

ASSOCIATION MANAGEMENT GROUP

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♦ 2024 Legislative Summary ♦

The 2nd Regular Session of the 67th Idaho Legislature convened on January 8, 2024. After 94 legislative days lawmakers adjourned, Sine Die. During the 2024 Session, AMG lobbyists attended meetings of the Ag Lobbyist group (each Tuesday) and represented clients at Food Producers of Idaho (each Wednesday). Additionally, Patxi Larrocea-Phillips or Benjamin Kelly participated in the Idaho Association of Commerce and Industry's (IACI) weekly legislative meetings representing Food Producers of Idaho and the Northwest Agricultural Cooperative Council.

The clients that AMG lobbied for during the 2024 Legislative Session included:

Rick Waitley/Patxi Larrocea-Phillips/Benjamin Kelly:

AgWest Farm Credit
Food Producers of Idaho
Idaho Alfalfa Clover Seed Growers Association
Idaho Cattle Association (LPAA)
Idaho Hay and Forage Association
Idaho Honey Industry Association

Idaho Onion Growers' Association Idaho Noxious Weed Control Association Idaho Wool Growers Association (LPAA) Nezperce Prairie Grass Growers Association Northwest Agricultural Cooperative Council

LPAA – Patxi specific client

Roger Batt/Cassidey Plum:

Bayer USA, LLC (RBA)
Boise River Flood Control District #10 (RBA)
Coalition for Agriculture's Future
FARE Idaho
Idaho-Eastern Oregon Seed Association

Idaho Grape Growers and Wine Producers (RBA)
Idaho Ground Water Association
Idaho Mint Growers Association
Treasure Valley Water Users Association

RBA – Roger specific client

LEGISLATIVE SESSION HIGHLIGHTS

94 LEGISLATIVE DAYS: The legislative session ended on April 10 and that tallied the official count of 94 days that the Idaho Legislature was in session. Leadership had aimed for March 22 as the going-home date but had several loose ends to tie up before adjourning Sine Die. Below is a comparison of the length of each session over the last 29 years:

2024: 94	2016: 75	2008: 87	2000: 87
2023: 88	2015: 89	2007: 82	1999: 68
2022: 81	2014: 74	2006: 93	1998: 71
2021: 311	2013: 88	2005: 87	1997: 73
2020: 75	2012: 81	2004: 69	1996: 68
2019: 95	2011: 88	2003: 118	
2018: 80	2010: 78	2002: 68	
2017: 80	2009: 117	2001: 82	

LEGISLATIVE ENVIRONMENT: The Senate had 28 Republicans and 7 Democrats; and in the House there were 59 Republicans and 11 Democrats. In the Senate: Lt. Governor Scott Bedke, a rancher from Oakley served as President of the Senate; President Pro-Tempore was Senator Chuck Winder from Boise; Majority Leader Senator Kelly Anthon from Rupert; Minority Leader Senator Melissa Wintrow from Boise; Majority

Caucus Chair was Senator Mark Harris from Soda Springs; and Minority Caucus Chair was Senator Janie Ward-Engelking from Boise. In the House, Mike Moyle served as Speaker of the House; Majority Leader was Megan Blanksma from Hammett; Majority Caucus Chairman was Dustin Manwaring from Pocatello; Minority Caucus Chair Ilana Rubel from Boise; and Minority Caucus Chair Ned Burns from Bellevue. On February 8, behind a closed door session, in an unprecedented move of the Republican caucus, Majority Leader Rep. Megan Blanksma was removed from her position. Elected to fill the position was Rep. Jason Monks, Meridian.

AG ALL STARS

With the primary on May 21, Food Producers of Idaho quickly summarized their scorecard and named 53 members of the Senate and House as Ag All Stars from the 2024 session. In the course of the session the score card had over 30 various pieces of legislation that was used to calculate the final status of each legislator. Those receiving the recognition as an Ag All Star are as follows:

House (35 All Stars):
Todd Achilles (Nash)
Christopher Allgood*
Megan Blanksma
Matthew Bundy
Ned Burns

Richard "Rick" Cheatum*

Lance Clow
Jeff Cornilles
Chenele Dixon*
Melissa Durrant*
Marco Erickson
Rod Furniss
Sonia Galaviz*
John Gannon
Dan Garner*
Brooke Green
Clay Handy*
Greg Lanting*

Dustin Manwaring
Chris Mathias
Lori McCann*

Stephanie Mickelsen*

Steve Miller*
Lauren Necochea
Jack Nelsen*
James Petzke*
Britt Raybould
Jerald Raymond*
Nate Roberts
Ilana Rubel
Mark Sauter*

Jon Weber Josh Wheeler* Kenny Wroten* Julie Yamamoto*

*Received award every year eligible Underline indicates first-time recipient Senate (18 All Stars):

Kelly Anthon*
Treg Bernt*
Van Burtenshaw
Kevin Cook
C. Scott Grow
Jim Guthrie*
Mark Harris*

Linda Wright Hartgen James "Rick" Just*

Todd Lakey
Abby Lee*
Dave Lent
Doug Ricks
James Ruchti*
Geoff Schroeder*
Julie VanOrden*
Janie Ward-Engelking

Chuck Winder

KEY 2024 LEGISLATIVE ACTION

RANGELAND IMPROVEMENT ACT: H468 would allow the Idaho State Department of Agriculture to assist producers in seeking resources and funding to carry out grazing improvement projects across the state on private, state and federal land. These projects could consist of rangeland improvement and maintenance through the development of water sources or additional fencing in strategic locations. In addition, funding could be used for the control of predator and depredating animals; the control, management, or extermination of noxious weeds or invasive species; and any other management tools that further the general welfare of livestock grazing. The legislation would weave together two existing mechanisms together. The grazing board central committees already exist, and this legislation would beef up their ability to assess and review grazing projects. Additionally, the Idaho State Department of Agriculture has a rangeland monitoring program that would see increased use and effectiveness from this legislation. The program would be able to assist ranchers in securing resources to make those rangeland improvements and then monitor those projects. At the end of the day, these funds and resources will find their way into rural Idaho. Strengthening rural Idaho and our rangeland will assist in the long-term viability of the livestock industry in Idaho.

GRIZZLY AND WOLF DEPREDATIONS: H592 created a state level livestock depredation fund for producers that experience losses from wolves and grizzly bears. Currently, the Office of Species and Conservation applies for a federal grant through U.S. Fish and Wildlife Services that has historically provided relief to ranchers for wolf depredations and for non-lethal or conflict prevention. However, the funding that is being

provided by this federal grant is continually diminishing and provides no relief for grizzly bear depredations or conflict prevention for grizzly bears. Livestock interactions with predators continue to be significant across rural Idaho. In 2023, there were confirmed depredations in Camas, Custer, Elmore, Gem, Idaho, Lemhi, Valley and Washington counties. If grizzly bears were added to the depredation fund and investigations occurred there would likely be producers affected in north Idaho and eastern Idaho. More importantly, is the fact that these depredations only account for those animals that could be discovered and investigated in a timely manner. There are likely many more that are not investigated because they occur in allotments or pastures that producers do not access each day. However, the evidence of depredations due to a predator is only a fraction of the damage that has likely occurred when predators enter a cattle herd. Ranchers continually confirm that wolves and grizzly bears in livestock herds also contribute to lower pregnancy rates, weight loss and lack of docility in animals. These economic losses are not compensated but realistically occur and are shouldered by the producer. The wolf and grizzly bear depredation fund would be administered by the Idaho State Department of Agriculture (ISDA) with consultation from the Office of Species Conservation and Idaho Fish and Game. ISDA will promulgate rules that provide standards for validated or probable claims of depredated animals alongside the types of conflict prevention methods that could be funded. This will be completed with stakeholders at the table.

WOLF DEPREDATION CONTROL BOARD: H612 would add the payment of depredations to the authorizing language of the Wolf Depredation Control Board. Currently, the Wolf Depredation Control Board is solely responsible for the lethal control of wolves within the state of Idaho. H612 would expand their authority to remit payment from the fund to ranchers who suffer losses due to these animals. The governing agencies, specifically the Idaho State Department of Agriculture (ISDA), would have to develop and compile data on the death losses prior to 1995 and the reintroduction of wolves. Using these death losses the board would allow ranchers to submit their previous years' death losses in a chronic depredation area for payment from the board for those losses. Additionally, this method would remove the need for investigations conducted on animals found to be taken by wolves for depredation payments.

ESTRAYS: H712aaS is an interesting piece to discuss. As producers we have come to know and appreciate open range laws in Idaho. Within our policy book, those laws are supported by policy, and it is our responsibility to assist in protecting and preserving that policy. However, we have come to understand that there are bad actors that can ruin it for everyone. Over the past several years we have been looking at fence law as it is antiquated in its fine amounts and speaks to many things that were relevant in the past, but not now. This year a group of industry members looked at the estray statute since we could not seem to get things worked out with the fence code. Open range and certain case law interpreting open range creates the presumption in Idaho that we are a "fence-out" state, where, unless a property owner is in a herd district, it is the duty of landowners to fence livestock out and off of their land. Herd districts are a legislative exception to the "fence-out" rule. With the creation and implementation of proper herd districts those districts remove open range immunity and create a 'fence in' situation for livestock owners. It's safe to say that stray animals can be found in open range and herd districts. Each location has different ramifications and creates a different set of circumstances that operators should be watching. However, H712aaS does create heightened damages for any producers that do not make a reasonable attempt per the notification periods in the legislation to take their animals off the property where those animals may be trespassing or straying. It should be noted that adjacent property owners in certain situations must also maintain a proper and lawful fence before a livestock owner shall be subject to any damages or criminal penalties. Criminal penalties shall only ensue if a livestock owner is shown to be willful and wanton through their actions in not maintaining or removing stray livestock.

<u>S1372 – ENHANCEMENTS FOR ISDA</u>: The ISDA received approval for the following enhancements to their Fiscal Year 2025 maintenance budget:

- funding for 6.00 additional Full Time Personnel at the Department
- funding for a veterinarian in eastern Idaho, dairy inspectors, seed lab personnel
- enhance the Idaho Preferred program
- build a storage facility
- provide international trade support with Japan
- a resilient food systems grant

- to provide CEC for fruit and vegetable inspectors
- increased spending authority for the Honey Commission
- funding for guagga mussel prevention and eradication
- additional 2% CEC

S1372 transferred \$5,000,000 from the General Fund to the Invasive Species Fund to be used for quagga mussels. This appropriation also includes a deficiency warrant that reimburses the Department of Agriculture for prior fiscal year costs to survey and control pests on state and private lands authorized under Chapters 19 and 20, Title 22, Idaho Code. This action provides funds from the General Fund to be transferred to the Pest Control Deficiency Warrant Fund in the amount of \$627,900.

HOW BUDGETS WERE HANDLED IN 2024 SESSION: One of the biggest changes during the 2024 legislative session involved how the Idaho Legislature's powerful budget committee (JFAC) sets the state budgets. Prior to the session, Rep. Wendy Horman, R-Idaho Falls, and Sen. Scott. Grow, R-Eagle, announced several changes to how the Joint Finance-Appropriations Committee (JFAC) operates. Horman and Grow serve as the co-chairs of the Joint Finance-Appropriations Committee, or JFAC, which sets every element of the state budget. The changes affected everything from how the state budget was broken up and set to how the committee's daily meetings were conducted. For the first time in recent memory, JFAC broke state agency budgets into two different pieces. For the first piece, a version of last year's budget - with the one-time spending money and new spending requests taken out but only partial placeholder salary increases for state employees factored in – was put forward as a bare bones budget intended simply to keep the lights on. This was identified in the new process as the maintenance of operations budget, or a maintenance budget. Then, maintenance budgets for more than 100 state agencies and divisions were lumped together in 10 larger maintenance budgets that collectively spent more than \$5.1 billion in state general fund spending. For the second piece of the budget, JFAC considered the agencies' new spending increases, budget line items, some replacement items and other new requests separately in new budget enhancements. The co-chairman believe that the new budget procedures increase transparency and allow JFAC members to really scrutinize and understand the new spending increases. Another change that came in 2024 - how JFAC's daily public budget hearings were conducted. Instead of the regular three-hour daily meetings, JFAC conducted a roughly 90-minute public budget meeting each day and then broke into smaller, private working groups to actually work on setting the budgets. Working groups regularly met privately during previous legislative sessions, but had to do so on their own time, such as during lunch or in the late afternoons or evenings.

HOW DID IDAHO'S BUDGET CHANGES WORK THIS YEAR?: Looking back at the process the general fund spending increase in the fiscal year 2025 budget was 1.7%, down from 12% a year earlier. Numerous legislators from both major parties voiced support for the working groups and setting aside dedicated time for the working groups. But some legislators from both major parties voiced concerns or at least questions about the use and definition of maintenance budgets. There were mixed reviews from legislators in both parties. Some working groups were very productive, and others seemed to struggle with internal personalities in reaching compromise on setting budgets. Remember, Idaho is a balanced budget state. The goal of the budget reduction was to reflect the loss of ARPA funds that were infused into the state's operation during that time period and to bring the budgets more in line with the revenue generated minus the federal funds.

GRAIN BIN TAX EXEMPTION: H751 would clarify that machinery including augers, dryers, or fans used within, or attached to a grain bin, are exempt from sales taxes. In the past taxes have been collected on grain bin structures; but accessories that can be removed and moved to other locations without affecting the structural integrity have not. H751 would clarify the intent of the legislation. Equipment used in the production or storage of agriculture should be exempted from tax under the production exemption outlined in Idaho Code.

ADMINISTRATIVE RULES: A few pieces of legislation dealt with state agencies and the review process by the legislature and standards for court review. H626 would require courts reviewing administrative rules to look to interpret the meaning and effect of the rule without consideration of previous judicial or agency interpretations. This would mean that if individuals, landowners or businesses were in court because they had been summoned into court for allegedly not following a specific agency rule, the court couldn't make its ruling or

defer to the agency simply based on what the agency has interpreted the law to be. H626 also directs that reviewing courts must rule, where an interpretation is in relative doubt, to limit agency power in favor of individual liberty. Though the "individual liberty" language in the bill doesn't have a legal definition attached to it, it does emphasize the importance of an agency having to lean toward the individual interpretation over agency power. H626 was a rewrite of a previous bill agriculture had supported (H562) and will likely be supported pending technical considerations with the legislation.

H563 makes three changes to the Idaho Administrative Procedure Act, which is vitally important and has been weighed in on heavily by commodity groups and landowners through the years. It narrows the language concerning temporary rules; addresses legislative oversight of material incorporated by reference; and would require each agency to legitimize the reasoning and necessity of each rule chapter more often. On the surface these provisions may sound useful but in practice and application, they could unravel years of work and public meetings where agriculture has won hard-fought battles using experts and scientific data to justify best management practices for producers. Further, it would open the door for political calculations and priorities to reinterpret these rules without consideration of the unintended consequences for farmers and ranchers.

One such example is the language added to rules (incorporated by reference) that are directly from the federal government and must be followed by federal law. If a state agency doesn't adhere to those standards, it opens the agency to slew of lawsuits akin to the many lawsuits filed against the Environmental Protection Agency every year by attorneys working in conjunction with interest groups directly and indirectly trying to hinder production agriculture and working lands from operating. Rejecting incorporated by reference language can also put a producer out of compliance federally while still being in compliance with the state and would place the burden on the producer to be in compliance with federal law without the benefit of the state acting as an intermediary. We have seen time and time again, state agencies working with producers to help them get into compliance before or instead of levying a fine. The alternative is the federal heavy-handed approach that simply fines a producer who may not have been aware they weren't complying or are making a true effort to get in compliance.

608AAS AGRICULTURAL PROTECTION AREAS: For years, agriculture interest groups across the state have been discussing ideas to preserve Idaho's farmland. This year, the Idaho legislature took the initial step toward achieving this goal. On April 5th, Governor Brad Little signed House Bill 608, the Agricultural Protection Areas legislation. This bill offers landowners an additional option for safeguarding agricultural land in the state. It introduces a new chapter to the Idaho Local Land Use Planning Act, providing legislative authority for county governments to accept applications from willing landowners to establish Agricultural Protection Areas (APAs), beginning January 1, 2025. These APAs, with a duration of 20 years, will be recognized on local land use planning maps and provide protection against eminent domain and nuisance actions. Under this legislation, each county will establish an Agricultural Protection Area Commission comprising 3-5 members involved in the agriculture industry within the county. This Commission will review APA applications and make recommendations to the County Commissioners regarding their acceptance or denial. County Commissioners will have the final say of whether the APA application is approved or denied. House Bill 608 offers a balanced solution, respecting farmers' and ranchers' private property rights while providing a voluntary incentive program. It enables them to preserve their farmland for future generations. While this legislation marks a significant step forward, various agriculture interest groups will continue their efforts to incentivize farmers and ranchers to sustain agricultural production in our state.

<u>H540 FLOOD DISTRICTS</u>: For many years under the current Idaho statute Flood District commissioners, managers and staff have been uncomfortable with the notion that they are to "control" flooding, or that they can somehow "prevent" flood damage. The reality is Flood Districts have neither the authority nor the capabilities to meet such expectations. A Flood District's actual role is to conduct, participate in, facilitate, and assist projects on and along stream channels and other natural watercourses to:

- Reduce flood risk;
- Respond to flood events to mitigate or reduce flood damages, and;
- Conduct recovery operations to restore watercourses after flooding subsides.

House Bill 540 revises terminology and the Flood Districts' authority to better describe the actual activities of a Flood District and their management role.

<u>S1245</u>: For the past 6 years tort litigation and jury trials centered around pesticide warning labels has created uncertainty about whether U.S. made products will continue to be available for our agricultural industry. Bayer has an estimated \$13 Billion in expenses between litigation costs and punitive damage awards. Last year's litigation expenses alone exceeded the company's revenues on U.S. Glyphosate sales. Companies like Bayer who manufacture our pesticide products in the United States cannot afford to continue business if they have to pay out billions of dollars in endless litigation. 50% of all glyphosate used in the U.S. is supplied to us directly by China. If the largest U.S. manufacturer of glyphosate decides that it is too costly to continue to do business in the U.S. because of endless litigation – the agricultural industry will be forced to buy 100% of this widely needed product directly from China. There is a very valid concern that we could not only lose the U.S. manufacturing of glyphosate due to endless litigation, but also the plant in Soda Springs, Idaho that manufactures elemental phosphorus - which is the first step in the production of glyphosate. Soda Springs Idaho is the only place in the entire Western Hemisphere that manufactures elemental phosphorus. The other places that produce elemental phosphorus are China, Kazakhstan, and Vietnam.

The first attempt at Pesticide Legislation was Senate Bill 1245. S1245 proposed to add language to Idaho's Pesticide and Chemigation Act and Idaho's Consumer Protection Act, clarifying that a "failure to warn" claim cannot be used as grounds for a lawsuit against the manufacturer of a pesticide product because a pesticide label provides sufficient warning. S1245 failed to pass the Senate Chamber with 15 ayes and 19 opposed and 1 absence. The final piece of legislation that was proposed in session S1432 very narrowly addressed failure to warn as it pertains to pesticide labeling. S1432 allowed an individual to go to court if they can prove they were injured as a result of the warning being inadequate. The legislation raised the evidence standard from preponderance of the evidence to the clear and convincing standard. A standard that is currently utilized in Idaho civil cases for fraud claims and punitive damage awards. The legislation would reduce costly and unnecessary future litigation in this very specific scenario while still providing access to legal remedies and the discovery process for individuals that were actually harmed by the product or from bad actors who failed to disclose information to regulators. S1432 would also give our agricultural producers the certainty that they can continue to use U.S. manufactured products instead of depending upon China. While it was a close count, S1432 did not have the votes to pass the Senate Chamber. Stakeholders will continue to work on legislation over the next couple of months and present a new solution to the legislature in 2025.

LAND BOARD LEGAL COUNSEL: The State Board of Land Commissioners (Land Board) comprises Idaho's Governor, Secretary of State, Attorney General, Superintendent of Public Instruction and State Controller. The Land Board provides direction to the Department of Lands in managing more than 2.5 million acres of state endowment trust lands in Idaho. The Land Board also oversees the work of the Department of Lands in its regulatory and assistance duties, and in managing Idaho's public trust lands and the thousands of miles of land beneath Idaho's navigable waterways. S1292 addresses some past conflicts that have arisen where the Land Board has made a decision, directed the Department of Lands to act, but the Attorney General has said that the decision was unconstitutional and will not act on behalf on behalf of the Land Board. These situations leave the Land Board with no alternative to move forward with legal counsel that is in concert with the Land Board as a whole. S1292 removes the responsibility of the Office of the Attorney General to provide legal representation to the Idaho Department of Lands and allows the department to hire or contract its own legal counsel. They would still be able to contract with the Attorney General if desired.



Legislative Services Office Idaho State Legislature

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Director FINAL PROGRESS REPORT Week-to-Week Comparison April 16, 2024 FINAL New legislation prepared(RSed) Changes, amendments, and engrossments INTRODUCTIONS Bills (both houses) Resolutions, Memorials, Proclamations (both houses) ACTION Bills Passed (both houses) Bills signed by the Governor Law without Governor signature Bills vetoed by the Governor Veto Overridden Resolutions, Memorials adopted Length of Session (days) TRIVIA Code sections amended New code sections Code sections repealed

Paul Headlee, Deputy Director Matt Drake, Manager Keith Bybee, Manager April Renfro, M Legislative Services Office Research & Legislation Budget & Policy Analysis Legislative Au

April Renfro, Manager Norma Clari Legislative Audits Information

Norma Clark, Manager Information Technology

Pages of passed legislation

IMMIGRATION: Senate Joint Memorial 2 (SJM2) summarizes the current illegal immigration crisis and calls upon Congress and the President of the United States to take immediate action to secure the border, stop unauthorized immigration, and implement immigration reform to address the national labor shortage. The memorial requests effective border security measures that prohibit people from entering the country without lawful authorization and a revised guest worker program that provides a lawful means of year-round work authorization for participants to support the agriculture, construction, hospitality, food processing, manufacturing, and technology industries. There is little dispute that the immigration system is in terrible shape and that a secure border must be supported. We also have critical economic and food security issues that must be protected and improved while we address border security. Agricultural employers have led the way in advocating for federal policy that will responsibly modernize our immigration system to provide border security. while simultaneously providing a questworker program for both temporary and year-round agriculture. A new guest worker program is needed and must be built to prevent a future of importing food by allowing foreign laborers to produce our food domestically. House Joint Memorial 8 (HJM) highlights the current illegal immigration crisis at the nation's southern border and emphasizes President Biden's failure to enforce immigration law. Its main thrust is pointed at the president and the need to secure the border. Unfortunately, it also contains inflammatory and incorrect language suggesting Idaho demands "cheap immigrant labor" and is the cause of human and drug trafficking. The memorial calls upon Congress to impeach President Biden for willfully failing to enforce immigration laws and sanctioning an invasion of the United States. It prioritizes border security before funding the war in Ukraine, including passing the Secure Border Act of 2023. It also does not consider any immigration reform measures until after the president is impeached and the Secure Border Act of 2023 is passed. HJM8 suggests that border security cannot be accomplished while also accomplishing needed guest worker visa reform to meet the needs of year-round agriculture. Those that characterize these wages as "cheap" (starting at \$15 and up) must likewise believe Idaho's minimum wage is in need of increase. HJM 8 also doesn't account for the probability of immigrant agricultural laborers being the least likely of all to be involved with the drug trade.

<u>CLOSING:</u> We hope you have found the communication related to legislative issues complete and valuable to understanding what happened in Boise from January through March. Our weekly *Capitol Review* is designed to inform you each week about issues that impact the agriculture industry. If you have specific questions related to the legislation discussed in this report, please do not hesitate to contact our office. We can be reached at:

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Feel free to visit our website at www.amgidaho.com to learn more about our services and the clients we serve at Association Management Group.