

"To take from one because it is thought that his own industry and that of his father's has acquired too much, in order to spare to others, who, or whose fathers have not exercised equal industry and skill, is to violate arbitrarily the first principle of association-the guarantee to every one of a free exercise of his industry and the fruits acquired by it." - Thomas Jefferson

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Initiative Reform Clears the Senate

This week S1159 was heard for the third time in the Senate State Affairs Committee and after previously hearing more than four hours of total testimony time, it finally received a vote. It was noted that there was an issue inadvertently creating additional work for the county clerks as they verify signatures, particularly in those legislative districts that cross multiple counties. Therefore, S1159 was sent to the amending order to correct this unintended situation.

On Thursday, the Senate successfully amended the bill, effectively reverting back to current law which allows petitions to be signed by all registered voters within a single county. The county clerk will then verify the signatures on all petitions received for that county.

Finally, on Friday, the entire Senate debated S1159. After a vigorous debate which lasted for nearly 2 hours, S1159 passed out of the Senate on a vote of 18-17. S1159 now heads to the House for a hearing.

S1159 strengthens the initiative process by ensuring there is broad support for an issue from across the state prior to the issue being placed on the ballot. This ensures there is support from both the urban and rural areas of the state, and that all citizens have input into the process.

Arizona is also currently working to strengthen its initiative process. They have had a requirement for signatures from 10% of their voters for a long time but have never had a geographic distribution requirement. Therefore, all signatures could be gathered in Phoenix. The Arizona Legislature is now considering a bill requiring signatures from 10% of the voters in every one of their 30 legislative districts. S1159 is not radical or unusual but is consistent with the requirements of many other states that allow initiatives. IFBF policy #138 supports strengthening the initiative process. **IFBF supports S1159** as amended.

BACK

House Committee Passes Cap on Depredation Claims

Senate Bill No. 1151, sponsored by Senator Bert Brackett (R-Rogerson), proposes capping all depredation claims for damage caused by deer, elk, moose, and antelope at 10% of the annual Expendable Big Game Depredation Trust Account (EBGTA) appropriation. The EBGTA appropriation for 2019 was \$1.1 million, so the cap for this year's claims would be \$110,000.

After passing the Senate by a vote of 33-0, SB1151 was assigned to the House Resources and Conservation Committee chaired by Representative Marc Gibbs (R-Grace). The Committee heard testimony from Senator Brackett and Sharon Kiefer of Idaho Fish and Game (IDFG). Ms. Kiefer testified about the \$1 million claim IDFG received this year for damage to an organic potato crop. She explained that although IDFG has received authorization to pay all claims in full this year, if claims like this become more common it could deplete the depredation fund and cause all claims to be severely prorated. After Ms. Kiefer's testimony, the committee passed SB1151 on to the House floor with a "do pass" recommendation.

Water Easements Across Federal Lands Memorial - New Version

This week the House Resource and Conservation Committee voted on a new version of the Senate Joint Memorial concerning water infrastructure easements that cross federal lands. Similar to SJM101, the new memorial requests the President, the Department of Interior, the Department of Agriculture (USDA), and the Forest Service to respect and acknowledge Idaho's sovereignty over its water rights and its rights-of-way/easements for the use of these rights. The memorial also urges the removal of bureaucratic hurdles and roadblocks that interfere with the water users' use of their water rights.

The new version of the memorial is SJM106. IFBF Policy #41 supports the state's sovereignty and control of its water resources, and opposes any infringement on this right. **IFBF supports SJM101.**

For more details on what the memorial contains, please refer to the Capitol Reflections issue dated March 8, 2019 by <u>clicking here</u>.

BACK

Medicaid Expansion

This week two competing bills were heard regarding Medicaid expansion. H277 was heard in the House Health & Welfare Committee, which sent it to the House floor without recommendation, while S1204 was heard in the Senate Health & Welfare Committee and was sent to the Senate floor with a do pass recommendation. There are a few similarities between the bills, but also some stark differences.

Both H277 and S1204 include identical language to address mental health issues. Both seek a waiver from the federal government to allow Idahoan's who are eligible for Medicaid and have been diagnosed with mental illness to be treated in existing Idaho mental health facilities.

H277 and S1204 each recognize the federal 90% matching rate for Medicaid expansion may change in the future, but they address it differently. H277 states that if the federal matching rate is reduced, the expansion is automatically repealed as of the end of March following the federal action. S1204, on the other hand, says only that the Senate and House Health & Welfare committees will review the effects of the reduction and make a recommendation to the Legislature.

H277 states the expansion will be declared "null, void and of no force and effect" if the courts find the expansion unconstitutional. S1204 only states that if the U.S. Supreme Court declares the expansion unconstitutional, the Legislature "may" declare the expansion null, void and of no force and effect.

H277 puts a modest work requirement in place for all able-bodied adults who receive Medicaid coverage under the expansion. Those people who are between 19 to 59 years of age and who are not providing care for minors or disabled family members, must work, volunteer or participate in job training a minimum of 20 hours per week to maintain their eligibility. S1204 simply advises participants that employment and job training programs are available if they want to participate.

Finally, H277 ensures all eligible people who earn between 100% and 138% of the federal poverty level (FPL) will continue to be able to obtain subsidized coverage on the state health exchange at a cost of between \$17 and \$135 per month, depending on coverage desires, while S1204 makes all people who earn below 138% of FPL eligible for expanded Medicaid coverage.

Neither bill includes other common sideboards that have been enacted successfully in other states including: an annual enrollment period, modest monthly premiums and co-pays for services, drug testing or lifetime time limits for eligibility. All of these items are designed to encourage and assist recipients to become fully self-reliant, so they no longer need the assistance of Medicaid and can transition successfully to the private market.

The House passed H277 on Thursday with a vote of 45-25. It will now move to the Senate for a full hearing in the Senate Health & Welfare Committee next week. The Senate will vote on S1204 early next week. IFBF policy #153 supports significant sideboards on any Medicaid expansion.

BACK

Hemp Passes House

H122, the bill regarding industrial hemp, handily passed the House floor earlier this week with a final vote tally of 63 Ayes and 7 Nays. The bill was then sent to the Senate where it was referred to the State Affairs Committee. The bill will likely be heard early next week.

Idaho is the only western state where hemp is still considered a controlled substance and where farmers are prohibited to grow the crop. Regardless of the outcome of H122, Idaho will need to confront the issue of distinguishing the difference between industrial hemp and marijuana. The 2018 Farm Bill removed

hemp from the Federal Schedule I/Controlled Substances List and USDA is currently developing rules to oversee its development, production, processing, and transportation. Idaho will not be able to impede interstate commerce of this product and would be better served by a state developed plan to oversee the commodity.

A couple key aspects of H122 would allow the state's institutions of higher education to research hemp as a potential crop for Idaho producers, and the direction to the Idaho State Department of Agriculture to develop a state hemp plan. Farmers understand better than most people the inherent economic risks associated with any crop and commodity, especially ones that are new and emerging. It is important to have our research institutions studying this product to offer Idahoans a better understanding of hemp's potential in the state. The state would also be better served by its own department of agriculture developing an Idaho specific plan, rather than a more general federally developed plan.

Farm Bureau has both state and national policy supporting the legalization of industrial grade hemp, containing 0.3% THC or less, for agricultural production. Farm Bureau opposes the legalization of marijuana. H122 moves to conform to the 2018 Farm Bill and allows farmers to grow and research hemp in the state of Idaho. It also removes hemp from the state's Schedule I/Controlled Substance List. **IFBF Supports H122.**

BACK

Agricultural Inmate Training Bill Stalls in House Committee

Senator Patti Anne Lodge (R-Huston) sponsored Senate Bill No. 1045 which would allow inmates to receive real-world work training in the production, harvesting, and processing of all agricultural products rather than just "perishable agricultural food products." as the statute currently allows.

SB1045 passed the Senate Judiciary and Rules Committee without opposition, and passed the Senate floor with a unanimous vote. On February 21, 2019, SB1045 was assigned to the House Judiciary and Rules Committee chaired by Representative Thomas Dayley (R-Boise) for hearing. As of the date of this publication, the bill has not been scheduled for hearing. With such little time left in the legislative session, the bill appears to have stalled in the House Judiciary and Rules Committee. **IFBF supports S1045.**

BACK

Artesian Well Repair Bill Passes House

The House unanimously passed S1087, regarding the repair of flowing artesian wells and the retention of potential cost-share opportunities. The bill will now be sent to the Governor's desk for his consideration and signing.

Idaho Farm Bureau Policy supports current artesian well laws and the retention of cost-share option for those wells that are ordered repaired or plugged. **IFBF supports S1087.**

A full description of the bill and its proposed amendments can be found in the Capitol Reflections issue dated March 8, 2018, by <u>clicking here</u>.

BACK

Property Tax Shifts Averted

On March 5, a bill was introduced by Rep John Vander Woude (R-Nampa) which would have consistently shifted property taxes from residential properties to agricultural and commercial properties every year.

H243 proposed to re-instate the annual inflation indexing onto the homeowner's exemption that Farm Bureau and others successfully worked to remove just three years ago. H243 would automatically increase the homeowner's exemption every year as median home prices rise in Idaho. While this may sound good to most homeowners, it is extremely bad for owners of all other types of property.

To understand why this is, we need to review how local taxing districts operate. They set their annual budget based upon their needs are constrained by statutory limits. Once the budget is set, the levy rates are then calculated by dividing the budget by the total taxable dollar amount of property in the district. They are guaranteed to receive the amount of taxes necessary for their approved budget.

Since increased exemptions for one class of property does not reduce the amount of money the local taxing districts receive, it only ensures the other classes of property will pay higher taxes than they otherwise would.

It is natural for homeowners to be upset when they see their property tax bills. However, shifting that burden to other classes of property does not address the root cause of the problem, which is too much spending by local taxing districts. Homeowners would be far better served by attending local budget hearings and demanding the taxing districts, including cities, counties and schools, spend less money. This will directly work to lower their property taxes, without unfairly punishing other property

owners.

Schemes to shift taxes to other properties only masks the true issue and sets the stage for further unrestrained spending into the future. Fortunately, the House Revenue and Taxation Committee was wise enough to refuse to hear the bill, so it is essentially dead for this year. IFBF will continue to work with Committee members and other Legislators to explain the false premise of indexing the homeowner's exemption. IFBF policy #95 opposes shifting taxes onto agricultural property. **IFBF opposes H243**.

BACK

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