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March 26, 2007

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# Legislative Reports 2007



## Grocery Tax & Transportation Issues Delay Legislative Adjournment

A Governor's veto on HO81a, one of four this session, and transportation issues derailed legislators' plans to adjourn sine die last Friday. In his veto letter, Otter raised concerns that the legislative version of grocery tax relief was too costly, would have questionable impacts on future state budgets, programs and services, and did not address tax inequities or offer sufficient relief where it was needed most.

Most water- and energy-related legislation is on its way to the Governor's desk. We are awaiting one final piece of legislation that has yet to be written. The bill is expected to appropriate \$60 million from the general fund to the Department of Commerce for economic development. \$15 million from that appropriation is supposed to be dedicated for statewide economic issues that could include water right acquisition, state scholarships or other issues. The committee responsible for determining how those funds will be spend includes the Governor, Senate Pro Tem, House Speaker and JFAC co-chairs.

With Capitol renovation scheduled to begin on Monday, April 2nd, it is only a matter of time before this legislative session is history.

### CALENDAR

March 23—March 30, 2007

**Monday, March 26:**

**Tuesday, March 27:**

**Wednesday, March 28:**

**Thursday, March 29:**

IACI 10 a.m. IACI Conference Rm

**Friday, March 30: ???Legislature Adjourns Sine Die???**

**H0085aaS IRRIGATION FACILITIES - Amended—LAW**

Adds to existing law relating to irrigation districts to provide certain tax exemptions for certain irrigation facilities.

**House:** 2/15 PASSED - 65-0-5      **Senate:** 3/8 PASSED - 35-0-0

3/9 House concurred in Senate amendments 3/14 PASSED - 68-0-2

3/21 Governor signed Session Law Chapter 136 Effective: 07/01/07

**H0086 IRRIGATION DISTRICTS** - Amends existing law relating to irrigation districts to revise procedures relating to the qualification of voters.

**House:** 2/12 PASSED - 63-0-7

**Senate:** 3/15 PASSED - 34-0-1

3/19 To Governor

**H0087 IRRIGATION DISTRICTS** - Amends existing law relating to irrigation districts to provide for recording of notices of election; and to revise timing provisions relating to the redemption or repurchase of water rights.

**House:** 2/12 PASSED - 63-0-7

**Senate:** 3/15 PASSED - 34-0-1

3/19 To Governor

**H0099aa PETROLEUM CLEAN WATER TRUST FUND - Amended**

Amends existing law to increase the unencumbered balance in the Petroleum Clean Water Trust Fund before the imposition of the transfer fee shall be suspended; to increase the fund balance amount that will allow the imposition of the transfer fee to be reinstated; to allow the State Endowment Fund to invest trust fund moneys; and to provide that the Petroleum Clean Water Trust Fund Board shall determine by resolution whether the State Treasurer or State Endowment Fund shall manage the investment of funds.

**House:** 3/5 PASSED - 51-17-2

**Senate:** 3/19 PASSED - 28-3-4

3/21 To Governor

**H0153 WATER AND SEWER DISTRICTS** - Adds to existing law relating to water and sewer districts to provide for the receipt of services by owners of real property within a district; and to provide for the treatment of applications for new or additional services made by owners of real property annexed into a district.

**House:** 2/9 Introduce/Print 2/12 Local Government

**H0170 WATER RIGHTS** - Amends existing law relating to the adjudication of water rights to revise provisions relating to the truth and accuracy of statements contained in notice of claim or amended notice of claim.

**House:** 2/22 PASSED - 66-2-2

**Senate:** 3/19 PASSED - 32-0-3

3/20 To Governor

**H0230 GEOTHERMAL RESOURCES** - Amends existing law relating to geothermal resources to revise filing fee provisions; to revise procedures relating to the processing of applications and investigations; to revise requirements relating to the provision of good and sufficient security; and to authorize the director to accept a comprehensive security.

**House:** 3/2 PASSED - 66-0-4

**Senate:** 3/19 PASSED - 32-0-3

3/20 To Governor

**H0241 WATER DISTRICTS** - Amends existing law to revise water district expense provisions relating to costs of the Department of Water Resources for administration of certain water rights; and to provide for an appropriation request. This legislation addresses concerns about equitably assessing water administration in the various water districts of the conjunctively managed water connected to the Eastern Snake Plane Aquifer. The Director of the Department of Water Resources, in consultation with an advisory committee from various water users, can establish a factor to apportion the Department's costs between surface, groundwater, consumptive and non-consumptive diversions. In addition, it provides for an IDWR general fund appropriation request to account for water uses not presently subject to water district assessments. The fiscal impact for compensation of the other uses could be \$287,500 for fiscal year 2008.

**House:** 3/6 PASSED - 63-3-4

**Senate:** 3/19 PASSED - 32-0-3

3/21 To Governor

# House—Water cont'd

**H0290 WATER RESOURCES DEPARTMENT** - Amends existing law relating to water to provide for the administration of water rights from water sources hydraulically connected to any aquifer of the state of Idaho; to revise budget provisions; to revise advisory committee provisions; and to provide for an appropriation request.

**House:** 3/13 Referred to the Natural Resource Interim Committee for further consideration over the summer.

**HCR012 NATURAL RESOURCE ISSUES - STUDY** - Stating findings of the Legislature and authorizing the Legislative Council to appoint a committee to undertake and complete a study of natural resource issues. **ADOPTED**

**HCR028 AQUIFER MANAGEMENT PLAN** - Stating findings of the Legislature and requesting the Idaho Water Resource Board to expeditiously pursue, with support from the Idaho Department of Water Resources, development of a comprehensive aquifer management plan as documented in the Eastern Snake River Plain Comprehensive Aquifer Management Plan framework; and recommending approval of funding to the Idaho Water Resource Board for technical studies, facilitation services and interim measures as described in the framework plan. **ADOPTED**

# SENATE—WATER

**S1100 WATER TREATMENT - PERPETUAL** - Adds to existing law relating to water quality to provide that the Director of the Department of Environmental Quality shall not allow perpetual water treatment; and to provide an exception. **Senate:** 2/8 Introduce/Print 2/9 Resource & Environment

*\*\* Expected to be referred to Environmental Common Sense Committee this summer*

**S1101 WATER QUALITY** - Adds to existing law relating to water quality to provide that the director of the Department of Environmental Quality shall not allow perpetual water treatment; and to provide an exception.

**Senate:** 2/8 Introduce/Print 2/9 Resource & Environment

*\*\* Expected to be referred to Environmental Common Sense Committee this summer*

**S1136 aa WOOD RIVER - MINIMUM STREAM FLOW** - Adds to existing law to provide for minimum stream flow water rights in designated areas of the Big Wood River and the Little Wood River; to provide for the distribution of donated water; to provide for certain donated water rights; to provide for a local committee; and to provide for the collection of water district expenses.

**Senate:** 3/9 2nd to 3rd reading as amended Rules suspended **PASSED 35-0-0**

**House:** 3/20 **PASSED - 68-0-2**

**3/23 To Governor**

**H0014 MOTOR FUELS - TAXATION - BIODIESEL - LAW** Amends existing law relating to the motor fuels tax to provide a definition for "biodiesel and biodiesel blends"; and to include biodiesel and biodiesel blends in products subject to the petroleum transfer fee. **3/2 Governor signed Session Law Chapter 37 Effective: 07/01/07**

**H0030 CITIES - ELECTRIC GENERATION - LAW** Adds to existing law to authorize cities to participate as joint owners or power purchasers in joint electric generation and transmission projects; and to provide required terms and provisions for participation agreements and related matters.  
**2/23 Governor signed Session Law Chapter 28 Effective: 02/23/07**

**H0032aaS ENERGY RESOURCES AUTHORITY—LAW-** Amends existing law to allow the Idaho Energy Resources Authority to manage and operate distribution facilities; and to allow the State Treasurer to invest in fixed or variable rate bonds of the authority so long as such bonds are not less than investment grade.  
**3/20 Governor signed Session Law Chapter 107 Effective: 03/20/07**

**H0065 STATE LANDS -** Amends existing law to revise provisions relating to the lease of state lands.  
**Replaced by H0130**

**H0109 LIQUEFIED PETROLEUM GAS -** Amends existing law relating to the Idaho Liquefied Petroleum Gas Public Safety Act to require a liquefied petroleum gas facility to have a certificate issued by an insurance company authorized to do business in Idaho as proof that a general liability policy of a specified sum is in effect; and to revise terminology.  
**House: 2/6 Introduce/Print 2/7 Business Committee 2/22 Report out with "Do Pass" 2/23 2nd to 3rd reading 2/27 PASSED - 64-0-6**  
**Senate: 2/28 Introduce/Commerce & Human Resources 3/14 Report out with "Do Pass" 3/15 2nd to 3rd reading 3/20 PASSED - 33-0-2 3/21 To Governor**

**H0130aaS STATE LANDS—LAW—** Amends existing law to revise provisions relating to the lease of state lands.  
**House: 2/15 PASSED - 65-0-5 Senate: 3/12 PASSED - 35-0-0 as amended**  
**House: 3/15 PASSED - 68-0-2 as amended**  
**3/21 Governor signed Session Law Chapter 138 Effective: 07/01/07**

*The primary intent of this proposed legislation is to amend the definition of "commercial purposes" so that wind projects could qualify as a commercial or industrial enterprises as defined by the state land board. In addition, subject to approval of the state land board, it qualifies agricultural lands eligible for the federal Conservation Reserve Enhancement Program (CREP), to be eligible for leases in excess of ten years so that they may qualify for the fifteen year requirement of CREP.*

**H0137 BUILDING CODES -** Amends existing law to provide a date change regarding various building codes; and to provide for adoption of the 2006 International Residential Energy Conservation Code published by the International Code Council.  
**House: 2/28 PASSED - 70-0-0 Senate: 3/16 PASSED - 35-0-0**  
**3/20 To Governor**

**H0149 RENEWABLE FUEL -** Adds to existing law to provide for the "Idaho Renewable Fuel Consumer Choice and Retailer Right to Know Act of 2007"; to provide requirements for agreements or contracts between a motor fuel distributor or retailer; to provide that certain provisions of a franchise agreement or contract shall be null and void; and to provide penalties.  
**House: 2/9 Introduce/Print 2/12 Transportation**

**H0150 ALTERNATIVE FUEL -** Adds to existing law to provide the Rural Idaho Economic Development Biofuels Infrastructure Matching Grant Fund; and to provide procedures for approving grant applications.  
**House: 2/28 PASSED - 69-1-0 Senate: 3/16 PASSED - 33-0-2**  
**3/20 To Governor**

**H0151 ALTERNATIVE FUEL** - Adds to existing law to create the Idaho Biofuels Supply Enhancement Program in the Department of Agriculture. **House:** 2/9 Introduce/Print 2/12 Transportation

**H0152 ELECTRICITY TRANSMISSION** - Adds to and amends existing law to provide authority of the Public Utilities Commission regarding siting of electric transmission facilities in a National Interest Electric Transmission Corridor within Idaho. **House:** 2/22 PASSED - 67-0-3 **Senate:** 3/19 PASSED - 32-0-3  
3/20 To Governor

**H0154 ENERGY FACILITIES** - Adds to existing law to provide that a city or county may request advice from state agencies regarding an energy facility; to provide state department responsibilities; to provide for consideration of an application; to provide prohibited factors for consideration; and to provide for public hearings and comments. **House:** 2/28 PASSED - 51-19-0 **Senate:** 3/15 PASSED - 24-9-2  
3/19 To Governor

**H0156 OILSEED RESEARCH AND DEVELOPMENT -LAW-** Amends existing law to provide for the Idaho Oilseed Research and Development Act; to replace references to canola and rapeseed with references to oilseed; and to revise provisions relating to the Idaho Oilseed Commission. 3/12 Governor signed Session Law Chapter 60 Effective: 07/01/07

**H0169 HIGH-PERFORMANCE PUBLIC BUILDINGS** - The purpose of this legislation is to require all future state funded building construction and major renovations to meet recognized high performance standards. State agencies will monitor and document annual energy costs and savings for these buildings and, with the assistance of the Permanent Building Fund Advisory Council, will report to the governor and the legislature. **House:** 2/9 Introduce/Print 2/12 Environment, Energy & Technology

**H0189 WIND ENERGY— LAW** - Amends and adds to existing law relating to producers of electricity by means of wind energy to provide for a wind energy tax; to provide for the filing of operator's statements by producers of electricity by means of wind energy; to provide for the computation, allotment and apportionment of tax due from producers of electricity by means of wind energy by the State Tax Commission and to require certain notifications; to authorize county treasurers to collect specified taxes from producers of electricity by means of wind energy; to provide for tax liens on property of producers of electricity by means of wind energy; to provide for the assessment of nonoperating property of producers of electricity by means of wind energy; and to provide an exemption from taxation for certain operating property of producers of electricity by means of wind energy. 3/21 Governor signed Session Law Chapter 143 Effective: 01/01/07

**H0209 PUBLIC UTILITIES COMMISSION** - Amends existing law to provide an increase in salary for members of the Public Utilities Commission commencing July 1, 2007. **House:** 2/19 Introduce/Print 2/20 State Affairs

**H0230 GEOTHERMAL RESOURCES** - Amends existing law relating to geothermal resources to revise filing fee provisions; to revise procedures relating to the processing of applications and investigations; to revise requirements relating to the provision of good and sufficient security; and to authorize the director to accept a comprehensive security. **House:** 3/2 PASSED - 66-0-4 **Senate:** 3/19 PASSED - 32-0-3  
3/20 To Governor

**HCR013 IDAHO ENERGY PLAN** - Stating findings of the Legislature and adopting the Idaho Energy Plan, approved by the Legislative Council Interim Committee on Energy, Environment and Technology on January 26, 2007, as the State Energy Plan. **ADOPTED**

**HCR014 FOSSIL FUEL DEPENDENCE** - Stating findings of the Legislature and urging support of the enactment of policies and programs to reduce Idaho's dependence on fossil fuels, accelerate the development of clean, economical energy resources and fuel-efficient technologies; and to support efforts of our local communities to exercise property stewardship and to take action aimed at reducing greenhouse gases. **House:** 2/9 Introduce/Print 2/12 Environment, Energy & Technology 2/15 Report out with "Do Pass" to 2nd reading; Returned to Environment

# HOUSE—Energy cont'd

**HCR025 ENERGY, ENVIRONMENT AND TECHNOLOGY COMMITTEE** - Stating findings of the Legislature and authorizing an interim committee on Energy, Environment and Technology to monitor the Integrated State Energy Plan and other issues. **ADOPTED**

**HCR027 WOODY BIOMASS - STUDY** - Stating findings of the Legislature and authorizing the Legislative Council to appoint an interim committee to study specific issues related to woody biomass and incentives to make woody biomass available to be processed into value added products. **ADOPTED**

## SENATE—ENERGY

**S1041 ENERGY FACILITY SITING** - Adds to existing law relating to major energy facility siting to create a State Energy Facility Planning Committee; to provide membership; to provide for the state energy facility siting management plan; to provide for permits and licenses; to provide for expansion, enlargement or alteration of energy facilities; to provide for review and siting licenses; and to provide for the creation of site review panels. **SENATE: 1/19 Introduce/Print 1/22 State Affairs *Withdrawn by sponsor (Stennett)***

**S1112 GASOHOL - BIODIESEL** - Amends existing law to delete the fuel tax deduction authorized for gasohol and biodiesel. **Senate: 2/9 Introduce/Print 2/12 Transportation**

**S1189—LAW**- Amends existing law to provide an increase in salary for members of the Public Utilities Commission, the State Tax Commission and the Industrial Commission; appropriates an additional \$15,500 to the Public Utilities Commission for commissioner salaries for fiscal year 2008; appropriates an additional \$19,300 to the State Tax Commission for commissioner salaries for fiscal year 2008; and appropriates an additional \$15,000 to the Industrial Commission for commissioner salaries for fiscal year 2008. **3/21 Governor signed Session Law Chapter 121 Effective: 07/01/07**

**SJM107 GLOBAL NUCLEAR ENERGY PARTNERSHIP** - Stating findings of the Legislature and expressing support of the goals of the Global Nuclear Energy Partnership, encouraging the Bush Administration, the United States Congress and the Department of Energy to commit and provide the funding necessary to complete the Global Nuclear Energy Partnership initiative, which is critical to the long-term well-being of the United States, and concurring that Idaho is the most suitable and preferred site for the Global Nuclear Energy Partnership and other advanced nuclear and energy security research. **ADOPTED**

### OF OTHER INTEREST

**H0261 INCOME TAX CREDIT** - Adds to existing law to provide an income tax credit for technology investment; and to provide criteria to be eligible for the credit. *Bioscience Tax Incentive* **House: 3/2 Introduce/Print 3/5 Revenue & Taxation**

**H0262 LAND CONSERVATION** - Adds to existing law to provide an individual and corporate income tax credit for voluntary conservation of ranch, farm and forest land; to provide limitations; and to allow for transfer of the tax credit. **House: 3/2 Introduce/Print 3/5 Revenue & Taxation**

**H0265 SALES TAX EXEMPTION - POLLUTION CONTROL EQUIPMENT** - Amends existing law relating to sales tax to revise provisions applicable to the sales tax exemption for pollution control equipment used to meet air or water quality standards. **House: 3/9 Rules suspended - PASSED - 62-0-8** **Senate: 3/21 PASSED - 34-1-0**

**S1148 ENVIRONMENTAL MONITORING STATIONS— LAW**- Amends and repeals existing law relating to the environment to revise nonclassified employment provisions regarding the Department of Environmental Quality; to provide additional powers and duties of the director of the Department of Environmental Quality; and to repeal provisions relating to radiation and nuclear material, PCB waste disposal and coordination of programs regarding the Idaho National Laboratory. **Senate: 2/28 PASSED - 35-0-0** **House: 3/12 PASSED - 69-0-1**  
**3/15 Governor signed Session Law Chapter 83 Effective: 07/01/07**

# APPROPRIATIONS

**H0236 PUBLIC UTILITIES COMMISSION - LAW** - Appropriates \$4,928,900 to the Public Utilities Commission for fiscal year 2008; limits the number of full-time equivalent positions to 49; directs the distribution of funding for employee compensation; and directs the allocation of salary savings. **3/15 Governor signed Session Law Chapter 82 Effective: 07/01/07**

**H0284 AGRICULTURAL RESEARCH/COOPERATIVE EXTENSION PROGRAM** -

Appropriates \$32,687,600 to the Board of Regents of the University of Idaho for the Agricultural Research and Cooperative Extension Service Program for fiscal year 2008; and reappropriates unexpended and unencumbered fund balances.

**House: 3/12 PASSED - 68-0-2**

**Senate: 3/19 PASSED - 32-0-3**

3/21 To Governor

**H0316 WATER RESOURCES DEPARTMENT** - Directs the State Controller to transfer funds; and appropriates an additional \$690,000 to the Department of Water Resources for the Energy Resources Program for fiscal year 2008 through fiscal year 2009.

**House: 3/16 Rules suspended PASSED - 67-0-3**

**Senate: 3/22 PASSED - 35-0-0**

**H0317 WATER RESOURCES DEPARTMENT** - Appropriates an additional \$557,000 to the Department of Water Resources for the Water Management Program for fiscal year 2008.

**House: 3/16 2nd to 3rd reading Rules suspended PASSED - 65-0-5**

**Senate: 3/22 PASSED - 35-0-0**

**H0320 WATER MANAGEMENT FUND** - Directs the transfer of \$849,936.99 to the Water Management Fund and provides intent regarding use of the moneys.

**House: 3/16 2nd to 3rd reading Rules suspended PASSED 65-0-5**

**Senate: 3/22 PASSED - 35-0-0**

**S1205 WATER RESOURCES DEPARTMENT** - Appropriates \$25,538,600 to the Department of Water Resources for fiscal year 2008; limits the number of full-time equivalent positions to 189; directs the distribution of the funding for employee compensation; directs the allocation of salary savings; and provides legislative intent regarding the Northern Idaho adjudication.

**Senate: 3/20 PASSED - 32-1-2**

**House: 3/21 Rules suspended PASSED 62-5-3**

**S1206 DEPARTMENT OF ENVIRONMENTAL QUALITY** - Appropriates \$60,850,400 to the Department of Environmental Quality for fiscal year 2008; limits the number of full-time equivalent positions to 378.55; directs the transfer of funds to the Environmental Remediation Fund; provides intent regarding remediation of the Coeur d'Alene Basin; provides intent regarding the Water Pollution Control Fund; directs the distribution of the funding for employee compensation; directs the allocation of salary savings; and provides for a transfer of funds to the Idaho Community Reinvestment Pilot Initiative Fund.

**Senate: 3/16 PASSED - 35-0-0**

**House: 3/20 Rules suspended PASSED - 62-5-3**

3/23 To Governor

**S1207 AGRICULTURE DEPARTMENT** - Appropriates \$41,774,100 to the Department of Agriculture for fiscal year 2008; limits the number of full-time equivalent positions to 207.60; directs the distribution of funding for employee compensation; directs the allocation of salary savings; and reappropriates certain unexpended and unencumbered fund balances.

**Senate: 3/16 PASSED - 35-0-0**

**House: 3/20 Rules suspended PASSED - 66-1-3**

3/23 To Governor