

Yes, proposed Idaho and Montana minimum wage hikes could hurt workers Pg. 17

INNACLE

THE MAGAZINE OF MOUNTAIN STATES POLICY CENTER

APRIL 2023

FALLING BEHIND

State after state is advancing more education choice. Why can't we?

Pgs. 10-12

INCOME TAXES

Washington's Supreme Court signs off on a state income tax – is it time for another love letter?

Pg. 4

DR. BEN CARSON & KIMBERLY STRASSEL

FRIDAY, OCTOBER 6, 2023
BOISE CENTRE



Mountain States Policy Center

FALL DINNER



Reserve your spot at mountainstatespolicy.org

BOARD OF DIRECTORS

KEN DEY
CHAIRMAN

CHRIS CARGILL
PRESIDENT

REBECCA FUNK
VICE CHAIRMAN

JOHN S. OTTER
TREASURER

JULIE SHIFLETT
SECRETARY

BILL BALDWIN

BONNIE QUINN CLAUSEN

HON. DEAN HAAGENSON

TODD CRANNEY

BRITTANY GAUTREAU

HON. DAN KRISTIANSEN

OSCAR EVANS

RUSS STROMBERG

CHRISTOPHER PATTERSON

DON STAFFORD

WILLIAM JUNKERMIER

SCOTT SCHOENHERR

Falling behind

State after state is passing additional education choice options. Why can't we get anything across the finish line?



PAGES 10-12



Enough water?

The 2023 snowpack has been good, but will we have enough water over the summer?

PAGE 9

Not so fast

Idaho and Montana lawmakers introduce bills to increase the minimum wage. Why that's not necessarily great news for workers.



PAGE 17

Pinnacle Magazine is a publication of Mountain States Policy Center

Copyright 2023

Mountain States Policy Center
All Rights Reserved

Mountain States Policy Center
PO Box 2639
Coeur d'Alene, ID 83816
(208) 295-9525
mountainstatespolicy.org

About Mountain States Policy Center

Founded in 2022, Mountain States Policy Center is based in Boise and Coeur d'Alene, and is an independent think tank that believes in providing research and recommendations to lawmakers, the media and the public, based on facts – not emotion. Harnessing the power of publications, conferences, and video events, MSPC brings forward free market solutions to our region's biggest challenges and is a watchdog to improve government transparency and effectiveness. Our mission is to empower those in the Mountain States to succeed through non-partisan, quality research that promotes free enterprise, individual liberty and limited government.

Nothing in this publication shall be construed as an attempt to aid or hinder the passage of any legislation.

“Ludicrous” Washington income tax ruling will impact other states

The exodus from Washington state may just be getting started. Last month, the Washington State Supreme Court upheld the state's new 7% income tax on capital gains - essentially claiming the income tax wasn't an income tax because the legislature didn't call it that.

Every other state and the IRS call a capital gains tax an income tax, as our friends at the Washington Policy Center point out. Jared Walczak at the Tax Foundation calls the ruling "ludicrous."

The justices seemed to focus more on the political arguments rather than the actual law. Consider this excerpt:

“Ours has been recognized as a uniquely regressive tax system that asks those making the least to pay the most as a percentage of their income. The wealthiest households in Washington are disproportionately white, while the poorest are BIPOC. As a result, Washington’s upside-down tax system perpetuates systemic racism.”

The ruling takes away one of the last economic advantages Washington had over other states.

While Idaho and Montana



The Temple of Justice in Olympia – home of the Washington State Supreme Court.

have sought to lower their income tax burdens, Washington has done everything possible to create a new income tax - and it has finally succeeded.

Business leaders who had chosen Washington state for its tax climate say just the talk of a new income tax is hurting. Tanium CEO Orion Hindawi says:

“This is becoming a huge PR issue for Washington state even though nothing has substantively changed. It’s not just who are we losing who’s not coming, it’s also who are we losing who's currently here that won’t stay. People need to be fully aware, there are a lot of people who currently call themselves Seattle residents or Washington residents, who don’t have to be tomorrow.”

In our previous study on lowering income tax rates, we mentioned the enormous opportunity that now exists for nearby states to attract major businesses frustrated with Washington's new income tax.

We recommended state policymakers show their commitment to lowering the income tax rates in their states. That has clearly already begun.

In 2010, former Idaho Governor Butch Otter invited businesses to come to Idaho following the implementation of another controversial tax. Thirteen years later, maybe it's appropriate for Governors Little and Gianforte to pick up a pen and write again.

Financial literacy requirements coming to Idaho high schools

It just makes sense... or is it cents?

Idaho's legislature has passed - and Governor Brad Little has signed - House Bill 92, which requires financial literacy courses in all Idaho high schools - public and charter.

Before this legislation, Idaho required an economics course for a high school diploma. But the Nation's Report Card on Financial Literacy said the state still had a long way to go. It recommended Idaho "needs to require high school stand-alone personal finance course and implement grade-specific K-8 financial literacy standards."

Idaho received a "C" on the report card. Its neighbors in Washington and Montana received a "B" and "D," respectively.

The legislation passed this session was led by Rep. James Petzke and Superintendent of Public Instruction Debbie Critchfield.

Some remarkable stats come from states that have financial literacy requirements. Credit card debt levels are lower in states with finance education requirements.

Writers at *Forbes* recently wrote that financial literacy requirements only make sense with so many Americans living paycheck to paycheck.

Financial insecurity

74% of American teenagers don't feel confident in their financial knowledge

48% of high schoolers say they learn about investing from social media

51% of high schoolers feel that money management is the course that would most benefit their lives

Source: National Financial Educators Council



Idaho Gov. Brad Little signs HB 92, joined by Idaho Superintendent of Public Instruction Debbie Critchfield, State Representative James Petzke and Senator C. Scott Grow.

We're just getting started.



233 SUPPORTERS IN SIX STATES



18 SUMMIT CLUB MEMBERS



\$813,638 RAISED IN FIRST 9 MONTHS



613,221 ONLINE VIDEO VIEWS



6,890 EMAIL SUBSCRIBERS



11,382 FACEBOOK FOLLOWERS



764 LINKEDIN FOLLOWERS



531 TWITTER FOLLOWERS





visionaries

A conversation with Mountain States Policy Center supporters **Chris & Dalene Patterson** of Priest Lake, Idaho

How long have you lived in the Mountain States and what is the thing you enjoy most about our region?

We have lived here our entire lives, we love and value the outdoors, nature, hunting, fishing.

What policy area is most important to you, and why?

Improving our education system to help all students get what they all deserve. We need to focus on future leaders, vocational programs as well as STEM. Not every student learns the same way. Choice for students and families is crucial to support those who will be responsible for taking care of us.

Why do you believe in the free market?

Free markets lead to healthy competitive markets across the board. We need to compete on the WORLD'S PLATFORM – not just locally and nationally. Free markets drive the support for philanthropy and generosity to support programs that we cannot lose sight of.

Who is your favorite free market leader, past or present, and why?

Milton Friedman. It's hard not to recognize and respect a person who was a Nobel Prize recipient in economic sciences. He believed in free markets with less government (red tape).

Where is your favorite place to travel within 100 miles of your home?

Priest Lake

What's the best advice you've been given?

Listen more than you speak.

What is a future headline you'd like to see regarding Mountain States Policy Center?

MSPC is recognized as one of the most respected organizations for policy in the country.

What is one of your favorite quotes?

“Don't put off until tomorrow, what you can do today!”

Mountain States Policy Center will be successful because...

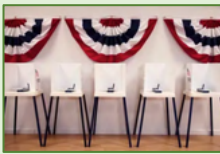
...of its effective leadership, that is driven towards a goal that will benefit all with outcomes that are proven successful.

America is...

...still the greatest country in the world, despite many of the challenges that we're facing in our country today. We always find a way to resolve our problems and come out in a better place. The youth of our country is this country's future. We need to invest in them greatly!!!

Most viewed on mountainstatespolicy.org

1



Ed choice advisory vote is a mistake and won't provide complete picture

2



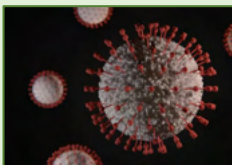
Ludicrous Washington state income tax ruling will impact other states

3



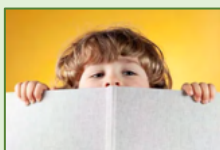
Idaho property tax relief going forward after all

4



The policies and politics of COVID-19 in the Mountain States

5



Which education savings account proposal is best?

Do we have enough water for the summer?

At the close of the 2022 irrigation season, many reservoirs throughout the Mountain States had reached almost record-breaking lows. Record-low reservoir carryover from 2021 and poor snow accumulation through February and March made for negative 2022 outlooks. The mountain states were rescued from extreme drought conditions by late rain in April and May 2022. Unfortunately, normal usage and extreme late summer temperatures once again exhausted the water supply late last year.

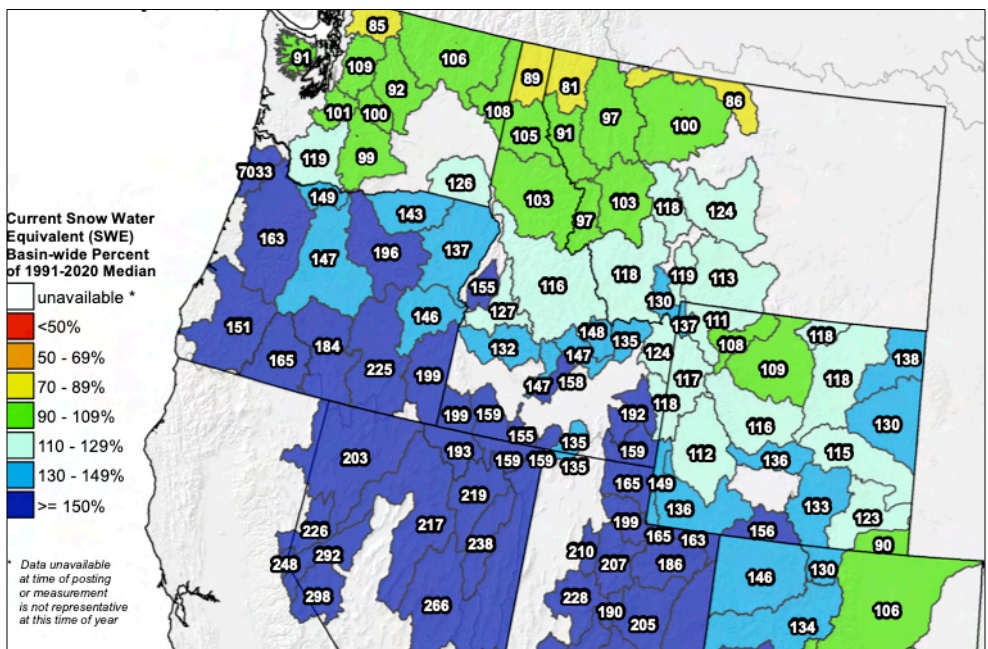
With the forecasted second consecutive La Niña winter in 2022-23, sources predicted the drought would only worsen based on historical trends. Typically, Idaho basins have lower snowpack at the end of a second La Niña year.

Diverting from historical trends, snow water equivalent has reached record high levels across the Mountain States. Basins throughout Utah recently broke the historical record of SNOTEL reporting stations, with the record beginning when the stations started reporting in 1980. Southern Idaho regions are also well above average at 140% and northern regions still close to average. Montana, Wyoming, and Washington are all at or above average in most of the reporting snow basins.

Though reservoirs are slightly under charged compared to last year's levels at this time, the snow melt is likely to raise these levels well above 2022. Temperature fluctuations will greatly influence the amount of water that makes it to these reservoirs.

Idaho reservoirs still range from 24 to 62% of normal and Utah's reservoirs are more than 10% lower than last year at this time. Nearby reservoirs in Eastern Oregon, follow similar trends.

The actual water available to the Mountain States remains to be seen as winter weather eventually ends and the spring snow melt fills the reservoirs. But for farmers, communities, and homeowners the availability of water after years of drought is a promise that hopefully isn't too good to be true.





failing

Other states are passing more ed

Legislative sessions across the region are adjourning with barely any movement on advancing education choice options for families.

state's total student population. It was a temporary trial with an expiration date. It passed the Senate but, despite having nearly every limitation that opponents had asked for, didn't have the votes in the House Education committee.

While states including Florida, Iowa, Arkansas, Utah and Arizona have expanded choice to improve outcomes, Idaho, as well as Washington, seem to be stuck in neutral. Montana is moving, but the progress is slow.

To top it all off, the House Education committee *passed* a bill to place an incomplete advisory question about "funding private schools" on the ballot in 2024. When that proposal got to the House floor, it was defeated - providing the opportunity for the legislature to continue a more robust debate.

It's certainly not for lack of trying. An early-session Idaho Senate bill that would have provided universal Education Savings Accounts (ESA) for all Idaho families passed in committee but failed on the floor.

If you asked all 105 Idaho legislators to explain education choice, you might get 105 different answers.

An ESA proposal complete with income limitations was introduced in the Idaho House. The House Education committee wouldn't even give it a hearing.

Throughout the session, a lot of bizarre and inaccurate things were said, including:

"These are ESA vouchers"

The sponsor came back with another version that was finally granted a hearing in that same committee – but was then shot down before it could get to the floor.

There is no such thing. ESA's allow parents to use a portion of state funding on a variety of education services. Yes, it can include private school tuition, but it can also include tutoring, special needs services, curriculum, mental health treatment and much more – so long as it's for an educational purpose.

Members in both the House and Senate worked on a bill to expand the state's popular Empowering Parents program to include a small pilot for just 2,000 students – less than 1% of the

behind

choice – why can't we get our act together?

Education choice proposals by state



Idaho

- **SB 1038**
Failed in Senate
- **HB 289**
Died in House committee
- **SB 1161**
Passed Senate, died in House



Montana

- **SB 118**
Died in Senate
- **SB 390**
Failed in Senate
- **HB 393**
Passed House, awaiting Senate action



Washington

- **HB 1615**
Died in committee



Wyoming

- **HB 194**
Died in committee
- **SB 143**
Passed Senate, House refused introduction

“Private or specialty school would get taxpayer funding while rejecting students”

If that private or specialty school were to receive any of the funding, the student would have to be accepted. The state is not going to just start issuing checks to private schools.

“Approving ESA’s would reduce public school funding”

In reality, per-student funding would likely increase. Several proposals required 20% of a student’s allocation to stay in the school district in which they lived.

“95% of homeschooling students will sign up”

There’s no evidence from other states of numbers ever reaching that high.

“It’s public education or education choice”

They work hand-in-hand and education choice often supplements public schooling.

“The Heritage Foundation says Idaho already has enough education choice”

Idaho ranked 20th on education choice options behind Utah & Montana and barely ahead of Illinois.

This legislative session proves the entire conversation in Idaho surrounding education choice needs a major reset – and, ironically, better education about proposals. The advancement of education choice in Idaho is only harmed by those who have relentlessly attacked and have said we should close all public schools, which would take away an option for families.

CONTINUED – PAGE 12

CONTINUED: Ed choice reset

This issue is not going away. If Idaho legislators had known they were not going to be successful with any bill, they could have opted for an interim legislative study on existing ESA programs across the country. This could be done by an unbiased source – perhaps the state Controller or Legislative Audit Division – and could have been made available by the time the next session began. Unfortunately, that didn't happen.

The conversation will continue now, and Mountain States Policy Center will do our part by providing research and



recommendations on what has worked in other states. We'll even host a special event in Boise over the summer to brainstorm options and highlight areas of success and policies to avoid.

We have a unique opportunity to put political divisions aside and

create a unique Idaho-centered plan. The goal needs to be the education of children so they can be productive citizens.

If more education choice can help improve the educational outcomes of just one child, it's worth trying.

Homeschool parents: It's time to support Education Savings Accounts

By **Ben Toews**, Idaho State Senator and **Amber Gunn**, MSPC Senior Policy Analyst

If there is one thing homeschool families have in common, it's the desire to be left alone about their education choices. Parents go to great sacrificial lengths to homeschool, including paying all expenses out of pocket, often doing so on a single salary. Homeschoolers get used to doing things in their own way, in their own time, on their own dime.

Homeschool families have a unique set of concerns when it comes to policy debates about education. Many have already opted out of a classroom setting due to special or unique needs or talents of their children, religious or philosophical beliefs, or lack of education options in their area.

Many homeschool families rightfully greet the prospect of education choice with a heavy dose of skepticism. "Education choice" means allowing some of a state's education money to follow the student to

the education method or school of their choice (including homeschool), usually in the form of Education Savings Accounts (ESAs).

For homeschool families the opposition to any iteration of education choice comes down to one primary concern: government control. After all, prior to the early 1980's, homeschooling was treated as a crime in many states. Homeschoolers have spent decades crawling out from the thumb of government hegemony. ESAs are viewed as a Trojan Horse that will allow the state to reassert influence over homeschooling. No matter how good the bill looks, ESA opponents embrace the slippery slope fallacy and assert that an inevitable chain of bad things will happen in rapid succession, leading to homeschooling's demise. The fundamental appeal of this argument is fear.

As homeschoolers, we would be the last people to defend every iteration of an "education choice"

CONTINUED PAGE 13

CONTINUED: ESA's not a homeschooling threat

bill. Money is not the ticket to a homeschooler's heart—freedom is. But money is a neutral tool that may produce greater control or freedom depending on the criteria attached to its use.

In the case of any proposed education choice bill, we must resist the urge to view them all equally. Interestingly, conservative homeschoolers sometimes line up with far-left socialists and union members in opposition to education choice, albeit for very different reasons. In either case, categorical opposition to ESAs is always rooted in fear-based arguments: ESAs will destroy public education. ESAs will destroy homeschooling. ESAs will destroy the religious freedom of private schools. ESAs will leave rural students without options.

Could a poorly designed ESA program result in one or more of those outcomes? Yes. Just as a knife may be used to prepare a delicious meal or to grievously wound a person, ESAs are neutral tools that must be wielded thoughtfully by policymakers.

The truth is there are “right” ways and dangerous ways to set up ESA programs. An appropriate and effective ESA program should serve to enhance this right and duty in an “opt-in” manner.

The purpose of education choice is to give parents the means to choose the education method that best suits the needs of their individual child, not to bring the child under the regulation and purview of the state. It should be simple, clear, understandable, and place as much of the decision-making power as possible with parents. It should explicitly forbid state control over curriculum or religious choices of parents and include protective language for private schools and homeschool families.

If these criteria are met, it would be needlessly cruel to oppose a policy that would fling wide the doors of opportunity for families who are unable to homeschool for financial reasons, especially when the entire program is “opt-in” and requires no additional funding for students



Idaho State Senator Ben Toews
Coeur d'Alene



Amber Gunn
MSPC Senior Policy Analyst

transferring out of public school. Parents who have any reservations can continue homeschooling on their own dime outside of the program.

The reality is that state governments can and do exert regulatory control over homeschoolers whether government money is involved or not. In Washington, for example, parents must be “qualified” as defined by the state, file an annual declaration with the school district where they reside, teach 11 required subjects, have their children tested or evaluated annually by a “qualified” individual, and keep records of academic progress.

We urge homeschool parents not to prioritize a hypothetical risk about the problems a poorly designed ESA program may create over the very real crisis that a well-designed ESA program can solve. The possibility that the state might, at some point, exert more control over homeschooling through some future version of a corrupted ESA program is less pressing than the fact that parents are *presently* compelled by the government to submit their children to an education that may not be best for them, unless they are wealthy enough to opt out.

A well-designed ESA program is not a threat to homeschoolers. It is unreasonable to oppose every version of a policy that would enable these kids to have the kinds of opportunities our homeschooled children already enjoy on the fear that, someday, if a series of bad things happen in succession, we might lose some of our homeschool freedom.



Why MSPC got involved in the *Google v. Gonzalez* case at the Supreme Court

It is quite possible you (the reader) are viewing this MSPC Pinnacle magazine, right now, utilizing LinkedIn, Twitter, or Facebook.

These platforms, paired with companies like YouTube, provide a digital bulletin board for people around the world to engage with family, friends, colleagues, and the occasional “internet warrior.” Love or hate it, social media delivers half of Americans their news, platforms for listening to podcasts, which the average American listens to seven hours a week. It is a \$49 billion growing industry.

Almost every aspect of American life can be intertwined with interactive computer services. The prominent part of these platforms is the autonomous nature: the user chooses what to read, post, watch and listen. In return, the interactive computer service provides recommendations unique to each individual user. For example, if you are a sports fan and consume sports content, the provider may help filter out videos that have nothing to do with sports.

Section 230 of the Communications Decency Act immunizes the platform from being treated as the originator or speaker of content, which bars the company from liability such as intentional tort suits, most commonly, defamation, commercial disparagement, etc. The idea is to protect interactive computer services because they distribute the content we crave, and what is necessary for a robust and open discourse society.

It is near impossible to operate this type of business if every ill action of an untamed user exposed the corporation to liability. The free market would be stifled if §230 were revoked, especially politically diverse ideas and opinions. However, it is the latest topic of debate at the Supreme Court of the United States. At the end of February, the Court heard oral arguments in the case of *Gonzalez v. Google*.



University of Idaho
law student **Olivia
Johnston** Section 230 is
intended to promote
intellectual activity

What is the issue in Gonzalez v. Google?

The question the Court is being asked to answer is whether 47 U.S.C §230, titled the Communications Decency Act, will immunize Google, the parent company of YouTube, from various claims brought by the representative to the estate of Nohemi Gonzalez. Ms. Gonzalez was killed by ISIS in the Paris attacks of 2015 when she was studying abroad. The claim by the estate is that YouTube should be held liable for ISIS’ actions since the terrorist organization hosted recruitment videos on the site at the time of the tragic attacks. The lowest court in this dispute as well as the Ninth Circuit agree that §230 immunizes YouTube.

What is the United States Supreme Court going to consider in this case?

Counsel for Gonzalez has an uphill battle. The Circuits have a uniform and consistent approach in how §230 is to be construed. Notably, the Courts that have heard §230 disputes agree the statute is intended to be construed broadly, in favor of interactive service providers.

Congress was intentional and careful when they enacted §230, as evidenced in the “findings” clause of the statute. This act is intended to protect political discourse, cultural development, and intellectual activity.

CONTINUED ON PAGE 15

CONTINUED: Even the justices were confused during arguments

The key policies Congress enumerated are promoting the continued development of the internet, preserving a competitive, vibrant free market, and encouraging development in technology. This development includes removing disincentives for developing technology which is intended to empower parents in making deliberate decisions about the content their children view.

The Court has relied heavily on counsel for both sides in this dispute to explain and illustrate these highly technical arguments. During oral arguments, Justice Elana Kagan delivered the most noteworthy moment of initial deliberations. She said, “I mean, we’re a court. We really don’t know about these things. You know, these are not like the nine greatest experts on the Internet.” Justice Samuel Alito joined in this sentiment, when he told *Gonzalez’s* lawyer that he was “completely confused by whatever argument you’re making at the present time.” As these

comments allude, while the policy is sound, the law is technical, and there is much to be considered by a Court whose specialty is not the intricacies of interactive platform algorithms and uses.

While the Court has yet to provide an opinion, and it is unknown what the individual justices are thinking, it is arguably unlikely this case will result in an overturn of multiple uniform Circuit precedents, as well as revoking the power of §230. Mountain States Policy Center signed on to an amicus brief in this case because we believe this crucial statute should be here to stay to help maintain the vital economic engine of the Internet, protect free speech, and encourage small entrants to enter the market.

Olivia Johnston is a law student at the University of Idaho in Moscow.



Mountain States Policy Center
@MtnStatesPolicy

One of the best ways to review legislation is to read the bill before you read the name of the lawmaker who wrote it.

If it’s good policy, the sponsor shouldn’t matter.

#idleg #idpol #waleg #mtpol #mtleg

Find our social media channels, like & share!



SUPPORT

Join Mountain States Policy Center with a tax-deductible contribution today



Support Levels

\$50-\$250

Member

Invites and discounts to MSPC events
Email subscription to MSPC research

\$250-\$1,000

Advocate

Invites and discounts to MSPC events
Email subscription to MSPC research
Subscription to *Pinnacle* quarterly magazine
Exclusive opportunities with key policymakers

\$1,000-\$2,500

Sustainer

Invites and discounts to MSPC events
Email subscription to MSPC research
Subscription to *Pinnacle* quarterly magazine
Exclusive opportunities with key policymakers
Recognition at all events

\$2,500-\$5,000

Champion

Invites and discounts to MSPC events
Email subscription to MSPC research
Subscription to *Pinnacle* quarterly magazine
Exclusive opportunities with key policymakers
Private opportunity with keynote speakers



Donate today at mountainstatespolicy.org

The Summit Club is the lifeblood of Mountain States Policy Center. This exclusive club sets apart donors who wish to make a substantial, tax-free pledge of at least \$5,000 per year for at least three years.

Those who join the Summit Club automatically become sponsors of all MSPC events and are invited to private gatherings, and meetings with top leaders both regionally and nationally.

We would be delighted to discuss whether the Summit Club would be a good fit for you. You can find more information on mountainstatespolicy.org.





Proposals to raise the minimum wage could harm some workers

Raising the minimum wage is one of the many policy ideas peppered with tradeoffs, but one of the few that have such a direct impact on businesses and employees alike.

Lawmakers in Idaho and Montana introduced legislation this past session intended to raise the minimum wage. The legislation in Idaho was House Bill 48, which would have repealed a prohibition on local governments setting their own minimum wage.

In Montana, House Bill 201 was introduced by Rep. Kelly Kortum and would have hiked the minimum wage to \$11.39 per hour plus tips.

The minimum wage in Montana currently sits at \$9.95 per hour, while Idaho's minimum wage is the federal minimum of \$7.25 per hour.

Currently, there are only 54 cities or counties around the nation that have their own minimum wages which vary from their state minimum wage. The patchwork of different wages makes it difficult in some states for small business owners to properly plan for and track employee hours, especially if employees work at multiple locations.

The broader issue, however, is the financial impact on small businesses and the workers themselves. It is true that some workers will see paychecks rise because of minimum wage increases, but many more end up seeing wages fall as hours are reduced. We know this from experience, and projections.

A great Congressional Budget Office tool gives users the opportunity to see the impact of raising the minimum wage. It shows some positive impacts, including a decrease in the number of people living in poverty. But it also shows negative aspects - specifically, the change in employment and the overall change in real family income. Under a scenario where the minimum wage would increase to \$15 per hour, both see dramatic declines.

Research from the Harvard Business Review had similar findings. It concluded "for every \$1 increase in the minimum wage, we found that the total number of

As featured in the

Idaho Statesman

Missoulian

IDAHO STATE JOURNAL

workers scheduled to work each week increased by 27.7%, while the average number of hours each worker worked per week decrease by 20.8%. For an average store in California, these changes translated into four extra workers per week and five fewer hours per worker per week — which meant that the total wage compensation of an average minimum wage worker in a California store fell by 13.6%.”

The University of Washington conducted a review of Seattle's minimum wage increase. It found "those earning less than \$19 an hour saw wages rise by 3.4% once the city's minimum wage was \$13, while experiencing a 7.0% decrease in hours worked." In fact, research shows there would be 5,000 more jobs in Seattle if the hike had not been adopted.

While some businesses might be able to afford the hit of a minimum wage hike, others will not. Restaurants, retail and hospitality, for example, run on very low profit margins.

In the end, some workers will benefit from a hike in the minimum wage, but others will see fewer hours and lower earnings. It's a tradeoff - not necessarily the rosy picture some activists and lawmakers project.





How much legislation is too much legislation?

Lawmakers across our region have introduced some 4,000 new laws over the past three and a half months. That’s more than 40 per day! Some of the legislation will directly impact you and your family, while other legislation leaves many of us scratching our heads.

While the Idaho legislative session wrapped up on April 6th, at the time of this publication Montana and Washington lawmakers still had a ways to go.

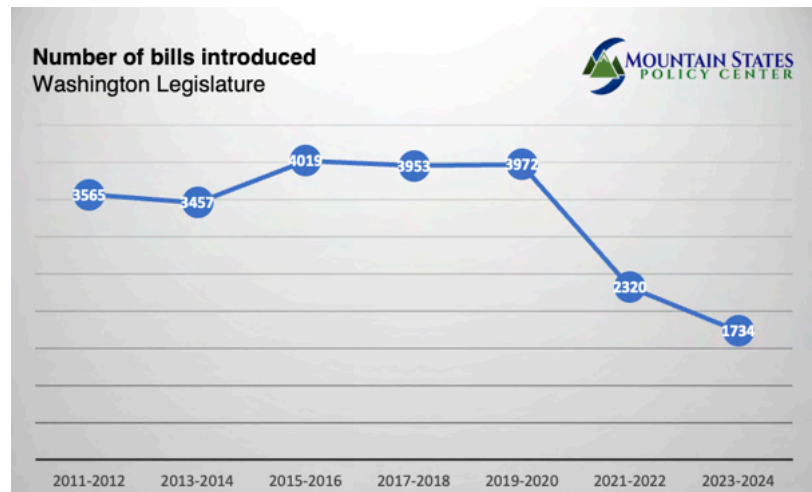
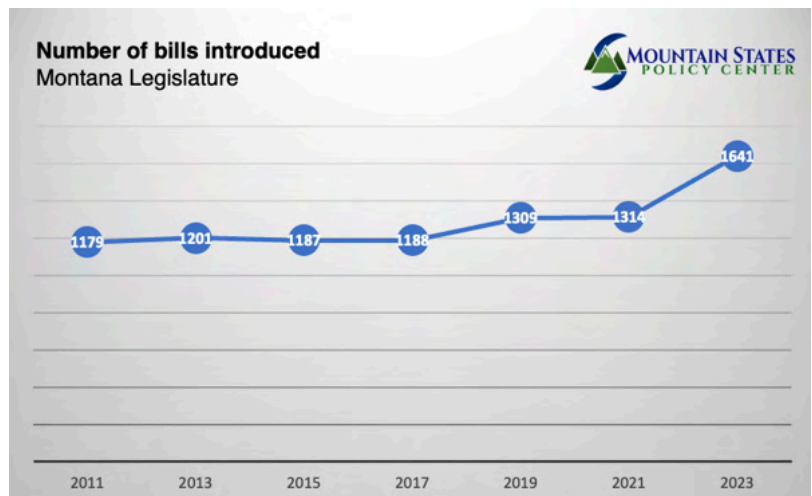
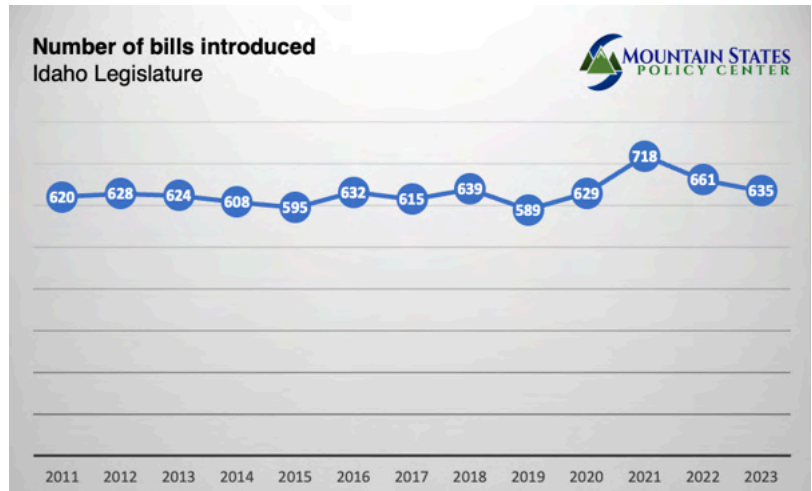
The volume of new laws can be overwhelming to the average citizen watching from afar. Heck, it can be overwhelming to the average lawmaker who is responsible for reading through the bills and understanding the issues.

Not every bill will make it across the finish line, but each piece of legislation does take time, effort, and yes money to be introduced, heard, and either discarded or advanced.

In Idaho, lawmakers this year introduced 635 bills - pretty much on par with recent history. Meanwhile, Montana’s legislature meets only every other year, but still the trend is up. And Montana’s legislative session doesn’t wrap up until May.

In Washington, lawmakers meet every year, but odd-numbered years are budget writing years and are therefore longer sessions. While the latest numbers are low (comparatively speaking), they will increase when lawmakers reconvene in January of 2024.

Some states limit the volume - but lawmakers always have a way to get around those restrictions if they desire.





Montana boasts largest tax cut in state history

When it comes to having a competitive tax environment, Montana is stepping-up its game. Governor Greg Gianforte has signed a flurry of bills that bring about the largest tax cut in state history, reducing income, property, capital gains and even business equipment taxes in the state.

Montana's top income rate falls from 6.75% to 5.9%. The bill also triples the earned income tax credit. Another bill - HB 221 - simplifies Montana's capital gains income tax and lowers the cap gains rates to the fourth lowest in the country. HB 222 provides \$500 million in property tax relief for homeowners for the primary residence.

The governor also signed into law HB 192, which provides Montana income taxpayers with rebates of up to \$1,250.

While the rebates will be welcome news for many families, a preferred policy should seek ways to lower long-term burdens rather than issue one-time checks.

Idaho voters won't decide initiative gathering change

The Idaho House has turned down an effort to change the process for gathering signatures for initiatives. The majority voted in favor of SJR 101a, but it needed a two-thirds vote to appear before voters as a constitutional amendment.

Two-thirds of the Idaho Senate had already given approval to the change which would have required 6% of legal voters in every legislative district in the state sign on to an initiative for it to go before voters. The current threshold is 6% in *half* of the state's legislative districts.

The legislation is similar to a bill that was passed in 2021 making a similar change. The difference, this time, is that lawmakers are seeking to pass the change via a constitutional amendment instead of just a standard bill.

Proponents of the amendment say it is about making the participation in the initiative process more representative of the entire state.

The distribution threshold, as it's called, is not necessarily unusual. Massachusetts requires that no more than 25% of signatures come from any one county. Utah has requirements spreading the initiative requirements out among legislative districts.



Should judges be elected or appointed?

House Bill 915 in the Montana legislature is a proposed constitutional amendment that would end elections for Supreme Court justices and leave the process up to appointment by the Governor.

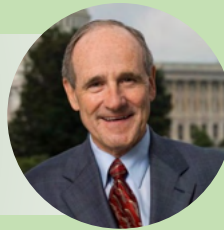
There is not necessarily a right or wrong way for judges to be selected. In fact, there are 25 different selection systems. Montana, Idaho and Washington are three of just 13 states that elect judges in non-partisan elections.

But elections for judges - specifically Supreme Court justices - have always been uncomfortable for voters who many times leave the decision blank because of a lack of knowledge. A process of appointments would leave the decision with the executive branch and give voters an opportunity to hold that office holder accountable if they don't like the results.

If the legislature and voters ultimately decide to approve the change, the last Montana Supreme Court elections would be held in 2024, and gubernatorial appointments would begin in 2025.



"I really like the way [MSPC] is going about this – that they view it as an educational opportunity."
Former Idaho Governor and U.S. Senator **Jim Risch**



"Mountain States Policy Center plays a critical role in the debate over our region's most important issues."
Eastern Washington Congresswoman **Cathy McMorris Rodgers**



"Organizations like MSPC can really make a profound difference."
Idaho State Representative **Wendy Horman** of Idaho Falls



"I support the work of MSPC and all think tanks that will improve the lives of children."
National school choice advocate **Corey DeAngelis**



"MSPC is a welcome addition, providing a vital service to lawmakers and educating the public."
Idaho State Representative **Judy Boyle** of Midvale

