

# IDAHO CREDIT UNIONS

*Not-for-Profit. Cooperative. Local. Trusted.*

## 2024 Legislative Outlook

Looking forward to the 2024 legislative session, we anticipate there will be new issues that will pop up as well as carryover issues that did not necessarily get resolved last year. GoWest will be involved in a number of discussions on issues that may positively or negatively impact the credit union movement. As much as we can anticipate and prepare for ahead of time, there are always issues that arise unexpectedly that we address as needed. Below are issues that we know will be on our agenda for the 2024 session:

**Amendments to the Idaho Credit Union Act** – over the summer we reconvened the Idaho State Issues Working Group to take a deeper look at the State charter to see where amendments and modifications can be made. Over the course of five months, the State Issues Working Group and the ID GAC settled on four policy recommendations:

- **Definitions Updates** – This has been a request over the last several years since much of what was included did not apply to references throughout the Act.
- **General Governance Updates** – The goal is always to streamline day-to-day operations for credit unions. This year's legislation will remove unnecessary reporting requirements and remove references to language that was outdated and no longer applicable.
- **Expanded FOM** – After discussions with, and sign-off by the Department of Finance, the bill will expand the geographical FOM for credit unions to include underserved areas around Idaho.
- **Expanded Investment Authorities** – Currently, credit unions can only make investments in companies that would qualify as a Credit Union Service Organization (CUSO). The proposed changes would allow Idaho credit unions to make limited investments in a non-CUSO entity as long as it is aiding the credit union in achieving its business, operational, or service objectives.

**ESG** – We do anticipate seeing additional ESG language that targets who credit unions and banks can lend to in the 2024 legislative session. At this point, it is unclear who will be bringing the legislation; however, we have seen drafts floating around. This will be the third year Idaho legislators have brought this type of legislation.

**Idaho Bankers Association (IBA) Legislation** – The IBA will look to bring a bill that modernizes the Idaho Trust Act. The intent is to onboard small unlicensed and unregulated trust institutions into the fold, so the Department of Finance has oversight over these institutions.

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They also have a draft that will provide a tax exemption on the interest they make off agriculture loans. This has been something the IBA has worked on for several years and they are trying to pair it with a piece of federal legislation so the exemption can be received at both the state and federal level.

**Interchange Fees** – Senator Harris will be bringing back his interchange fees legislation. If you recall, this legislation looks to remove the sales tax on the interchange portion of the transaction. We have continued to work with Senator Harris on alternative ways retailers can get lost revenue, however, there does not seem to be any interest. Retailers and Senator Harris will undoubtedly try to capitalize on the national attention this issue has garnered in Washington, D.C. over the last eight months.

**Commercial Property Assessed Clean Energy (C-PACE)** – C-PACE is a financing mechanism allowing commercial property owners to secure funds for specific energy and water projects. Repayments to the energy updates are integrated into property tax invoices annually. GoWest has worked with the Idaho Bankers Association and the bill sponsors to include a provision that requires the financial institution to acknowledge and authorize the borrower to enter into this agreement.

**Homestead Exemption** – Senator Kelly Anthon has been working on increasing the Idaho Homestead Exemption threshold from \$175,000 to \$250,000. If you recall, the Idaho Homestead Exemption was just increased less than five years ago. It is anticipated that Senator Anthon will bring another bill forward this year that increases the threshold to \$250,000.