

Capitol Reflections

2015 Legislative Session

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Committee Defeats Off-road Gas Refund Repeal

This week the House Transportation and Defense Committee defeated a "do pass" recommendation for H146. Idaho Farm Bureau, Food Producers of Idaho and private aircraft owners opposed the bill because the gasoline in question was never used on the road and was never intended for use on the road. Off-road fuel has not been taxed in Idaho.

The purpose of H146 was an attempt to find revenue for road and bridge maintenance. At the hearing, the bill's original fiscal impact of \$8.5 million was decreased to \$432,000. The portion of the bill dealing with the repeal of the off-road refund provision was innocuous, repealing the gasoline tax refund found in section 63-2410, Idaho Code. That portion of the code had to be read to understand the full effect of the bill.

Included in this section was an off-road gasoline refund that applied to any person who purchased 50 or more gallons of gasoline per year for the following purposes: 1) operating stationary engines, 2) use in equipment or vehicles not licensed for highway use (including implements of husbandry), 3) operating commercial motor boats and 4) for use in ATVs or UTVs not licensed for use on the highway. This code section also contained a refund provision for automobile gasoline used in private aircraft.

Although the estimated fiscal impact was small, potential effects to some users of this refund were significant. Farmers and ranchers use stationary engines to power pumps, augers and other small equipment. Portable generators are included in this category and provide electricity for welders and power tools. Gasoline powered tractors, bale wagons, swathers, hysters and other implements of husbandry are still in use. Some commercial mining operations use a number of gasoline powered vehicles and equipment. **Idaho Farm Bureau opposes H146.**

put into place. The State Tax Commission is asking for it to be removed since it has become a burden for them to administer fairly and equitably. They have had internal debates as to what constitutes a hand-tool. This makes enforcement difficult for the commission and compliance difficult for the businesses as well.

The committee approved the bill on a 5-2 vote and it will now advance to the Senate floor for final consideration before moving to the Governor for his signature. **Idaho Farm Bureau supports H39.**

Hand Tools Bill Moves Forward

This week the Senate Local Government and Taxation Committee approved H39 which is sponsored by the State Tax Commission. H39 would no longer require businesses to pay sales tax on hand-tools valued at less than \$100 if they are necessary for the production of products that are later sold and taxed at retail.

Ever since the sales tax was first enacted in 1965 there has been an exemption from sales tax for items that are used in the production or manufacture of products. This is known as the production exemption and is sound tax policy as it prevents sales tax from being applied to items multiple times through the production process. Sales tax is to be paid only by the final consumer of the product.

However, since 1965 there has been an exception to the production exemption which required businesses to pay sales tax on all hand-tools that cost less than \$100, no matter how they are used. Nobody really knows the reason why this exception was
continued —————>



WHEREAS, WHEREAS, NOW THEREFORE

A joint memorial is a petition or representation made by the legislature addressed to whoever can effectuate the request of the memorial. Usually addressed to the President of the United States, the Congress, or some official or department of the federal government, requesting an action is taken or not taken by the official or body addressed. Essentially, a joint memorial is acted upon in the same manner as a bill and must be passed by both houses. It cannot be amended and is not signed by the Governor.

House Joint Memorial 2 – Introduced by Representatives Paul Romrell (R-St. Anthony) and Van Burtenshaw (R-Terreton) to express opposition by the Idaho Legislature to the President of the United States using a 1906 Antiquities Act to designate the Island Park Caldera Region as a National Monument.

The resolution points out: this region serves multiple uses and that land protection policies in place govern the management of this area; that agriculture is the single biggest economic contributor to the State of Idaho; that a national monument designation affects land use by imposing restrictions on development, resource extraction and land swaps with resulting local impacts such as diminished economic possibilities and restrictions on access; that a national monument designation would impact local wildlife managers as well as impact the right to hunt and fish in the area, a place where Idaho residents, families and visitors can enjoy these Idaho traditions; that in the November 2014 election, an advisory vote related to the suggested national monument designation was taken in Fremont County, which contains the area of the suggested designation. The results of the advisory vote indicated that 93 percent of the voting public opposed any such monument designation.

This memorial has now passed the House (59-11-0) and has been signed by the Speaker. It was sponsored in the Senate by Senator Jeff Siddoway (R-Terreton). It has passed the Senate by a voice vote. **HJM 2 supports Idaho Farm Bureau Federation policies 63 and 79.**

House Joint Memorial 5 – Introduced by Representative Merrill Beyeler (R-Leadore) points out: that cattle ranching and agriculture are the main economic drivers in Central Idaho, and will be substantially impacted by any new land management decisions regarding this landscape; ranching and farming play a substantial role in the state's heritage and identity and should be preserved; the 2006 Idaho Roadless Rule has proven to be a model for coordination among groups and individuals to resolve issues surrounding the management of 9.3 million acres of undeveloped national forestlands, providing protection for unique and sensitive areas, while simultaneously allowing for limited road construction, vegetation management and minerals development; that there has been no local collaborative process coordinated by the administration in association with a Boulder – White Cloud Monument designation; that 65 percent of registered voters came to the polls in the 2014 midterm election, and of those 95 percent voted against the creation of a national monument.

The House and the Senate concur that there should be a collaborative effort to secure local and state support prior to the exercise of the President's authority under the 1906 Antiquities Act; that any effort to reach a decision regarding lands of Idaho administered by federal agencies should be made with local collaboration rather than by unilateral administration that exclude the citizens of Idaho.

HJM 5 has passed the House by a 64-0-6 vote and will be transferred to the Senate. **HJM 5 supports Idaho Farm Bureau Federation policies 63 and 79.**

A concurrent resolution is a measure not having the force of law, and normally used for one of three purposes – to manage and regulate the internal affairs of the legislature, such as providing for the printing of bills; to express appreciation on the part of the legislature; or to direct interim studies by the Legislative council or by executive agencies. Essentially, a concurrent resolution is acted upon in the same manner as a bill. It is not signed by the Governor.

House Concurrent Resolution 14 – Sponsored by Representative Maxine Bell (R-Jerome) and by Senator Lee Heider (R-Twin Falls). HCR14 has passed the House of Representatives with a voice vote and will now be transferred to the Senate.

Stating findings of the legislature and recognizing and honoring the Idaho Farm Bureau Federation for its seventy-five years of representing Idaho agriculture and establishing Idaho's largest voluntary, membership-based farm advocacy organization to work for the well-being of Idaho farm and ranch families.

This Concurrent Resolution recognizes the Idaho Farm Bureau's seventy-fifth year anniversary celebrated on September 15, 2014. It states that 13 farmers and ranchers met in Murtaugh, Idaho and recognized a need for active representation promoting Idaho's agriculture industry; the organization provides and supports educational programs enabling Idaho farmers and ranchers to educate students and the general public about the importance of agriculture to the citizens of Idaho; that the organization has grown to provide insurance, financial and commodity marketing services to Idaho farmers and ranchers so they may better manage the risks associated with agriculture; that the Idaho Farm Bureau Federation has grown to be the largest general farm organization in our state and is comprised of 37 county Farm Bureau organizations with over 72,300 member families throughout Idaho and is known as "The Voice of Idaho Agriculture®"; that Idaho Farm Bureau Federation remains a voluntary organization dedicated to strengthening agriculture and protecting the rights, values and prosperity of federation member families and their neighbors.

HJM6 Joint Memorial Supports Federal Action

Thursday, the House of Representatives passed House Joint Memorial No. 6 (HJM 6) by a vote of 41-24. Early in the 2015 legislative session, the Idaho sugar beet industry was joined by the Idaho ag industry and the Idaho Farm Bureau Federation (IFBF) in drafting and supporting HJM 6.

HJM 6 clarifies the term “genetically engineered” (GE) and says food produced through GE methods is as safe to eat and grow as non-GE. GE produced food has been studied by the U.S. Food and Drug Administration, American Medical Association, World Health Organization, USDA, Health Canada, National Academy of Sciences, United Nations Food and Agriculture Organization and the European Food Safety Authority and declared safe.

The Joint Memorial points out that GE technology adds desirable natural traits and that between 70-80 percent of food consumed in the United States contains either GE ingredients or is genetically engineered as a whole product.

The primary focus of HJM 6 is to support a national solution. Action by the Food and Drug Administration prevents a mishmash of local and state labeling laws and regulations which would force manufacturers and retailers to make expensive changes in manufacturing, labeling, warehousing, inventory and distribution channels. The national solution protects consumers and eliminates the confusion of a 50-state patchwork of GE safety and labeling laws while affirming the FDA’s position as the nation’s authority for the use and labeling of GE food ingredients.

Idaho Farm Bureau and the ag industry support HJM 6. This week, Bill Nye, The Science Guy, changed his position on GE food and is now a supporter. The anti-GE food advocates provided significant push-back against HJM 6. This writer doubts however, whether one significant anti-GE claim will be shared with the Idaho Legislature so it is being presented here.

At a recent Boise GE food forum, the anti-GE speaker, a prominent local anti-GE food advocate, said “there are cows in China producing human milk.” After learning that, it is obvious to conclude that we’re all in the wrong business. We need to import some of those cows so we can revolutionize the baby food industry and retire. It’s now apparent what China has done with all the money that country has taken out of the U.S. economy. Those guys are waaaaaayyyy ahead of us. And we thought bootleg DVDs were a problem!! Who’d a thunk it?

S1062 Direct Primary Care

This week the Senate Commerce and Human Resources Committee heard testimony on S1062 which clarifies that Direct Primary Care is not an insurance product and therefore not subject to regulation by the Idaho Department of Insurance. As was reported in this newsletter on January 23, Direct Primary Care is a way for patients to receive most basic health-care services from a family physician. Typically patients pay a monthly fee for a clearly defined list of family health services. Direct Primary Care agreements are available with dentists as well.

As some local Direct Primary Care doctors expressed in their testimony, patients like the model since they get quicker service, are able to spend more quality time with the doctor, can visit with the doctor over the phone and they receive most common, office-visit type services all for one low monthly fee. For instance, one doctor from Boise stated that she charges \$60 per month for adults and \$10 per month for children under 21. DPC Doctors recommend that patients also purchase a “wraparound” insurance policy to protect against unforeseen and catastrophic incidents which require care beyond what they provide.

Doctors are moving to this business model because they are able to spend more quality time with their patients, they can provide the care they think is best without having to convince an insurance company that it is the right treatment option, and they do not have to spend time and resources billing insurance companies which allows them to provide better care at a lower cost.

There were nearly 20 people signed up to speak in favor of S1062, including Farm Bureau, with only a few opposing the bill. There were a number of doctors who are offering Direct Primary Care to their clients who gave very persuasive testimony explaining the need for protection of Direct Primary Care. The committee ran out of time to hear all those interested in testifying on Tuesday, so the hearing continued on Thursday.

When the hearing continued, there were again a number of doctors and dentists who provided compelling testimony. Those who spoke against the bill were Regence Blue Shield of Idaho, Blue Cross of Idaho, PacificSource Health Plans and the Idaho Association of Health Plans. Opponents primarily stated they were not opposed to Direct Primary Care, in fact they support it in other states, but they were concerned about a couple definitions in the bill.

In the end, after more than two hours of testimony, the committee voted to hold the bill in committee at the call of the chair to give time for the sponsors and opponents to come to terms on language that all could agree to. We hope the opponents will work in good faith to resolve their concerns so the bill can move forward this session. **Farm Bureau supports S1062**

Home Kitchens Bill Introduced

Representatives Clark Kauffman (R-Filer) and Caroline Troy (R-Genesee) have introduced a bill that would allow individuals in the cottage food industry to produce, process and sell limited types of non-potentially hazardous food products from an unlicensed home kitchen.

The bill defines the cottage food industry and sets standards for this niche industry. It ensures that direct in-person and online sales to the public are from the producer of the food. It also provides clarity for the Health Districts who are charged with enforcing the standards set out in H187.

H187 says cottage foods are nonpotentially hazardous foods that can be produced and sold by a home kitchen operation (HKO), but does not include low-acid foods that are currently defined in Idaho Code. Home kitchen operation is defined in the bill as a person who produces or packages cottage foods in a kitchen of that person's primary domestic residence or noncommercial kitchen in a building on that person's property for direct sale by the person, family member or agent of the person or family member as defined by Idaho Code. The bill limits HKOs to \$30,000.00 annual gross sales. The Board of Health and Welfare will promulgate rules and set fees relating to home kitchen operations.

An HKO can sell its product through a variety of venues defined in the legislation. It can conduct direct, on-line sales or sell its product through the mail. The product must be clearly labeled with the product's names, HKO contact information, allergen disclaimers, and a statement advising the consumer that the product was produced in a home kitchen not subject to routine food safety inspections.

Home kitchen operations must register and operate under the requirements set out in H187, but will be exempt from licensing. The HKO's owner will be required to hold a valid food handler's permit specific to the cottage food industry. In the event of a food-borne illness the Department of Health and Welfare will investigate.

Simpson, Risch Both Introduce Identical Boulder-White Clouds Wilderness Bills

By Rocky Barker - Idaho Statesman

A bill to protect portions of the Boulder-White Clouds as wilderness was introduced in both the House and the Senate Thursday by U.S. Rep. Mike Simpson and Sen. Jim Risch, both Idaho Republicans.

The bill would protect 275,665 acres in three separate wilderness areas that leaves all of the existing motorized trails open, includes small land transfers that help Custer County and the city of Stanley and access to funding for the county already approved by Congress. It is an alternative to a national monument designation pushed by Idaho conservation, sportsmen and outdoor business groups and under study by the Obama administration.

An Obama administration official acknowledged last week that the White House gave Simpson six months to try to pass the Central Idaho Economic Development and Recreation Act, which he has already tried to get through Congress for 13 years. In 2010, Risch was the stumbling block as motorized groups complained about the closing of several routes through the area that includes both land in the Sawtooth National Recreation Area and public lands managed by the Bureau of Land Management.

The changes in the new bill have motorized groups appeased, but many preservationists and mountain bikers have thrown their support behind the national monument championed by former Gov. Cecil Andrus.

Simpson took out several thousand acres of wilderness proposed that snowmobilers used on the east side of the Boulder Mountains in exchange for extra land in the Wood River Valley. A large swath used by the Sun Valley Heli-skiing outfitter also was taken out, including areas where the helicopters land.

The final version put back into wilderness a trail in Murdock Creek behind the SNRA headquarters that provides access to the wilderness for people in wheelchairs.

The next step for the bill in both chambers is to get committee hearings.

Read more here:

http://www.idahostatesman.com/2015/02/26/3665794_simpson-risch-both-introduce-identical.html?rh=1#storylink=cpy

"I consider the foundation of the Constitution as laid on this ground: That 'the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.' [10th Amendment] To take a single step beyond the boundaries thus specifically drawn around the powers of Congress is to take possession of a boundless field of power, no longer susceptible of any definition."

--Thomas Jefferson: Opinion on National Bank, 1791