



**IPM&CSA Annual Convention August 6-8, 2014:
Elections, Politics & America's Energy Infrastructure
Welcome Back to CdA!**

Get your Room and Registration Locked in Now for the Coeur d'Alene Resort!

Join us for our convention at the Coeur d'Alene Resort, but sign up now. Rooms go fast in Coeur d'Alene in August, and this year is no exception. As always, we will be golfing on the resort's signature course with its famous floating green, and shooting at the Coeur d'Alene Gun Club. The Spa is available for those in need of pampering. From fine dining and boutique shopping to boating, biking and fishing, there is something for everyone in Coeur d'Alene! Reserve these dates — you'll want to bring friends and family and stay awhile!

Check out the facility at this link: <http://www.cdaresort.com/> Room Reservations must be made by phone at 1-800-688-5253 (Room block closes on **July 5, 2014**) Register for the convention at this link: www.wpma.com/idaho

IPM&CSA Joins PMAA for Day on Capitol Hill, May 21-23, 2014

IPM&CSA joined PMAA states again in 2014 for a Day on Capitol Hill. Idaho representatives Ron and Michelle Berry (Berry Oil) and Bonnie Grande (CityServiceValcon) joined Executive Director Suzi Budge to meet with members of the Idaho Congressional Delegation on May 22, 2014. PMAA's annual Washington Conference & Day on the Hill focuses on key issues impacting our industry, including EPA's new UST rules, RFS reform and the ethanol blend wall, interchange fees, and other fuels and energy-related topics. This event is always a great opportunity for marketers to spread the good word on "The Hill" about the issues that impact our business. Idaho is fortunate to have a great relationship with all members of the Idaho Congressional Delegation, and we always look forward to sitting down with them in their offices at this annual event.

2014 ELECTION CYCLE – DON'T FORGET TO VOTE!

When the legislature ends, all eyes turn to the Primary Election on May 20. Both Republican and Democrats had contested primary elections in some parts of the state, and complete passes in others. Following last cycle's redistricting when the legislature experienced a huge turnover in membership with 42 new freshmen, look for 2014 to be a much calmer cycle. There may be a few upsets along the way, but come January 2015, we can expect leadership and committee make-up, as well as the general demographics of the body, to look much like it does now.

IPM&CSA PAC Golf Outings Raise Cash for Contributions

Every year IPM&CSA holds PAC golf outings around the state to raise campaign money. As always, IPM&CSA supports those candidates who understand our industry and are willing to work on issues that matter to us. We will continue to host regional PAC golf events to raise funds, and we need your help! Please be on the look-out for faxes, fliers and e-mails scheduling our PAC golf outing in your area. Bring your co-workers, business associates and friends for a day on the links!

Key Dates for 2014 Elections:

May 20 – Primary Elections **Nov. 4** – General Elections

An Overview of the 2014 Legislative Session:

The Media, The Substance, The Outlook & What Matters Most

2014 LEGISLATIVE SESSION IN REVIEW

Looking back on the 2014 legislative session, a few themes emerge. Here's an overview of what happened, and what didn't, now that the gavel has fallen on the shortest session in a decade or so:

What the Media Covered: Lighting rod issues abounded in the 2014 legislative session – guns on campus, "add the words," and "ag gag" bills received national attention and brought activists, protestors and heightened security to 52

the Idaho Statehouse. Idaho was in the spotlight, but not for the issues we all expected to be the focus of lawmakers' attention. Two of three big issues – transportation funding and Medicaid expansion didn't get much ink with the press or discussion among lawmakers. The third, education funding (and reforms) did occupy the legislative agenda, and in the end, was viewed by many as the most substantive accomplishment of the 2014 session.

What Mattered Most (to legislators, that is): From under the dome, many insiders will point to more education funding as the most prominent achievement of the 2014 session. Lawmakers more than doubled what Governor Otter proposed, upping his ante by \$66 million in additional general fund dollars to increase the K-12 education budget by more than 5.1% in FY2015, bringing the total to \$1.37 billion, which is 47% of general fund dollars. When dedicated and federal funds are added, the total for K-12 rises to \$1.68 billion. The legislature also implemented several recommendations from the Governor's Task Force for Improving Education, including leadership premium payments to public school educators, strategic planning and professional development, increasing teacher compensation, classroom technology and Wi-Fi services.

What Got Left "In the Pipeline:" In the final days of any legislative session, Leadership in the House and the Senate pick their priorities and determine "the going home bills." Anything not on the list doesn't make the cut, and is often left hanging somewhere in the process, effectively derailed for the session. This year, the Speaker of the House quipped that lots of bills would "get left in the pipeline." Some of these were introduced for discussion purposes but weren't ever likely to become law. Some were intentionally held up - "stuck in a drawer"- meaning a committee chairman refused (for whatever reason) to give the bill a hearing. And some simply ran out of time before the process shut down. Here are a few of the bills that got left in the pipeline and did not become law in 2014.

- Minimum Wage increase and indexing to inflation
- Personal Property Tax reduction/elimination
- Income tax rate reduction – Corporate and Individual
- Transportation Funding – fuel and sales taxes raised or diverted to roads and bridges
- Repeal of Idaho Health Exchange
- Expansion of Medicaid under Affordable Care Act/Obamacare

What's the Outlook for the 2015 Legislative

Session: Remember the big issues going in to 2014? That's what's on deck for 2015 when elections won't be looming. Look for these back burner issues to move to the forefront in 2015:

- Medicaid Expansion
- Transportation Funding

- More Education Reform from the Education Task Force, a continuation of 2014 as well as reaching back to the days of the “Luna Laws.”
- Income tax and personal property tax reductions

2014 PRIORITIES AND BILL WATCH LIST

Watch List / A Recap of 2014 Legislative Issues Impacting Business (Bills that passed in 2014 are indicated in bold type when referenced below)

GENERAL BUSINESS & EMPLOYMENT ISSUES

Rules and Regulations (IPM&CSA Members Support HJR002) As the legislature drew to a close, House and Senate leadership held an unprecedented ceremony in the well of the Idaho House of Representatives. House Speaker and Senate Pro Temp gathered with majority and minority leadership teams in a bipartisan agreement to retain and strengthen legislative authority to reject administrative rules. **HJR002** proposes an amendment to the Idaho Constitution by the addition of a new Section 29, relating to legislative delegation of rule making authority. This may sound like an obscure legislative function to some, but small businesses know the importance of reigning in red tape and bureaucracy in government. IPM&CSA supports **HJR002** and urges our members to vote in November to approve this measure.

Minimum Wage Increase: (IPM&CSA Members Oppose S1334, which did not pass) Proponents of increasing the minimum wage proposed legislation S1334 after abandoning an effort to put the issue before voters in November. Idaho matches the federal minimum wage, but the push to provide a so-called “living wage” is showing up in a number of states as part of a national campaign. S1334 increases Idaho’s current rate of \$7.25 to \$8.50 in 2014, to \$9.75 in 2015 and links to the CPI in 2016. The bill would have raised the wage rate for tipped and seasonal employees.

Tax Relief - Income Tax, Personal Property Tax, Incentives and Exemptions (IPM&CSA members support elimination of Personal Property Tax and reduction in income tax rates) Tension between the House and the Senate is a natural condition at the statehouse, but when it comes to tax policy, an obvious trend emerges: The House likes to cut taxes, the Senate, not so much. The Senate Local Government committee, where all tax bills arrive if they pass the House, is the graveyard for most tax-cutting measures. This year was no different as the Chairman of the committee made clear early in the session, and refused to give many key bills a hearing. Here are a few of the bills proposed in 2014:

- **H548 – Income Tax** – (Failed) (Bedke/Moyle) Decreases Idaho’s income tax rates by 1/10th of a percentage point in every tax year that has seen a three percent growth in state general fund

the preceding fiscal year, stopping when the top income tax rate and corporate tax rate reach 6.8%. (IPM&CSA supports)

- **H546 – “Reimbursement Incentive Act” Tax Incentive for New Jobs** – (Sayer-Dept. of Commerce) Provides for the state to negotiate a tax credit of up to 30% of a company’s corporate income tax, sales tax and payroll tax if the company reaches negotiated job creation goals. Both existing and new companies would be eligible.

- **H604 – Personal Property Tax** – (IPM&CSA Supported) Increased exemption from \$100,000 to \$250,000.

Retail & C-Store Issues

- **H516 - Unfair Sales Act Repeal:** (IPM&CSA Members Oppose) (Pulled) (Burgoyne/Monks) Repealed the Unfair Sales Act at request of IPM&CSA. Reps. Burgoyne and Monks agreed to present their bill to our board and work with us to move forward in a way that minimizes impact to our industry.
- **HJM105 SNAP Benefits** – (IPM&CSA Opposed) Passed House and Senate on voice vote / Senator Lodge
- **H541 – Cash Law Repeal** – (IPM&CSA Supported) Did not get a hearing / House State Affairs Chairman held
- **H623 - ABC Liquor Licensing** – (IPM&CSA Supported) Introduced for consideration in interim
- **Dig Bill** – Not introduced – likely will reappear in 2015, group effort
- **Local Option Sales Tax** – Not introduced
- **LNG Tax Equivalency** – (IPM&CSA Opposed as initially drafted) RS but not introduced - Didn’t get a hearing after we opposed the tax incentive portion of the bill.

Transportation, Fees and Fuels Tax

- **H481 Motor Fuel Tax Rate Increase** – Raises the fuel tax by 6 cents per gallon, at two cents per gallon per year for three years beginning on July 1, 2014. Each \$0.01 of fuel tax generates about \$8.8 million in the Highway Distribution Account for annual revenue of \$17.6 million. Total over three years is estimated at \$52.8 million in additional revenue after July 1, 2017. (Idaho Trucking Assn)
- **H494 Transportation Funding** – Diverts a portion of the sales tax to the highway distribution account once specific triggers of general fund revenue (\$2.91 billion) and public school appropriations (\$1.4 billion) are reached. The shift then generates \$1.6 million to the highway distribution account for every \$10 million in sales tax revenue growth. (Palmer)
- **H505 Transportation Funding** – Diverts a portion of the Sales Tax (2% after certain deductions) to State and Local highway entities. This amount approximates the amount of Sales Tax paid on tires and vehicle accessories. The shift decreases the General Fund by \$22 million and increases transportation funding by the same amount. Effective date July 1, 2015. (Kauffman)
- **S1284 Speed Limits** – Interstates and Other Highways – Amends existing law to allow increased speed limits if certain circumstances occur, with the maximum speed limit on certain interstate highways not to exceed 80 miles per hour.

For a full report on the 2014 Idaho legislative session and IPM&CSA’s Priority Bill Watch list, go to <http://www.wpma.com/idaho/newsletter>



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