

MINUTES  
**SENATE STATE AFFAIRS COMMITTEE**

**DATE:** Monday, March 31, 2025

**TIME:** 8:00 A.M.

**PLACE:** Room WW55

**MEMBERS PRESENT:** Chairman Guthrie, Vice Chairman Bernt, Senators Anthon, Harris, Toews, Den Hartog, Adams, Shippy, and Ruchti

**ABSENT/ EXCUSED:** None

**NOTE:** The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

**CONVENED:** **Chairman Guthrie** called the meeting of the Senate State Affairs Committee (Committee) to order at 8:00 a.m.

**MINUTES APPROVAL:** **Senator Toews** moved to approve the Minutes of March 19, 2025. **Senator Ruchti** seconded the motion. The motion carried by **voice vote**.

**MINUTES APPROVAL:** **Vice Chairman Bernt** moved to approve the Minutes of March 24, 2025. **Senator Toews** seconded the motion. The motion carried by **voice vote**.

**H 398** **LOBBYISTS - Amends, repeals, and adds to existing law to establish provisions governing lobbying and lobbyists. Representative Skaug** summarized **H 398** as updating the 1974 sunshine laws, enacted by a citizen initiative to increase transparency regarding money spent by lobbyists and on political campaigns. The bill added a clear definition of indirect lobbying. Lobbyists, both direct and indirect, filed monthly reports, year-round, including subject matter and expenditures exceeding defined amounts. Universities were included.

**Phil McGrane**, Secretary of State, stated the sunshine laws included both campaign finance and lobbyists. Legislation this session sought, for clarity and language updating, to separate the two and move the lobbying portion to Idaho Code Title 74, Ethics and Transparent Government. Indirect lobbying had increased significantly, with the majority in 2025 being from out of State. **H 398's** required monthly reporting for all and the 48-hour reporting for indirect lobbying contributed to transparency.

**DISCUSSION:** In response to **Senator Ruchti's** question about the Violations, Civil Fine, Misdemeanor section on page 13, **Secretary McGrane** stated it was the same language as in current statute. Representative Skaug had summarized all amendments.

**MOTION:** **Senator Den Hartog** moved to send **H 398** to the floor with a **do pass** recommendation. **Vice Chairman Bernt** seconded the motion. The motion carried by **voice vote**.

**NOTE:** **Chairman Guthrie** noted the agenda order would be modified for time management.

**S 1125**            **CONSTITUTIONAL DEFENSE COUNCIL - Adds to existing law to establish provisions regarding assistance to political subdivisions for the defense of state law.** **Senator Foreman** stated **S 1125** amended Idaho Code Chapter 63, Title 67 and added Idaho Code § 67-6303, entitled Defense of State Law - Political Subdivisions. Numerous Idaho counties were being sued regarding the constitutionality of the 2024 H 710, the Children's School and Library Protection Act. Lawsuits alleged violation of the First Amendment of the U.S. Constitution. This legislation provided political subdivisions could request State assistance of the Constitutional Defense Council, as defined in Idaho Code § 67-6301. Possible assistance included funding for private counsel, reimbursement to the political subdivision for attorney's fees and costs, assistance from the Idaho Attorney General, and an intervention from the State.

**TESTIMONY:**    **Benjamin Allen**, Prosecuting Attorney for Shoshone County, and **Seth Grigg**, Idaho Association of Counties, supported the bill. Common themes included legal defense costs could exceed resources available, particularly for small counties. **Mr. Grigg** noted 13 counties had been sued relating to **H 83**.

**Jonathan Wheatley**, Association of Idaho Cities, affirmed the bill did not create indemnification or commit the State to participate. He noted 23 cities had budgets under \$100,000, and a legal challenge commonly cost \$100,000. He supported the bill for giving cities a potential source of assistance.

**MOTION:**        **Senator Anthon** moved to send **S 1125** to the floor with a **do pass** recommendation. **Senator Den Hartog** seconded the motion. The motion carried by **voice vote**.

**DISCUSSION:**   **Senator Anthon** supported the motion, stating that depth of resources factored in who prevailed in litigation. A group with a small budget could be dominated. It benefitted the State to support its laws.

**Senator Ruchti** opposed the motion, stating the Legislature needed to exercise discipline and carefully consider potential legislation, passing only good policy.

**VOICE VOTE:**    The motion carried by **voice vote**. **Senator Ruchti** requested that he be recorded as voting nay.

**S 1186**            **CAMPAIGN FINANCE - Amends existing law to provide for certain donor disclosures for certain contributions.** **Senator Okuniewicz** presented **S 1186**. He explained that this legislation required a political action committee (PAC), in an election, to report direct or indirect contributors of more than \$1,000. If the PAC failed to report those contributors, they could not spend the monies on an election in Idaho. **Senator Okuniewicz** noted that the court in *McCutchen v. FEC* set limits on a legislature's ability to limit free speech. The court held that a legislature could only limit free speech where it addressed a quid pro quo act of corruption. He clarified that **S 1186** did not impact aggregate spending or exclude a class of contributors. Under **S 1186**, a PAC was required to report the PAC or non-profit organization they received a contribution from in excess of \$1,000. A non-profit organization would not be required to report its contributors.

**DISCUSSION:**   **Chairman Guthrie** asked if there was data supporting the statement on page 2, line 4, that the majority of Americans believed campaign finance practices were corrupt due to the lack of transparency in campaign finance reporting. **Senator Okuniewicz** responded that there were a number of studies, but a 2020 study by Primo and Milyo of The University of Chicago Press was the most often cited.

**Senator Toews** commented that this bill covered more than political donations. He asked why it included non-profits when some individuals may not have been aware the non-profit they donated to gave a donation to a political cause. **Senator Okuniewicz** replied that non-profits were not permitted to make contributions to political causes and were not required to report their donors.

**Senator Adams** inquired whether the reporting requirements under **S 1186** would cause donors to be reluctant to contribute to a non-profit. **Senator Okuniewicz** agreed that they could.

**Senator Shippy** asked what effect this bill would have on non-profits in Idaho. **Senator Okuniewicz** stated that they were allowed to educate on political causes, but not advocate.

**TESTIMONY:** **Heather Andrews**, representing Americans for Prosperity Idaho, **Heather Lauer**, CEO, People United for Privacy Foundation and Chairman of the Blaine County Republican Committee, **Ron Nate**, President, Idaho Freedom Foundation, **Megan Schmidt**, Senior Director of Government Affairs at Philanthropy Roundtable, **Christian Welp**, Catholic Diocese of Idaho, **Edward Clark**, Policy Assistant at Idaho Family Policy Center, **Doug Taylor**, representing FGA Action, **John Hughes**, AFL-CIO, and **David Claiborne**, representing the Idaho Dairy Industry PAC, each testified in opposition to **S 1186**. They expressed concerns regarding the chilling effect **S 1186** would have on free speech and donations. In addition, they argued that this bill would give an advantage in an election to well-funded out-of-state organizations.

Written testimony submitted online appears in Attachment 1.

**DISCUSSION:** **Chairman Guthrie** asked Mr. Claiborne if he could answer Senator Ruchti's question regarding the difference between 501(c)(3) and 501(c)(4) corporations in terms of what, if any, political activity they could engage in. **Mr. Claiborne** yielded to Secretary McGrane to respond to that question. **Secretary McGrane** explained that Idaho did not differentiate between non-profit and for-profit organizations as long as funds were reported; IRS considerations were different.

**Senator Ruchti** asked if 501(c)(3) corporations were permitted to engage in political advocacy. **Secretary McGrane** responded that their office required any organization to report its contributions, but whether such contributions would be lawful under IRS regulations was a different question. **Senator Ruchti** asked Secretary McGrane to comment on how the enforcement of the provisions in **S 1186** would impact his office. **Secretary McGrane** responded that there were a number of small fixes that could increase transparency.

**Senator Toews** inquired whether it was possible to know the donors in super PACs, inside or outside of Idaho, who donated to PACs within Idaho. **Secretary McGrane** responded that it was difficult, but his office was working to improve that through incorporating use of the Federal Election Commission's registration number.

In closing, **Senator Okuniewicz** stated that this bill attempted to curb quid pro quo corruption and bring more transparency to campaign financing.

**Chairman Guthrie** asked whether Senator Okuniewicz had discussed the fiscal note with the Secretary of State's office. **Senator Okuniewicz** stated that he did not specifically recall discussing it, but that any costs incurred for implementation of this bill should fall within their normal regulatory enforcement.

**Senator Shippy** and **Senator Adams** asked Senator Okuniewicz to explain the language on page 9 regarding independent expenditures. **Senator Okuniewicz** explained that the language did not relate to initiatives, rather it addressed independent expenditures, contributions a candidate gave to another candidate or cause. Candidates were required to report those contributions over \$1,000. **Senator Adams** sought further clarification of whether he, if a candidate, would be required to report a contribution he made, not as a candidate or from his campaign fund, but as an individual. **Senator Okuniewicz** replied that the term "people" applied to businesses as well as an individual. Funds received by Senator Adams had been reported previously so he would not report his contribution.

**MOTION:** **Senator Den Hartog** moved to hold **S 1186** in Committee. **Senator Adams** seconded the motion. The motion carried by **voice vote**. **Senator Anthon** requested that he be recorded as voting nay.

**ADJOURNED:** There being no further business at this time, **Chairman Guthrie** adjourned the meeting at 9:22 a.m.

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Senator Guthrie  
Chair

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Kathryn Wells  
Secretary

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Meg Lawless  
Assisting Secretary