

**Idaho 2019 Legislative Session Overview**  
**for the Idaho Building Contractors Association**  
**by Ken Burgess, Veritas Advisors, LLP**

The Idaho legislature adjourned on April 11, 2019 after 95 days in session, tying as the third longest session in Idaho history. More than 500 bills were introduced, along with 67 resolutions and memorials. Three hundred twenty bills passed both chambers, and Governor Little signed all but two bills that made it to his desk this year.

The most challenging and time-consuming issues this year were: how to implement the Medicaid expansion initiative passed by the voters in November (a seventh, much-amended version passed); an amendment to the ballot and initiatives process (a modified version passed, but was vetoed by the Governor); an attempt to re-write the public school funding formula (an agreeable solution never coalesced); and concerns over the state's tax income and ability to meet budget requests (this issue caused much concern through-out the session and killed a potential transportation funding solution).

**Medicaid Expansion:** Shortly after passage by the voters in November, The Idaho Freedom Foundation filed a lawsuit arguing the initiative, Proposition 2, was unconstitutional, providing the federal government and the Idaho Department of Health and Welfare too much independent power and authority. Early in the legislative session oral arguments were heard by the Idaho Supreme Court on the lawsuit. In early February the Idaho Supreme Court rejected the claims and found them to be "without merit." Due to this lawsuit Medicaid expansion legislation was delayed a bit as legislators waited for the Court's ruling.

Ultimately, a number of bills were drafted and a few introduced on Medicaid expansion, including everything from full repeal to adding modest sideboards such as optional work promotion programs. A couple worked through the legislative process, but ended up stalling. The last Medicaid expansion bill standing, S1204, was amended in the Senate and then again in the House, with the Senate ultimately concurring with the House changes by a narrow vote. The final bill included certain work requirements, waivers for portions of the population to remain on private state exchange plans with federal subsidies, and language on managed care and medical homes. Governor Little signed this bill into law.

**Initiatives and referenda process:** Major legislative reforms to the state-wide ballot initiative process were unexpectedly introduced this year. S1159 required signatures from 10% of registered voters in 32 of Idaho's 35 legislative districts; shortened the timeframe to gather signatures from 18 months to 180 days; and required the disclosure of a fiscal impact statement and funding source. Bill sponsors and proponents argued S1159 was needed to strengthen the voice of rural communities in the ballot initiative process. However, due to growing concerns and considerable pushback by the public, another bill was introduced to ease some of the provisions. The trailer bill included changes to increase the time to collect signatures from 180 days to 270 days; and reduce the number of legislative districts from 32 to

24. Lengthy debate ensued around both bills. While these bills passed both chambers, they did so by narrow margins and were vetoed by the Governor. In his veto statement, Governor Little stated he supported the concept behind the two bills, but believed they left the state vulnerable to lawsuits. We anticipate more work on this issue during the interim.

**Public School funding formula:** Idaho's school funding formula has grown quite complicated over the years and has not been updated since the mid-1990s. A legislative interim committee has been meeting for nearly four years to try to address the issue and come up with a modern version. The final legislative solution was met with resistance this year by education stakeholders, mostly out of concern that the new formula was still difficult to understand, and fear that certain school districts may not fare as well financially under the new proposal. We expect this issue to be a subject of more work throughout the next year.

**Other hot issues:**

**Transportation funding:** Several transportation bills were introduced this session, all proposing to increase transportation funding for road maintenance and repair. Only a few of the bills moved through the legislative process, most remained in committee or failed to receive the needed votes. One bill signed into law by the Governor changes the current practice of directing revenue from the fuel tax to a dedicated fund for the Idaho State Police. ISP currently receives 5% (about \$17 million) of the total fuel tax receipts collected in the Highway Distribution Account. Idaho State Police funding will be phased off the Highway Distribution Account by 1% each year starting in FY2021 and ending in FY2025 and those funds will now be directed toward road maintenance.

Another attempt at transportation funding fell victim to the tax receipt shortfall. The bill created an endowment fund where surplus dollars could accrue interest to be used for road maintenance. The account concept would grow over time to become a more stable source of funding than past plans. The bill was expected to pass both chambers without difficulty, but in the final days of the session the Senate unanimously returned the bill to the Senate Transportation committee, killing the bill. This after the March tax revenue report revealed a \$70 million shortfall in tax receipts. We anticipate work during the interim and an opportunity to address this issue next session.

**New laws of interest to homebuilders:** There were a handful of small policy changes that may be of interest to the homebuilding industry:

**Building inspectors/plan examiners:** New law allows building inspectors and plan examiners to be hired without ICC certification provided that the certification is obtained within six months of hire and those individuals work under the supervision of a certified person during that time period. This is meant to deal with increased volume at building official offices.

**Electrical Journeymen:** New law allows qualified electricians to work in Idaho under a provisional Journeyman's license until they can take the Journeyman's exam. The exam must

be taken within six months. This is largely an issue for large manufacturing facilities around the state, but is expected to assist with current electrician shortage. The Idaho Association of Commerce and Industry pushed this bill and asked for the IBCA's support. We assisted IACI in lobbying this bill.

Electrical Apprentice registration/reciprocity: New law makes requirements for in-state and out-of-state applicants to take Journeymen's exam similar, and allows out-of-state applicants to take exam if they have 16,000 hours on the job. This also allows DBS to enter into reciprocal agreements with other states and is meant to address electrician shortage.

Engineers and Land Surveyors: This new law clarifies the circumstances under which a professional land surveyor may access private property in order to accomplish their work. This issue was complicated by the passage of Idaho's trespassing law of last year, and ensures that surveyors are not violating that law.

Annexation of Agricultural land: New law requires written landowner permission for a city to annex ag land if 5 acres or greater.

Underground facilities/damage prevention: Eliminates duplicative reporting of underground facilities damage by requiring underground facilities owners to report their damage and excavators to report their downtime separately.

Lastly, several legislative interim committees were established to meet throughout the year. One of most interest to contractors is the Occupational Licensing and Certification Laws Committee. This committee's work could ultimately have some impact on contractor registration, and any discussion in the works related to contractor licensing. Interim committee meeting schedules should be available later this spring and we will monitor this committee closely.

Looking forward: We anticipate the Idaho Building Code Board will be recommending to the legislature next year an update to Idaho's building codes. The code board has been working diligently to review and amend the 2018 ICC recommendations for commercial, remodel, single-family, and energy conservation codes. The final recommendations must go through a negotiated rule-making process – in which the Idaho Building Contractors Association is heavily involved – and then be approved by the 2019 legislature. This will be perhaps the biggest and most time-consuming issue for homebuilders in the next legislative session.

Thanks for allowing us to assist the IBCA with your state governmental affairs needs. We look forward to continuing to grow the influence of homebuilders with state policy makers. If you have any questions or need clarification on these or any other legislative matters I am happy to answer your questions.

Ken Burgess