



Idaho Association of
Commerce & Industry
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Legislative Report — April 2, 2010 • *Sine Die*

NEWS TO USE — 60th Idaho Legislature Second Regular Session Adjourned March 29, 2010

The 2010 Legislative Session started under the gloom of a down economy and declining revenues and largely finished the same way. All eyes are currently on the anticipated general fund revenue numbers, which are expected out April 10. Indications are that the revenues for the state are still in decline, vindicating the cautious approach taken by Governor Otter and the Idaho Legislature in setting the budgets this year.

In addition to the continuing pressure of declining tax revenues will be a May election that will dictate the direction the Legislature will take in future years. Will the Legislature remain largely the same with incumbents carrying the day into the general election, or will voters direct their frustration with the economy on those incumbents and vote them out? The latter is doubtful, considering 98% of incumbents who want their seat back will retain it historically. Nevertheless, we are in unprecedented times. While there are certainly positive tones in the economy, the question is whether that will be enough to satisfy those turning out to vote in the primary election. IACI and the Idaho Prosperity Fund Board will



seek answers to these questions and direct resources to those elections where business- and employment-friendly candidates have the opportunity to be elected or re-elected. Stay tuned for upcoming communication that will highlight endorsed candidates in late April.

So how did IACI fair during the 2010 Legislative session in moving forward on the legislative priorities outlined by our membership? In the past months since the priorities were adopted in June 2009, virtually all have had action both in and outside of the Legislative process.



Reserve Rooms for Annual Conference!



The annual IACI Conference at **Shore Lodge** in **McCall** is just around the corner! It all begins the evening of June 13, and concludes mid-morning on June 15, with the annual golf tournament immediately following at the Whitetail Club.

Please call **800-657-6464** now to reserve your room in the **Shore Lodge** IACI block for the **June 13-15** conference. [Click here](#) for a list of lodging options in McCall with reasonable rates during those dates!

Education / Workforce Development

IACI was successful in supporting legislation which allows for the continued development of the Idaho Education Network (IEN), which is designed to connect every Idaho high school with higher education opportunities. It is anticipated that the construction phase will be largely completed within two years with generous donations from the Albertson's Foundation and the use of E-rate dollars. Ultimately, this will expand opportunities for every child in Idaho to take more rigorous courses, including concurrent enrollment with college credits. High schools will be able to share talented educators with other schools and provide kids in the most rural areas of the state with unique courses that were previously unavailable to them. The IEN will also give teachers an opportunity to earn more and touch a larger number of children, providing a greater impact on Idaho's workforce. We believe the IEN will ultimately create a more educated workforce that is ready for the rigors of 21st century business competition in the global marketplace.

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Energy

Policies at the federal level will continue to create an anticipated drag on the economy. Nevertheless, IACI and the Idaho Potato Processors Division have been working to glean information about compliance with new federal mandates regarding CO2 emissions.

IACI will continue to support policies that benefit research and construction of nuclear energy. Idaho is in a unique position to benefit from this growth industry with a workforce and employer base among the most experienced in the world.

In addition, within the dynamic area of energy production, IACI successfully sup-

Risk Evaluation Manual for Petroleum Releases

Those who are interested in participating in the development of the **Idaho Risk Evaluation Manual for Petroleum Releases** are encouraged to attend the next workshop to review the [current](#)

ported legislation to create a voluntary fund for the implementation of the Comprehensive Aquifer Management Plan (CAMP). This plan includes elements of hydropower energy production working together with a wide variety of interests in the utilization of water. Support for the legislation means that projects will be underway in the Eastern Snake Plain Aquifer (ESPA) throughout 2010, while final negotiations will determine a more permanent funding source for the implementation of the CAMP.

workshop to review the [current draft changes](#) on Tuesday, **April 6**, from 9 AM to 12 Noon at the DEQ State Office.

Health Care

This issue has dominated national headlines for months. While the general public is more focused on the economy, Congress was determined to pass a “reform” bill. Idaho will be sorting out the impacts of this legislation as legal challenges make their way through the system.

Regardless, IACI will continue to focus on this important component of employer benefits.

One of the main issues IACI will consider this spring is the issue of Any Willing Provider (AWP). Idaho has had this policy on the books for 17 years. In the 2010 session, there were two bills that were diametrically opposed. One was designed to expand the provisions, and one was designed to repeal portions of the law. After a significant amount of debate among members of IACI, the decision by the Board of Directors in February was for IACI to oppose the legislation to expand the provisions, while remaining neutral on the bill to repeal AWP.

A Task Force is being formed within IACI to consider this important issue and look at other state laws regarding AWP. The Task Force will also look at how the new federal laws affect Idaho’s regulatory framework. The Task Force will include representatives from employers, insurance providers, hospitals (physician-owned and non-profit), physicians, and long-term care providers. It is hoped that IACI will have an initial report for the membership and the Legislature by the Annual Conference in June.

Personal Property Tax



There were a number of tax proposals in the 2010 Legislative Session. Early discussions with the chairs of the various committees gave IACI the indication that this would not be a strong year for moving forward on proactive tax policy. IACI instead concentrated its efforts in working with representatives from the Idaho Association of Counties (IAC). As a result of several in-depth meetings, legislation was crafted that received the conceptual support from both IACI members and the IAC Legislative committee. While no legislation was introduced, IACI will continue to work with IAC

members throughout the interim to ensure interested parties have a firm understanding of the impacts of the legislation. IACI will also meet with Legislators throughout the interim to build support for passage in 2011 — ultimately eliminating the personal property tax in Idaho.

Project 60

In 2009, IACI was the primary sponsor of the lunch for the Governor’s Business Summit in August. The summit set the stage for several subsequent summits for technology, finance and small business. The results of the meeting were interesting, culminating with a report that is available on the

[Project 60 website](#). Included in the report are several policy objectives that were gleaned from hours of testimony by business owners and representatives throughout Idaho. IACI will continue to reference the objectives in the report.

In addition, IACI took a highly visible role in the effort to land the first squadrons of the F-35 in Idaho. IACI is part of a team of business and community leaders throughout Idaho who worked to expand the public interest and understanding of the economic ramifications of being selected as the first site for both the training and operational missions of the F-35. We are currently waiting for a decision by the Department of Defense as to whether Idaho will make the “short list” of potential sites, which will be narrowed from 11 down to 4 possible locations. That decision could come as early as this summer. Landing the squadrons could mean as many as 3,000 new jobs to Idaho. Being selected for this opportunity is also important, as subcontractors like General Electric and Raytheon could likely locate satellite facilities near the new squadrons as well.

Additionally, there will be three constitutional amendments on the ballot in November. All three received the backing of IACI. The amendments will allow airports, hospitals and power cities to incur long-term debt without a vote. Currently, Idaho is the only state in the union with a prohibition on this practice due to a decision by the Idaho Supreme Court commonly referred to as the *Frasier Decision*. Passage of these amendments will be critical in helping to expand Idaho’s economy while ensuring citizen taxpayers are protected.

Transportation

The Associated General Contractors (AGC) and IACI continued their support for the next installment of the GARVEE program. This program is designed to sell bonds in anticipation of future federal revenues. The program – started in the Kempthorne administration – has been wildly successful in expanding and modernizing Idaho transportation infrastructure to meet current and anticipated future demands. The latest authorization for \$12 million passed late in the session and will be designated toward right-of-way acquisition on Highway 16. The total authorized is nearly \$200 million ahead of original estimates, freeing up capacity to take on other projects.

► Upcoming Policy Setting Meetings ◀

IACI’s annual policy review meetings are now scheduled. Please plan to attend as noted below. Agendas and all policy documents will be sent prior to each meeting:



The candidates are now set for

General Business:	Thur, Apr 29 , 10:00 am	Thur, May 6 , 10:00 am
Environment:	Fri, May 7 , 10:00 am	Fri, May 14 , 10:00 am
Tax Policy:	Tue, May 18 , 10:00 am	Tue, May 25 , 10:00 am
Public Policy:	Thur, May 27 , 10:00 am	<i>(public policy members only)</i>

The candidates are now set for the Idaho primary election. See the complete list of candidates on the [Secretary of State's website](#).

This is an important time to participate in IACI's PAC, the *Idaho Prosperity Fund*. [Click here](#) or call IACI staff to learn more about how you can be involved in electing citizens who share IACI's philosophy of providing prosperity for the people of Idaho. The IPF Board will meet next month to consider its participation in specific races.

Questions? Email us at iaci@iaci.org.