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"A criminal is presumed to be innocent until he is proven guilty. Only businessmen - the producers, the providers, the supporters, the Atlases who carry our whole economy on their shoulders - are regarded as guilty by nature and are required to prove their innocence..." – Ayn Rand

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Ag Land Annexation Bill Advances

This week H25 was approved by a unanimous voice vote in the Senate Local Government and Taxation Committee, which is chaired by Sen. Jim Rice (R-Caldwell).

H25 prohibits cities from forcibly annexing parcels of land which are five acres or more and actively devoted to agriculture without, the written consent of the owner. This is a common-

sense approach to ensure farmers are not saddled with additional city taxes as long as they are still farming the land. Since it is the city that has grown and encroached upon the farm, not the other way around, H25 ensures farms are not forced out of business prematurely by forced annexation and increased taxes.

The Association of Idaho Cities testified they are neutral on the bill. They did want to add five words to the bill, but it was later pointed out that the current language of the statute already contains the information they requested to add. Both Senators Lakey and Anthon spoke in favor of the bill during committee deliberations. IFBF policy # 116 opposes forced annexation. **IFBF supports H25.**

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Clarifying Agricultural Personal Property

H087 was approved this week in the House Revenue and Taxation Committee chaired by Rep Gary Collins (R-Nampa). H087 clarifies the exemption from property tax on agricultural equipment and machinery by adding the word “harvest” to the exemption and including a definition of the word harvest. This bill is in response to inconsistencies across the state in how county assessors are currently administering this statute. As reported last month, IFBF has worked closely with the Tax Commission, County Assessors, and commodity groups to craft a bill that accomplishes the goal of equity and consistency across the state and is workable for all parties.

Brian Stender, the Canyon County Assessor, testified at the hearing that assessors in the past had believed the exemption applied to all equipment used in a field, but did not apply to equipment used after the crop was moved from a field. Although the current statute does not have any language to that effect, by adding the word “harvest” and including a definition, it re-establishes the original intent of the legislature which was to include ALL equipment used in the production and harvest of agricultural commodities, even if at a stationary site beyond the field.

Representatives from the honey, mint, dairy and hops producer associations all testified in favor of H087 or provided a letter of support to the committee. The Canyon County Assessor was the only person to express a concern about the bill. He said the clause in H087, instructing assessors and the tax commission to “broadly” interpret the exemption “in favor of granting the exemption,” was inconsistent with the normal practice of narrowly interpreting exemptions.

The Assessor is correct; however, it is up to the legislature to direct how the exemptions they pass are administered. Even though exemptions are usually narrowly construed, the Legislature can direct otherwise. In the end, the committee was not persuaded by the comments of Mr. Stender and the committee unanimously endorsed the bill. It will now go to the House floor for a vote prior to moving to the Senate for consideration.

IFBF policy #104 supports clarifying the existing statute to ensure all agricultural equipment is properly exempted from the personal property tax as the legislature originally intended. **IFBF supports H087.**

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House Considers Expanding Farmer Compensation for Wildlife Damage

Representative Fred Wood (R-Burley) introduced House Bill No. 80 in the House Resources and Conservation Committee on January 31, 2019 and the committee voted to send the bill to the House floor with a “Do Pass” recommendation on February 7, 2019. HB080 proposes to amend Idaho Code 36-1108 which allows Idaho Fish and Game (IFG) to compensate farmers for damage caused by wildlife to “growing or matured crops.” HB080 would also allow IFG to compensate farmers for damage caused by wildlife to “prepared seedbed ground, or irrigation equipment.” In his presentation to the committee, Representative Wood mentioned how the elk populations are growing across the state and are increasingly taking up residence in farmers’ corn fields. Several farmers’ center pivots have suffered considerable damage due to elk rubbing on them, while others have had elk trampling through prepared potato fields. HB080 will allow IFG to compensate farmers for these types of damages.

During the committee hearing representatives from the Idaho Farm Bureau Federation, Idaho Fish and Game, and Idaho Grain Producers all testified in favor of the bill. A representative from the Idaho Wildlife Federation gave the only testimony against the bill.

Idaho Farm Bureau Policies # 64 and 67 support damage control programs for destructive wildlife and Idaho Fish and Game paying landowners for damage caused by wildlife. **Idaho Farm Bureau Federation supports HB080.**

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S1041 Ground Water Districts

On Monday, the Senate Resources & Environment Committee passed S1041 and sent it to the Senate floor with a “do-pass” recommendation. This bill deals with the operation of ground water districts. Ground water districts exist principally to protect their members' water rights from curtailment by developing and implementing mitigation plans, the costs of which are assessed to the district members. S1041 amends Idaho Code 42-5232 and 42-5241 to meet two operational needs of ground water districts. The changes are outlined as follows:

- Ground water district assessments are levied once per year in accordance with the schedule set forth in statute to meet projected district expenses. On rare occasions actual expenses exceed projections, creating a need to levy a special assessment. S1041 provides authority to the ground water district boards to assess an emergency fee. This can only happen after notice is given to all registered members of the district prior to the board meeting, informing members of the board’s intent on levying a fee.
- The Idaho Department of Water Resources approves mitigation plans submitted by ground water districts. In recent years, some ground water users/members have willfully disregarded their responsibilities as outlined in the plan. S1041 enhances the ability of ground water districts to enforce compliance with their mitigation plans.

The sponsors of S1041 state its purpose is to help protect the integrity of the 2015 settlement agreement between the surface water coalition and the ground water districts. The fear is if certain members of a ground water district do not live up to their portion of the approved mitigation plan, then soon others will also ignore their responsibilities under the plan.

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Invasive Species Program - Zebra Mussels

Earlier this week the Idaho Department of Agriculture presented to the House Agricultural Affairs Committee on the Invasive Species Program, specifically dealing with Zebra Mussels. Celia Gould, director of ISDA, told committee members the program is on its 10th year and has completed over 600,000 water craft inspections during this time. In 2018 alone, they inspected around 110,000 water crafts. Gould commented that private citizens are the biggest help to the program when it comes to fighting invasive species. The more knowledge citizens have on the issue and the more they care, the more the program sees citizens being proactive in making

sure Zebra Mussels don't make it into Idaho waters.

The microphone was then turned over to Nic Zurfluh, Section Manager to the Invasive Species Program, to give a more in-depth presentation on the process the program takes to prevent the spread of Zebra Mussels into the state. Zurfluh informed committee members that through the Water Resource Development Act, the program works with the US Army Corps of Engineers for funding. The program is also a council consisting of interagency coordination among stakeholders. This allows for more influence of the program overall, because they have a network of resources through this coordination.

The program's biggest concern and focus currently is prevention. There has not been a Zebra Mussel found in the state and the plan is to keep it that way. Zurfluh mentioned that stations have longer hours to help make sure they capture high risk boats during high traffic times. In 2018, the Idaho stations caught around 50 fouled boats, 20 of these were headed to Idaho waters. In the same year, Zurfluh said they did a total of 7,000 hot washes for boats found to be high risk but didn't find any mussels during the inspection, just so that they could error on the side of caution.

He said they have around a 97% compliance rate for people agreeing to have their boat hot washed, simply because recreationalists share the concern over the mussels entering waterways used in recreation. Zurfluh praised the cooperation between neighboring states in the fight against this invasive species. With this communication, they have been able to cut down on boats getting double inspected when crossing borders and help with tracking high risk boats so they can be treated at their destination site, which is more convenient overall.

There was discussion towards the end of the presentation between committee members and Zurfluh. A couple of members of the committee expressed concerns over the program's ability to inspect the ballast tanks that are internally located in boats and asked this be something the program continues to work on and improve.

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Rep. Rubel Proposes Expansion of Eminent Domain

Representative Ilana Rubel (D-Boise) brought House Bill No. 51 as a personal bill proposing to amend Idaho Code 7-701A, which limits state and local governments' ability to use eminent domain to take private land for public purposes. Representative Rubel's bill would remove the

statute's restriction against the use of eminent domain by the state, a state agency, or a local government to take private land "[f]or trails, paths, greenways or other ways for walking, running, hiking, bicycling or equestrian use, unless adjacent to a highway, road or street."

Historically eminent domain has been used along waterways to create paths for walking, biking, and horseback riding. Senator Jim Guthrie (R-McCammon) sponsored the bill in 2015 that enacted the above-mentioned restriction to protect private property rights. The Idaho Farm Bureau Federation actively supported Senator Guthrie's bill. This restriction has allowed owners of waterfront property to rest assured that their property rights are safe.

Idaho Farm Bureau Policy # 156 states in part that we oppose "[t]he use of eminent domain for recreational purposes, for private economic development or to expand the land holding of wildlife agencies." **IFBF opposes HB051.**

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Update - H001 Water Storage Fill/Refill

The bill representing the many efforts of stakeholders, state water agencies and lawmakers—to reach an agreement on the long-fought dispute regarding the fill/refill issue in the Treasure Valley—has passed both chambers of the Idaho Legislature. On Tuesday, the Senate unanimously passed H001, which will now be sent to the Governor's office for his consideration. The Idaho Farm Bureau expresses appreciation to the Legislature for their careful consideration of this important piece of legislation, and for the many individuals who were crucial in its development.

Idaho Farm Bureau is supportive of state water law that protects water use and storage rights, and is opposed to any diminishment of storage fill rights due to flood control or other discharge prior to the irrigation season. Idaho Farm Bureau Policy #31 supports the fill of existing reservoirs following flood control releases to ensure current water users' reservoir space is filled and protected from new appropriations. **IFBF supports H001.**

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Personal Bills Propose Increasing Idaho's Minimum Wage

House Bills 50, 54, and 55 all propose making changes to Idaho Code 44-1502, which sets Idaho's minimum wage. Representative Ilana Rubel (D-Boise) brought HB050 as a personal bill. It proposes removing subsection four of the statute which prohibits cities and counties from establishing their own minimum wage. Without this provision, the minimum wage could vary all over the state depending on the city or county.

Representative Sue Chew (D-Boise) brought HB054 and HB055 as personal bills. HB054 proposes removing subsection three of the statute, which allows for workers under the age of 20 to be paid \$4.25 per hour for a maximum of 90 days. The \$4.25 wage is meant to be a training wage for young employees training for a new position. After the 90-day training period, employers are required to raise the employee's pay to at least the minimum wage of \$7.25 per hour.

HB055 proposes raising Idaho's minimum wage on a stepped-up basis over the next three years. Under Representative Chew's bill, the minimum wage would raise to \$8.75 per hour on July 1, 2019. In 2020, it would rise to \$10.50 per hour, and then in 2021, it would rise to \$12.00 per hour. From that point, Chew proposes having the director of the department of labor recalculate and adjust the minimum wage each year in direct proportion to the increase or decrease in the U.S. department of labor's consumer price index. Chew's bill would also raise the minimum wage for tipped employees.

Personal bills are bills that do not go through the customary committee hearing process and are therefore rarely given a hearing to discuss their merits. Personal bills are typically brought by a legislator taking a stance on a certain issue or fulfilling a promise made during the campaign.

Idaho Farm Bureau Policy # 91 states "[w]e oppose any state minimum wage that is higher than the federal minimum wage." **IFBF opposes HB050, HB054, and HB055.**

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Update - H067 Geothermal Well

The House Resource & Conservation Committee passed H067 and sent it to the House floor with a 'do-pass' recommendation. The bill deals with newly drilled low temperature geothermal wells and allows the director of the Department of Water Resources more flexibility to exempt new geothermal water rights if certain conditions are met.

Under Idaho law, the primary use of low temperature geothermal water for reasons other than heat value is not a beneficial use of the resource, unless the director exempts the proposed use. The conditions for exemption as proposed by H067 include:

- The proposed use will not detrimentally affect existing water rights, including water rights for low temperature geothermal water;
- The proposed use will not diminish the temperature of, or artesian pressure of, the low temperature geothermal aquifer; and
- There is not an economically viable source of water having a bottom hole temperature of 85 degrees or less in a well available.

The bill will be sent to the House floor for the chamber's full consideration.

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Rules Review 2.0

This week H100 was introduced in the House State Affairs Committee which is chaired by Rep Steven Harris (R-Meridian). H100 ensures all rules proposed by state agencies will receive the same level of scrutiny and approval as laws that are passed by the legislature. Unfortunately in Idaho, just like at the federal level, too often it is not the laws themselves that are burdening businesses and our economy, but the ever-growing bureaucratic state and excessive regulations.

Idaho's historic process of rules review, although far better than no review by the legislature, is tilted heavily in favor of the agencies. Currently, all proposed rules automatically go into effect unless both the House and the Senate actively reject the rules through a concurrent resolution. Therefore, if the agency can convince just one side that the rule is OK, or if one side simply doesn't care to look at the rules, the rules automatically go into effect.

H100 would "un-tilt" the process so that in the future, new rules would not become effective until they are reviewed and approved by both the House and Senate. Remember, agencies only have authority to make rules through power delegated by the Legislative branch to the agencies for that purpose. Therefore, it is important the Legislature exercise close oversight as the agencies use that "borrowed" authority. Since rules carry the force and effect of law, they should receive the same level of approval as laws.

H100 will receive a full hearing in the House State Affairs committee next week. IFBF policy # 169 supports requiring both the Senate and the House to approve a rule before it becomes effective. **IFBF supports H100.**

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