-3638,  
19 IDAHO CODE, TO REVISE THE REVENUE SHARING PERCENTAGE, TO PROVIDE FOR  
20 A DISTRIBUTION TO THE LAW ENFORCEMENT FUND AND THE HIGHWAY DISTRIBUTION  
21 ACCOUNT; PROVIDING FOR A PERFORMANCE EVALUATION OF LOCAL HIGHWAY  
22 TECHNICAL ASSISTANCE COUNCIL; PROVIDING SEVERABILITY; DECLARING AN  
23 EMERGENCY AND PROVIDING AN EFFECTIVE DATE.  
24

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

26 SECTION 1. The Legislature hereby approves bonding authority for the  
27 issuance of highway transportation (GARVEE) bonds by the Idaho Housing and  
28 Finance Association in a principal amount sufficient to finance new con-  
29 struction of the highway transportation projects listed in Section 40-315,  
30 Idaho Code, in an amount up to \$300,000,000. Moneys may be expended only on  
31 the original corridors enumerated in Section 40-315, Idaho Code. Such bonds  
32 are expected to be paid from continuing appropriations of federal funds from  
33 the State Highway Account as provided in Section 40-707, Idaho Code.

34 SECTION 2. The Legislature hereby approves bonding authority for the  
35 issuance of highway transportation bonds by the Idaho Housing and Finance  
36 Association in a principal amount sufficient to finance the highway trans-  
37 portation projects listed in Section 40-315, Idaho Code, in an amount up to  
38 \$200,000,000 for new highway construction projects. Such bonds are expected  
39 to be paid from continuing appropriations of funds from the State Highway Ac-  
40 count as provided in Section 40-707, Idaho Code, and as may otherwise be pro-  
41 vided by law.

1 SECTION 3. The Legislature finds that the bonding authority provided  
2 in Section 1 of this act shall be used in a manner that does not obligate fu-  
3 ture legislatures or governors for additional bonding authority. The bond-  
4 ing authorized in Section 1 of this act shall be used to finance projects de-  
5 scribed in Section 40-315, Idaho Code. The bonding authorized in Section 2  
6 of this act may be used for projects described in Section 40-315, Idaho Code,  
7 or the board may select and designate new construction projects for highway  
8 and bridge construction to provide commerce opportunities, highway safety  
9 and reduction of traffic congestion and expansion. The Idaho Transportation  
10 Board shall allocate bond proceeds to any project or projects it approves.

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

15 SECTION 5. To the extent the Idaho Transportation Board and the Idaho  
16 Transportation Department determine that GARVEE program management ser-  
17 vices are necessary, any agreement governing such services shall, to the  
18 extent possible, be fully transparent to the public and to the Legislature.

19 SECTION 6. The bonds issued under the authority provided in Sections  
20 1 and 2 of this act shall be issued upon an approved resolution by the Idaho  
21 Transportation Board requesting the Idaho Housing and Finance Association  
22 to issue bonds in amounts necessary to ensure that: the funds are neces-  
23 sary to meet program obligation requirements; the funds will be used and  
24 disbursed in accordance with United States Treasury regulations to ensure  
25 tax-exempt status is retained; and the bonds are issued at prevailing market  
26 rates of interest. It is the request of the Legislature that the issuance is  
27 dependent upon advantageous market rates and costs of bonding transactions.  
28 The board and the department may use design build contracting as provided by  
29 law, however, the twenty percent requirement in Section 40-904, Idaho Code,  
30 may be raised to fifty percent for purposes of projects financed with these  
31 bonds.

32 SECTION 7. The bonds described herein in Sections 1 and 2 shall be is-  
33 sued when necessary as determined by the Idaho Transportation Board.

34 SECTION 8. That Section 40-315, Idaho Code, be, and the same is hereby  
35 amended to read as follows:

36 40-315. POWERS AND DUTIES -- FEDERALLY-FUNDED HIGHWAY PROJECT FINANC-  
37 ING. (1) In order to address the increasing need for timely improvements to  
38 Idaho's highway transportation infrastructure, the board may:

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

42 (b) Approve and recommend federal highway transportation projects to  
43 the Idaho housing and finance association for financing by the associ-  
44 ation. Such federal highway transportation projects shall be eligible  
45 for federal-aid debt financing under chapter 1, title 23, United States

1 Code, and approval by the federal highway administration as an advanced  
 2 construction (AC) project thereunder. The board shall select and des-  
 3 ignate such transportation projects to be funded with bond proceeds  
 4 from the following list of eligible projects:

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

20 (c) On and after July 1, 2008, all allocations of GARVEE bond proceeds  
 21 shall be the sole responsibility and duty of the Idaho transportation  
 22 board. The legislature shall have authority to approve a total GARVEE  
 23 bond amount on an annual basis. However, the Idaho transportation board  
 24 is directed to allocate bond revenue only among the projects listed in  
 25 subsection (1) (b) of this section. In making its funding allocation  
 26 for projects, the board shall take into consideration: the cost of the  
 27 project and whether or not that project could be financed without bond-  
 28 ing; whether the project is necessary to facilitate the traffic flow on  
 29 vital transportation corridors; and whether the project is necessary  
 30 to improve safety for the traveling public. On and after July 1, 2008,  
 31 the board shall use due care in selecting projects for bonding and shall  
 32 balance and coordinate the use of bonding with the use of highway con-  
 33 struction moneys.

34 Notwithstanding the provisions of subsection (1) (b) of this section wherein  
 35 eligible projects are listed for selection and designation by the board, if  
 36 any of the designated projects are deemed to be ineligible by the board, the  
 37 board shall have the authority to replace those projects with other projects  
 38 listed in subsection (1) (b) of this section.

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

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

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

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

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

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

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

21 (f) Beginning with the 2011 legislative session for the fiscal year  
 22 2012 budget, or for any year thereafter, the thirty percent (30%) limit  
 23 may be exceeded, but only by affirmative action of both the house of  
 24 representatives and the senate, and with the approval of the governor.

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

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

39 SECTION 9. That Section 40-701, Idaho Code, be, and the same is hereby  
 40 amended to read as follows:

41 40-701. HIGHWAY DISTRIBUTION ACCOUNT -- APPORTIONMENT. (1) There is  
 42 established in the state treasury an account known as the "Highway Distribu-  
 43 tion Account," to which shall be credited:

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

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

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

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

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

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

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

12 (3) All new revenues generated by increases in registration fees and  
13 fees on electric and hybrid vehicles pursuant to ~~the provisions of House Bill~~  
14 ~~No. 312, as amended in the Senate, as amended in the Senate, during the first~~  
15 ~~regular session of the sixty-third Idaho legislature~~ chapter 341, laws of  
16 2015, shall be apportioned as follows:

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

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

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

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

29 (6) No moneys may be expended from the highway distribution account un-  
30 til the state government proper authorities receive from local units of gov-  
31 ernment the required reports as provided in chapter 341, laws of 2015.

32 SECTION 10. That Section 40-719, Idaho Code, be, and the same is hereby  
33 amended to read as follows:

34 40-719. STRATEGIC INITIATIVES PROGRAM. (1) The Idaho transportation  
35 department shall establish and maintain a strategic initiatives program.  
36 The purpose of the program is to fund transportation projects that are pro-  
37 posed by the department's six (6) districts. Proposed projects shall com-  
38 pete for strategic initiative program selection and funding on a statewide  
39 basis based on an analysis of their return on investment in the following  
40 categories:

41 (a) Safety, including the projected reduction of crashes, injuries and  
42 fatalities;

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

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

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

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

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

3 (a) Notwithstanding the provisions of section 57-814, Idaho Code, the  
4 provisions of this paragraph shall only be in effect from the effective  
5 date of this act through May 31, 2017~~22~~. ~~The state controller shall~~  
6 ~~transfer fifty percent (50%) of any excess cash balance from the gen-~~  
7 ~~eral fund to the strategic initiatives program fund upon the financial~~  
8 ~~close of the current fiscal year subject to the following criteria:~~  
9 ~~When calculating any excess cash balance the state controller shall~~  
10 ~~first provide for the ending balance as determined by the legislative~~  
11 ~~record to be carried over into the next fiscal year, plus an amount suf-~~  
12 ~~ficient to cover encumbrances as approved by the division of financial~~  
13 ~~management, and an amount sufficient to cover any reappropriation as~~  
14 ~~authorized by the legislature~~ After the close of the fiscal year, the  
15 state controller shall determine any excess cash balance in the general  
16 fund. When calculating any excess cash balance the state controller  
17 shall first provide for the ending balance as determined by the legisla-  
18 tive record to be carried over into the next fiscal year, plus an amount  
19 sufficient to cover encumbrances as approved by the division of finan-  
20 cial management, and an amount sufficient to cover any reappropriation  
21 as authorized by the legislature. On July 1, or as soon thereafter as is  
22 practicable, the state controller shall transfer fifty percent (50%)  
23 of any general fund excess to the strategic initiatives fund. Moneys  
24 in the program shall be split sixty percent (60%) to the state highway  
25 account and forty percent (40%) to be distributed pursuant to the provi-  
26 sions of section 40-709, Idaho Code.

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

29 Interest earned on the investment of idle moneys in the fund shall be paid  
30 to the fund. All moneys in the fund shall be used for funding the strategic  
31 initiatives program.

32 SECTION 11. That Section 57-814, Idaho Code, be, and the same is hereby  
33 amended to read as follows:

34 57-814. BUDGET STABILIZATION FUND. (1) There is hereby created in the  
35 state treasury the budget stabilization fund for the purpose of meeting gen-  
36 eral fund revenue shortfalls and to meet expenses incurred as the result of  
37 a major disaster declared by the governor. All moneys in the budget reserve  
38 account at the date of approval of this act shall be transferred to the budget  
39 stabilization fund. Interest earnings from the investment of moneys in this  
40 fund by the state treasurer shall be credited to the permanent building ac-  
41 count subject to the provisions of section 67-1210, Idaho Code.

42 (2) Subject to the requirements of section 63-3203, Idaho Code, the  
43 state controller shall annually transfer moneys from the general fund to  
44 the budget stabilization fund if the state controller certifies that the  
45 receipts to the general fund for the fiscal year just ending have exceeded  
46 the receipts of the previous fiscal year by more than four percent (4%), then  
47 the state controller shall transfer all general fund collections in excess  
48 of said four percent (4%) to the budget stabilization fund, up to a maximum of  
49 one percent (1%) of the actual general fund collections of the prior fiscal

1 year. The state controller shall make the transfer upon the financial close  
2 of the current fiscal year.

3 ~~(3) The state controller shall transfer fifty percent (50%) of any ex-~~  
4 ~~cess cash balance from the general fund to the budget stabilization fund upon~~  
5 ~~the financial close of the current fiscal year subject to the following cri-~~  
6 ~~teria: When calculating any excess cash balance the state controller shall~~  
7 ~~first provide for the ending balance as determined by the legislative record~~  
8 ~~to be carried over into the next fiscal year, plus an amount sufficient to~~  
9 ~~cover encumbrances as approved by the division of financial management, and~~  
10 ~~an amount sufficient to cover any reappropriation as authorized by the leg-~~  
11 ~~islature After the close of the fiscal year, the state controller shall de-~~  
12 ~~termine any excess cash balance in the general fund. When calculating any~~  
13 ~~excess cash balance the state controller shall first provide for the end-~~  
14 ~~ing balance as determined by the legislative record to be carried over into~~  
15 ~~the next fiscal year, plus an amount sufficient to cover encumbrances as ap-~~  
16 ~~proved by the division of financial management, and an amount sufficient to~~  
17 ~~cover any reappropriation as authorized by the legislature. On July 1, or as~~  
18 ~~soon thereafter as is practicable, the state controller shall transfer fifty~~  
19 ~~percent (50%) of any general fund excess to the budget stabilization fund.~~

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

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

27 SECTION 12. That Section 17, Chapter 341, Laws of 2015, be, and the same  
28 is hereby amended to read as follows:

29 SECTION 17. An emergency existing therefor, which emergency is  
30 hereby declared to exist, Sections 6 and 7 of this act shall be in  
31 full force and effect on and after passage and approval. Sections  
32 1, 2, 3, 4, 5, 10, 11, 12, 13, 14, 15 and 16 of this act shall be in  
33 full force and effect on and after July 1, 2015. Section 7 of this  
34 act shall be null, void and of no force and effect on and after May  
35 31, 2017~~22~~. Sections 8 and 9 of this act shall be in full force and  
36 effect on and after May 31, 2017~~22~~.

37 SECTION 13. That Chapter 36, Title 63, 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 63-3622VV, Idaho Code, and to read as follows:

40 63-3622VV. MATERIALS USED FOR PUBLIC ROADS. (1) There is exempted from  
41 the taxes imposed by this chapter, sales of materials to a contractor or ma-  
42 terials used by a contractor, regardless of whether the materials become a  
43 component of real property or improvement or fixture thereto, when all of the  
44 following conditions are met:

45 (a) The materials become part of a public road;

1 (b) The materials are used under a contract with a federal, state,  
2 county or city government entity or any political subdivision or agency  
3 of such government entity, including contracts for projects qualifying  
4 under section 63-3641, Idaho Code; and

5 (c) Upon completion of the contract, the materials become the property  
6 of a federal, state, county or city governmental entity or any political  
7 subdivision or agency of such governmental entity.

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

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

11 (b) Any materials used by a private entity to develop any part of a pub-  
12 lic road that has not yet been dedicated to the public;

13 (c) Any materials that remain the property of public utilities as de-  
14 fined in section 61-129, Idaho Code, or any other nongovernmental enti-  
15 ties;

16 (d) Materials that become part of a water or sewer system; and

17 (e) Materials that a contractor consumes in the performance of a con-  
18 tract that are not intended to become part of a public road.

19 (3) As used in this section, "public road" means a public highway, pub-  
20 lic right-of-way, public street, traffic-control device, facility or road  
21 sign in Idaho under the jurisdiction of a public highway agency or interstate  
22 highway.

23 (4) As used in this section, the terms "facility," "interstate high-  
24 way," "public highway," "public highway agency," "public right-of-way" and  
25 "public street" are as defined in chapter 1, title 40, Idaho Code, and the  
26 term "traffic-control device" is as defined in section 49-121, Idaho Code.

27 SECTION 14. That Section 63-3638, Idaho Code, be, and the same is hereby  
28 amended to read as follows:

29 63-3638. SALES TAX -- DISTRIBUTION. All moneys collected under this  
30 chapter, except as may otherwise be required in sections 63-3203 and  
31 63-3709, Idaho Code, shall be distributed by the state tax commission as  
32 follows:

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

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

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

43 (4) An amount equal to the sum required to be certified by the chair-  
44 man of the Idaho housing and finance association to the state tax commis-  
45 sion pursuant to section 67-6211, Idaho Code, in each year is continuously  
46 appropriated and shall be paid to any capital reserve fund, established by  
47 the Idaho housing and finance association pursuant to section 67-6211, Idaho  
48 Code. Such amounts, if any, as may be appropriated hereunder to the capital  
49 reserve fund of the Idaho housing and finance association shall be repaid for



1 distribution under the provisions of this section, subject to the provisions  
 2 of section 67-6215, Idaho Code, by the Idaho housing and finance associa-  
 3 tion, as soon as possible, from any moneys available therefor and in excess  
 4 of the amounts which the association determines will keep it self-support-  
 5 ing.

6 (5) An amount equal to the sum required by the provisions of sections  
 7 63-709 and 63-717, Idaho Code, after allowance for the amount appropriated  
 8 by section 63-718(3), Idaho Code, is continuously appropriated and shall be  
 9 paid as provided by sections 63-709 and 63-717, Idaho Code.

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

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

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

34 (9) One dollar (\$1.00) on each application for certificate of title  
 35 or initial application for registration of a motor vehicle, snowmobile,  
 36 all-terrain vehicle or other vehicle processed by the county assessor or the  
 37 Idaho transportation department excepting those applications in which any  
 38 sales or use taxes due have been previously collected by a retailer, shall be  
 39 a fee for the services of the assessor of the county or the Idaho transporta-  
 40 tion department in collecting such taxes, and shall be paid into the current  
 41 expense fund of the county or state highway account established in section  
 42 40-702, Idaho Code.

43 (10) ~~Eleven~~ Twelve and five-tenths percent (~~11~~12.5%) is continuously  
 44 appropriated and shall be distributed to the revenue sharing account which  
 45 is created in the state treasury, and the moneys in the revenue sharing ac-  
 46 count will be paid in installments each calendar quarter by the state tax  
 47 commission as follows:

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

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

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

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

12 (i) One million three hundred twenty thousand dollars  
13 (\$1,320,000) annually shall be distributed one forty-fourth  
14 (1/44) to each of the various counties; and

15 (ii) The balance of such amount shall be paid to the various coun-  
16 ties, and each county shall be entitled to an amount in the propor-  
17 tion that the population of that county bears to the population of  
18 the state;

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

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

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

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

36 (iv) If the dollar amount of money available under this subsection  
37 (10) (c) in any quarter exceeds one hundred five percent (105%) of  
38 the total payment made in the fourth quarter of calendar year 1999,  
39 any amount over and above such one hundred five percent (105%)  
40 shall be paid fifty percent (50%) to the various cities in the pro-  
41 portion that the population of the city bears to the population of  
42 all cities within the state, and fifty percent (50%) to the various  
43 counties in the proportion that the population of a county bears to  
44 the population of the state; and

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

48 (i) Each such district which received a payment under the pro-  
49 visions of section 63-3638 (e), Idaho Code, as such subsection ex-  
50 isted immediately prior to July 1, 2000, during the fourth quarter

1 of calendar year 1999, shall be entitled to a like amount during  
2 succeeding calendar quarters.

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

7 (iii) If the dollar amount of money available under this subsec-  
8 tion (10) (d) in any quarter exceeds the amount distributed under  
9 paragraph (i) of this subsection (10) (d), each special purpose  
10 taxing district shall be entitled to a share of the excess based on  
11 the proportion each such district's current property tax budget  
12 bears to the sum of the current property tax budgets of all such  
13 districts in the state. The state tax commission shall calculate  
14 district current property tax budgets to include any unrecovered  
15 foregone amounts as determined under section 63-802(1) (e), Idaho  
16 Code. When a special purpose taxing district is situated in more  
17 than one (1) county, the state tax commission shall determine the  
18 portion attributable to the special purpose taxing district from  
19 each county in which it is situated.

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

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

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

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

35 (11) Amounts calculated in accordance with section 2, chapter 356, laws  
36 of 2001, for annual distribution to counties and other taxing districts be-  
37 ginning in October 2001 for replacement of property tax on farm machinery and  
38 equipment exempted pursuant to section 63-602EE, Idaho Code. For nonschool  
39 districts, the state tax commission shall distribute one-fourth (1/4) of  
40 this amount certified quarterly to each county. For school districts, the  
41 state tax commission shall distribute one-fourth (1/4) of the amount certi-  
42 fied quarterly to each school district. For nonschool districts, the county  
43 auditor shall distribute to each district within thirty (30) calendar days  
44 from receipt of moneys from the state tax commission. Moneys received by  
45 each taxing district for replacement shall be utilized in the same manner  
46 and in the same proportions as revenues from property taxation. The moneys  
47 remitted to the county treasurer for replacement of property exempt from  
48 taxation pursuant to section 63-602EE, Idaho Code, may be considered by the  
49 counties and other taxing districts and budgeted at the same time, in the  
50 same manner and in the same year as revenues from taxation on personal prop-

1 erty which these moneys replace. If taxing districts are consolidated, the  
2 resulting district is entitled to an amount equal to the sum of the amounts  
3 which were received in the last calendar quarter by each district pursuant  
4 to this subsection prior to the consolidation. If a taxing district is  
5 dissolved or disincorporated, the state tax commission shall continuously  
6 distribute to the board of county commissioners an amount equal to the  
7 last quarter's distribution prior to dissolution or disincorporation. The  
8 board of county commissioners shall determine any redistribution of moneys  
9 so received. If a taxing district annexes territory, the distribution of  
10 moneys received pursuant to this subsection shall be unaffected. Taxing  
11 districts formed after January 1, 2001, are not entitled to a payment under  
12 the provisions of this subsection. School districts shall receive an amount  
13 determined by multiplying the sum of the year 2000 school district levy mi-  
14 nus .004 times the market value on December 31, 2000, in the district of the  
15 property exempt from taxation pursuant to section 63-602EE, Idaho Code, pro-  
16 vided that the result of these calculations shall not be less than zero (0).  
17 The result of these school district calculations shall be further increased  
18 by six percent (6%). For purposes of the limitation provided by section  
19 63-802, Idaho Code, moneys received pursuant to this section as property tax  
20 replacement for property exempt from taxation pursuant to section 63-602EE,  
21 Idaho Code, shall be treated as property tax revenues.

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

25 (13) Amounts calculated in accordance with subsection (4) of section  
26 63-602KK, Idaho Code, for annual distribution to counties and other taxing  
27 districts for replacement of property tax on personal property tax exemp-  
28 tions pursuant to subsection (2) of section 63-602KK, Idaho Code, which  
29 amounts are continuously appropriated unless the legislature enacts a dif-  
30 ferent appropriation for a particular fiscal year. For purposes of the  
31 limitation provided by section 63-802, Idaho Code, moneys received pursuant  
32 to this section as property tax replacement for property exempt from taxa-  
33 tion pursuant to section 63-602KK, Idaho Code, shall be treated as property  
34 tax revenues. If taxing districts are consolidated, the resulting district  
35 is entitled to an amount equal to the sum of the amounts that were received in  
36 the last calendar year by each district pursuant to this subsection prior to  
37 the consolidation. If a taxing district or revenue allocation area annexes  
38 territory, the distribution of moneys received pursuant to this subsection  
39 shall be unaffected. Taxing districts and revenue allocation areas formed  
40 after January 1, 2013, are not entitled to a payment under the provisions of  
41 this subsection.

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

1 (15) Any moneys remaining over and above those necessary to meet and  
2 reserve for payments under other subsections of this section shall be dis-  
3 tributed to the general fund.

4 (16) One percent (1%) shall be distributed to the law enforcement fund  
5 established in section 67-2914, Idaho Code, and seventeen million dollars  
6 (\$17,000,000) annually shall be distributed to the highway distribution ac-  
7 count. The distribution provided for in this subsection must immediately  
8 follow the distribution provided for in subsection (1) of this subsection.

9 SECTION 15. (1) The Joint Legislative Oversight Committee shall direct  
10 the Office of Performance Evaluations to manage an independent evaluation  
11 of the local highway technical assistance council (LHTAC) by a qualified,  
12 state consultant or consultants without current contractual relationships  
13 with LHTAC, any of the local highway jurisdictions served by LHTAC, the Idaho  
14 Transportation Department (ITD) or any consultant or contractor that works  
15 for or with LHTAC, any of the local highway jurisdictions served by LHTAC or  
16 ITD and without any other conflict of interest. The evaluation shall, at a  
17 minimum, address the following:

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

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

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

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

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

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

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

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

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

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

48 SECTION 16. SEVERABILITY. The provisions of this act are hereby de-  
49 clared to be severable and if any provision of this act or the application

1 of such provision to any person or circumstance is declared invalid for any  
2 reason, such declaration shall not affect the validity of the remaining por-  
3 tions of this act.

4 SECTION 17. An emergency existing therefor, which emergency is hereby  
5 declared to exist, Sections 10, 11 and 12 of this act shall be in full force  
6 and effect on and after passage and approval. Section 14 shall be in full  
7 force and effect on and after August 1, 2017.