



Week Three Idaho Legislative Update for Jan. 20 – Jan. 24, 2024

The Legislature is beginning to hit its serious stride. A week three ramp up of intensity is not unusual, so it is no surprise to see that some of the big-ticket agenda items have emerged – at least in early form.

The House is poised to begin debating a [\\$50 million bill](#) creating a tax credit for private school and home-school expenses after the Revenue and Taxation Committee introduced it along party lines. In its current form, the bill would provide a \$5,000 tax credit for students not enrolled in public schools to pay for tuition, tutors or other education costs. This is one of marquee proposals we expected to see this session with more on the way.

The House Revenue and Taxation Committee has also teed up a new income tax cut bill for debate. Led by Speaker Mike Moyle and introduced Thursday, [HB 40](#) reduces the flat income tax rate on individuals and corporations from 5.69 percent to 5.3 percent, setting up \$240 million in estimated savings to taxpayers. Yet to be seen but also promised by the Speaker are additional tax bills for property tax and sales tax relief. The total tax relief package will continue to grow in size as the Legislature grapples with costs, budgets and policies. This first tax relief bill is separate and aside from the Governor's recommendation. If you recall, Gov. Little in his State of the State address urged lawmakers to find \$100 million in tax relief.

There is an interesting dynamic playing out in the Joint Finances Appropriations Committee. So far, the budget writing committee has funded the "maintenance budgets" but is stymied over differences with critical budget forecasts and spending targets. Talks this week have yet to produce consensus on projections from the executive and legislative budget analysts for final, total budget numbers. At the same time, the committee has failed to strike a deal on salary increases for state employees (CEC), though that didn't stop them from passing a range of agency maintenance budgets and proceeding with agency reviews for "enhanced budgets" throughout this week. The inability at this point to set revenue targets is a curious step, and barring some kind of quick resolution, can be seen as an early indicator the session may last longer than expected.

Meanwhile, factions within the majority party continue to quarrel over legislative pay raises. In Idaho, a citizens committee on legislative compensation sets the pay scale, which lawmakers can reject or accept. Early in the session, Senators drafted and approved [SCR 1](#) that flat out rejected the pay raise. The Senate version was put through some procedurally curious – though not improper - processes in the House, specifically a move by the Ways and Means Committee to pen [HCR4](#) approving the pay raise but giving lawmakers the option to donate all or part of their salaries to the tax relief fund. What's interesting is that Ways and Means typically doesn't meet until the waning days of session. It's also worth noting that this may have been the first time in decades Ways and Means hosted a public hearing on policy after it was introduced with no public testimony taken. Ah, political intrigue at its best – and another sign this session could have a long shelf life.

House and Senate committees continue to make headway on approving rules. We are also seeing the early signals that a barrage of bills is coming. This week nearly 40 bills were introduced on the House side and another 17 in the Senate. Over the next two weeks the Statehouse will be chockablock with bills, budgets and resolutions to sort through – at least until the deadline arrives for introducing new legislation.

All bills for the 2025 session can be found on the [Idaho State Legislative website](#). Interested in finding your legislator? Visit [HERE](#). Daily reading calendars and agendas are found [HERE](#). As usual, we're available to discuss if you have any questions.



Policies

[HB 14](#) - Idaho Code Cleanup Act – Passed the House (68-0-2) – Senate State Affairs

This legislation requires each agency to follow a similar process to the ZBR rulemaking process, which requires each agency to study and delete unnecessary, obsolete, and outdated rules. Agencies must complete a review of their code sections no later than Sept. 1, 2025, and report to the Legislature the codes that fall into one of those three categories. A recommendation must be included in each agency report if it should be removed. It also allows agencies to make recommendations on codes necessary to the public health, safety, and welfare of Idahoans. Agencies can, but are not required, to also include information on unnecessary, obsolete, and outdated code sections that are not in their purview. The Legislature will take up the recommendations for consideration during the 2026 regular session.

Sponsor: Rep. Moyle (R-10)

[HB 17](#) - Wildfire Insurance - House Business

Aims to improve and stabilize the market with the creation of an Idaho Wildfire Risk Mitigation Stabilization Pool and Board. These entities would allow for a greater stability in the insurance market, which has decreased in some areas due to the risk of wildfire. Additionally, this would allow for mitigation of wildfire risk for property owners, reducing cost of property insurance. The plan of operation involves two steps, one that includes mitigation of wildfire risk for homeowners and the second that allows the board to develop strategies to stabilize the marketplace.

Sponsor: Rep Redman (R-3)

[HB 31](#) - Medicaid Payer of Last Result – House Health and Welfare

This bill clarifies responsibility for any Medicaid-eligible individual who also has third-party coverage, to accept the state's authorization for a service or item that the third-party requires authorization for, if the state plan covers the service or item. This ensures that Medicaid is always the payer of last result.

Sponsor:

[HB 38](#) - Idaho Life and Health Insurance Guaranty Association Act – House Business

Updates the Act originally passed to protect consumers when an insurer becomes insolvent. Updates to clarify that certain companies are not eligible for coverage under the Act; adjusts coverage determinations for high-risk, long-term care; requires health insurance CO-OPs created under the ACA to become members of the ILHGA and removes a cap on annual association membership fees.

Sponsor: Rep. Ehlers (R-21)

[HB 58](#) - Repeal of Medicaid Expansion - House Health and Welfare

This bill would repeal the Medicaid Expansion program (Idaho Code 56-267) as of July 1, 2025. This fiscal note estimates a savings of \$110 million a year, which is what the state spends every year on the Medicaid Expansion population.

Sponsor: Rep. Vander Woude (R-22)

Appropriations and Budgets

This is where appropriations and budgets of interest will appear as introduced in the session.

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, the rules docket needs to pass both the House and 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.

Department of Health and Welfare

(+) (+) [16-0309-2401](#) – Medicaid Basic Plan Benefits (ZBR Chapter Rewrite) – Proposed Rule

Appointments

On January 20, 2025, Alex Adams was confirmed by the Senate as the Director for the Idaho Department of Health and Welfare.

On January 23, 2025, Steve Landon was confirmed by the Senate to the State Insurance Fund Board