



Week 1 Idaho Legislative Update for January 10 – 14, 2022

The first week of the Sixty-Sixth Idaho Legislature's Second Regular Session began with the traditional State of the State Address from the Governor in the House Chambers on Monday afternoon. Committees have resumed and began organizing and making plans for rules and legislation that will be introduced in the coming weeks, with some introducing bills this week. The House and Senate floor sessions are also underway but have remained short with minimal business this week. The 2022 session is officially underway, and the tone of the building is far more "normal" than last year. Hopefully the traditions of civility and statesmanship that have returned will hold for the duration of this session.

The first few days of session included workplace sensitivity training for legislators and staff, Economic Outlook Committee meetings and Change in Employee Compensation (CEC) Committee meetings as the State's decision makers grapple with a massive surplus and an influx of federal funds. Important to note, is the Governor's budget forecast recommendations for fiscal years 2022 and 2023 were adopted by the Economic Outlook Committee and later forwarded with a "Do Pass" recommendation to the Joint Finance & Appropriations Committee (JFAC). This will set the tone and parameters for the budget debates and other funding requests from legislators and the Governor's Division of Financial Management this session.

The Governor and his staff moved quickly from the State of the State Address to outlining the budget and successes of the state to JFAC and have begun procuring support from legislators on many of their goals. From tax cuts to education spending and investments, to critical funding for infrastructure including broadband, water, roads and bridges, to making continued investments in law enforcement, behavioral health, housing, and other priorities there is much to accomplish and many policy debates to be had in the weeks ahead.

The first bill printed this year was in the House Revenue and Taxation Committee. House Bill 436 has many of the same mechanisms as the income tax cut bill from last session. Chairman Harris sponsored and introduced this bill and noted the success of their efforts last year and the need to do more for Idahoans this year, including hundreds of millions of dollars in tax cuts and rebates.

This year, chairmen have the prerogative to offer virtual testimony, and some have already committed to doing so to allow residents from across the state, as well as technical experts, to participate without the cost of travel. The health and safety of participants remains a concern as several legislators have already contracted COVID this session. Limited conversations about safety and COVID protocols have happened in the halls of the building, but no formal discussions, announcements, or plans to prevent COVID outbreaks have been made. COVID testing remains available to those who work in the capitol and remote and virtual participation remain options to ensure everyone can see and hear what is happening even if they are not in the building.

With elections for all legislators and statewide officials, and reapportionment for all legislative districts looming, legislators are preparing to tackle a vast number of projects and policies that they believe can be supported while still cutting taxes and regulations for Idaho residents and businesses this year. Perhaps this session will be remembered as one of the more successful sessions, on the heels of the longest and most contentious session of last year.

All bills from the 2022 Idaho Legislative Session can be viewed through the [Idaho State Legislative Website](#). We will also update you on the Governor's Bill Tracker when it is up and running in the coming weeks. For more information on any policy or process, please call us anytime as we continue to serve you.



Policies, Appropriations and Rules Updates:

Policies

As the session continues to progress, we will update you each week and will include any pertinent bills, rules, or funding with the weekly update. In the meantime, a link to the Governors State of the State Address and Budget Highlights can be viewed [HERE](#).

HB 436 – Income Taxes Awaiting hearing in House Revenue and Taxation Committee

HB 436 makes several changes to Idaho State Code in an effort to cut taxes. First it takes the income tax brackets from five down to four. It also lowers each brackets rate to 1%, 3%, 4.5%, and 6% starting January 1, 2022. This results in an estimated \$250 million in ongoing income tax relief.

This bill also uses \$94 million in funds amassed from online sales tax to provide a one-time sales tax rebate for all Idahoans who file an income tax return, regardless of whether they owe or not. The State will return the greater amount of either 12% of personal income tax from 2020 or \$75 for each taxpayer and dependent, the sales tax rebate for all Idahoans is estimated to be a total of \$350 million statewide and one time.

This bill is sponsored by House Revenue and Taxation Committee Chairman Steve Harris (R-21) and Co-Sponsored by House Majority Leader Mike Moyle (R-14), Senate Local Government and Taxation Committee Chairman Jim Rice (R-10), and Senator C. Scott Grow (R-14). With the first week being relatively quiet, this bill is expected to get a lot of attention and move quickly early in the legislative session and progress through both chambers at a rapid pace and ahead of many other large policy discussions.

Appropriations and Budgets

As appropriations for agencies and projects are considered they will be tracked here.

Rules

[HERE](#) is the link for the Index of all Proposed Rules seeking legislative approval. Committees in both the House and Senate are assigned rules to approve. As a reminder, if a rules docket pass either House or the Senate, they are set to go into effect but need to be enacted by legislation or executive order.

As rules are considered by committee they will be tracked here.