



ASSOCIATION MANAGEMENT GROUP

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◆ 2020 Legislative Summary ◆

The 2nd Regular Session of the 65th Idaho Legislature convened on January 6 and officially adjourned on different days - the Senate on March 19, after meeting for 74 days and the House on March 20, after 75 days. During that time there were 830 draft proposals, 559 pieces of legislation introduced, with both houses passing 347 bills. During the 2020 Session, AMG lobbyists attended all meetings of the Ag Lobbyist group (each Tuesday) and represented clients at Food Producers of Idaho meetings (each Wednesday). Food Producers of Idaho hosted selected legislators for lunch each Wednesday. These lunches provided an opportunity to interact with legislators on important issues related to the agriculture industry. Benjamin Kelly or Patxi Larrocea-Phillips participated in the Idaho Association of Commerce and Industry's (IACI) weekly legislative meetings representing Food Producers of Idaho and the Northwest Agricultural Cooperative Council.

The clients that AMG lobbied for during the 2020 Legislative Session included:

Rick Waitley/Benjamin Kelly/Patxi Larrocea-Phillips:

Food Producers of Idaho

Idaho Alfalfa & Clover Seed Growers Association

Idaho Hay and Forage Association

Idaho Honey Industry Association

Idaho Onion Growers' Association

Idaho Noxious Weed Control Association

Nezperce Prairie Grass Growers Association

Northwest Agricultural Cooperative Council

Northwest Farm Credit Services

Roger Batt:

Idaho Eastern Oregon Seed Association

Idaho Grape Growers and Wine Producers

Idaho Heartland Coalition

Idaho Mint Growers Association

Treasure Valley Water Users Association

Western Equipment Dealers Association

KEY 2020 LEGISLATIVE ACTION:

PESTICIDE APPLICATORS: A large amount of discussion surfaced this past legislative session related to the Idaho State Department of Agriculture's (ISDA) Pesticide Applicators Program. The general definition of a pesticide is any substance intended to control or destroy any insect, rodent, nematode, fungus, or plant. Idaho has 12,000 registered pesticides for use, including products intended for use in residential, commercial, agricultural, turf or urban settings. There are approximately 10,000 pesticide licenses in Idaho and about 90 of those licenses are held by aerial pesticide applicators. H487 was introduced into the House Agricultural Affairs Committee and passed the House on February 28. The hearing before the House Agricultural Affairs was filled with testimony from members of the Idaho Agricultural Aviation Association. The original bill did several things. First, it would have removed language from Idaho Code that provided a lower standard than negligence. Next, it would have made it mandatory to instill negotiated rulemaking to draft rules regarding the penalty matrix. Finally, the penalty matrix for any violations of Idaho Code would have been changed through negotiated rulemaking and it would have required the ISDA to rigidly follow the penalty matrix. ISDA currently has flex provisions built into its rules so that it can assess the case on its facts and then provide adequate violations. Food Producers of Idaho opposed the original bill as it was written because ground applicators were not involved in helping to shape the changes that were being proposed and potential unintended consequences if ISDA had to follow a rigid penalty matrix. The Idaho Agricultural Aviation Association agreed to amend the bill and H487 was amended and passed the Senate and House of Representatives. It was later vetoed by the

governor because he did not think it was fit to have a mandatory negotiated rulemaking provision in the bill and mandatory negotiated rulemaking would have precluded temporary rules, which are enumerated in his scope of powers, from being effective.

PROPERTY VALUATIONS: H560a was signed into law by Governor Little on March 25, 2020 and will help establish a commonly used method for the calculation of agricultural land assessed values. It will also place an emphasis on using local data when accessible to county assessors rather than relying on generalized, aggregated data from a broader source. The actual use calculation will depend on whether the person owns the land, if the person is a landlord, if there is a crop share agreement or if the land is used for grazing purposes. H560a brings Idaho Code into line with the proposed rules by the Tax Commission that were published in the October 2019 Rules Bulletin. The change to the statute incorporates the terminology, *actual use*, that is more appropriate and aligned with current proposed rules. The old Tax Commission rules that are being revised, would remove the use of speculative portion of assessed values of agricultural land. This terminology in code would become obsolete and not uniform with the rules if the legislature did not make a revision to the statute. H560a was also drafted to incorporate a subsection of the rule that would mandate that any rule created and adopted by the agency that did not receive the consent of the both the Senate and House of Representatives would be rejected. Food Producers of Idaho was opposed to H560a solely for the reason of the administrative rules having to be adopted by both houses, setting precedent that could affect all rules in Idaho. After H560a was amended to remove the administrative rules portion, it was then supported by Food Producers of Idaho.

H590 would have established more uniform and reasonable provisions of Idaho law regarding the valuation of property for property tax purposes. Under the current law, assessors can value business property using income or market approaches, as well as a cost approach. The income and market approaches often result in an estimate of value for the entire business, including goodwill and any other intangible property associated with the business. Although Idaho Code provides that such intangible property is exempt from taxation, it is difficult to determine the value as part of the ongoing business in a way that results in the valuation of only the tangible assets. Normally, assessors do not attempt to value the business. For businesses such as franchise restaurants, car dealerships, and many others, there is no effort to use the income from the business or otherwise to value the business operation and then deduct intangible value. For centrally assessed property, Idaho Code provides that owners of such property can elect to require the use of a valuation method that does not include intangible or business value in the first place. That method is usually a cost approach. The cost approach method is also mostly used for business personal property, where the current depreciated cost of the property is determined using methods and tables provided by the Idaho Tax Commission. For residential property, appraisers typically rely on the cost and market approaches, but the market approach is often difficult to apply where properties that have sold are not truly comparable to the subject property, and subjective adjustments have to be made to make them more comparable as a measure of value for the subject property. H590 was intended to promote clarity and uniformity by amending Idaho Code to provide that the cost approach shall establish a ceiling on value. This recognizes a basic principle of appraisal that no reasonable buyer of property would pay more for that property than it would cost to build or acquire the same property. Since this method is used for most commercial personal property and real property improvements, it is equitable to require its use as a maximum value for all property owners. H590 was brought late in the session and was unable to gain momentum before the legislature adjourned.

HEMP: The first piece of legislation in 2020 to deal with hemp production in Idaho was introduced early in the legislative session by Representative Dorothy Moon. Introduced in the Senate Health and Welfare Committee, S1241 aimed to align state law with federal law contained in the 2018 Farm Bill. It would have allowed the growing and selling of hemp products that contain 0.3% or less of THC, the cannibal compound that gives marijuana its high. Though S1241 would basically allow all the provisions covered under the 2018 Farm Bill, agriculture did not unite behind the proposal knowing that the bill would not make it through the full Senate.

The second piece of legislation dealing with hemp production was passed out of the Senate committee and passed the full Senate on a 27-5 vote. S1345 addressed the transportation of industrial hemp in Idaho, charged the state to develop a hemp-growing plan and was supported by most of agriculture to the

understanding it was palatable to the Governor and the Senate. The legislative intent was to define hemp, and permits any persons or institutions of higher education in Idaho to grow, cultivate, harvest, sample, test, research, process, transport, transfer, take possession of, sell, import and export hemp or hemp products that contain 0.3% or less THC content be allowed in the state. S1345 was sponsored by Senator Abby Lee and would have directed the Idaho State Department of Agriculture to coordinate planning efforts with stakeholders such as growers, processors, the Idaho State Police or others. It would also allow the state to contract with experts to develop a U.S. Department of Agriculture (USDA) compliant Industrial Hemp State Plan with the goal of having the plan approved by USDA for the fall of 2020. While Senator Lee's bill did not remove hemp from Idaho's Schedule 1 list of controlled substances, it did make the transportation of hemp without the proper permit and licensing a misdemeanor. The penalties would have included a \$150 fine upon first offense, a \$300 fine upon second offense within five years and a \$1,000 fine or possibly six months in jail, upon a third offense within five years. After S1345 passed the Senate, it was heard late in the session in the House State Affairs Committee. A few individual producers testified that the bill did not go far enough to allow unfettered production in Idaho while other producers supported the bill along with agricultural associations. In the end the committee voted to keep the bill in committee and not allow a vote on the House floor. The justification was the same as in the 2019 session - allowing hemp legalization in Idaho will ultimately provide a pathway for the legalization of medical and/or recreational marijuana. With the rejection of S1345, Idaho will continue to be one of two states not allowing the production of the crop.

ADMINISTRATIVE RULES REVIEW: Prior to the beginning of the 2020 Legislative Session, The Red Tape Reduction Act was an executive order issued by Governor Little that required state agencies that have authority to issue administrative rules to identify at least two existing rules to be repealed or significantly simplified for every one rule they propose. Idaho's administrative code includes 736 chapters and 8,278 pages of regulations and at least 72,000 total restrictions. The three most regulated areas in Idaho are economic development with 3,018 pages of regulations, natural resources with 1,815 pages of regulations, and health and human services with 1,666 pages of regulations. During the 2019 Legislative Session lawmakers did not pass an omnibus bill that would have approved the rules as of July 1, 2019. A large part of the first half of the 2020 session encompassed committees reviewing administrative rules. Normal procedure would usually consist of the committee asking the respective agency to come and present several rules or dockets every time the committee met. The committee then had the ability to accept or reject the rule. However, committees were told at the beginning of the session that even though they could reject a single rule or a sub part to a rule, they were still unable to individually go in and tweak specific words in a rule.

The Idaho State Department of Agriculture ran three pieces of legislation that removed burdensome and unnecessary regulations in compliance with Governor Little's Red Tape Reduction Act and Licensing Freedom Act. The regulations dealt with an array of items ranging from the enrichment of bread and flour to removal of the weighmaster licensure and its application fee. All three pieces of legislation were signed into law by Governor Little and will take effect on July 1, 2020.

It appears that we are now in the same boat that we were in at the end of the 2019 Legislative Session. The legislature did not pass an omnibus bill that would have approved the rules as of July 1, 2020. This hints that we will be back in committees next year reviewing rules in total again.

INCARCERATED LABOR: A measure to expand inmate farm labor programs to any agricultural operation made its way back to the legislature. In recent years, legislation has been passed that allows inmate labor only in operations involving production, harvesting or processing of perishable agricultural products. H373 provides for inmate trainee participation in work training programs offered through the Idaho Correctional Industries program. H373 offered training stipends for participants in the programs but specified that inmate trainees are not employees of the Idaho Department of Corrections and are not entitled to worker's compensation or unemployment compensation. Included were conditions for rules regarding inmate trainee safety and changes to the language of the current law to make clear that the inmates are in job-training programs and not employees of either the state or any agricultural operation. Two years ago, a similar bill was passed by the Senate, amended in the House of Representatives and the Senate opted not to concur with the amendment. The bill sought to remove the word "perishable" from agricultural products that could be harvested by inmate

labor allowing inmates to work for private employers in the production, harvesting and processing of all Idaho agricultural, horticultural, vinicultural, forestry, and bee products. This would have allowed more opportunities for inmate labor. On the House floor, the bill was amended to entitle an inmate to worker's compensation. This would have forced agricultural producers to provide worker's compensation for inmates. The amended bill also mandated that the inmate be classified as an employee of the agricultural employer.

Senator Patti Anne Lodge was the prior sponsor, but this year agreed to let the House of Representatives begin the process to find a suitable path forward. A new section of Idaho Code would also be added to allow the assignment of conservation work. Inmates would be able to be assigned to perform public conservation projects including but not limited to forest fire prevention and control, forest watershed management, recreational area development, fish and game management, soil conservation and forest watershed revegetation. H373 opens opportunities for inmate participation through multiple industries but also adds a significant focus to the goal of reducing recidivism through job training. With the current high recidivism rates in Idaho, the argument is that giving inmates an opportunity to get back into a work environment will both give skills they'll need to succeed as law-abiding citizens, as well as allow them to earn compensation toward restitution, court costs and re-entry into society. H373 passed through both the Senate and the House of Representatives without a single vote against and was signed by Governor Little to take effect July 1, 2020.

WORKER'S COMPENSATION: Last December, the Idaho Supreme Court ruled on a case that opened the doors for potential litigation in the worker's compensation arena. The major issue with the decision is that it expanded an exception to the Exclusive Remedy Rule found under the Worker's Compensation Statute. Normally, a worker is provided monetary relief for an on-the-job injury through worker's compensation and the worker is not able to file a civil suit against his employer. The exception to the Exclusive Remedy Rule under Idaho Code § 72-209(3) allows a work-related claim against an employer where the employer commits "an act of willful or unprovoked physical aggression" against an employee. In those instances, the worker gets the worker's compensation benefits and can still sue the employer for civil damages in district court. Any award of damages in district court is reduced by the worker's compensation benefits received in order to prevent excess recovery. Ultimately, the decision expands the scope of the exception, in favor of workers, from where it has stood for some 30 years based on prior court precedent. S1321a added language to Idaho Code § 72-209 to clarify the intent of the Idaho Legislature with respect to the "Exclusive Remedy" in worker's compensation. When reviewing the case, the Supreme Court invited the legislature to clarify the language of the statute. The language in S1321a will likely preserve the integrity and balance of what is known as the "Grand Bargain" of worker's compensation. The bill passed the Senate and House of Representatives with no votes against it and has been signed by Governor Little.

COMMISSION DISCUSSION: Throughout the 2020 session there were a number of disturbing conversations related to the operations of commodity commissions in Idaho. Commodity commissions are established in Idaho Code and the commissioners are appointed to serve at the pleasure of the Governor according to what is outlined in each of their respective code areas. Commissions collect from the growers an assessment – NOT A TAX – that can be used in three primary areas: education, promotion and research. These assessment dollars are then allocated by decision of the commission members for various projects and activities. Annual financial reports are submitted to the legislature for budget reviews and activities of commodity commissions. Rumors and drafting frivolous legislation, questioning the structure, appointment system, accountability and even the existence of commodity commissions hovered around the edges of the 2020 session. Thankfully, none of the half-baked ideas made it anywhere in the system but it sent a yellow light of caution to all commodity commissions and grower groups to be on alert for what might be ahead. Some commissions have abundant resource capacities, but many are limited. But it has always been agreed upon by those in agriculture leadership that "once the gate is open" who knows what could happen. It will require a great deal more education on the type of leaders we have in the legislative body to help them understand the purpose, history, reason for existence and value of agriculture commodity commissions in our state.

CAREER TECHNICAL EDUCATION: Senator Dave Lent and CTE Administrator Clay Long presented to the Food Producers of Idaho membership and requested the continued support of Career Technical Education (CTE) and the support of legislation to further the process. S1329 was supported by agriculture and addressed

longstanding equity issues associated with recruitment and retention of industry professionals within CTE programs. It recognized and valued CTE instructional staff's experience within the industry by identifying a ratio for placement on the teacher career ladder. It also allowed the existing allocation for CTE instructional staff holding an occupational specialist certificate to be directed to the instructional staff rather than being placed in a school district's general fund and it identified a new individualized path for industry professionals for occupational certification.

Idaho has made legitimate progress in recent years allowing an easier path forward for students to transfer credit, increasing the number of CTE instructors in high school and college programs and creating pathways connecting students to high demand careers. Statewide data shows that students who take CTE classes in high school "go-on" to college at a higher rate, over 60%, and many enter CTE-related professions including health care, technology and trade fields. There are areas that need improvement and there is still a significant demand for a skilled workforce in Idaho. The current priorities for CTE include improving access, creating more capacity for more students and better career placement after graduation. These priorities align with the governor's overall goal to train and retain a highly trained workforce and encourage former Idahoans to return to our state to live, thrive and contribute. It also aligns with the State Board of Education's goal that 60% of Idahoans, aged 25-34, will have a professional certificate or college degree. S1329 was signed into law and will take effect on July 1, 2020, in time for the new school year this fall.

FORMING OF AN AG CAUCUS: In the summer of 2019, Rep. Caroline Troy and Rep. Sally Toone, discussed the possibility of forming a caucus for both the Senate and House that concentrated on agriculture issues. As the session started in January this concept was expanded and two more legislators joined in the planning: Senator Bert Brackett and Senator Janie Ward-Engelking. The name was expanded to be the Idaho Farm, Ranch and Timber Issues Caucus. A recent U of I study indicated that one in every eight jobs in the state is directly or indirectly tied to agriculture and 13% of Idaho's total gross domestic product is derived from agriculture and natural resource industries. The group met periodically during the 2020 session and discussed several different topics.

U OF I CALS RESEARCH/EXTENSION BUDGET: This is the FY 2021 original appropriation for the Agricultural Research and Cooperative Extension Service. It appropriates a total of \$32,108,400. For benefit costs, the bill maintains the current appropriated amount for health insurance at \$11,650 per eligible FTP and temporarily removes funding for the employer's sick leave contribution rate. The bill also provides funding for the equivalent of a 2% change in employee compensation for permanent state employees. The bill funds one-line item, which provides 0.39 FTP and \$58,500 for occupancy costs. Lastly, the ongoing General Fund appropriation is reduced by 2%. A quick summary is as follows:

- Total FY 2021 budget = \$32,108,400. This is a 1.3% **reduction** from FY2020, but it must be noted that the 2020 budget included a 1% revision that totaled \$422,300.
- This includes 348.96 FTPs, no line items, and a reduction in occupancy costs.
- It includes a 2% change in employee compensation based on merit but does not fund it.

CALS had requested a few items for Aberdeen R & E Center, mostly equipment upgrading that was not funded. CALS also asked for \$3 million for Parma R & E Center that was not included. The College has been informed that there will be no line items in next year's budget. Occupancy cost reductions are problematic in that it will increase the load on deferred maintenance. The original budget that came out of JFAC included a full amount for occupancy costs, but the bill was sent back to JFAC and CALS was told to use the Governor's numbers, which JFAC complied with. The final appropriation passed both Chambers unanimously.

IDAHO CENTER FOR AGRICULTURE, FOOD AND THE ENVIRONMENT (CAFE): The plan to create the nation's largest research dairy advanced in February with the Idaho State Board of Education's vote to allow the University of Idaho to buy land for the \$45 million project. The U of I and Idaho dairy industry-led effort will create the Idaho Center for Agriculture Food and the Environment, commonly referred to as CAFE. The project took a major step forward with the go-ahead to finalize the purchase of land in Minidoka County near Rupert. The U of I and Idaho Dairymen's Association (IDA) will jointly purchase 540 acres with the seller agreeing to

donate another parcel of land. The university will pay \$2.5 million and IDA will pay \$2 million towards the purchase. IDA members first began working with the U of I 15 years ago on this project and began to dedicate funding to the project a decade ago. Since then, Idaho's dairy industry grew dramatically to rank third nationally in milk production. Much of that growth took place in southcentral Idaho's Magic Valley, principally in Jerome, Gooding, Twin Falls, Cassia and Minidoka counties. In 2017, the Idaho Legislature appropriated \$10 million from the state's Permanent Building Fund to help finance the project with an additional \$5 million investment is anticipated as the project progresses. Funding from the legislature in the 2020 legislative session was not supported by the Governor given the shortfall in revenue.

PARMA R & E CENTER FUNDING: The aging facility of the Parma R and E Center has drawn the attention of lawmakers and University officials. The center plays a key role for most commodities in Idaho dealing in science and research that impact all of Idaho agriculture (i.e. soils, insects, diseases, etc.) The facility will be renamed the **Idaho Center for Plant and Soil Health**. Current fundraising totals for the \$7M project are: \$2.5M from industry and a \$1M commitment from CALS. While we did not secure state funds for the project during the 2020 legislative session, we have established a plan to secure funds for the Parma facility during the 2021 session. U of I President Scott Green and Governor Little are working on a shared message that will be communicated to industry stakeholders in the near future detailing that plan going forward.

FLOOD CONTROL DISTRICTS: H565 will authorize anyone who has land within a flood control district to voluntarily annex that land within the district. Currently, irrigation districts and groundwater districts have this ability under Idaho Code. There are several landowners who own land within a flood district where the land has not been annexed into that flood district. This results in the landowner not being able to take advantage of the flood control district's capabilities to repair banks or remove debris for the landowner. H565 sets into place some guidelines that a landowner would follow to get their lands annexed into a flood control district to be able to work with the district on flood mitigation, maintenance or repair issues.

BONDED WINE WAREHOUSES: Idaho's Grape and Wine Industry is a heavily regulated industry because it deals with alcohol and the requirements to pay federal and state wine excise taxes. One of the issues the industry has is a limited amount of legal options to store excess wine. Due to federal and state regulations, Idaho wineries are only allowed to store the wines they produce. If these wineries over-produce and run out of storage space, it is unlawful for them to store their wine at another winery. Many Idaho wineries are small in size so they self-distribute their own wine and are not contracted with a wine distributor to store their excess wine. The only other legal option is for these smaller wineries to store their wine by having it shipped out-of-state and pay for an out-of-state storage facility to store until they have freed up storage space in the winery. This has been costing Idaho wineries tens of thousands of dollars per year in shipping and storage costs. It is estimated that about 50 percent of Idaho's wineries must go through this process to store their wine.

H343 helps Idaho wineries resolve this issue by setting the framework for a bonded wine warehouse to be established in Idaho (a new business entity). Other states like Washington already have these businesses in place because laws were passed several years ago to allow them to be setup. Under this legislation, a bonded wine warehouse would only be authorized to store and handle wine, it would not be authorized to distribute or sell wine, so it would not be competing with existing businesses that distribute and sell wine. A bonded wine warehouse would be able to store the wines of multiple in-state Idaho wineries as well as out-of-state vintners.

The steps involved in obtaining a Bonded Wine Warehouse License would be as follows:

- Filing an application with the Federal Tobacco, Tax and Trade Bureau (TTB) as a Bonded Wine Cellar. This is required for any facility to store wine.
- Filing an application as a Bonded Wine Warehouse with the Idaho State Police-Alcohol Beverage Control. The process is very similar to the process Idaho wineries currently use to obtain a winery license.
- Paying a license fee of \$300 to the Idaho State Police/Alcohol Beverage Control to be a Bonded Wine Warehouse. This is the same license fee that Idaho wineries are paying.

H343 passed the Idaho Legislature and was signed into law by Governor Little. It goes into effect as law on July 1, 2020. Representative Caroline Troy and Senator Patti Anne Lodge carried the legislation on the floors of the House of Representatives and Senate.

RIGHT TO REPAIR: Representative Britt Raybould presented legislation in the House Environment, Energy and Technology Committee that would allow anyone who purchases any equipment with a micro-processing unit in that equipment to be able to repair it or to take it to an independent repair facility to have repairs made to it. H452 would have also encompassed all digital electronic equipment from garage door openers, cell phones and laptops to medical equipment, ATV's and basically any electronic device we use in our homes or otherwise. Efforts like these have been proposed across the United States for several years now – all have failed. This legislation made Idaho the 35th state where legislation of this kind was presented. While the idea of Right to Repair as an owner of digital electronic equipment sounds like a good thing on the surface, there were many things wrong with the legislation including:

- Mandated the manufacturers of the digital electronic equipment to release their proprietary information to the owner of the device or to an independent repair facility.
- Set price fixing for manufacturers of digital electronic equipment to release their proprietary information to the owner of the device or to an independent repair facility based on what they can afford to pay for it and by frequency of use.
- Set warranty provisions where manufacturers of digital electronic equipment would still be liable to pay a warranty even if the owner of the device or an independent repair facility made repairs to the device without using the manufacturer's parts.

H452 had an extensive legal analysis done on it by several attorneys. The legislation was deemed to be unconstitutional due to the fact that it caused an interference with contracts between the manufacturers of digital equipment and the suppliers of electronic digital equipment. An example of this are the farm equipment dealers having the exclusive right under a contractual agreement to sell and repair the product line of John Deere or Case IH products. Under H452 that same product line would have been authorized to be sold and repaired to anyone or to any independent repair facility. The legislation also violated federal anti-trust and copyright laws by setting pricing and by mandating licensed and copyrighted proprietary information to be released to anyone instead of through contracts between the manufacturer and supplier or dealer.

A hearing was held in the House Energy, Environment and Technology Committee and out of respect for the bill sponsor the committee voted to send the legislation to the amending order with the knowledge that the legislation would stay on the amending order until the close of the Session. H452 died on the amending order as no amendments were ever presented or made.

BEER TAX: In 1988 the Idaho Legislature passed a bill that was signed into law that authorized strong beer (between 4-6% alcohol by weight) to be considered and taxed as wine. The Idaho Grape and Wine Commission receives 5% of the total Wine Excise Tax to fund the marketing and promotion of the Idaho wine industry. Half of those funds come from strong beer sales that are taxed as wine. Over the past two years the beer industry has expressed its angst with the fact that the Idaho Grape and Wine Commission is funding the promotion and marketing of wine using tax dollars funded from strong beer sales. Over the past year, the wine and beer industries have met to discuss this issue and have included the governor's office in these discussions because the Idaho Grape and Wine Commission is a quasi-governmental entity under the authority of Governor Little. Going into the 2020 Legislative Session, there was a clear understanding that the beer industry was going to be presenting legislation that would take away the tax funding from the Idaho Grape and Wine Commission from strong beer sales even though this would cut the commission's budget in half. The beer industry agreed to stair-step this over a three-year period to lessen the fiscal impact to the commission and to allow the commission to be able to come up with a solution to recapture the lost revenue.

S1365, sponsored by Senator Crabtree, would remove about \$150,000 from the Idaho Grape and Wine Commission's budget over a three-year period by removing strong beer being taxed as wine. The Senate debated this legislation on the floor, and it failed to pass the Senate by a vote of 15-19. The main reasons why the Senate did not like this legislation were it took away funding from a very productive commodity commission that does an excellent job promoting an industry and it would have put those funds into the general fund instead of into a marketing arm for the beer industry.

FLOOD MANAGEMENT APPROPRIATION: The Treasure Valley Water Users Association (TVWUA) spearheaded getting an appropriation passed to continue the Flood Management Program overseen by the Idaho Water Resources Board (IWRB). The TVWUA has successfully helped pass appropriations for this program the past three years to acquire funding for flood management grant applications for areas of the Boise River watershed as well as around the state. An amount of \$800,000 was appropriated through the Joint Finance and Appropriations Committee to continue with this effort. The effort began in 2017 after the huge flooding season we saw in the Treasure Valley as well as other parts of the state. The IWRB's grant program is a statewide, competitive grant process which provides up to 50% of the cost of flood management projects for:

- Flood-damaged stream channel repair
- Stream channel improvement
- Flood risk reduction
- Flood prevention projects

AG BMP APPROPRIATION: The Treasure Valley Water Users Association (TVWUA) led getting an appropriation, H343, passed to continue the Agricultural Best Management Practices (BMP) Program overseen by the Department of Environmental Quality (DEQ). The TVWUA has successfully helped pass appropriations for this program over the past 4 years. The purpose of the Ag BMP Program is to allow for funding to go to farming and ranching operations to help meet water quality standards such as phosphorus and sediment reductions in the Boise River. Municipalities are currently required under mandatory practices to reduce these types of pollutants and are spending millions of dollars. The agricultural sector is not currently mandated to reduce these kinds of pollutants in water bodies but very well could be in the future if the industry didn't show the environmental community that it is doing its due diligence. This program has allowed the industry to gather data to show a decrease in the amount of phosphorus and sediment that is going into the Boise River and other water bodies. The data gives agriculture the ammunition it needs to prove it has been working hard to reduce pollutants in water bodies even though the requirements to do so are voluntary. An amount of \$270,000 was put into the DEQ budget as an appropriation under S1403. An additional \$250,000 will be given to DEQ from the USDA to augment the state funding for 2020.

2020 LEGISLATIVE DEMOGRAPHY

2019 AG ALL STAR AWARDS: Industry leaders from around Idaho gathered Wednesday, January 15, to recognize 39 legislators who had a voting record that met the criteria of Food Producer policies related to agriculture, natural resources, water, transportation, and taxes. Underline indicates first-time recipients. Those recognized with this honor included:

REPRESENTATIVES:

<u>Jim Addis</u>	Robert Anderst	Scott Bedke
Megan Blanksma	Greg Chaney	Lance Clow
Gary Collins	Gayann DeMordaunt	Marcus Gibbs
<u>Bill Goesling</u>	Clark Kauffman	Ryan Kerby
<u>Laurie Lickley</u>	<u>Jerald Raymond</u>	<u>Doug Ricks</u>
Caroline Troy	Fred Wood	Rick Youngblood

SENATORS:

Jeff Agenbroad	Mark Harris	Dean Mortimer
Kelly Anthon	Lee Heider	Jim Patrick
Steve Bair	Brent Hill	Jim Rice
Van Burtenshaw	Todd Lakey	Mary Souza
Carl Crabtree	Abby Lee	Steven Thayn
Don Cheatham	<u>Dave Lent</u>	Steve Vick
Jim Guthrie	Patti Anne Lodge	Janie Ward-Engleking

PROGRESS REPORT: It seemed like things moved very slowly at the beginning of the 2020 session, but a check on legislation final progression indicates we were not too far off track from previous years:

FINAL	2020	2019	2018	2017	2016	2015
New legislation prepared	830	761	799	785	831	763
Changes, amendments, and engrossments	<u>223</u>	<u>314</u>	<u>196</u>	<u>239</u>	<u>312</u>	<u>326</u>
	1053	1075	995	1024	1143	1089
INTRODUCTIONS						
Bills (both houses)	559	522	561	540	557	523
Resolutions, Memorials, Proclamations (both houses)	70	67	78	75	75	72
ACTION						
Bills Passed (both houses)	347	331	355	345	379	351
Bills signed by the Governor	341	329	340	330	369	342
Law without Governor signature	0	0	13	7	8	4
Bills vetoed by the Governor	6	2	2	8	2	4
Line item veto	0	0	0	0	0	1
Veto Overridden	0	0	0	0	0	0
Resolutions, Memorials adopted	42	37	51	49	52	48
Length of Session (days)	75	95	80	80	75	89
TRIVIA						
Code sections amended	487	594	417	459	619	660
New code sections	122	142	156	191	222	815
Code sections repealed	137	62	127	98	94	879
Pages of passed legislation	1214	1307	1103	1217	1512	1739

RETIRING LEGISLATOR: At the close of the 2020 session several legislators announced their retirement from serving. The list included the following:

Senator Bert Brackett, Rogerson	Representative Neil Anderson, Blackfoot
Senator Cheri Buckner-Webb, Boise	Representative Robert Anderst, Nampa
Senator Don Cheatham, Post Falls	Representative Gary Collins, Nampa
Senator Brent Hill, Rexburg	Representative Bill Goesling, Moscow
Senator Maryann Jordan, Boise	Representative Rob Mason, Boise
	Representative Paul Shepherd, Riggins
	Representative Elaine Smith, Pocatello

The following serving House members have announced their plans to run for Senate seats in their respective Districts. Rep. Doug Ricks, Rexburg; Rep. Melissa Wintrow, Boise; and Rep. Christy Zito, Hammett.

75 LEGISLATIVE DAYS: Legislative sessions tend to run shorter in election years. Leadership had aimed for March 20 as the going-home date this year and hit the mark with the Senate adjourning on March 19 and the House adjourning on March 20. The pressure of all the health concerns, and the relatively close quarters and sheer number of people any one legislator must interact with, played a big role in an earlier adjournment.

Without coronavirus concerns in play, we likely would have seen the House and Senate finish on the same days and simply “recess” for at least 5 days. This would allow them to address any legislation the Governor vetoed and see if a two-thirds majority vote in both houses could be obtained to override said veto. With their current adjournment already solidified, the Governor has chosen to veto 6 bills that will not be addressed this year. Below is a comparison of the length of each over the last 25 years:

2019: 95	2012: 81	2006: 93	2000: 87
2018: 80	2011: 88	2005: 87	1999: 68
2017: 80	2010: 78	2004: 69	1998: 71
2016: 75	2009: 117	2003: 118	1997: 73
2015: 89	2008: 87	2002: 68	1996: 68
2014: 74	2007: 82	2001: 82	1995: 68
2013: 88			

CLOSING: We hope you have found the communication related to legislative issues complete and valuable to understanding what happened in Boise from January through March. Our weekly *Capitol Review* is designed to inform you each week about issues that impact the agriculture industry and special events and people involved with these issues. If you have specific questions related to legislation discussed in this report or between legislative sessions, please do not hesitate to contact our office. We can be reached at:

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