



CAPITOL REVIEW

A WEEKLY LEGISLATIVE REPORT

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A Weekly Legislative Report

Vol. 22 No. 9

03/11/2022

FILING FOR OFFICE

Today at 5:00 PM is the final time for filing to run for office in Idaho. This includes the constitutional officers (i.e., Governor, Lt. Governor, Secretary of State, etc), judges and the 105 legislators. As of this morning **the list includes over 320 names.** We anticipate several more will be added throughout the day. Candidates then have two weeks to decide if they want to withdraw from races prior to the May 17 Primary Election. **Some legislative races are becoming very crowded with 4-6 candidates.** It is going to be very important that voters do research on candidates before going to the polls.

RETIREMENT NUMBERS CONTINUE TO CLIMB

We have been maintaining a list of legislators who have indicated they are retiring after the 2022 session. We are losing some faithful individuals who we have worked with on a variety of issues throughout their terms of office. Currently the list is as follows:

- | | |
|------------------|-----------------|
| Senator Vick | Rep. McCrostie |
| Senator Zito | Rep. Harris |
| Senator Burgoyne | Rep. Kauffman |
| Senator Lodge | Rep. Toone |
| Senator Stennett | Rep. Wood |
| Senator Bayer | Rep. Marshall |
| Senator Heider | Rep. Gibbs |
| Senator Nye | Rep. Troy |
| | Rep. Youngblood |

Food Producers will honor each of these individuals on Wednesday, March 23, with a noon luncheon in the Capitol, thanking them for their service.

WATER QUALITY PROGRAM FOR AGRICULTURE

It has been a busy last few weeks of setting the budgets in the Joint Finance & Appropriations Committee (JFAC) and we are now seeing those budgets receiving bill numbers so the House, Senate and Governor can have their say. H757 encompasses the Idaho Soil & Water Commission budget and

includes an additional \$5 million in funding for a grant program called the

Water Quality for Program Agriculture (WQPA). Soil & water conservation districts historically provided financial assistance for agricultural best management practices and watershed improvement projects. Conservation districts also frequently **partnered with USDA-NRCS to combine WQPA and federal funding to maximize project implementation and results.** WQPA is authorized by Idaho Code but has not been funded since the budget cuts necessitated by the recession in 2008.

The reasons for reviving the program are many, but one highlight is that **Idaho NRCS supports resumption of WQPA and is willing to match dollar-for-dollar state funding that comes through the program.** It also allows NRCS to seamlessly use the entire collection of USDA Farm Bill Programs and is willing to provide technical and administrative assistance to the WQPA program.

Outside of federal partners, soil & water conservation districts are focused and experienced in supporting agricultural producers. Districts have field offices throughout the state, and **many conservation district board members, managers and staff are, themselves, agriculture producers.** They have direct, local knowledge, relationships and experience with ag producers, land and production and often, producers are more comfortable working with nonregulatory, local partners.

WQPA's focus is water quality improvement, but can also meet a large unmet need by providing **funding for water conservation projects, soil conservation projects and small aging infrastructure replacement or improvement projects.** Another benefit is being a proven program, with a long track record. **Conservation districts, the Idaho Association of Soil Conservation Districts board members and ISWCC staff all have working institutional knowledge** and there is already written

guidance for the program. Projects can be approved for multi-years and do not need to be completed in an agency's fiscal year, allowing for quick and nimble assistance to address project concerns throughout the year.

H575 additionally incorporates an "emergency clause," which simply means an emergency is declared to exist, **the act shall be in full force and effect after its passage and approval so the program can ramp up in the current fiscal year and into next fiscal year starting July 1, 2022.** The other language in the bill specifies that there will be reappropriated to the Soil & Water Conservation Commission any unexpended and unencumbered funds from the General Fund for the Water Quality Program for Agriculture for fiscal year 2022, in the amount not to exceed \$5,000,000 from the General Fund, to be used for nonrecurring expenditures related to the Water Quality Program for Agriculture for the period July 1, 2022 - June 30, 2023.

CHANGING HOUSES

We also are seeing several legislators, partly due to re-districting, that have **filed to change from the House of Representatives to the Senate.** Our list currently includes:

Rep. Okuniewicz	Rep. Gestrin
Rep. Nichols	Rep. Chaney
Rep. Adams	Rep. Lickley
Rep. Wright-Hartgen	Rep. Ruchti

These changes could result in a **potential 60% change in the makeup of the 70 members in the House and a 30% change in the members of the Senate.**

WILL THEY GET THE JOB DONE?

For the past two years there has been an interim committee working on property tax relief in Idaho. The state is sitting with a healthy surplus in the General Fund and federal dollars flowing into Idaho under the current White House Administration and Congress in a variety of programs. The interim committee has unsuccessfully drafted a piece of legislation that seems not to work for the legislature to consider. Recently, **we have seen some individual lawmakers (Senator Jim Rice and Rep. Mike Moyle) come up with a plan for consideration.**

The plan is difficult and complicated to understand. Most likely, it is not the final proposal everyone could agree upon, but it does get the issue on the table. Idaho has been well-funded in many areas to do what is called the tax policy "three-legged stool." **The three legs are the sources of tax dollars: sales tax, income tax and personal property tax.**

The proposal that has surfaced increases the sales tax (to the highest in the nation) but cuts around 2/3 off the property tax leg. Agriculture always has concerns when there are issues related to **removal of taxes for homeowners and potentially a shift in tax to those who own land (farmers and ranchers).**

Ideally, difficult and complicated pieces of legislation like this comes out early in the session. With a planned departure before April 1, we will monitor closely the elements of the proposals for the protection and future of the industry.

WATER OUTLOOK

We are rapidly approaching the start of irrigation season in Idaho. Paul Arrington, Idaho Water Users Association, was sharing this week the need for a large increase in precipitation in March and April to help with some of the shortage. **Irrigation and canal companies have already started to lay out alternative plans for curtailment of irrigation.** In a dry arid state, this is never good news. Farmers, and ranchers are forced to begin to develop some alternatives.

Here is a quote coming out of Eastern Idaho this week: *The water situation is starting to look very concerning for everyone in Water District 01, which is the surface water. There are also problems for the groundwater users. Most likely we will stress test the 2015 settlement agreement this year, and possibly face another water call from the Surface Water Coalition in the Magic Valley. We are working hard in Southeast Idaho to get ahead of what could be a very difficult situation.*

We are hearing from cattlemen who are concerned with moisture for spring and summer grass growth, which may result in need to reduce head count on cattle as we head into summer. We have also heard rumors of water being shut off in canals as early as August 1 for the Treasure Valley. Our forest and rangeland friends are concerned about dry conditions and how they can activate a busy fire season in the months to come.

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