

Idaho Legislative Update – March

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Insight — 3/1/2013

Things are in full swing as the Idaho Legislature wraps up the eighth week of the 2013 session. Here are some of the highlights:

Budget: The Joint Finance and Appropriations Committee agreed with Governor Otter's budget recommendation and set the spending target at \$2.78 billion, which is 3% above fiscal year 2013. The Committee will continue to meet over the next few weeks to work on setting a balanced fiscal year 2014 budget, with a goal date of setting the budget by Friday, March 8th.

Dominant Issues Facing the Legislature: The 2013 Idaho Legislature has seen less legislative proposals than recent years; however, the issues that have surfaced are arguably some of the bigger and more headline-making issues that I have seen in my time in Idaho politics. Here is a quick run-down of some of those hot-button issues:

- **Personal Property Tax:** The much anticipated bill to eliminate the personal property tax has been circulated around the Capitol by the Governor, and discussions with legislators and stakeholders have been ongoing. The current proposal calls for a seven-year phase out and includes reimbursement to local government for nearly all of the personal property tax moneys lost. The efforts to repeal the tax have been led by the Idaho Association of Commerce and Industry, Idaho's largest business lobby, and includes a good deal of legislative support; however, past efforts have mostly been held up by the resulting loss in revenues to local governments and disagreements on how best to replace those lost revenues moving forward.

On a personal note: I will be moderating a panel hosted by the Idaho Business Review addressing this and other tax issues next Tuesday, March 5th at 8am at the University of Idaho Water Center in Boise. The event is free and open to the public. Click here to RSVP: www.idahobusinessreview.com/roundtable

- **Health Insurance Exchange:** After nearly six hours of debate, the Idaho Senate passed the Health Insurance Exchange Act (Senate Bill 1042) on a 23 to 12 vote. However, the bigger news was on the House side where 16 House freshmen unexpectedly announced their support via a press conference for a state based insurance exchange pending passage of some legislative oversight measures they believe is necessary. Their legislation (House Bill 179) adds two legislators to the exchange board as non-voting members and

would also require spending reports be provided to the legislature. With two pro-state exchange bills in the Legislature, discussions are now ongoing about how to proceed, but will likely emerge in the form of a new bill proposed in the House that combines the two bills into one.

- **Gun Legislation:** The House State Affairs committee voted earlier this week to move forward with a package of gun bills that take defensive stands against federal gun regulations. The first bill offers a defense against Congressional proposals to ban semi-automatic weapons by penalizing Idaho employees who might be in a position to enforce new federal gun restricting. The second bill would ban federal regulation of Idaho-made weapons that stay in Idaho. Additional proposals would prevent cities from regulating concealed weapons as well as a bill aimed at enhancing the recognition of concealed weapons carriers.

State of the Union: Although President Obama's February 12th State of the Union address is not Idaho specific, I think everyone can agree that it clearly does have an impact on our great State. In response to his State of the Union address, media reports mostly described the President's speech as "unapologetically progressive and uncompromising." As the Associated Press puts it – "visions that included calls to raise the minimum wage, invest in the nation's infrastructure and protect Medicare beneficiaries from potential entitlement spending cuts." Others also highlighted the President's remarks on gun control and the President's discussion of the budget. Regardless of your political views, it is quite clear that President Obama plans to move quickly in his second term to use his political capital, and test the limits of his executive powers to push ahead on his priorities without the Republican controlled House or even the Democratic Senate majority.

Additional prominent issues that have surfaced this session include topics related to the transfer of federal lands to the State, proposals to strengthen private property rights, education reform and charter school related issues, lessening regulations on telecommunications companies, lengthening the number of days that food stamps are distributed, and so much more. If you have an interest or questions related to any of these topics, I would be happy to answer any of your questions.

Finally, an excellent resource for tracking bills, agendas, legislator information, and much more, can be found on the Idaho Legislature's website at www.legislature.idaho.gov.

Please contact me if you have any questions or comments.

Jonathan

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