

Local Government Registry

November 30, 2016

Associated Taxpayers of Idaho

Local Government Registry History

- ▶ House Bill 560 passed during the 2014 legislative session and created Idaho Code Section 67-450E
 - ▶ Intended to provide more support for requirements already included in Idaho Code Section 67-450B-D
 - ▶ Added an online registry process for any local government as defined in Idaho Code Section 67-450B to assist in identify those entities that should comply
 - ▶ Provided for penalties to be enforced by the Idaho State Tax Commission or Idaho county commissioners for non-compliance with the requirements of this section

Implementation

- ▶ Outreach to affected entities began with Legislative Audits Division staff meeting with various associations and contacting county clerks to identify entities and communicate the new requirements
- ▶ Legislative Services Office Information Technology Division built the Local Governing Entity Registry portal which was active by January 1, 2015 for the 2015 registry year

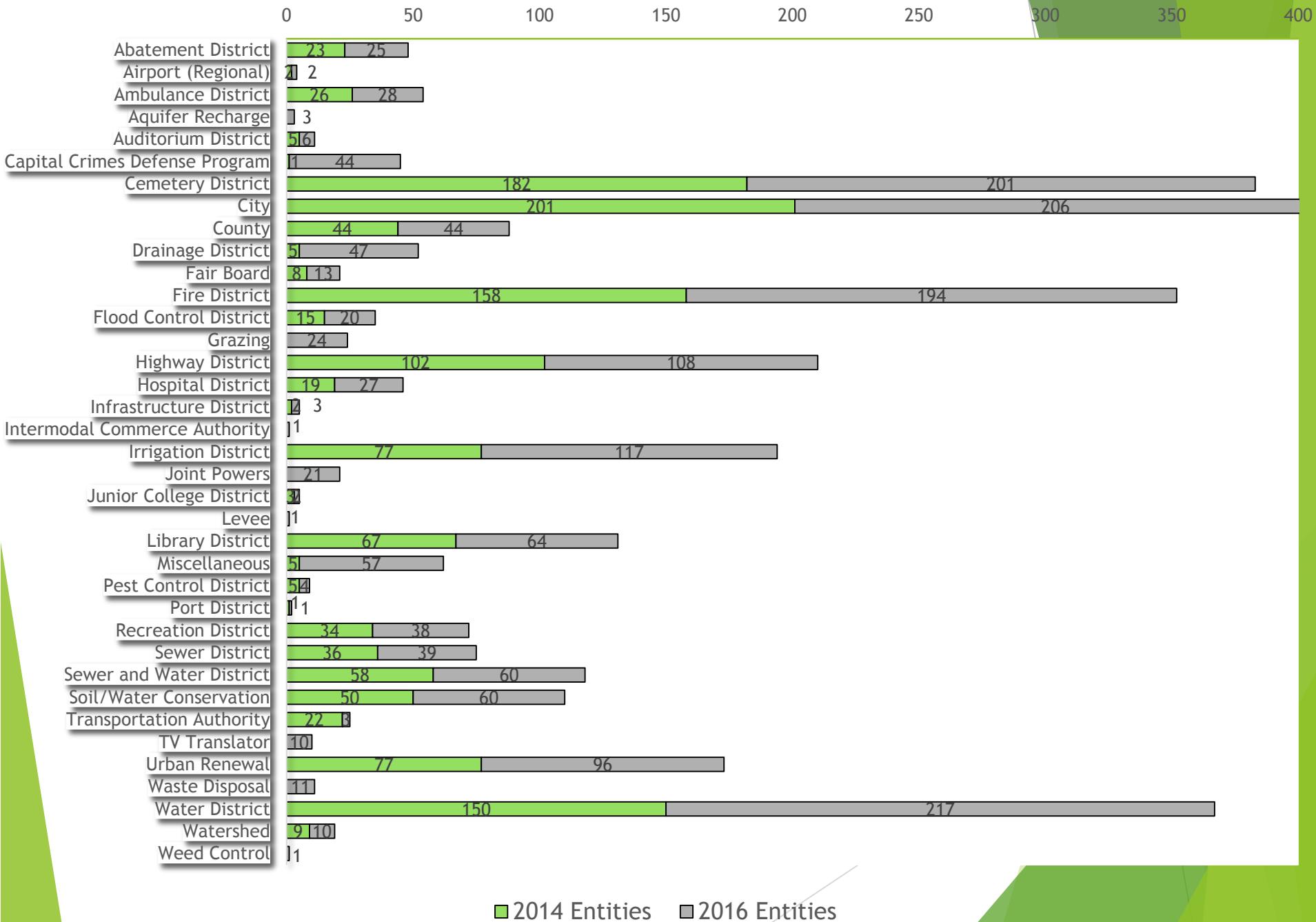
Compliance Deadlines

- ▶ Entities were required to register by March 1, 2015 for the first registry year, and then by December 1 each succeeding year
- ▶ Entities requiring audits (expenditures over \$100,000) must submit audit reports within 9 months of their fiscal year end
- ▶ LSO is required to determine compliance with registration and audit requirements, reporting non-compliance to the Idaho State Tax Commission and Idaho County Clerks by September 1 each year

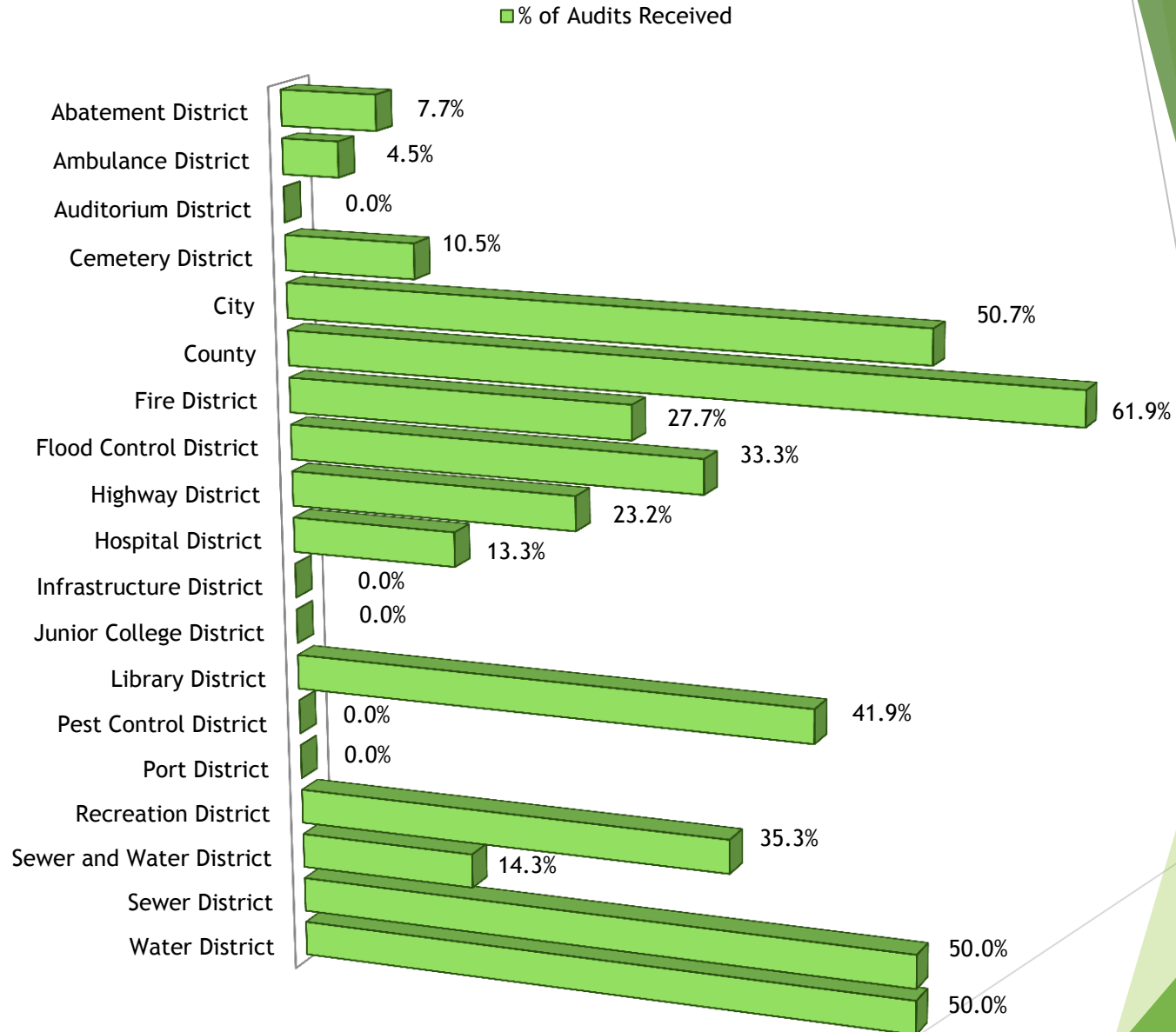
Compliance Comparisons

- ▶ Compliance was determined based on two factors
 - ▶ Completed registration
 - ▶ Audit submitted, if required
- ▶ Identified entities increased from 1,387 in January 2014 to 1,808 in December 2015
- ▶ Compliance overall improved from approximately 35.5% in 2014 when the report on Special Districts in Idaho was completed, to 92% as of October 2016 for registry year 2015
- ▶ We continue to work with the State Tax Commission and the County Clerks to improve compliance with local government entities

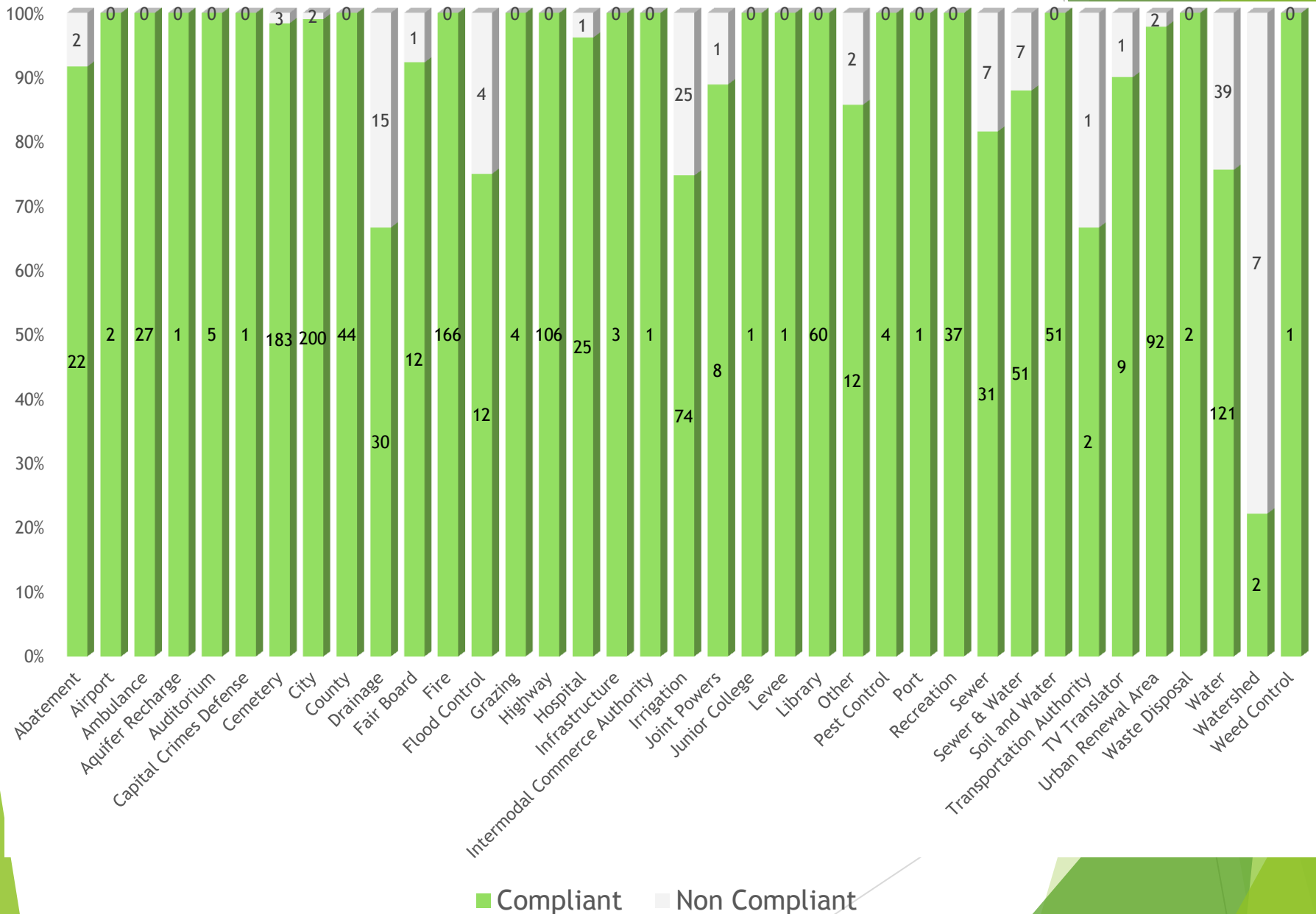
Entities Identified in 2014 and 2016



2014 Level of Compliance with Audit Requirements (from Special Report)



2015 Registry Year Compliance



Impact

- ▶ Many small entities struggled with the registration process being online
- ▶ Ability to provide required information and meet the audit requirements was difficult at times
- ▶ Still a work in progress to communicate with entities and ensure timely submission of updates and required documents
- ▶ Non-compliance related specifically to Idaho Code Section 67-450E resulted in withholding of distributions by the Idaho State Tax Commission of \$2,574 for nine entities.

Next Steps

- ▶ Registry year 2016 closes December 1, 2016 and review will commence to determine compliance
- ▶ A revised listing of entities will be available on our website by January 1, 2017
- ▶ LSO will continue working to develop fiscal health indicators, construct a sampling process to identify those entities that may be at risk, and design a communication process to provide those results to the entity's governing board or commission

Contact

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