



LEGISLATIVE UPDATE

Week 10: March 14-18, 2022

Overview of the Week

It was another very busy week in the Idaho Capitol! Both sides of the rotunda convened multiple times a day to work through their reading calendars and advance legislation important to Idaho citizens. The Governor signed **SB 1359** into law Thursday, providing hundreds of millions of dollars in new transportation funding to clear out one-third of Idaho's bridge maintenance backlog. The historic legislation includes \$200 million for local bridges, \$6 million for air, \$8 million for rail, \$18 million to pay off debt for Garvee projects, \$10 million for safe pedestrian crossings, and \$10 million to build out a road at the Port of Lewiston.

Updates on Key Issues

Taxes & Local Government—Most of the proposals to substantially alter local government's ability to levy and collect property taxes are dead for the session. However, a few proposals still seem to have legs. On Wednesday, the House Revenue & Taxation Committee voted to introduce a replacement to **HB 735** dealing with county indigent services. The revised proposal, **HB 781**, provides non-property-tax funding for public defense, allowing counties to reduce county property taxes by \$33 million. The bill repeals the county charity levy, repeals the county medically indigent program, and phases out the state CAT program. The bill requires cities to use 50% of annual growth in revenue sharing to provide ongoing property tax relief. **HB 781** was sent directly to the House second reading calendar and will be taken up by the full House next week.

On Thursday, the Senate Local Government & Taxation Committee held hearings on two narrow tax relief proposals:

- **HB 509** would increase the food tax credit for all eligible residents from \$100 to \$120, and for eligible seniors from \$120 to \$140. The maximum credit amount hasn't been changed since 2015, and current inflation rates have compounded the need to adjust the tax credit to current economic conditions.
- **HB 481** would raise the circuit breaker program threshold to 150% of the median assessed value of qualifying homes in the county, or \$300,000, whichever is greater.

Both proposals were approved by the Committee and sent to the Senate floor with a "do-pass" recommendation.

Education—Numerous policy proposals to implement Governor Little's K-12 priorities were discussed and acted on this week:

- On Wednesday, the Senate passed **SB 1404**—legislation that would send most public school teachers, administrators and school support staff up to a \$1,000 bonus. The legislation now heads to the House for further consideration.
- The latest full-day kindergarten bill, **SB 1373**, was met with opposition on the House floor after sailing through the Senate. The bill would revise the distribution formula for state literacy dollars and allow schools to use the additional funds for optional all-day kindergarten. In an attempt to give House members more time to consider the merits of the bill, **SB 1373** has been held on the House's third reading calendar until next week.

Anticipating a full-day kindergarten funding proposal will be enacted, the Senate amended **HB 723** to clarify that a kindergarten student should count as one full time equivalent in FY23 and FY24 for the purpose of calculating support units. **HB 723** codifies what has been a temporary rule authorizing the State Board of Education to use full time equivalent enrollment (FTE-E) rather than average daily attendance (ADA) for funding purposes. The shift to FTE-E will cost the state an additional \$23.8 million in general funds each year compared to ADA; however, the move to FTE-E is intended to allow for more flexibility and innovation in classrooms across Idaho. The Senate took up and passed the amended bill unanimously on Friday—sending it to Governor Little’s desk for his signature.

Health & Welfare—The House advanced three key proposals related to health care delivery and administration throughout the week:

- **HB 760** passed the House Wednesday unanimously. The bill would allow providers located outside of Idaho to provide behavioral and mental health care services to Idahoans via telehealth. The coronavirus pandemic has revealed the benefits of relaxed licensure requirements, and this legislation is intended to allow for continuity of care through FY24 as the pandemic subsides.
- **HB 756** passed the House Wednesday 51-15. The legislation charges the Department of Health & Welfare to limit the duration and scope of operating in crisis standards of care and to develop long-term capacity strategies. The bill reaffirms that existing patient rights shall be honored under crisis standards of care, and requires the involved facility and Department to report mitigation plans.
- The House endorsed **SB 1350** Wednesday on a 46-20 vote. The bill is the result of a federal lawsuit settlement requiring the state to raise provider rates for home and community based services at a cost of \$66 million per year. **SB 1350** would eliminate restrictive verbiage pertaining to hospital assessment calculations and uses in order to allow the state to draw down additional federal Medicaid dollars to cover costs.

Business & Infrastructure—Two proposals aimed at preventing government entities from investing in companies that make commitments to environmental, social and corporate governance, known as ESG, are moving through the legislative pipeline:

- **SB 1405** was introduced Monday and received a full hearing Wednesday in the Senate State Affairs Committee. The legislation directs public entities to apply the Idaho Uniform Prudent Investor Act when selecting an investment. The bill language also prohibits public investors from considering ESG characteristics in a manner that supersedes the prudent investor rule. **SB 1405** was taken up by the Senate Friday, where it passed 28-7.
- **HCR 52** was introduced in the House Ways & Means Committee Tuesday and passed the House 51-17 Wednesday. The resolution is descriptive of the effects that ESG scoring is having throughout the world and argues it is detrimental to Idaho businesses and values.

Also this week, the Senate Commerce & Human Resources Committee held a hearing on **HB 701**—a revised proposal to create the Idaho Workforce Housing Fund. The Governor has recommended using \$50 million in ARPA funds to cover a \$50,000 financing gap for 1,000 new workforce housing units. This bill creates a fund for those monies to be deposited in and directs the Idaho Housing & Finance Association to administer the program. The bill stipulates that at least 20% of the monies allocated to the Fund must be dedicated to rural areas of the state. **HB 701** awaits a vote from the full Senate.

Legislation preventing most private and public entities from discriminating against people who haven’t received the coronavirus vaccine passed the House Friday 45-23. **SB 1381** establishes the “Coronavirus Pause Act”, which would prohibit private businesses and government entities from requiring vaccination as a term of service or employment unless necessary for travel. The bill exempts health care facilities that receive Medicare or Medicaid funding from the prohibitions. The provisions of **SB 1381** would sunset one year after the termination or expiration of all state emergency orders related to COVID-19. The legislation now heads to Governor Little’s desk for final consideration.

State Affairs—**SB 1309**, the Texas-style anti-abortion bill, awaits a signature from Governor Little after passing the House Monday on a 51-14 vote. **SB 1309** would amend the Fetal Heartbeat Preborn Child Protection Act to allow family members of a fetus aborted after six weeks of gestation to file a civil lawsuit

against the doctor at any time up to four years after the abortion, and get minimum \$20,000 damages plus attorney fees.

Looking Ahead—Legislators are eager to get through their committee agendas and reading calendars by the target Sine Die date of March 25th. The House has voted to send multiple appropriation bills back to JFAC, including the budgets for the Department of Commerce and the Commission for Libraries. As the session comes to a close, it is anticipated that we will see last minute moves to get important legislation passed. However, legislators will inevitably keep the viability of their campaigns in mind when voting on any controversial legislation.

If you have any questions, comments or would like any additional information, please contact the editor, Kylie, at [***kturner@idaho-politics.com***](mailto:kturner@idaho-politics.com).