



Week 2 Idaho Legislative Update for January 17 – 21, 2022

The second week of the Sixty-Sixth Idaho Legislature's Second Regular Session saw a slow but steady return of regular meetings and processes. The week was filled with conversations, plans, and presentations, but many committees are just getting underway and organizing. More bills began moving forward with the largest income tax cut in Idaho history being front-and-center as the first bill to pass the House just eight days after introduction. The first few weeks of session can best be described as a train leaving a station. It is a large, slow-moving process that gets a bit faster each day and should be full steam ahead by mid-February and hard to control by the end of March.

Issues pertaining to insurance for school districts, juvenile corrections, elections, and agency rules began working through the process this week. Big items, beyond the income tax cut bill, remain in the works, but the bills have not been introduced in committee yet. On one hand, it feels early in the session to be debating large policy packages that have a broad range of impacts on Idaho businesses and families. On the other hand, there is a strong desire by many legislators to fund projects, programs, and agencies while cutting taxes so they can get the session over with and hit the campaign trail.

JFAC has been diligently working through agency presentations and is on track to begin setting budgets in mid-February. This is another signal of normalcy and commitment from chairmen and leadership this session compared to the previous year. But a massive budget surplus and billions in federal funds flowing into the state is creating unique challenges for the budget committee. How the policy committees are reacting to budgets is also unique and a dynamic shift in how things seem to be playing out this year as traditionally many of the policies are passed prior to budgets being set. Again, with the exception of the income tax cut bill, this year seems to be budgets first and policy second, at least so far.

The Governor's staff continues to push their budget recommendations, meet with chairmen, and work committees – the relationship between the legislative and executive branches certainly seems to be better than last year. Tax cuts, education funding, one time and long-term investments for broadband, water, roads, and bridge infrastructure, as well as support for law enforcement, behavioral health, housing, and other priorities remain in the works with a commitment from legislators and the Governor to get these needs addressed. Keeping up with these proceedings remains a part of our daily efforts on your behalf.

The House and Senate floor sessions continued to be brief this week with only one bill, the income tax cut bill, being considered by the house. COVID continues to create a series of absences from legislators, staff, and others, but the work continues and there is no plan to recess this year.

Idaho's Reapportionment Committee's 6-0 decision on the new legislative districts is in front of the Supreme Court and awaiting a decision. All 105 legislators are looking to serve their current and potentially new constituents as they work through policies, rules, and budgets in the Capitol. This has added to the angst and eagerness to strike deals and get session done quickly as the uncertainty of the upcoming May Primary Elections weighs heavy on legislators' minds.

As we head into week three of the 2022 session, we wanted to take a moment to again thank you for your trust in us. We remain fully committed to protecting and advancing your priorities and we welcome feedback and ideas on our processes and efforts on your behalf. If there is ever anything more, we can do to serve you, please ask.

All bills from the 2022 Idaho Legislative Session can be viewed through the [Idaho State Legislative Website](#). We will also update you on the Governor's Bill Tracker when it is up and running in the coming weeks. For more information on any policy or process, please call us anytime as we continue to serve you.



Policies, Appropriations and Rules Updates:

Policies

A link to the Governor's State of the State Address and Budget Highlights can be viewed [HERE](#).

HB 436 – Income Taxes (57-13) Passed the House – Awaiting hearing in Senate Local Government & Taxation Committee

HB 436 makes several changes to Idaho State Code in an effort to cut taxes. First it takes the income tax brackets from five down to four. It also lowers each brackets rate to 1%, 3%, 4.5%, and 6% starting January 1, 2022. This results in an estimated \$250 million in ongoing income tax relief.

This bill also uses \$94 million in funds amassed from online sales tax to provide a one-time sales tax rebate for all Idahoans who file an income tax return, regardless of whether they owe or not. The State will return the greater amount of either 12% of personal income tax from 2020 or \$75 for each taxpayer and dependent, the sales tax rebate for all Idahoans is estimated to be a total of \$350 million statewide and one time.

This bill is sponsored by House Revenue and Taxation Committee Chairman Steve Harris (R-21) and Co-Sponsored by House Majority Leader Mike Moyle (R-14), Senate Local Government and Taxation Committee Chairman Jim Rice (R-10), and Senator C. Scott Grow (R-14).

HB 443 – Creation of the Public School Health Insurance Fund Set for Third Reading on House Floor

HB 443 would amend current State Code to establish the Public School Health Insurance Fund and remove provisions regarding leadership premiums. The Fund will be filled with one-time dollars used to cover expenses incurred by public school districts entering the State's health plan (including dental). If demand exceeds cash availability, the Department of Education will administer payments on a first-come, first-serve basis. As a "trade off", the special premium for leadership is removed from this section of Code.

This bill is sponsored by representatives Rod Furniss (R-35), Ryan Kerby (R-9), and Wendy Horman (R-30) - this bill also has twenty co-sponsors.

HB 444 - Extending Sunset of Coronavirus Limited Immunity Act Awaiting hearing in House Judiciary, Rules, & Administration Committee

HB 444 intends to extend the end date of the Coronavirus Limited Immunity Act from July 1, 2022, to July 1, 2023.

HB 445 – Care of Vaccines, Antitoxins, and Other Sera Awaiting hearing in House Health & Welfare Committee

HB 445 repeals Section 39-1501, which relates to vaccines, antitoxins, and other sera. The section has been noted to be outdated.

HB 446 – Controlled Substance, Nabiximols Awaiting hearing in House Health & Welfare Committee

HB 446 revises Uniformed Controlled Substances Act to update the definitions of "marijuana" and "tetrahydrocannabinols" under Idaho's Uniform Controlled Substance Act to exclude nabiximols in a drug product form



approved by the FDA. The passage will allow nabiximols to be prescribed after the approval of the drug from the FDA and scheduled by the DEA.

[HB 447 – Idaho Paid Family Leave Act](#) Awaiting hearing in House Judiciary, Rules, & Administration Committee

HB 447 establishes paid family leave and benefits through the paid family leave fund and a certain tax. Up to 2/3rds of employees pay will be compensated for through the Department of Labor. Three months will be granted for maternity leave for the person who is pregnant or who has recently given birth, twelve months of parental leave to be given to one parent or split between two parents or legal guardians. Six months will be granted for serious ill or injured minor and end-of-life care to family member. Three months is granted to serious ill or injured adult family member. Employers cannot terminate, demote, or take other opposing action against the employee.

This bill is sponsored by Representative Nash (D-16) and has eleven co-sponsors.

[HB 450 – Unemployment Insurance Tax Rates](#) Awaiting hearing in House Commerce & Human Resources Committee

HB 450 would maintain the base tax rate for unemployment insurance on employers at 2021 levels for years 2022 and 2023. Per the Fiscal Note and Statement of Purpose, this legislation would result in a \$64 million decrease in the Unemployment Insurance Trust Fund over two consecutive years, reducing the tax burden on Idaho businesses that same amount over the two-year period.

Appropriations and Budgets

As appropriations for agencies and projects are considered they will be tracked here.

Rules

[HERE](#) is the link for the Index of all Proposed Rules seeking legislative approval. Committees in both the House and Senate are assigned rules to approve. As a reminder, if a rules docket pass either House or the Senate, they are set to go into effect but need to be enacted by legislation or executive order.

Rules Accepted:

[16-0000-2100](#) - Notice of Omnibus Rulemaking, Department of Health and Welfare (with the exception of chapter 16.03.09)

[16-0000-2100F](#) - Notice of Omnibus Rulemaking (Fee Rule), Department of Health and Welfare