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## BILL ANALYSIS / SUMMARY

# H0704

2026 Regular Session

2/23/2026

**IDAHO DAIRYMEN'S ASSOCIATION POSITION: OPPOSED**

**SHORT TITLE:** Workers, lawful status

**SPONSOR(S):** Representative Jordan Redman, R– Coeur d'Alene; Representative Jaron Crane, R– Nampa

**COMMITTEE ASSIGNMENT:** House Business Committee

**STATEMENT OF PURPOSE:** This legislation adds to Idaho employment law to prohibit employment of illegal aliens and require employers to e-verify an employee's legal employment status as a condition of employment.

**FISCAL NOTE:** This legislation causes no additional expenditure of funds at the state or local level of government nor does it cause an increase or decrease in revenue for state or local government therefore the legislation has no fiscal impact. [NOTE – IDA disagrees with the fiscal note for the reasons set forth in a recent [economic impact study](#)<sup>1</sup>].

**BILL SUMMARY:** H704 mandates use of the voluntary federal E-Verify pilot program in Idaho, provides definitions, creates an investigation process without funding, and sets penalties for non-compliance. The main provisions are: (1) all employers must use the E-Verify pilot program to verify valid work authorization for all existing and new employees beginning July 1, 2026; (2) the attorney general is responsible for enforcing the mandate and can bring civil actions for non-compliance (although no funding is appropriated for this purpose); (3) private citizens can petition the attorney general to investigate non-compliance claims (with no penalty for baseless claims); and (4) business licenses and permits will be temporarily suspended or permanently revoked based on non-compliance.

**REASONING FOR POSITION:** Idaho's dairy farm families are committed to finding a constructive solution to statewide issues caused by a broken federal immigration system. However, IDA opposes policies that overlook the massive shortage of domestic workers and lack of guestworker visa programs for year-round industries critical to Idaho's economy. In its current

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[https://static1.squarespace.com/static/69826647c008487194a3c1ee/t/698df6815c5f2a55bab88adf/1770911364389/IALW\\_Final\\_v7.pdf](https://static1.squarespace.com/static/69826647c008487194a3c1ee/t/698df6815c5f2a55bab88adf/1770911364389/IALW_Final_v7.pdf)

form, IDA cannot support H704. It imposes burdens on industry not shared by industry throughout the nation, and imposes burdens on industries that have no access to alien guestworkers. Thus, as written, H704 simply seeks to harm industries such as construction, retail, hospitality, and livestock agriculture. H704 also weaponizes the Attorney General to initiate investigations simply based on a citizen suggestion, without any penalty or recourse against the citizen where false or harassing accusations are made.

1. **H704 imposes mandatory hiring practices upon private employers, requiring use of a non-mandatory federal digital identity database.** H704 is incompatible with conservative principles of limited government and minimal regulatory burden on private enterprise. State government should not be using a heavy hand to promote a nationwide digital identity system, let alone one implemented as a non-mandatory pilot program. The hiring process already requires identity and work authorization verification through the I-9 process. As such, H704 is really being used as a sword to require small businesses and family farms to digitize their hiring processes.
2. **H704's language is unduly burdensome and punitive for Idaho businesses.** H704 puts businesses at risk of discrimination and harassment by enabling individuals to petition the Attorney General for enforcement without providing any protections against unfounded claims made against an employer, thereby potentially subjecting law-abiding employers to arbitrary investigations, business disruptions, or reputational harm. Penalties against noncompliance are overly harsh, with lengthy suspensions of business licenses for a first offense, and permanent revocation possible later.
3. **The E-Verify system is operated by the federal government and has not reached a rate of 100% accuracy. System errors have the potential to deprive eligible workers of their right to work.** Between 2005 and 2018, 568,283 workers (approximately 40,592 per year) experienced a delayed work start date because the initial tentative non-confirmation return was erroneous. In 36% of initial return challenges, the issue took more than 8 days to resolve, further delaying the work start date. A 2016 study suggests that approximately 187,500 final non-confirmation returns per year are in error, thereby denying people with lawful work status their right to work.
4. **There is not an adequate guestworker visa program for year-round industries vital to Idaho's economy such as agriculture, construction, hospitality, and retail.** Under the H-2A program, visas for short-term agricultural workers are specifically restricted to work that is considered "seasonal or temporary". Multiple agriculture industries, including dairies and livestock operations, require continual, year-round labor and are ineligible for the existing visa programs, and employers can be debarred or fined if they use H-2A workers for year-round work activities. Similarly, under the H-2B program, visas for short-term non-agricultural workers are limited in number and specifically restricted to work that is considered "seasonal or temporary". Construction, hotels, and restaurants that require continual, year-round labor are thereby ineligible for the program, and

employers can be debarred or fined if they use H-2B workers for year-round work activities.

5. **Contrary to uniformed opinion, immigrant workers are not taking jobs away from U.S. workers.** For an employer to hire guestworkers through the H-2A or H-2B visa programs, the Department of Labor must find: (1) there are insufficient U.S. workers willing or able to perform; and (2) employing guestworkers will not harm the wages or working conditions of U.S. workers. The job must also first be offered to any interested domestic workers. Idaho is the 12<sup>th</sup> largest state for use of H-2A labor (7,621 positions in FY2025), with 223% growth over the last decade. Unfortunately, domestic workers have extremely low interest in farm labor. Of the 7,726 available jobs that were offered, only 5 domestic applications were submitted according to the most recent available data.
6. **The U.S. and Idaho economy has a worker shortage problem.** Presently, for every 100 available jobs in Idaho there are only 84 workers available. As of 2023, there were approximately 9.5 million job openings, 6.5 million job seekers, and 7.8 million unauthorized workers in the U.S. Accordingly, If all 7.8 million unauthorized workers were removed, there would be approximately 11 million unfilled jobs, putting the U.S. at risk of falling behind China as the world's strongest economy. We have a workforce shortage – a solution can only come from Federal immigration reform.
7. **Large-scale removal of foreign-born workers would harm Idaho's economy.** A recent economic impact study reveals that large-scale removal of foreign-born workers from all industries within Idaho would have economic consequences not seen since the Great Recession. A 4% to 5% decline in gross state product is estimated, at the loss of some 55,818 Idaho jobs. This would mean \$2.9 Billion less annual wages in Idaho, and cost state and local government some \$397.8 Million in annual tax receipts.

**IMPACTS TO AGRICULTURE:** H704 will increase labor costs for many industries and drive up already inflationary consumer prices. Such costs come directly out of the ever-decreasing margins faced by farmers and ranchers. Moreover, these increases cannot be offset with increases in the commodity prices they are paid. For instance, the price of milk in January 1984 was \$13.10/cwt; in January 2026 it was \$14.59/cwt. If farmers and ranchers are unable to employ enough workers, food and crop production could be drastically reduced.

After Arizona adopted universal e-Verify in 2008, its agriculture economy suffered. Arizona saw a 15.6% drop in farm labor availability, and domestic workers failed to fill the gap. Arizona's dairy industry has been relatively stagnant since – its dairy herd has grown 3% since 2008, while Idaho's dairy herd has grown 22% during that same time frame. This example shows why a Federal solution is so important – so that all state and regional economies face the same realities at the same time, rather than adopting a state policy that weakens Idaho's economy while allowing neighboring states to gain.

# REMARKS OF THE PRESIDENT

## RE: Agriculture Labor, Immigration Enforcement

Source – “The Daily” Podcast, by the New York Times

<https://youtu.be/eZ7UudCmbao>

Dated – January 9, 2026

Title – An interview with the President

Beginning at 27:53 –

HOST: Do you think some industries still need immigrant labor.

PRESIDENT: Yes.

HOST: Which ones?

PRESIDENT: They need it, well they are different things. We need people to come in, just so you understand something. I am all for people coming into our country through the border legally. If they come in legally. I want them more than they want me and more than they want this country. And if you look at my first term, if you look at this term, I want, we need people, we are building factories all over the country. And we need them. But I want them to come in legally.

HOST: You said agriculture and hotels that you wanted ICE to use common sense against them right?

PRESIDENT: I want them to use

HOST: Have you directed ICE to ease deportation?

PRESIDENT: Yes I have.

HOST: Against those industries?

PRESIDENT: Yes I have.

HOST: Are there other industries that you have directed ICE

PRESIDENT: I watch farmers and I deal with farmers and I won 90% of the farmers, more than that. They are great people and **they have great people working for them who have been working for them for 25 years. They are almost like a member of the family. And I don't want those people thrown out of the country.**

HOST: Are there other industries or companies that you can write to the ICE to ease deportation on?

PRESIDENT: Some service industries . . . . .

Beginning at 27:53 –

PRESIDENT: To be honest, I would love to be able to create an immigration policy that works for everyone

HOST: Like a comprehensive immigration refrom?

PRESIDENT: I would love to do it if it was possible.

HOST: Is congress willing to go do that, George Bush tried?

PRESIDENT: If the democrats would do it, I would do it. I would love to have a comprehensive immigration policy, something that really worked. It is about time for the country to have.

HOST: What would a program look like

PRESIDENT: I don't want to go into that because it's a very, very ticklish subject. But I believe that there is a plan that can work for everybody.

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