



CAPITOL REVIEW

A WEEKLY LEGISLATIVE REPORT

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A Weekly Legislative Report

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WHAT IS CAPITOL REVIEW?

You are receiving Capitol Review, a publication produced **each Friday** during the Idaho Legislature, as a board member of a client served by Association Management Group. Lobbyists **Rick Waitley, Roger Batt, Benjamin Kelly and Patxi Larrocea-Phillips** are working to keep you informed about legislative issues that are arising during the 2022 Idaho Legislature. If you have questions on issues or need additional information, please do not hesitate to contact our office. Association Management Group will be representing the following clients during the 2022 legislature:

Rick Waitley/Benjamin Kelly/Patxi Larrocea-Phillips:

- Food Producers of Idaho
- Idaho Alfalfa & Clover Seed Growers Association
- Idaho Hay and Forage Association
- Idaho Honey Industry Association
- Idaho Onion Growers' Association
- Idaho Noxious Weed Control Association
- Idaho Wool Growers Association
- Nezperce Prairie Grass Growers Association
- Northwest Agricultural Cooperative Council
- Northwest Farm Credit Services

Roger Batt:

- Bayer USA, LLC
- FARE Idaho
- Idaho Eastern Oregon Seed Association
- Idaho Grape Growers and Wine Commission
- Idaho Ground Water Association
- Idaho Heartland Coalition
- Idaho Mint Growers Association
- Idaho-Oregon Seed Pesticide Council
- Treasure Valley Water Users Association
- Western Equipment Dealers Association

AG ALL STAR AWARDS PRESENTED

The **2022 Annual Ag All Star** dinner was held on Wednesday, January 12 at the Hilton Garden Inn in downtown Boise. Ag All Star awards were presented to four House members and ten Senate members who

had achieved this status during the 2021 legislative session. **Over 100 attended the event** from many different commodity and farm organizations to show appreciation and support of the fourteen legislators selected. An All-Idaho menu was planned by ISDA's Idaho Preferred staff which featured many quality products, including Double R Ranch Prime Rib donated by Agri Beef.

AG ALL STAR HONOREES:

- | | |
|----------------------------------|--------------------------|
| Sen. Kelly Anthon | Sen. Fred Martin |
| Sen. Jim Guthrie | Sen. Jim Patrick |
| Sen. Mark Harris | Sen. Mary Souza |
| Sen. Abby Lee | Sen. Chuck Winder |
| Sen. Patti Anne Lodge | Sen. Jim Woodward |
| Rep. Clark Kauffman | |
| Rep. Laurie Lickley | |
| Rep. Scott Syme | |
| Rep. Linda Wright Hartgen | |

TAX RELIEF BILL INTRODUCED

On Wednesday, January 12, the House Revenue and Taxation Committee introduced a new income-tax cut bill with just one dissenting vote. The bill would **provide one-time rebates, at either 12% of 2020 state income taxes paid or \$75, whichever is higher**, to all Idahoans who filed state income tax returns in 2019. It also would permanently reduce rates, adding \$251 million a year in ongoing tax cuts for individuals and corporations into the future. The bill would partially offset the cost to the state treasury by permanently tapping \$94 million a year from the Tax Relief Fund, a state fund that now collects all sales taxes paid on online purchases, rather than sending those taxes through the same distribution formula to local governments and the state general fund as other sales taxes.

STATE OF THE STATE ADDRESS

During his State of the State and Budget Address, Governor Brad Little reflected on the strength of Idaho's economy and state budget before detailing his **LEADING IDAHO plan** to put more money back in the pockets of Idahoans and make strategic investments in education and other areas to propel Idaho even further ahead. "Idaho's success is no accident," Governor Little said. "While other states liquidated their rainy-day funds and begged politicians in Washington, D.C., for a bailout, together we rolled up our sleeves, made tough decisions, and led Idaho." Highlights of Governor Little's State of the State and Budget Address and LEADING IDAHO plan include:

- **FISCAL DISCIPLINE** – A red-hot economy combined with years of fiscal conservatism have positioned Idaho for yet another record budget surplus. **Idaho's surplus is the highest it's ever been** – \$1.9 billion and counting – which represents 40-percent of the General Fund. Governor Little proposes paying off state building debt, clearing out one-third of backlogged repairs in infrastructure, and bringing rainy-day funds to a record level.
- **EDUCATION** – Governor Little proposes making the **largest investment ever in Idaho education** – more than \$1.1 billion over the next five years. Key areas include literacy, teacher pay and benefits, and the new EMPOWERING PARENTS grants to keep families in control of their children's education.
- **TAX RELIEF** – In Governor Little's first term, we have given back \$1 billion in tax relief to the people of Idaho, and now Governor Little proposes **more than \$1 billion more in tax relief** to working families over the next five years. It is especially important to deploy tax relief immediately to ease the burden of living with historic inflation under Biden's watch. Governor Little also proposes **locking in tax cuts for Idaho small businesses**.
- **TRANSPORTATION** – Governor Little championed historic investments in transportation infrastructure last year without raising taxes or fees. This year, he is proposing **continued investments in roads and bridges** to keep up with growth, keep Idahoans safe, facilitate commerce, and save Idahoan's time on the road. The plan includes \$200 million in one-time funding for local bridges and \$200 million in ongoing funding to fully fund known maintenance gaps with no new taxes.
- **PUBLIC SAFETY** – Access to our country at the U.S.-Mexico border is being controlled by Mexico drug cartels. The Biden Administration's inaction is contributing to a growing drug threat in Idaho. Governor Little will roll out "**OPERATION ESTO PERPETUA**" in the coming weeks, a step that will bring together law enforcement and families in new

ways to fight the influx of drugs such as fentanyl into our state.

- **BEHAVIORAL HEALTH** – Governor Little's plan accelerates implementation of recommendations from the three-branch Behavioral Health Council. His plan puts \$50 million to enhance access to behavioral health resources for Idahoans of all ages to improve lives and make our communities safer.
- **ELECTION INTEGRITY** – To elevate Idahoans' trust in their elections, enhance transparency, and give citizens confidence their vote matters, Governor Little proposes the new Cyber Response and Defense Fund and proactive integrity audits.

2022 WATER SUPPLY OUTLOOK

The Natural Resources Conservation Service in Idaho has released the January Water Supply Outlook Report, the first for the 2022 water year. After some early season snowfall in October, snowpack remained alarmingly low until mid-December when winter storms and cold temperatures finally arrived. The second half of December brought significant increases in snow water equivalent (SWE) across the entire state. In addition, **soil moisture content has increased** across the state, which should help improve springtime runoff efficiency.

January 1 streamflow forecasts generally reflect the current mountain snowpack and precipitation conditions – **with above normal expected streamflow volumes for the April through July** and April through September periods throughout much of central Idaho and extending to the Idaho Panhandle. Likewise, normal to slightly below normal streamflow volumes are forecast for the Upper Snake as well as most forecast points south of the Snake River. These early season forecasts should be approached with a degree of caution, as there are multiple months of unknown winter weather in front of us, which will directly impact future streamflow forecasts and spring and summer runoff.

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