

2024 Legislative Session Recap



General Legislative Overview

Idaho lawmakers arrived in Boise on Monday, January 8th for the start of the second regular session of the 67th Idaho Legislative Session. At the start of the session, many anticipated it was going to be like other election years, quick, non-controversial, and wrapped up by mid to late March so legislators could get home to their districts to campaign. However, due to unforeseen circumstances, legislators saw themselves still in Boise in April.

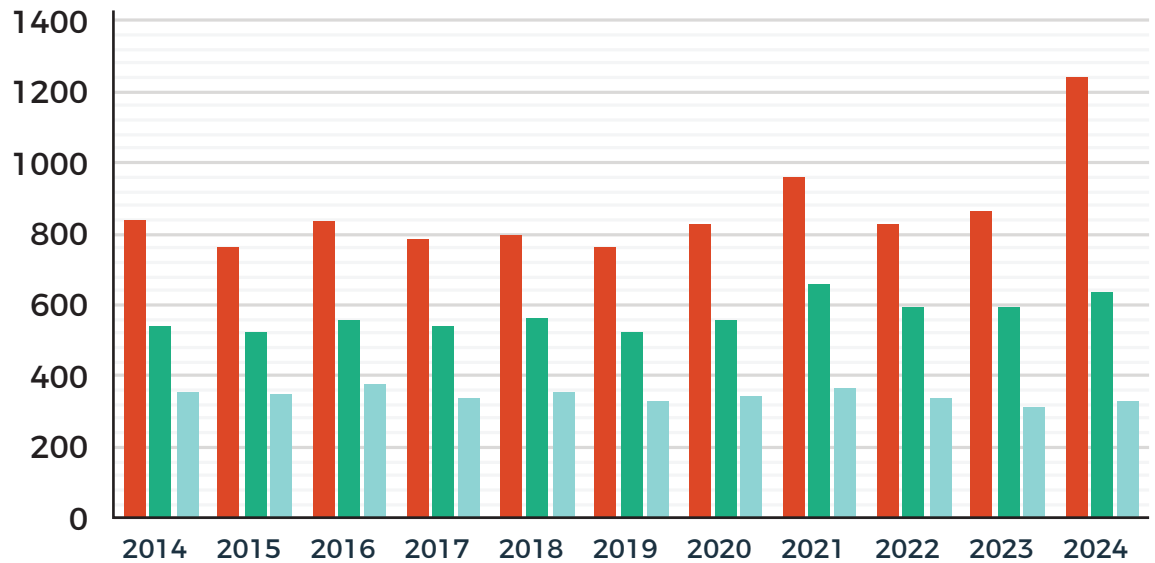
This session also had an abundance of legislative activity, in fact, according to Idaho bill drafters, this is the largest volume of legislation they've drafted in the last decade. It is important, however, to keep in mind that just because legislation is drafted doesn't mean it becomes a bill, gets a hearing, and ultimately becomes law. In fact, the data below shows the complete opposite.

Finally, I want to give my sincere THANK YOU to all of you for your continued engagement and support in advancing the Idaho credit union advocacy agenda.



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2024 Legislative Activity



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Legislation Drafted	839	763	831	785	799	761	830	958	829	861	1238
Bills Introduced	542	523	557	540	561	522	559	660	596	595	636
Bill Enacted into Law	357	347	377	339	353	329	341	364	338	314	328

House GOP Leadership Change

Following every election cycle, Idaho Senate and House leadership hold a caucus election in December to elect new leadership for the upcoming regular legislative session (the regular legislative session consists of two calendar year sessions until the next general election, e.g. 2023 and 2024 legislative sessions). However, in February the House of Representatives voted to remove the sitting majority leader, Megan Blanksma (R- District 8, Elmore, and Valley Counties), from her leadership position. This is the most senior position in the House of Representatives behind the Speaker of the House. While the reason for her removal was not shared publicly, many believe it had to do with her opposition to new processes and procedures in the Joint Finance Appropriations Committee (JFAC). Shortly thereafter, the House GOP caucus voted in Representative Jason Monks (R- District 22, Canyon County) to serve as the interim majority leader for the remainder of the 2024 session.



Rep. Megan Blanksma



Rep. Jason Monks

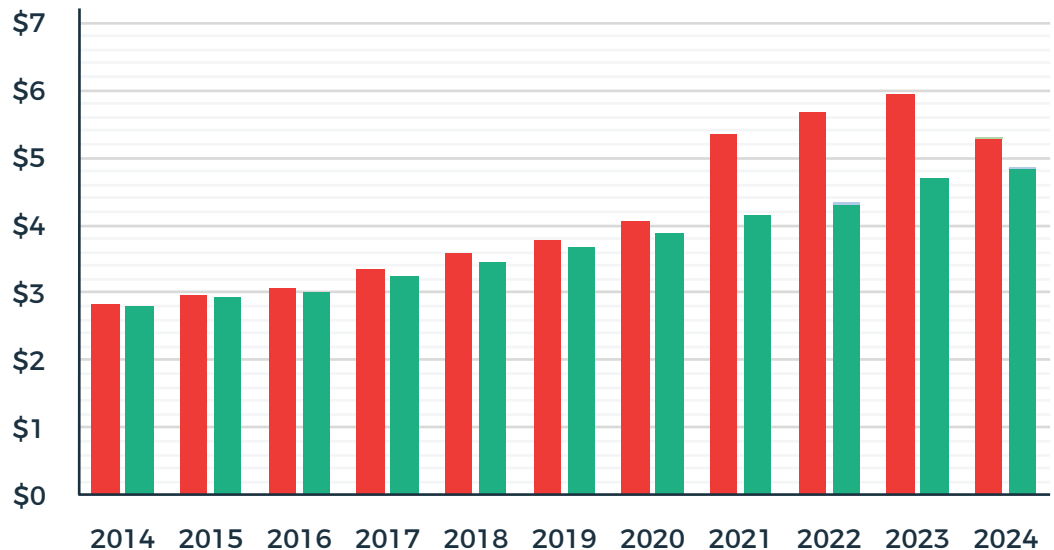
Budget Numbers

The Idaho JFAC Committee is the legislative committee responsible for setting Idaho's budget for the upcoming fiscal year. This year, JFAC's leadership chose to reset the rules, process, and approvals for how the committee reviews proposed agency budgets. This transition caused substantial friction among both House and Senate committee members. For instance, basic maintenance budgets and a handful of supplemental budgets were set before Idaho's revenue projections were finalized. This unorthodox process caused the legislature to spend a few extra days at the capitol this year. Below is a comparison on the growth of Idaho's budget and revenue over the last 10 years (notice the spike in '21, '22, and '23 due to federal stimulus monies).

Idaho General Fund Revenue & Expenditures

(in billions)

- Revenue
- Expenditure



Governor Little's Priorities

Throughout Governor Little's two terms in office, he's allocated a significant amount of time and resources to improving **Idaho's education system**. His number one priority during the 2023 legislative session was working with the Idaho legislature to approve funding for the Idaho LAUNCH program. Briefly, the 2023 Idaho legislature approved the Idaho LAUNCH program which creates financial opportunities (largely through leftover ARPA funds) for Idaho high school seniors to get an education through one of Idaho's universities, CTE programs, or workforce training programs.



Gov. Brad Little

Fast forward to the 2024 legislative session, the funding for **Idaho LAUNCH** still needed to be approved by the legislature and House Bill 741 did just that. HB741 fully funds LAUNCH at \$75 million to ensure grants are awarded to the more than 12,500 (all 44 Idaho counties are represented in the program) Idaho graduates who have already applied for the program. Similar to the floor debate last year, the discussion was very contentious and squeaked by the House 39-31.

Idaho LAUNCH	School Infrastructure	Transportation Funding & Infrastructure
<ul style="list-style-type: none">• \$75 million to finance educational opportunities• 12,500 graduates have applied• All 44 counties represented	<ul style="list-style-type: none">• \$2 billion• Over 10 years for for capital and student achievement improvements	<ul style="list-style-type: none">• Additional \$200 million for bridge improvements• \$50 million to bond an additional \$800 million for projects statewide

The other aspect of education funding Governor Little prioritized this year is **school infrastructure** around the state. Governor Little successfully delivered the largest ever state investment in Idaho school facilities at \$2 billion over the next 10 years. This will have a direct impact on many Idaho schools that have unmet capital construction needs and continued improvements to bolster student achievement.

Finally, **Idaho transportation funding and infrastructure** have been another point of focus for Governor Little, since his first year in office. This year he proposed and successfully passed his IDAHO WORKS program which builds off previous investments by adding an additional \$200 million to improve the remaining 1/3 of Idaho's dilapidated bridges, along with a proposed \$50 million to help bond for an additional \$800 million for other badly needed transportation projects and updates around the state.

Credit Union Advocacy Engagement

Below are just a few credit union highlights and priority issues from the 2024 legislation session.



Passage of Senate Bill 1301 - Updates to the Idaho Credit Union Act

The Idaho State Issues Working Group was convened in June 2023 with the intent of updating and modernizing the Idaho Credit Union Act. Senate Bill 1301 was the result of that collaborative effort which focused on four main areas: 1) updating the definitions section of the Act; 2) modernizing and streamlining day-to-day operations within the credit union, along with improving communications between credit unions and regulators along with their members; 3) providing an easier path to deliver financial services to rural Idahoans; and 4) updating a credit union's investment capabilities to go beyond traditional CUSO investments.

GoWest and Idaho credit unions were successful in getting SB 1301 passed out of the Senate and House of Representatives unanimously and signed by the Governor. This was a tremendous collaborative effort by all those who sat on the State Issues Working Group, the Idaho GAC, and all who advocated for the bill this year. Thank you for your patience, hard work, and cooperation as we continue to improve the Idaho Charter to benefit the operating environment for Idaho state-chartered credit unions.



Stopped Environmental, Social, and Governance (ESG) Legislation

Over the past three years, Idaho credit unions have shared a target on their backs with Idaho banks and other financial services when it comes to ESG legislation. Last year, the focus was largely on House Bill 190 and state depositories for public funds, where the Idaho State Treasurer, Julie Ellsworth, focused on ensuring financial institutions do not boycott certain industries based on their environmental or social issues. Additionally, towards the end of the session, House Bill 295 was led by the National Rifle Association and attempted to go after the usage of merchant category codes by credit card companies and Idaho's financial institutions.

Fast forward to this year, there were two pieces of legislation directly ESG related that the legislature took up. Senate Bill 1291 would have required any company or industry who does business with the State of Idaho to sign an affidavit proclaiming they do not boycott the firearm, agriculture, timber, or mining industry. If this sounds familiar, it's because it is. SB 1291 was Treasurer Ellsworth's carryover bill from last year.

The other ESG legislation that was introduced this year (and passed in the House) was House Bill 669. This legislation was very similar to what we saw over the last couple of years, specifically targeting Idaho financial industries for their lending practices. More specifically, HB 669 targeted banks, and only banks, over \$100 billion in assets. GoWest was actively engaged in conversations with the legislators and banks, even though credit unions were not defined in the Financial Institutions definition because there were questions and conversations among legislators about adding credit unions and decreasing the asset threshold significantly. Ultimately, HB 699 was not given a hearing in the Senate and so the bill died. However, the bill sponsors have been vocal about bringing it back next year.



Digital Assets | Bitcoin

Since the Digital Asset Working Group in 2021, created by credit union and bank trade associations along with other interested industry members, we have not seen any legislation or have had any discussion continuing to shape the digital asset landscape here in Idaho. There are several reasons for this: 1) it takes a significant amount of time to educate legislators; and 2) there is hesitation due to the real potential anything that is worked on will get vetoed by Governor Little. He has been very vocal about his distaste on this issue.

In 2024, two bills were introduced, House Bill 585 and Senate Bill 1296. HB585 amended the Idaho Digital Asset Act and provided a handful of additional definitions. It also added a section that outlaws the State and political subdivisions from the use of central bank digital currencies (CBDC) - if it is created by an act of the U.S. Congress. We saw major opposition from utility companies because the conversations largely focused around “discriminatory rate making” by the utility companies. GoWest also had conversations with legislators sharing concerns about banning a theoretical issue. It was important to share our general concern about what CBDC would do to credit union deposits. Before advancing this in the future, we need to discuss whether this prohibition would hinder credit unions’ ability to work with cities, counties, and other political subdivisions. HB 585 failed to pass the House on a vote of 30-40.

Senate Bill 1296 did not have much of a chance of moving out of the Senate. It included similar language going after utility companies; however, this created an entire new section of code outside of the Idaho Digital Asset Act that was going to be called the Bitcoin Protection Act. Not only was this misplaced in Idaho code, but there were also many errors in the drafting process. SB 1296 barely made it out of the Senate Commerce Committee and was sent to the Senate Amending Calendar where it sat for the remainder of the session.



Vulnerable Adult | Financial Exploitation

The Idaho Department of Finance brought legislation forward this year to eliminate vulnerable adult and elder abuse. The legislation focused on giving financial institutions the ability to place a temporary hold on a transaction or disbursement from accounts they suspect could be an exploitation victim.

Unfortunately, this legislation caused friction with the conservative republicans in the House caucus wanting to assure the 1% of those transactions that aren’t fraudulent do not get held up. This legislation will get ironed out over the summer and will be back next year.



State Idle Money Investments

Over the last three sessions, Idaho legislators have brought legislation that focuses on how or where the Idaho State Treasurer can invest Idaho’s idle funds. This year, legislators drafted Senate Bill 1314 that would permit the Treasurer to invest idle funds in gold and silver bullion. This legislation was very similar to what we’ve seen in the past, however, this year they added a section that would allow Idaho’s financial institutions to store the physical assets at the credit union or bank. They also capped the amount the Treasurer can make those investments at 7.5% of the total amount.

SB 1314 ultimately passed both the House and Senate chambers but was vetoed by Governor Little. We do anticipate there will be more attempts in the future to bring similar legislation forward.

Other Issues That Were Left On the Table

Every year there are always issues and legislation that gets left on the table due to disagreements or unfavorable timelines, and this year was no different. A few contentious issues we would expect to see in the 2025 Legislative Session:



Presidential Primary Election Legislation

As a result of the drafting error in last year's election legislation, there will be a significant focus to continue negotiating a legislative fix to the issue (more on that below). A compromise bill will be front and center next year in the Idaho legislature.

Credit Union Impact

No direct impact to Idaho credit unions.



ITD Towing Laws

Recently, the Idaho Transportation Department (ITD) had been a little loose enforcing Idaho towing laws. This was brought to the attention of several legislators by their constituents last year. As a result, ITD has refocused its efforts and is working diligently to enforce the current towing laws. More specifically, consternation has fallen in the sections of law that highlight towing on private property. There has been an effort to bring impacted parties to the table to resolve the issue. An agreement was not reached in time for the 2024 Legislative Session so they will continue negotiations throughout the summer in hopes of finding a resolution for the 2025 Legislative Session.

Credit Union Impact

Credit unions have been at the table throughout these discussions to ensure the current mandatory notification requirements and timelines are not altered.



Immigration

For the last several years, the Idaho Dairymen's Association have been working to pass a resolution acknowledging the need for foreign born labor in Idaho. Due to the conversations and the highly politicized nature of this issue, both in Idaho and nationally, there hasn't been much movement. They will continue to work with the business community to pass their joint resolution.

Credit Union Impact

While there is no direct impact to Idaho credit unions, there is an opportunity to work with the Dairymen and the greater agriculture community to bring current unbanked individuals into the membership of Idaho credit unions.

2024 Idaho Primary Election Results

For those of you who attended the Idaho Day at the Capitol in January, many of you heard about the change from a primary election to a caucus in the Idaho Presidential Primary. In the 2023 Legislative Session, there was an attempt to consolidate the Spring election cycle to save Idaho ~\$3 million every four years. There was a drafting error in the bill, which removed the Presidential Primary election. As a result, the Idaho Republican Party stepped in and filled the void with a caucus. Traditionally, caucuses have been very restrictive in who can participate, and we saw that this year. The Republican voter turnout was 6.8%, in other words, there were about 93% of those who are registered Republican voters in Idaho who were unable to participate.

The results below show former President Trump won the Idaho primary by a significant margin for the 2024 Presidential Primary race.

Candidate	Votes	Percentage
Donald Trump	33,548	84.90%
Nikki Haley	5,309	13.20%
Ron DeSantis	535	1.40%
Vivek Ramaswamy	95	0.24%
Chris Christie	91	0.20%

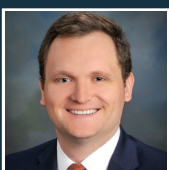
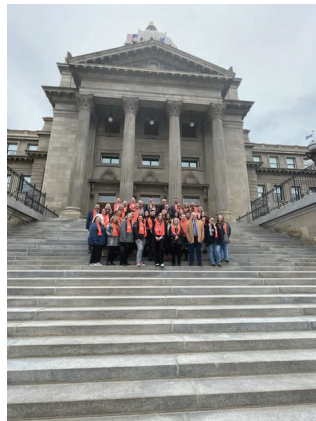
*Above names are who filed to be on the ballot in Idaho

Two days following the primary caucus, the Idaho filing period opened for legislative candidates to submit their names with the Idaho Secretary of State's office to be on the ballot for the May 21st primary election. We did see a few surprises in a handful of legislative districts and a few retirements we weren't expecting.

GoWest and Idaho Credit Union leaders will continue to meet with and interview new and returning candidates and hand out contributions. Please reach out if your credit union is interested in hosting candidates in your local area or if you would like to join GoWest in meetings with legislative candidates.

Successful Credit Union Day at the Capitol

We had a great Credit Union Day at the Capitol in January. A big thank you to all of you who joined us in person this year. Your direct advocacy with Idaho legislators made a significant impact on our success this year! Stay tuned for more information on next year.



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IDAHO CREDIT UNIONS