



Idaho Association of
Commerce & Industry
The Voice of Business in Idaho®



Legislative Report — January 29, 2010 • Week 3

Friday, January 29, 2010

NEWS TO USE — Environmental Rules Around

Rules that implement two important air quality issues passed their respective Legislative committees this week. The first dealt with the implementation of an air emission testing system for automobiles in areas around the state that are either at “non-attainment” status or nearing such status. Currently, only the Treasure Valley will be required to implement the system. While Ada County has maintained a more rigorous auto emission testing system for a very long time, Canyon County has remained without such a system even though the counties share common roadways and commercial activity. The new rule will exempt most agriculture equipment and vehicles used exclusively in agriculture production. It also exempts autos newer than five years and those older than 1980. Autos will only be tested once every two years and the maximum fee will be \$20. The actual fee has yet to be set. Money collected will go toward operations and assisting those without financial ability to fix cars that do not meet air quality standards.



So why is this issue so important for IACI? A number of IACI members have operations that require air quality permits as part of their operations. Such permits have to be amended when the operation changes to support the new demands of a customer, and or when the facility expands to take on new demand for their products. Also, IACI has members that are involved in the construction of not only infrastructure, but commercial and residential development.

If an air shed reaches “non-attainment” status, then the ability of a production facility to expand or modify their air permit and or a construction permit become much more expensive and restrictive, thereby limiting the ability of a community to grow and prosper. By having an auto emission testing system in place coupled with a number of other measures, the community traditionally has more flexibility even if they fall into “non-attainment.” Therefore, everyone in a community stands to benefit from a system that monitors vehicles by not just having cleaner air, but also by retaining the ability of a community to grow.

The second is a fuels-related rule, which IACI has been working on with the DEQ and interested members for about two years. The new rule will allow a facility to blend on-site fuels with differing grades of sulfur. Having such a provision opens up the marketplace to a number of new sources that were previously off limits for facilities purchasing fuel. As long as a facility can demonstrate that using alternative fuel or blending fuel with a higher sulfur content does not exceed their permitted level for sulfur air emissions, they are free to utilize it. This could mean literally hundreds of thousands of dollars saved by facilities when the price of one particular blend of fuel spikes, as we have seen occur in recent years.



Special Indemnity Fund

IACI hosted a meeting this week to discuss the details of HB401, which seeks to eliminate the Special Indemnity Fund. The IACI Legislative Committee voted to support this bill during its Tuesday meeting (*see IACI Bill Tracking at right*). According to Ted Roper, the sponsor of the legislation, this bill will eliminate the Industrial Special Indemnity Fund (“ISIF”), which is necessary due to the increasing unfunded liability caused by the ISIF. The ISIF is funded through assessments to employers and would be phased out over a two-year period of time. This bill will not have an impact on the General Fund or reduce the benefits to the injured worker, but would eliminate much of the bureaucracy associated with the Fund.

Attend the IACI Open House on February 4!

We hope you plan to join fellow IACI members, staff, and Idaho Legislators at the IACI Open House Luncheon next **Thursday, February 4**, from **noon** until 1:30 p.m. Please help us celebrate our new location as well as visit with your legislators on key issues!

Federal Update

This week President Obama gave his first State of the Union address. With much of his legislative agenda up in the air following the election of Senator Scott Brown in Massachusetts, the President focused the majority of his speech on his plan for job creation and the struggling economy.

Also in Washington this week, Ben Bernanke won a second four-year term as Chairman of the Federal Reserve. Bernanke, who had a difficult confirmation process due to many of questions involving the Federal Reserve’s operations during the recent economic downturn, won Senate approval on a 70-30 vote, which marks the closest vote in history for this appointment.

State Budget Update

The Legislature spent the majority of this week listening to budget presentations and trying to agree what number will be used to set the budget. This issue will be one of the major topics for discussion as we continue to determine where the state revenue number will land as the basis for so many other decisions this year.

BILL TRACKING:

[Click here](#) for an updated list of all legislation on which IACI has taken a position.



Questions or comments?

Upcoming Meetings

- ▶ Tue, February 2: 10:00 a.m. Legislative Committee
- ▶ Wed, February 3: 10:00 a.m. Tax Policy Committee

Questions or comments?
Email us at iaci@iaci.org.

IACI extends its sincerest condolences to the family of former Senator Atwell Parry, who passed away today as a result of the injuries he sustained in a serious automobile accident last week.

