



Week 3 Idaho Legislative Update for January 24 – 28, 2022

The third week of the Sixty-Sixth Idaho Legislature's Second Regular Session brought with it a mickle of new legislation and rule change proposals from committees – a change from the last two weeks. Legislators heard presentations from the Judiciary this week on the House and Senate floors. Agencies continue to present requests to JFAC for modifications, increases, and adjustments to their budgets. There are some consistent absences that have been observed amongst the legislature and staff that could be attributed to COVID, but the work continues, and receptions have gained attendance as Session continues. One thing is for sure: Session is in full swing. Everyone in the Capitol is caught up in a flurry of bills as committees work on their lists of priorities before their fast-approaching deadlines.

With a record surplus, and billions in federal funds flowing to the state, the Idaho Legislature is navigating through the difficult task of balancing fiscal responsibility, while strategically funding one-time and long-term priorities, and providing tax relief for Idahoans. Much of the work done so far focuses on appropriations and administrative changes pertaining to red tap reduction and zero-based regulation. While each session is both a budget and policy year in Idaho, budgets have been prioritized and policy changes that ease regulatory burdens are the ones advancing. While the Legislature has fought the Governor on nearly everything the past few sessions, they seem to have shared objectives this year they are working towards.

The largest tax cut bill in Idaho history continues on the fast track, having cleared the Senate Local Government & Taxation Committee on Thursday afternoon – the Senate is expected to vote on this bill early next week. It is expected to pass, and the Governor has indicated he will sign it. If it passes the Senate, this tax cut proposal would be the first bill of the session to make it to the Governor's Desk and would set the tone for much of the other work to come this Session. What is unique about these circumstances is that tax cut bills typically come at or near the end of session once budgets are set and other commitments are funded. While this bill's passage did not come under normal circumstances, commitments from House and Senate Leadership to transportation, education, and even working on other tax policies and cuts remain the hot topics in the Capitol.

With the tax cut bill well on its way, leadership has turned their attention to other priorities as they seek a short session with large wins heading into a contentious election cycle. Tweaks to last year's House Bill 389 relating to property taxes are being introduced to try to mitigate some of the consequence of a hastily passed bill that failed to alleviate the property tax burden many Idahoans feel. Transportation funding, workforce housing, broadband, education, teacher funding, wildfire mitigation costs, and many other policies are now working their way through the process. House and Senate Committee Chairmen seem to be working well together. The legislative rules review and approval process is nearly done. These trends are additional indicators that the traditional, short session has returned.

The Idaho Supreme Court issued its decision on reapportionment (redistricting of legislative districts) on Thursday afternoon in a 5-0 vote and with over twenty pages of justification. Several legislators have grown concerned about the state of their districts and what these changes mean for their political futures. Some have chosen to retire and want to get a few things done before they go, others are scrambling to show progress on issues and funding for their new districts. This has added a unique tone to an otherwise seemingly normal session.

As we enter the next phase of session, we will be watching closely and working hard to ensure your interests are protected and your policy needs are met. On occasion, we may look to you for quick responses on policies as they are being introduced or taken under consideration as the House and Senate floor sessions will continue to get longer, and committees will become increasingly more active.

All bills from the 2022 Idaho Legislative Session can be viewed through the [Idaho State Legislative Website](https://legislature.idaho.gov/). 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.



Benn Brocksome
&
ASSOCIATES

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 443 – Creation of the Public School Health Insurance Fund 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.

Sponsors: Rep. Rod Furniss (R-35), Kerby (R-9), and Horman (R-30) - this bill also has twenty co-sponsors

HB 436 – Income Taxes (57-13) Passed the House – Senate Floor

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.

Sponsors: Rep. Harris (R-21) and Co-Sponsored by Rep. Moyle (R-14), Sen. Rice (R-10), and Sen. Grow (R-14).

HB 444 - Extending Sunset of Coronavirus Limited Immunity Act House Floor

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

Sponsors: Rep. Young (R-31), Kerby (R-9), and Skaug (R-12) – co-sponsored by Sen. Lakey (R-12) and Rep. Monks (R-22).

HB 445 – Care of Vaccines, Antitoxins, and Other Sera House Floor

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

Sponsor: Rep. Blanksma (R-23).

HB 446 – Controlled Substance, Nabiximols House Floor

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 450 – Unemployment Insurance Tax Rates House Floor

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.

HCR 029 – Intervention & Severe Emotional Trauma House Health & Welfare Committee

This resolution aims to heighten awareness within the legislative body and greater network of state personnel of the short and long-term impacts of childhood trauma have on people and encouraging the implementation of appropriate intervention techniques in their intrapersonal relationships.

Sponsors: Sen. Nelson (D-5), Agenbroad (R-13); Rep. Green (D-18), Lickley (R-25).

HCR 30 – PANDA/PANS Awareness Day House Ways & Means Committee

Every year since 2019, the Governor has issued a proclamation declaring October 9th “PANDA/PANS Awareness Day”. This resolution seeks to have the legislature declare October 9th, 2022 “PANDA/PANS Awareness Day” to support the thousands of children and families across Idaho affected by these conditions.

Sponsor: Rep. Mathias (D-19)

HB 461 – Armed Forces Scholarships House Education Committee

Currently, the state Armed Forces Scholarship’s availability is exclusive to family members of armed service members killed in combat. The intent of this proposal is to expand the availability of this opportunity to families of those lost in training incidents. This idea came from the Army National Guard incident near Lucky Peak in February 2021 where three lives were lost in a helicopter crash.

Sponsor: Rep. Mathias (D-19).

HB 464 – Workers Compensation Claims & Vaccine Mandates House Business Committee

This proposal would update existing law to include vaccine-related complications as a result of employer vaccine mandates as being a compensable incident.

Sponsors: Rep. Monks (R-22) and Rep. Skaug (R-12).

HB 465 – Rights of Purchase, Possession, and Control of Digital Assets House Business Committee

The intent of this legislation is to insert a definition into State Code for digital assets, classifying them as personal property, and specify what the rights of purchase, possession, and control of those assets are.

Sponsors: Rep. Manwaring (R-29) and Sen. Riggs (R-3).

S1236 – State Health Savings Accounts Senate Commerce and Human Resources Committee

S1236 intends to update the Department of Administration’s provisions for state employee health savings accounts. This allows employers to deposit no more than the difference between the highest deductible health plan and the lowest deductible health plan per month.

Sponsor: Sen. Thayne (R-8)



S1239 – Legislative Session Uniformity Senate State Affairs Committee

Ensures that each regular session of the legislature shall adjourn by a certain date. It is intended to keep the legislative session uniform and part time but makes exceptions for declared disasters and emergency events.

Sponsor: Sen. Guthrie (R-28)

S1244 – Occupational Licenses Senate Judiciary, Rules, & Administration Committee

S1244 repeals requirement to establish an advanced practice registered nurse advisory board, but the administrator of DOPL may create and discontinue committees as they see fit. Technical corrections have also been added this language.

Sponsor: Sen. Riggs (R-3)

S1245 - Board of Pharmacy Definitions Senate Judiciary, Rules, & Administration Committee

S1245 repeals Section 54-1704 which relates to various pharmaceutical definitions. Technical corrections to the language and the removal of definitions have been made that are reflected in other relevant section. This bill does not add new requirements but is used to add clarity.

Sponsor: Sen. Harris (R-32)

S1246 - Uniform Controlled Substance Act Senate Health and Welfare Committee

S1246 is meant to reflect the DEA controlled substance decisions for 2021. This includes synthetic opioids in Schedule I, opiates in Schedule II, and anticonvulsant substance in Schedule V.

Sponsor: Sen Wintrow (D-19)

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 rule passes 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

[15-0100-2100](#) – Omnibus Rulemaking - Proposed Rule, Office of the Governor, Idaho Commission on Aging

[04-0000-2100](#) - Notice of Omnibus Rulemaking - Proposed Rule, Office of The Attorney General, Page 5-91

[34-0000-2100](#) - Notice of Omnibus Rulemaking - Proposed Rule, Secretary of State, Page 357-376

[34-0000-2100F](#) - Notice of Omnibus Rulemaking (Fee Rule) - Proposed Rule, Secretary of State Page 78-111

[38-0000-2100](#) - Notice of Omnibus Rulemaking - Proposed Rule, ID Dept. of Administration, Page 377-417

[38-0000-2100F](#)- Notice of Omnibus Rulemaking (Fee Rule) - Proposed Rule, ID Dept. of Administration, Page 112