

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 515, As Amended in the Senate

BY HEALTH AND WELFARE COMMITTEE

AN ACT

1 RELATING TO PUBLIC HEALTH DISTRICTS; AMENDING SECTION 39-401, IDAHO CODE,  
2 AS AMENDED BY SECTION 2, CHAPTER 336, LAWS OF 2021, TO REMOVE PROVISIONS  
3 REGARDING CERTAIN STATE EMPLOYEES, TO PROVIDE THAT PUBLIC HEALTH DIS-  
4 TRICTS MAY ELECT TO PARTICIPATE IN A CERTAIN COMPREHENSIVE LIABILITY  
5 PLAN AND SHALL BE CONSIDERED A STATE DEPARTMENT FOR CERTAIN PURPOSES,  
6 AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 39-422, IDAHO CODE,  
7 TO REVISE PROVISIONS REGARDING CLAIMS AGAINST THE DIVISIONS OF THE  
8 PUBLIC HEALTH DISTRICT FUND; AND DECLARING AN EMERGENCY AND PROVIDING  
9 RETROACTIVE APPLICATION.  
10

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

12 SECTION 1. That Section 39-401, Idaho Code, as amended by Section 2,  
13 Chapter 336, Laws of 2021, be, and the same is hereby amended to read as fol-  
14 lows:

15 39-401. LEGISLATIVE INTENT. (1) The various health districts, as pro-  
16 vided for in this chapter, are not:

17 (a) A single department of state government unto themselves;

18 (b) A part of any of the twenty (20) departments of state government au-  
19 thorized by section 20, article IV, Idaho constitution;

20 (c) A part of the departments prescribed in section 67-2402, Idaho  
21 Code; or

22 (d) A department or an agency of county government.

23 (2) It is legislative intent that health districts operate and be rec-  
24 ognized not as state or county agencies or departments, but as governmental  
25 entities whose creation has been authorized by the state, much in the manner  
26 as other single-purpose districts. Pursuant to this intent, and because  
27 health districts are not state or county departments or agencies, health  
28 districts are exempt from the required participation in the services of  
29 the purchasing agent or employee liability coverage, as rendered by the  
30 department of administration. However, nothing shall prohibit the health  
31 districts from entering into contractual arrangements with the department  
32 of administration, or any other department of state government or an elected  
33 constitutional officer, for these or any other services.

34 (3) It is legislative intent to affirm the provisions of section  
35 39-413, Idaho Code, ~~requiring compliance with the state merit system,~~ and  
36 to affirm the participation of the health districts in the public employee  
37 retirement system, pursuant to section 39-426, Idaho Code, chapter 13, title  
38 59, Idaho Code, and ~~chapter 53, title 67~~ section 67-5333, Idaho Code.

39 (4) It is also legislative intent that the matters of location of de-  
40 posit of health district funds, or the instruments or documents of payment  
41 from those funds, shall be construed as no more than items of convenience for

1 the conduct of business, and in no way reflect upon the nature or status of  
2 the health districts as entities of government.

3 (5) This section merely affirms that health districts created under  
4 this chapter are not state or county agencies, and in no way changes the char-  
5 acter of those agencies as they existed prior to this act.

6 (6) Public health districts will have the option to continue with  
7 agreements and service arrangements, including insurance arrangements,  
8 with state agencies that were effective prior to January 1, 2022, unless an  
9 agreement or service arrangement is expressly nullified by statute.

10 (7) Notwithstanding any other provision of law, a public health dis-  
11 trict may elect to participate in the comprehensive liability plan autho-  
12 riized by section 6-919, Idaho Code. A public health district making such  
13 election shall be considered a state department for purposes of risk man-  
14 agement pursuant to chapter 57, title 67, Idaho Code, and the department of  
15 administration shall treat it as such. However, participation shall be sub-  
16 ject to compliance with loss control policies adopted by the department of  
17 administration.

18 SECTION 2. That Section 39-422, Idaho Code, be, and the same is hereby  
19 amended to read as follows:

20 39-422. PUBLIC HEALTH DISTRICT FUND -- ESTABLISHMENT -- DIVISIONS --  
21 FISCAL OFFICER -- EXPENDITURES. (1) There is hereby authorized and estab-  
22 lished in the state treasury a special fund to be known as the public health  
23 district fund for which the state treasurer shall be custodian. Within the  
24 public health district fund there shall be seven (7) divisions, one (1) for  
25 each of the seven (7) public health districts. Each division within the  
26 fund will be under the exclusive control of its respective district board of  
27 health and no moneys shall be withdrawn from such division of the fund unless  
28 authorized by the district board of health or its authorized agent.

29 (2) The procedure for the deposit and expenditure of moneys from the  
30 public health district fund will be in accordance with procedures estab-  
31 lished between all district boards and the state controller. All income and  
32 receipts received by the districts shall be deposited in the public health  
33 district fund.

34 (3) ~~Claims~~ Except for claims eligible for payment from the retained  
35 risk account established by section 67-5776, Idaho Code, claims against the  
36 divisions of the public health district fund are not claims against the state  
37 of Idaho. Claims against an individual health district are limited to that  
38 district's division moneys and losses eligible for payment from the retained  
39 risk account established by section 67-5776, Idaho Code.

40 SECTION 3. An emergency existing therefor, which emergency is hereby  
41 declared to exist, this act shall be in full force and effect on and after its  
42 passage and approval, and retroactively to March 1, 2022.