

Idaho 2020 Legislative Session Overview
For the Idaho Building Contractors Association
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The 65th legislative session presented many challenges, leaving legislators to navigate contentious issues, combat rising property taxes, and address growing concerns over Covid-19. The legislature completed their business the second to last week in March. The Senate adjourned Sine Die on March 19th and the House March 20th. After 75 days in session the 2020 legislative session tied for the 4th shortest session in the last 20 years. The shortest session was in 2002 and lasted 68 days. 830 pieces of legislation were drafted, 559 bills introduced -- 347 bills passed both chambers. There were also 70 resolutions and memorials, 42 of which were adopted. The Governor Little completed his work within the March 31st deadline, including six vetoes.

Property Taxes

Property taxes were at the forefront of the 2020 session. Multiple bills were introduced covering different aspects of rising residential property taxes. Residential property taxes have increased dramatically, driving complaints to legislators across the state. Bills covered a wide range of property tax related issues: capping the property tax portion of a taxing district's budget; freezing the property tax portion of local government budgets; increasing the homeowner's exemption; reinstating the homeowner's index; and updating the circuit breaker to provide relief for low-income individuals. In the end, none of these proposals passed both Houses, but an interim committee (SCR134) to review all aspects of property tax was adopted. We anticipate a robust schedule of interim meetings on property taxes.

Workforce Issues

Strengthening Idaho's workforce continues to be important to our state and in an effort to recruit and retain industry professionals within Career and Technical Education (CTE) programs, the Governor signed into law S1329. This will provide an alternative certification route for industry professionals who wish to become CTE instructors for high school programs. This was a recommendation from the Idaho State Board of Education's CTE Work Group, who found that Idaho lacks a process for certifying experienced industry leaders as high school program instructors.

Transportation

On the transportation front, House Transportation Chairman Joe Palmer introduced a bill that would have added another roughly \$18 million for road and bridge maintenance. Several similar bills were introduced but didn't move forward in the legislative process. Palmer's proposal was the only transportation funding bill that made it through both chambers. It would change the amount of sales tax distribution revenue shifted to the Transportation Expansion and Congestion Mitigation Program from 1% to 2%. The bill was amended in the Senate to shift 40% of those funds to a new local bridge repair and replacement fund. In the end, Governor

Little chose to veto the bill due to the unknown impact the Covid-19 crisis may have on Idaho's economy.

Work has been occurring the past six months studying and updating the state's current transportation funding needs in an effort to develop options to address ongoing funding. The study and interim efforts of a number of stakeholder groups is designed to develop comprehensive transportation funding and policy legislation for the 2021 legislative session.

Building Code Updates and Rules

On issues of specific interest to the Idaho Building Contractors Association, the latest effort to update Idaho's building codes to the 2018 version as amended by the Building Code Board got hung up for a period of the session over disagreement on the value (or not) of the state prescribing energy conservation codes. In the end, an effort to eliminate those energy codes was not successful. The non-fee administrative rules bill that contained those code updates, however, was NOT adopted by the legislature. As a result of this failure to adopt the rules bill, Governor Little had all departments, boards and commissions pass emergency temporary rules, essentially consisting of the rules as they were presented to the Legislature in January. This action was taken to ensure all the rule review and negotiated rulemaking conducted in 2019 was carried forward. As of today, it appears the building code updates will go into effect on January 1, 2021.

More on Rules

For the second session in a row, the legislature failed to reauthorize administrative rules for the state. Differences in how the rule review and approval process should occur continue between the House and Senate. House Majority Leader Mike Moyle introduced HB617, requiring the legislature to pass concurrent resolutions, instead of their typical omnibus bill, to approve administrative rules. While this bill passed the House, the Senate chose to place it on their amending order, effectively killing it for the session. The battle over the administrative rules approval process will continue in the 2021 session.

Contractor Registration Board

Idaho Bureau of Occupational Licenses Administrator Kelley Packer spearheaded a legislative effort to gain control of Contractor Registration Board expenses. One effort was to increase the annual fee contractors must pay to the Board – an increase from \$35/year to \$50/year. The IBCA supported this effort, it was adopted by the Legislature, and goes into effect April 1. A second bill created an "inactive" registration status for those contractors who tend to be more seasonal in nature (IBCA supported this), and eliminate language pertaining to gross negligence and meeting standards of practice (IBCA Opposed this). We engaged in an effort to amend this bill to address the gross negligence matter but were unsuccessful in doing so. This bill passed the legislature and was signed into law by the Governor.

Regarding the larger issue of the Contractor Registration Board, there tends to be agreement amongst Administrator Packer, the IBCA, and the AGC that the legislation governing the Board needs some cleanup and re-working. We have all collectively agreed to work together to accomplish that goal in the interim.

First-Time Homebuyer Savings Account

The IBCA supported the effort of the Idaho REALTORS to put a first-time homebuyers savings account into place. It took a couple efforts on the part of the REALTORS to draft a bill satisfactory to legislators, and ultimately the bill successfully passed the legislature and was signed into law. We helped lobby in support of this bill and provided letters of support to the legislature through the process.

Election Year

All 105 seats of the Idaho legislature are up for election every two years – 2020 is an election year for them. Individual IBCA members, local, and state organizations will undoubtedly be asked for support by any number of candidates. I can provide input regarding current members of the legislature and their support – or not – of the homebuilding industry. I encourage all of you to reach out, meet, and get to know your local legislators.

Retiring Legislators 2020 Election Cycle

Quite a few legislators announced they will not be seeking re-election this year, including some senior members and the Senate Pro Tem.

Senate:

- Brent Hill (LD 34), President Pro Tempore, served 10 terms
- Don Cheatham (LD 3), served two terms in the House and one term in the Senate
- Maryanne Jordan (LD 17), Minority Caucus Chair, served three terms
- Cherie Buckner-Webb (LD 19), Assistant Minority Leader, served one term in the House and four in the Senate
- Bert Brackett (LD 23), Senate Transportation Committee Chairman, served two terms in the House and seven in the Senate
- Dean Mortimer (LD 30), Senate Education Committee Chairman, served one term in the House and six in the Senate

House:

- Bill Goesling (LD 5), served one term
- Paul Shepherd (LD 7), served eight terms
- Robert Anderst (LD 12), House Ways and Means Committee Chairman, served four terms
- Gary Collins, (LD 13), House Revenue and Taxation Committee Chairman, served 10 terms
- Rob Mason, (LD 19), served one term
- Elaine Smith, (LD 29), Minority Caucus Chair, served 10 terms
- Neil Anderson, (LD 31), served four terms