



# CAPITOL REVIEW

## A WEEKLY LEGISLATIVE REPORT

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### A Weekly Legislative Report

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#### MICRO COMMUNITY TAX RELIEF INCENTIVE

The Tax Reimbursement Incentive (TRI) has been a relatively effective tool in creating new, high-paying jobs and investments in the State of Idaho. Based on its success, the Department of Commerce is proposing new additions to TRI that will focus on "Micro Communities," defined as having a population of less than 5,000 people. This incentive is aimed at spurring economic development in rural economies for new and existing companies that are seeking expansion and would meet the qualifications to apply. All applications would be submitted to the Idaho Economic Advisory Council for review and approval. The council will make an assessment of how much tax revenue the state's economy is likely to generate next year, to help guide deliberations on the state budget.

In order to qualify, a micro community must create at least ten new jobs that compensate an average annual wage that equals or exceeds the average county wage. The incentive is a performance-based economic development tool that provides a tax credit for up to 30%, and up to 15 years on new corporate income tax, sales tax, and payroll taxes paid as a result of a new qualifying project. The reason for the new micro-qualification is that responses over the past year concerning the requirement of 20 jobs for the "rural community" designation, indicate that it is still unattainable for some of Idaho's smaller communities.

TRI, first created two and a half years ago, has been awarded to 33 businesses thus far, and those projects are projected to create 5,200 new jobs and \$960 million in capital investment. Of the 33, 16 involved existing Idaho businesses and 18 of the 33 were in rural areas. The department has estimated that the state will receive \$257 million in new direct revenue as a result of the incentives already issued, while granting credits totaling \$60 million. Their conclusion is that this is approximately a four to one return on

investment. The projects in urban areas must create at least 50 new jobs paying at or above the average county wage and in rural areas, must create at least 20 such jobs.

#### U OF I SEEKING IMPROVEMENTS FOR R&E FACILITIES

The University of Idaho is seeking a one-time appropriation of \$1.8 million to address aging infrastructure and equipment at Research and Extension (R&E) Centers. Examples of the infrastructure updates are roof and sidewalk repairs, irrigation main line replacement and gates and fences to address security concerns. Research and Extension Centers play a vital role in training and educating graduate and undergraduate students. The needed repairs align with Governor Otter's five-year plan to bolster Idaho's post-secondary education system. It is also a major area of importance for Dean Parrella of U of I CALS. The requested funding for repairs and for updates to R&E Centers is also needed to meet and comply with government specifications.

Of the 1,069 pieces of capital equipment located in the eight Research and Extension Centers throughout the state, 14% of the capital equipment are 20 years or older. Dean Parrella mentioned in his testimony before the Joint Finance and Appropriations Committee, that new faculty are younger than some of the shared equipment at the R&E Centers. New faculty are asked to do research on outdated equipment. Of the 1,069 pieces of capital equipment, 7% are falling within the "poor" condition category with 10% of total capital equipment falling under the "fair" condition and moving into the poor category with each passing year. All Graduate Student Housing within the R&E Centers are in need of updates to building codes to address issues of lead, aging pipes and accessibility to co-habitation.

## AGRICULTURE CHANGES RESULTING FROM

### THE TRUMP ADMINISTRATION

#### **STATE USDA FSA EXECUTIVE DIRECTOR**

The United States Department of Agriculture (USDA) appointed Aaron Johnson as Acting State Executive Director (SED) for the Idaho Farm Service Agency (FSA) in Boise, Idaho. Mr. Johnson assumed the duties of this position on January 20, 2017, and will remain as Acting SED until a permanent appointment is made.

Mr. Johnson has worked for the federal government for over 25 years and has served Idaho's farming community in various capacities. For the past 13 years he has been the Farm Loan Program Chief, located in the Idaho State Office. He has also served in the Bingham and Washington/Adams County offices. Upon the completion of his term as Acting SED, he will resume his responsibilities as Farm Loan Program Chief.

#### **USDA SECRETARY OF AG**

Sonny Perdue, the former governor of Georgia, has been selected Secretary of Agriculture. Mr. Perdue, a onetime veterinarian, was elected in 2003 as Georgia's first Republican governor since Reconstruction. Mr. Perdue, who once ran a grain and fertilizer business, was among the first candidates Mr. Trump interviewed for the post. Mr. Perdue, pitched himself as an asset with the business and governmental experience to be successful in the post. He spent much of his career in the agriculture business before being elected governor.

#### **IDAHO MAN TO TOP POST**

Layne Bangerter, a Melba farmer and rancher, has been named Special Assistant to the President with the task of reforming EPA. Bangerter has been a Boise-based staffer for Senator Mike Crapo for the past 13 years and served as State Campaign Director for the Trump for President Campaign. He has been a strong advocate for Idaho's agriculture and natural resource issues and consistently has been the liaison for Food Producers of Idaho and other industry groups when federal issues need to be addressed in Idaho. Prior to joining the Crapo team, Layne worked for USDA APHIS in Boise.

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## LAWMAKERS IN AGRICULTURE

The Idaho Legislature continues to have strong representation from agriculture, which makes up more than 20% of the state's 105-member legislative body. Here are the districts and counties they represent:

#### District 7 – Bonner, Clearwater, Idaho, Shoshone

Sen. – Carl Crabtree - Rancher

#### District 8 – Boise, Custer, Gem, Lemhi, Valley

Sen. – Steven Thayne - Teacher/Farmer

#### District 9 – Adams, Canyon, Payette, Washington

Rep. – Judy Boyle - Rancher/Freelance Writer

#### District 11 – Canyon

Sen. – Patti Anne Lodge - Agribusiness Owner  
(Retired)

#### District 14 – Ada

Rep. – Mike Moyle – Agribusiness/Farmer

#### District 22 – Ada

Rep. – John Vander Woude - Farmer

#### District 23 – Elmore, Owyhee, Twin Falls

Sen. – Bert Brackett - Rancher

Rep. – Christy Zito – Business Owner/  
Farmer/Homemaker

Rep. – Megan Blanksma - Agribusiness  
Owner/Operator

#### District 25 – Jerome, Twin Falls

Sen. – Jim Patrick - Farmer

Rep. – Maxine Bell - Farmer/School Librarian  
(Retired)

Rep. – Clark Kauffman - Farmer

#### District 26 – Blaine, Camas, Gooding, Lincoln

Rep. – Steve Miller - Farmer/Rancher

#### District 27 – Cassia, Minidoka

Rep. – Scott Bedke - Rancher

#### District 28 – Bannock, Power

Sen. – Jim Guthrie - Rancher/Business Owner

#### District 31 – Bingham

Sen. – Steven Bair - Agriservice Sales/Retired  
Farmer

Rep. – Neil A. Anderson - Advisor/Rancher

Rep. – Julie VanOrden - Agribusiness Co-  
owner/Homemaker

#### District 32 – Bear Lake, Bonneville, Caribou, Franklin, Oneida, Teton

Sen. – Mark Harris - Rancher

Rep. – Marc Gibbs - Farmer

Rep. – Tom Loertscher - Farmer/Rancher

#### District 34 – Bonneville, Madison

Rep. – Dell Raybould - Farmer/Businessman

#### District 35 – Butte, Clark, Fremont, Jefferson

Sen. – Jeff Siddoway - Rancher

Rep. – Van Burtenshaw - Farmer/Rancher

Rep. – Karey Hanks - Homemaker/Bus  
Driver/Farmer