



Week Five Idaho Legislative Update for January 30 – February 3, 2023

In the fifth week of the Sixty-Seventh Idaho Legislature's First Regular Session committees were hard at work printing numerous RSs prior to the Monday, February 13th deadline. After Monday, most committees will lose their privilege to introduce legislation without approval from the Pro Tem or Speaker. The introduction of bills will slow down after this deadline, but make no mistake, we will continue to see more bills introduced up until the last day of session. We will also see the House Ways and Means Committee be utilized by leadership as the nonprivileged committees lose their ability to introduce bills.

Both the House and Senate chambers saw their first contentious floor sessions pertaining to HB 24 – Idaho Launch Program, for in-demand careers. The bill provides Idaho graduating high school students with \$8,500 for further education and certification training for the needed careers in Idaho. The bill was heard on the House floor Monday as House Majority Leader Megan Blanksma emphasized the need for the bill and worked the floor through a two-hour debate that extended through the lunch hour. The House voted in support of HB 24 (36-34), with not a vote to spare.

On Tuesday, when HB 24 was moved to the Senate and in process of being routed to the Senate Commerce and Human Resource Committee, Senator Nichols demanded it be directed to Senate Education where she believed she could kill the bill in committee. Senate Education has had a reputation this session to be the most conservative committee in the Idaho State Legislature, often being resistant to funding education, higher education, and the public school system. Senate Leadership immediately called for the Senate to go at ease and for the Senate Majority Caucus to meet. After an hour-and-a-half caucus meeting, the Senate majority members trickled back in. Senator Nichols made a motion to reroute HB 24 to Senate Education; the motion failed (9-26). The last time this tactic was tried in the Senate was in 2004. This marks another departure from the traditional process seen by this new legislature.

Despite the political theatrics, HB 24 was routed to Senate Commerce and Human Resources. Many returning members of the Senate are settling in for a less statesmanlike approach to floor sessions. House members are typically more familiar with these stunts being pulled on the floor. With some of the former House members in the Senate, this was bound to happen. Meaning leadership will need to be quick on their toes to prevent the process from being weaponized. This could be first of many stunts pulled on the Senate Floor.

Late Thursday, the Joint Finance-Appropriations Committee (JFAC) announced a compromise to begin voting just a week prior to the projected date budgets will begin to be set. Majority leadership and JFAC Co-Chairs has determined that the Committee will continue to place their vote at the same time, but the House and Senate members' votes will be announced separate. If a budget receives majority support from the Committee as a whole but not a majority from both Senate and House members, then the budget will be sent first to the chamber who did not have a majority vote to approve. JFAC also announced that this process will be reassessed during the interim.

Although this is not a perfect solution, this will suffice for the remainder of the session to allow JFAC to start clearing up the logjam of supplementals and begin their work. In just one short week, JFAC will begin to move millions of dollars a day towards agencies' budgets.

We are starting to see more and more contentious hearings in committees. This spans from fentanyl mandatory minimums, transgender children, school choice vouchers, Medicaid Expansion repeal, and so many more. We also continue to see a variety of property tax ideas being introduced; while these bills are not the right solution, these will lead to more conversations to find what is a plausible solution.

All bills from the 2023 Idaho Legislative Session are on the [Idaho State Legislative Website](#). The Governor's Budget Recommendation Highlights can be found [HERE](#). The JFAC Budget Hearing schedule can be found [HERE](#).



HB 123 – Medicaid Expansion Repeal - House Health and Welfare

This aims at repealing 56-267, Medicaid Expansion, which was passed in 2018. Due to the costs being far more drastic than originally anticipated, the sponsor and others are frustrated with the current expansion. This will also impact other sections where the expansion is referenced. The fiscal note states this will cost the state \$842.4 million due to the federal funding lost and other funds that are currently allocating funds toward the expansion.

Sponsor: Rep. Vander Woude (R-22)

HB 26 - Relating to Children's Mental Health Services and Medicaid - House Health and Welfare

The purpose of this legislation is to amend Section 16-2428, Idaho Code, regarding confidentiality and disclosure of information records. It seeks to clarify Idaho Code in the chance of a parent or guardian to appeal or deny Medicaid or insurance coverage. It would add the word Medicaid and the phrase "to carry out the treatment plan."

Sponsor: Rep. Erickson (R-33)

SB 1020 - Relating State Health Insurance – (34-1) Passes Senate- House Commerce and Human Resources

Would repeal the requirement for the Office of Group Insurance to publicize rules for determining the eligibility of participants in the state's health insurance plan. The eligibility is determined based on the healthcare provider.

Sponsor: Sen. Guthrie (R-28)

SB 1075 – Relating to Homeowner Property Tax Relief - Senate Local Government and Taxation

This would be a new section to Chapter 7 Title 63 Idaho code being designated 63-724. This bill would have an impact on property tax relief for the primary residents of Idaho homeowners. The bill will dedicate 4.5% of annual sales tax revenues by subtracting a part of each homeowner's total property tax bill. For 2023 \$205 million will be appropriated from FY 2023 General fund surplus to begin this relief in the first year after the passage of the bill. The fiscal impact on state revenue will be \$205M in the first year and \$150m in the years thereafter. Replaces HB 77.

Sponsor: Sen. Grow (R-14)

HB 78- Relating to Property Taxes - House Revenue and Taxation

This would amend Idaho Code Section 63-602G. This would restore an annual index based on the sales prices of Idaho's homes. The legislation would reestablish the homeowner's exemption amount as an accurate representation of sales prices of Idaho single-family residences. This would preface the Property Tax Fairness Act. It would enhance this by promoting fairness to all categories being the owner-occupied properties, irrespective of differences in assessed values, the percentage of assessed valuation eligible for exemption increases from 50%-55%, so long as it does not exceed \$224,360 in 2024.

Sponsor Rep Skaug (R-12)

HB 79- Relating to School Property Taxes – House Revenue and Taxation

The purpose of this legislation would be to provide immediate, ongoing, and permanent property tax relief to school districts. It would provide \$300 million to districts based on average daily attendance. The order of payments from priority order would be payment of school bonds, school levies, expenses necessary to provide for safe school facilities and address life, safety, and health issues, and lastly school facilities that need construction. This bill would eliminate 2 of the 4 election dates that districts can run elections. It would also increase the homeowner's exemption to \$150,000, and the limitations for individuals to qualify for the circuit breaker. Both cities' and counties' obligation to fund public defense is eliminated and the funding source is permanently moved to an ongoing source of revenue.

Sponsor: Rep Moyle (R-10)



Appropriations and Budgets

As appropriations that are of interest to you start arising, they will appear under this section.

Rules

[HERE](#) is the link for the Index of all Pending Rules seeking legislative approval. Committees in both the House and Senate are assigned rules to approve. As a reminder, if a rules docket passes either House or the Senate, they are set to go into effect but need to be enacted by legislation or executive order. Once a pending rule is approved, a (+) symbol will appear in front of the docket number. If a pending rule is not approved by the Legislature a (-) will appear in front of the docket number.

IDAPA 18 – DEPARTMENT OF INSURANCE

(+) [18-0701-2201](#) - Acquiring Control, Insurance Holding Company Systems and Mutual Insurance Holding Companies (ZBR)

(+) [18-0702-2201](#) - Reserve Liabilities and Minimum Valuations for Annuities and Pure Endowment Contracts – (ZBR Chapter Rewrite)

(+) [18-0703-2201](#) - Valuation of Life Insurance Policies Including the Use of Select Mortality Factors (ZBR Chapter Rewrite)

[18-0708-2201](#) - Property and Casualty Actuarial Opinion Rule – (ZBR Chapter Rewrite)

IDAPA 16 – DEPARTMENT OF HEALTH AND WELFARE

[16-0309-2201](#) - Medicaid Basic Plan Benefits – (Pending Rule)

[16-0317-2201](#) - Medicare/Medicaid Coordinated Plan Benefits - (ZBR)

IDAPA 59 – PUBLIC EMPLOYEE RETIREMENT SYSTEM OF IDAHO (PERSI)

(+) [59-0101-2201](#) - Public Employee Retirement System of Idaho (PERSI) – (Notice of Proposed Rulemaking)

Appointments

Appointments approved by Senate Committees, are confirmed by the full Senate.

- Rod Higgins was confirmed by the Senate to the State Insurance Fund Board on January 24, 2023.
- Terry Gestrin was confirmed by the Senate to the State Insurance Fund Board on January 24, 2023.