



Week Twelve Idaho Legislative Update for March 27– March 31, 2023

In the twelfth week of the Sixty-Seventh Idaho Legislature's First Regular Session, the Idaho Legislature completed its work and recessed until Thursday, April 6, 2023, to allow the Governor to treat all bills that come across his desk. The Idaho Legislature will reconvene Thursday to process reports, take up any veto overrides, and to formally adjourn "Sine Die" for the year.

Early this week, Governor Little vetoed [HB 292](#) – Property Tax "Relief" on Monday morning, stating this bill does not properly address the need for property tax relief done correctly. Governor Little explained the proposed legislation impacts critical infrastructure projects, election dates, and many other issues will be impacted by the bill. He believes property tax relief should be done in a way that doesn't hinder locals, is simple, and is not rattled with various unintended consequences. To read Governor Little's full veto letter, click [HERE](#).

The House used the Ways and Means Committee to introduce, and then reintroduce a trailer bill to address the Governor's concerns on 292, before they took up a veto override on a near party-line vote as Rep. Greg Lanting was the only Republican no vote, along with the House Democrats. The Senate also took up the veto override and for the first time since 2007, the Idaho legislature used the override process to overrule the Governor's veto.

The veto override in the Senate came with [HB 198](#), a bill on the interest of sales tax deficiencies, being replaced with an alternative property tax relief bill to HB 292. A rare procedural option often called a "radiator cap". The bill took out the portions that the Governor mentioned as reasons for vetoing the original property tax idea. This was possible by weaponizing the process and was an attempt to find a potential solution for property tax quickly. The amended bill was passed in the Senate (32-3); however, the following day the original sponsor requested the House to not concur with the amendments. Thus, killing the bill.

The House then continued through this process making a cobbled mess of trailer bills including ultimately passing [HB 376](#), and additional JFAC appropriations needed to fix several other errors in the property tax bill. [HB 375](#) and [HB 376](#) were needed to create a carve-out for the Transportation Expansion and Congestion Mitigation funding, public defense funding, and ensure the tax distributions to special purpose taxing districts was done before the surplus eliminator kicked in to offer tax relief. This was crucial to keep taxes from going up in the coming budget years. After many long hours of caucusing on Tuesday, the House passed the trailer bill, followed by the override of the Governor's veto on HB 292; the Senate followed suit the next day.

While Speaker Mike "King" Moyle won the political battle in the press, the Governor's veto provided the state with a better and more appropriate end result that will generate property tax relief and hold schools and other local governments closer to whole. Governor Little released a response, stating *"I'm pleased the Legislature passed \$117 million in property tax relief for Idaho citizens and businesses. I called for \$120 million at the start of the session, and they came close to my recommendation...The process worked, and we are getting real property tax relief done for Idahoans."* To read Governor Little's full press statement, click [HERE](#).

The Senate and House spent most of the week on the floor working from 9 AM to 7 PM several days this week to clear the massive backlog of bills, budgets, and appointments. This is often the most dangerous part of session as many bills become hostages and legislators, especially leadership, trade votes to get things done. A regular occurrence and a challenging and often disappointing part of the process in Idaho. But with it also comes the passage of many budgets and support for programs.

Governor Little has been hard at work to treat all bills that have come across his desk. Agency legislation, budgets, and dozens of other bills have been delivered and signed in the past week as the Governor works to ensure the Legislature can officially adjourn for the year. HB 24 – Idaho Launch Program was signed on Tuesday, March 28, 2023, at 7:24 PM.



The trailer bill, SB 1167, has been awaiting a hearing for days now on the House Floor. The trailer was finally heard on Thursday, passing the House Floor (59-11), and was sent to the Governor to be treated.

After a long week full of twists and turns, both the House and Senate have completed their business. As the Idaho Legislature reconvenes to finish their official business next Thursday, the only thing left is potential veto overrides.

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 Governor's Bill Action for the 2023 Legislative Session can be found [HERE](#).



[HB 203 – Public School Health Insurance Fund](#) – (50-18-2) Passed the House – (24-11) Passed the Senate – Sent to the Governor

Amends the dedicated fund for the public school health insurance where schools may buy into the state's medical and dental group insurance plan. It extends the buy in time limit to be allowed from to 2025.

Sponsor: Rep. Furniss (R-31)

[HB 215 – Pharmacy Benefit Managers](#) – (61-9-0) Passed the House – (25-8-2) Passed the Senate – Sent to the Governor

Clarifies the enforcement pharmacy benefit manager code that was added in 2020. If the Director of Insurance finds a PBM in violation, they can be subject to fines, rejection, or revoke of the license, or by imprisonment for up to six (6) months.

Sponsor: Rep. Redman (R-3)

[HB 291 – Fair Pharmacy Audit Act](#) – (61-7-2) Passed the House – (27-7-1) Passed the Senate – Sent to the Governor

This legislation creates uniform standards and criteria for pharmacy record audits by or on behalf of a pharmacy benefit manager. Replaces HB 270.

Sponsor: Rep. Redman (R-3)

[HB 292 – Property Tax Relief](#) – (63-7-0) Passed the House – (32-3) Passed the Senate – Vetoed by Governor – (58-12) House Overrides Veto – (28-7) Senate Overrides Veto – Certificate of Passage

\$75 million will be used for one-time transfer for property tax relief to homeowners FY 23. The circuit breaker requirements were also changed to state homes under \$400,000 will qualify. Then in FY 24, \$50 million will be used for homeowner property tax relief and \$100 million will be allocated to school districts based on average daily attendance. This may be used for bonds to relieve property taxpayers, and if there is not a current bond they may use the funds for levies, then for future reserve account use. The March election would no longer be eligible for school districts to hold an election. 20% of the way fair account to be utilized in 2025 to give property tax relief.

Sponsor: Rep. Monks (R-22)

[HB 198aaS – Property Tax Relief](#) – (68-0-2) Passed the House - (32-3) Passed the Senate – House did not Concur

\$150 million for FY 24 an FY25 tax relief with the first \$50 million of each year going into a property tax relief account, then 50% will go to the School District Facilities Fund. Sales tax per the school district fund will be reallocated to schools for the purpose of school levies. The amount will be subtracted from the levy amount. The other 50% will go to the counties to use as a tax credit prior to property tax amounts being set. The circuit breaker was also bumped up from 150% of the median assessed home to 200% of the valuation. This also amends the Tax Rebate Fund, where distributions allocate \$130 million into the 50/50 buckets that were stated above. Starting in FY 24, 3% of sales tax distribution will go towards homeowner property tax relief.

Sponsor: Rep. Cannon (R-30)

[HB 162 – Virtual Health Care](#) - (69-0-1) Passed the House – (34-0-1) Passed the Senate – Signed Into Law

[SB 1020 - Relating State Health Insurance](#) – (34-1) Passed the Senate – (66-4) Passed the House – Signed Into Law

[SB 1097- Medicaid Management Information Systems](#) – (23-12) Passed Senate Floor – (40-27-3) Passed the House – Signed Into Law

[HCR 9 - Medicaid Task Force](#) – (67-2-1) Passed the House – (34-0-1) Passed the Senate – Filed with Secretary of the State



Appropriations and Budgets

[HB 369 – Division of Medicaid](#) – \$4,539,917,000 Total Request – (40-30) Passed the House – (18-17) Passed the Senate – Sent to the Governor

\$175,900 for personnel benefits, \$646,000 for change in employee compensation, and \$171,271,900 for nondiscretionary adjustments. This budget includes seven supplementals and has fourteen line items. \$72,000,000 line item for a behavioral health plan, \$20,082,000 line item for ground emergency medical transportation, \$24,864,300 line item for provider rate increases, \$560,000 line item for managed care compliance review, and \$2,220,200 line item for cost containment implementation. \$50,000 from the Cooperative Welfare (General) Fund and \$50,000 from the Cooperative Welfare (Federal) fund, for a onetime net increase of \$100,000 for Early and Periodic Assessment. This budget replaces HB 334, and the total request is 12.2% higher than the previous year.

Sponsors: Rep. Raybould (R-27), Sen. VanOrden (R-30)

[SB 1195 – Medicaid Management Information Systems](#) –\$1,838,700 Total Request – (27-8) Passed the Senate – (61-9) Passed the House – Sent to the Governor

This budget is a trailer bill for [SB 1097](#), which Establishes a new fund for Medicaid Management Information Systems, (MMIS) dealing with payment. Cash Transfer of \$18,656,400 from the General Fund to MMIS. For FY23, a one time appropriation of \$183,900 from the MMIS dedicated fund and \$1.654,800 from the Cooperative Welfare federal Fund for a net increase of \$1,838,700. FY24 the addition of \$14,374,400 onetime from the MMIS to purchase the base module.

Sponsors: Sen. Cook (R-32), Rep. Raybould (R-27)

[SB 1135 – Department of Insurance - \\$10,604,100 Total Request](#) – (35-0) Passed the Senate – (70-0) Passed the House – Signed Into Law

[HB 323 – Division of Medicaid Supplementals](#) – (46-24) Passed the House – (25-10) Passed the Senate – Signed Into Law

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.