

MOUNTAIN STATES
POLICY
MANUAL

SECOND EDITION



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WHAT WE BELIEVE

Mountain States Policy Center (MSPC) was founded in 2022 to empower individuals to succeed through non-partisan, quality research that promotes free enterprise, individual liberty, and limited government. With a headquarters in Idaho and coverage in Washington state, Montana, and Wyoming, MSPC is the first multi-state think tank of its kind, working to educate key segments of society — including policymakers, the media, young leaders, and the rising generation of citizens — on the power of free markets and limited government to unleash prosperity and opportunity throughout the Mountain West and the nation.

We believe in a core set of principles:

- Transparency: Government should be transparent, limited, and focused on core functions.
- Competition: Competition and freedom of choice improve outcomes.
- Property rights: Private property rights are paramount in a free society.
- Supply and demand: Prices of goods and services should reflect supply and demand.
- Incentives: Policymakers should prioritize incentives over mandates.
- Limited regulations: Regulations should be practical, predictable, and limited.
- Freedom of speech: Freedom of speech and the marketplace of ideas should never be curtailed.
- Self-reliance: Personal responsibility and self-reliance are essential to a functioning society.

DEFINING TERMS

Readers of our work will see certain economic and governance terms used frequently. To help provide context for our analysis and recommendations, here is a description of what these terms mean.

Capitalism – An economic system driven by individual actors using market factors (supply and demand) to determine the free exchange of goods and services, rather than economic activity dictated by central government control and intervention. A hallmark of capitalism is private ownership of both property and the means of production.

Communism – An economic system developed by Karl Marx that focuses on class warfare with the goal of government ownership of all property and centralized planning of economic activity. The theory of communism is that each person will work and be paid based on their abilities and needs instead of the economic value of their actual production.

Core functions of government – The core functions of government are those activities not easily replicated in the private sector, such as public safety, coordinated infrastructure, general order, and the protection of private property and individual rights.

Education choice – The principle that parents, regardless of their economic status, should have the ability to choose how best to educate their children. Educational choice options include the freedom to attend any public school (not be limited by zip code), public charter schools, private schools, homeschooling, Education Savings Accounts/tax credits, and other tools that empower parents to meet their child's individual educational needs. Education choice recognizes that families and parents are in the best position to determine the individual educational needs for their child's success.

Federalism – Federalism is the governing process that defines specific limited powers for the federal government with the remaining governing authority reserved for state governments. The U.S. Constitution embraces a balance of power shared by the national and state governments. The strong role provided for local governance is protected by the 10th Amendment.

Free market/enterprise – The free market/enterprise is best understood as an economic system that allows individual actors to voluntarily engage in the exchange of goods and services with prices determined by supply and demand instead of government restrictions. A key component of a free market is voluntary economic activity instead of government coercion in the exchange of goods or services.

Individual liberty – The concept of individual liberty is the freedom to make decisions for oneself and exercise control over daily activities free from undue government control or manipulation. The role of the government in a system that respects individual liberty is to limit any intrusions only to those activities that protect individuals from the encroachment of actions from others.

Limited government – Under a system of limited government, legal restrictions are placed on government bodies and officials to avoid abuses of power and consolidation of influence.

Open government – The foundations for an accountable government can be found in strong citizen oversight, and one of the most critical tools for this goal is open government laws. Requirements for access to public records, open meetings, public comment periods, and legislative transparency are critical tools necessary for citizens to maintain control over the government they have created.

Republican form of government – Power held by the people and not a select few is the underpinning of a republican form of government. Citizens elect representatives to serve the public interest, and the government remains responsive to the people via regular elections to reflect the will of the electorate.

Separation of powers – A critical protection to avoid government abuse is the separation of powers. This is commonly referred to as checks and balances and is a division of government power and responsibility between distinct branches of government to prevent the concentration of power in the hands of a few.

Socialism – Socialism is a political and economic system that provides the government with the authority to make all economic decisions about the production and distribution of goods and services. Under socialism, some private control and ownership of resources are allowed, whereas under communism everything is owned by the government.

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1.1 Use performance-based budgeting to focus taxpayer dollars on expected outcomes

When taxpayers provide their hard-earned dollars to government officials, they do so with an expectation of receiving a tangible outcome from this investment in public services. The true measure of success for these tax dollars is not how much is being spent but whether a measurable performance is being achieved. This is why state and local budgets should be transformed from a list of spending to a performance agreement with taxpayers on what the expected results will be for these investments. This type of budgeting is known as performance-based budgeting.

Although many states use a variation of performance-based budgeting, Texas is the clearest example of transforming a state's actual appropriation bills into a performance agreement with taxpayers on what outcomes are expected. As noted in a 2005 United States Government Accountability Office (GAO) audit:¹

“In Texas, funds are appropriated by agency goals and strategies, which are defined in the agency's strategic plan. Strategies set forth actions to be taken by an agency to achieve its goals. There may be multiple strategies under one goal. Funding is provided at the strategy level . . . in Texas agencies work with legislative and executive budget staff throughout the strategic planning and budgeting processes to determine the measures they will report in the next biennial budget.”

GAO further notes about the Texas performance-based budgeting process:

“In addition to funding amounts, the legislative budget estimates and general appropriations bill also include other budget-related information, such as performance measures and targets, financing procedures, and historical summaries of previous funding requests and approved agency budgets. The Governor's Office also provides its budget proposal at the

¹ “Performance Budgeting - States' Experiences Can Inform Federal Efforts,” GAO, February 2005, available at <https://www.gao.gov/assets/gao-05-215.pdf>

beginning of the legislative session using a similar format as the LBB . . .

Texas’s General Appropriation Act is structured by goals and strategies. In general, an agency will have three to five substantive strategies, sometimes referred to as ‘direct strategies,’ as well as one or more strategies labeled ‘indirect administration’ for functions shared among strategies, such as accounting, human resources, information technology, reporting, and overall administration in the higher executive offices . . .

Texas also includes outcome, output, and efficiency targets to show what level of performance is expected for each goal and strategy based on the appropriation level each receives.”

Here is an example of what the Texas budget looks like by using this type of process:²

DEPARTMENT OF TRANSPORTATION		
(Continued)		
Client Services	2,860,414	2,872,280
Grants	1,033,369,922	571,045,116
Capital Expenditures	<u>6,431,481,695</u>	<u>6,565,557,784</u>
Total, Object-of-Expense Informational Listing	<u>\$ 18,632,354,551</u>	<u>\$ 18,683,509,447</u>
Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act:		
<u>Employee Benefits</u>		
Retirement	\$ 76,797,690	\$ 81,744,654
Group Insurance	212,376,192	218,578,630
Social Security	61,672,267	65,654,564
Benefits Replacement	<u>349,500</u>	<u>279,251</u>
Subtotal, Employee Benefits	\$ 351,195,649	\$ 366,257,099
<u>Debt Service</u>		
TPFA GO Bond Debt Service	<u>\$ 9,136,396</u>	<u>\$ 7,102,641</u>
Total, Estimated Allocations for Employee Benefits and Debt Service Appropriations Made Elsewhere in this Act	<u>\$ 360,332,045</u>	<u>\$ 373,359,740</u>

²“General Appropriations Act for the 2024-25 Biennium,” Texas Legislature, February 2005, accessed on May 21, 2024, available at https://www.lbb.texas.gov/Documents/GAA/General_Appropriations_Act_2024_2025.pdf

1. **Performance Measure Targets.** The following is a listing of the key performance target levels for the Department of Transportation. It is the intent of the Legislature that appropriations made by this Act be utilized in the most efficient and effective manner possible to achieve the intended mission of the Department of Transportation. In order to achieve the objectives and service standards established by this Act, the Department of Transportation shall make every effort to attain the following designated key performance target levels associated with each item of appropriation.

	2024	2025
A. Goal: PROJECT DEVELOPMENT AND DELIVERY		
Outcome (Results/Impact):		
Percent of Design Projects Delivered on Time	90%	90%
Percent of Construction Projects Completed on Budget	85%	85%
Percent of Two-lane Highways 26 Feet or Wider in Paved Width	54.8%	54.9%
Percent of Construction Projects Completed on Time	65%	65%
A.1.1. Strategy: PLAN/DESIGN/MANAGE		
Output (Volume):		
Number of Construction Plans Processed for Statewide		
Construction Letting	765	765
Dollar Volume of Construction Contracts Awarded		
(Millions)	6,500	6,500
Number of Construction Contracts Awarded	765	765
B. Goal: ROUTINE SYSTEM MAINTENANCE		
Outcome (Results/Impact):		
Bridge Inventory Condition Score	88.68	88.59
Percent of Highway Pavements in Good or Better Condition	90%	90%
B.1.1. Strategy: CONTRACTED ROUTINE		

The Texas Legislative Budget Board further explains:³

“As a part of the strategic planning process, agencies develop performance measures. Performance measures are quantifiable indicators of achievement. Texas uses four types of measures:

- Outcome—indicates the effect on a stated condition;
- Output—counts the services produced by an agency;
- Efficiency—gauges resource cost per unit of product; and
- Explanatory/input—provides information to help assess reported performance . . .

Over the next two years, an agency collects data on its performance measures and reports this information quarterly to the LBB, GBPD, and other agencies. As part of the data collection process, an agency must establish controls to ensure the data is properly collected and reported. Among the duties of the SAO are auditing performance measures and

³“Budget 101,” Texas Legislature, January 2023, available at https://senate.texas.gov/_assets/srcpub/88th_Budget_101.pdf

certifying those measures. The audit report on performance measures includes a report on the adequacy of controls in reporting data and the accuracy of agency reporting on actual performance.”

Although caseloads, inflation, and population changes are important drivers of budget pressures, the fiscal conversation should always be focused on what the expected performance outcomes are for the taxpayer investments being made.

Budget writing checklist

When writing the budget, policymakers should answer these questions:

- What are the results citizens expect from the state government?
- What strategies are most effective in achieving those results?
- How should we prioritize spending to buy the activities that are most critical to implementing these strategies?
- How will we measure progress?
- Is the activity a core function of government or commercial in nature?
- If it is a core function, can the service be provided more efficiently and effectively through competitive contracting?
- Does it provide a broad public benefit or only serve a special interest?
- Does it duplicate the activities of non-profits or other private initiatives?
- Does it duplicate the efforts of other state agencies or programs?
- Does the activity demonstrate quantifiable performance?

By answering these questions and placing performance outcomes directly into the actual appropriation bills, budget writers can help refocus the spending debate while signaling a clear expectation to agencies on what they are expected to accomplish on behalf of taxpayers.

1.2 Change bond election requirements for Idaho

Unfortunately, many elections suffer from low voter turnout, leaving government requests to voters for tax collections in the hands of a relatively small number of citizens. This is especially true for ‘special

elections' that are held throughout the year separately from the November general election, when few voters are paying attention.

To counter the few from imposing a long-term tax obligation on the community without a broad consensus, several states require supermajority votes for certain types of tax increases.

There are many good reasons to require a supermajority, even with voter approval, for bonds such as those for schools. Unlike normal levies, these bond obligations can extend for many years, and the taxes can't be repealed or reduced until that obligation is met. Most other tax levies can be changed or repealed at any time. This prevents tying the hands of future policymakers so they can respond to changing economic conditions.

The main exception to this flexibility, however, is for taxes pledged to bonds (long-term contractual obligations). Realizing the different nature of taxes for bonds versus normal operating expenses and wanting to prevent a small number of voters from imposing this type of long-term tax burden on a community, many constitutions across the country require these bond votes to secure a broad consensus.

Although several states require a 3/5 vote for school bonds (including Washington), Idaho is one of the few in the country with an exceptionally high requirement – to secure a 2/3 vote of the people. Policymakers should consider moving to a 3/5 vote requirement for school bonds – but *only* if the election is required to be held at the November general election for maximum voter turnout and involvement. 'Special elections' with low voter turnout should not increase the long-term tax obligation of a community.

One possible idea would be to give school districts a choice: they could use a special election and need to meet a 2/3 vote, or they could place the bond tax levy on the November general election and need to secure a 3/5 vote.

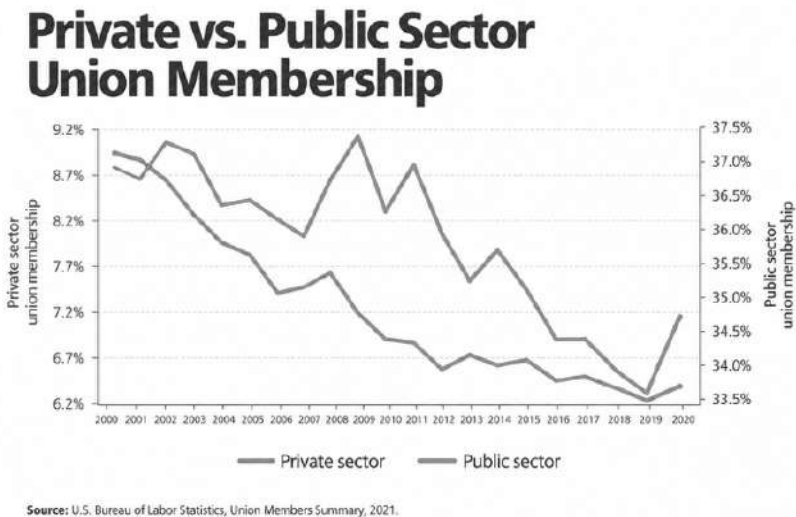
It is false to say this will only make tax increases easier. In fact, in a higher turnout election, you'll have to convince *more* voters that the tax increase is warranted. The goal is to allow the full voice of the community to be heard by making these tax decisions at the elections with the highest voter turnout.

Long-term tax obligations should never be easy to impose, but Idaho's current 2/3 vote requirement for school bonds, even with voter approval, is an exceedingly high threshold. By moving all tax levies to the November general election while still requiring a 3/5 vote for bonds, policymakers can encourage a robust tax discussion in the community to occur and secure a broad consensus before a long-term tax obligation is imposed.

1.3 End taxpayer subsidies to government unions

For many people, labor unions conjure up images of hard hats and factory floors. But such notions are increasingly out-of-date. The largest and most influential labor unions in America today represent government employees.

Government unions have immense incentives to use electoral politics to capture control of government. Unlike their counterparts in private industry, government unions “have the ability, in a sense, to elect our own boss,” as New York union leader Victor Gotbaum infamously proclaimed in 1975.⁴



This type of political activity should not be subsidized by taxpayers. There's nothing wrong with a private membership organization supporting whatever cause, candidate, or party it likes, so long as it

⁴“Captive Politicians,” New York Times, July 9, 1975, available at <https://www.nytimes.com/1975/07/09/archives/captive-politicians.html>

does so with its own funds. But representative government is often about balancing competing interests. When a private interest co-opts the government itself, it can use the power of the state to quash competing voices.

This type of political phenomenon is most accurately seen in the activities of government teachers' unions. While teachers and public school employees are certainly *one* interest group with a valid stake in the operation of government schools, the interests of students, families, and taxpayers matter, too. Unfortunately, when school boards allow teachers' unions to benefit from public funds, facilities, and resources, they artificially amplify union influence and warp democratic processes. Taxpayers already fund the management side of the bargaining table; they shouldn't also have to pick up the tab for union bargaining against their interests and advocacy for controversial political views.

State lawmakers can and should protect taxpayers and level the playing field by prohibiting direct government funding for teachers' unions, requiring unions to reimburse school districts for the cost of teachers' paid union leave, providing that teachers' unions get no more access to or use of school facilities than any other civic group, and ending government collection of union dues via payroll deduction.

A good example for states to follow is the new reform adopted by Idaho in 2026.⁵ Under this new law, no restrictions are placed on union membership; instead, all work or activities being done on the union's behalf must be paid for by the union and not taxpayers, and school districts cannot automatically collect union dues from teachers as part of their payroll process.

1.4 Embrace transparent competitive contracting

Fairness and consistency in public contracts are essential for a healthy economic climate. When certain industries are subject to a competitive bidding process while others are not, we erode the foundation of accountability and transparency in contracting. Lawmakers should establish uniform and competitive procedures for public contracts, which will level the playing field for all industries when seeking to apply for government work and projects.

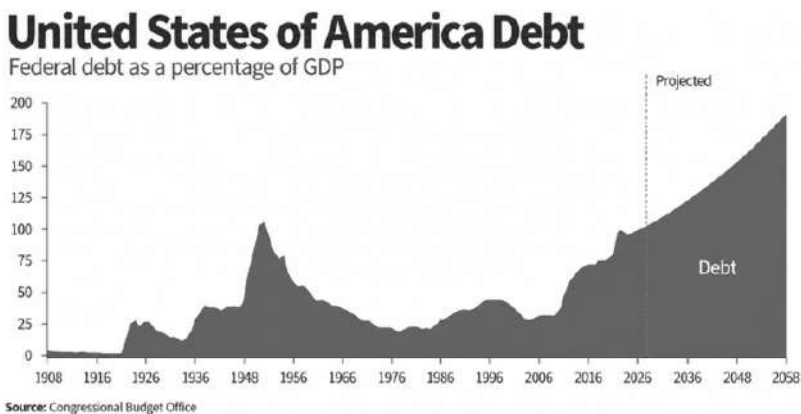
⁵ "House Bill 516," Idaho Legislature, 2026, available at <https://legislature.idaho.gov/sessioninfo/2026/legislation/H0516/>

Public agencies should award contracts for professional services based on cost-effectiveness, qualifications, demonstrated competence, and clearly defined publicly available scoring criteria. A transparent scoring process for these criteria should also be available to ensure that favoritism in contract awards doesn't occur.

All professional service contracts, including those for engineering, architectural services, land surveying, and construction management, should receive the same scrutiny and competition as other contracts. This is a crucial step toward fairness and market integrity as it prevents favoritism. Having clear and consistent criteria, including details on fees, will allow the best firm to be awarded a public contract in the most cost-effective way to handle taxpayer-funded projects.

1.5 Support efforts to require a federal balanced budget amendment

Every U.S. state except for Vermont has a requirement to pass a balanced budget. This important fiscal requirement is essential to maintaining fiscal health and a strong economic outlook. Unfortunately, there is no requirement for Congress to adopt a balanced budget. As a result, it is no surprise that the nation's fiscal outlook is teetering on the brink.



According to the Congressional Budget Office:⁶

“The large deficits over the next 10 years would lead to steady growth in federal debt held by the public. Such debt is projected to increase from 101 percent of GDP at the end of

⁶ “The Budget and Economic Outlook: 2026 to 2036,” CBO, February 2026, available at <https://www.cbo.gov/publication/62105>

2026 to 108 percent of GDP at the end of 2030, surpassing its previous high of 106 percent in 1946. Federal debt would equal 120 percent of GDP in 2036 and would continue to rise over the following two decades, CBO estimates.”

As noted by Montana Governor Greg Gianforte:

“In Washington, they’ve been spending like drunken sailors – that is not what our Founders envisioned, we need a change, and fast, to prevent our children and grandchildren from inheriting this mess and we can’t expect Washington to impose permanent fiscal restraints on itself. That’s why we need a balanced budget amendment to the Constitution.”⁷

1.6 Call a fiscally focused Convention of the States

With Congress unwilling to take the necessary steps to budget responsibly, several states are now exercising their rights under the U.S. Constitution to initiate an Article V convention to put forward constitutional amendments to require federal fiscal discipline.

Some have expressed concern that a convention of the states could lead to a runaway process that drastically alters the current U.S. Constitution. One important thing to keep in mind about this fear is that any amendments advanced by this process would still have to be ratified by 3/4 of the states. It is doubtful that anything without broad public support would be enacted by 38 states with this safeguard.

Congress has demonstrated it cannot enact the reforms needed to change the course of runaway federal spending. That duty now falls on the states to secure the nation’s economic outlook for our continued prosperity.

1.7 End the threat of federal government shutdowns

The phrase ‘government shutdown’ is younger than most members of Congress. Fifty years ago, government shutdowns didn’t exist. But now, each fall, the nation groans as Congress turns one of its most fundamental duties—passing a budget—into a manufactured crisis. As the deadline approaches, Congress stalls, and shutdown threats

⁷ “Governors Gianforte, DeSantis Promote Balanced Budget Amendment to U.S. Constitution,” Montana Governor Gianforte’s Office, March 24, 2025, available at https://news.mt.gov/Governors-Office/Governors_Gianforte_DeSantis_Promote_Balanced_Budget_Amendment_to_US_Constitution

dominate the headlines until a stopgap measure is slapped together at the eleventh hour.

The calendar is no secret, yet Washington, D.C. repeats the same frustrating cycle as though the budget deadline appeared out of nowhere. It appears to be high drama, but it's a failure of legislative responsibility and an executive misstep that traces back to the Carter administration.

Shutdowns were never meant to be part of our constitutional system. They emerged in 1980, when a 19th-century law was unilaterally reinterpreted by the Carter Administration to allow distinctions between “essential” and “nonessential” services and require agencies to close when appropriations lapse.

For nearly two centuries before that, the federal government continued to function during budget gaps. The founders designed a republic where Congress—through open debate and compromise—would set priorities and authorize spending, not one where the threat of chaos could be wielded as leverage.

Congress should get us off this embarrassing and costly budget shutdown merry-go-round. States have already shown the way. Rhode Island, Wisconsin, Kansas, and North Carolina have automatic continuing appropriations that keep last year's budget rolling until a new one is passed.⁸ If statehouses can manage it, Congress can too. This isn't just about protecting programs from disruption—it's about restoring accountability to the branch of government constitutionally charged with the power of the purse

State lawmakers should encourage Congress to act on similar reforms to help put a stop to federal government shutdown brinkmanship.

1.8 Provide citizens with a one-stop portal for government services

State governments across the United States are undergoing a significant transformation in the way they deliver public services. As residents increasingly expect government interactions to reflect the convenience, accessibility, and personalization of modern digital platforms, states are moving away from fragmented agency websites

⁸ “Federal government shutdown brinkmanship has got to go,” by Amber Gunn, Mountain States Policy Center, September 18, 2025, available at <https://www.mountainstatespolicy.org/post/federal-government-shutdown-brinkmanship-has-got-to-go>

and toward integrated digital service portals that provide a single point of access to government programs, records, licenses, permits, and public services.⁹ A one-stop portal for government services.

This shift represents more than a technological upgrade. It reflects a broader evolution in public administration that places citizens at the center of service delivery. Rather than requiring residents to navigate complex bureaucratic structures, determine which agency administers a particular program, create multiple user accounts, and repeatedly submit the same information, modern digital government platforms seek to consolidate services into a unified, secure, and user-friendly experience.¹⁰

The Mountain West is uniquely positioned to benefit from this approach. States throughout the region face many of the same challenges, including expansive geographic areas, dispersed populations, significant rural communities, and growing expectations for efficient public services. Residents often live considerable distances from state offices and may be required to travel long distances to complete routine government transactions. A one-stop portal can reduce these barriers by allowing citizens to securely access government services from virtually any location while improving operational efficiency across state governments.¹¹

Case Study: Louisiana's Integrated Eligibility System

Louisiana offers an example of how modernizing public benefit administration can improve both access for eligible residents and accountability for taxpayers. Rather than requiring applicants to navigate multiple agencies or submit duplicate paperwork for different programs, the Louisiana Department of Children and Family Services developed an integrated online benefits portal known as LA CAFÉ (Customer Service Center and Common Access Front End).¹² The portal allows residents to apply for and manage multiple public assistance programs – including SNAP, Medicaid, Family Independence Temporary

⁹“Creating a Citizen-Centric Digital Experience: How Far Have We Come?,” National Association of State Chief Information Officers (NASCIO), September 2023, available at https://www.nascio.org/wp-content/uploads/2023/09/NASCIO_CitizenCentricDigitalExp_2023-A.pdf

¹⁰ “Data and Digital Transformation in Government,” Deloitte Insights, November 2025, available at <https://www2.deloitte.com/us/en/insights/focus/digital-age-government.html>

¹¹ “Rural America,” U.S. Department of Agriculture, Economic Research Service, available at <https://www.ers.usda.gov/topics/rural-economy-population/>

¹² “LA CAFÉ, Customer Service Center and Common Access Front End,” available at <https://sspweb.ie.dcf.la.gov/selfservice/selfservice/SPController?id=0.4748507540355106&tab=1>

Assistance Program (FITAP), Child Care Assistance, and Disaster SNAP¹³ – through a single online account.

By consolidating applications into one eligibility platform, Louisiana simplified the process for individuals seeking assistance while also improving administrative efficiency. Applicants enter household, income, employment, and residency information once, and that information is evaluated across multiple programs using shared eligibility criteria where appropriate. This reduces repetitive paperwork for both applicants and caseworkers and allows agencies to process applications more efficiently.

Importantly, Louisiana's modernization efforts were designed not only to improve access but also to strengthen program integrity. The integrated eligibility system automatically verifies applicant information against federal and state databases, including wage records, Social Security information, unemployment insurance data, and other eligibility verification systems. These automated checks reduce manual processing, identify inconsistencies earlier in the application process, and help prevent both improper payments and duplicate benefits before they occur.¹⁴ Rather than relying solely on post-payment audits to identify errors, eligibility verification is built directly into the application process.

Louisiana's experience demonstrates that modernization efforts are most effective when they are designed around programs that share common eligibility standards and administrative functions.¹⁵ For Montana, Idaho, Wyoming, and Washington, this suggests that investments in digital modernization may yield the greatest returns when focused on streamlining public benefit applications, improving eligibility verification, and reducing administrative duplication. By directing modernization efforts where administrative overlap already exists, states can improve service delivery for residents while strengthening stewardship of taxpayer resources.

Beyond accessibility, integrated digital government offers significant administrative and policy benefits. Enterprise platforms can reduce redundancy across agencies, improve cybersecurity through standardized identity management, and create opportunities for shared

¹³ "USDA's Oversight of the Supplemental Nutrition Assistance Program," US Government Accountability Office, September 2024, available at https://www.gao.gov/products/gao-24-107461?utm_source

¹⁴ "One door, many opportunities: A win for Louisiana," Pelican Institute, June 25, 2025, available at <https://pelicanpolicy.org/opportunity-policy/one-door-many-opportunities-a-win-for-louisiana/>

¹⁵ Ibid.

services that lower long-term operational costs. At the same time, these systems can improve transparency and public trust by simplifying interactions with the government and making services easier to understand and use.

For Mountain West states, this transformation presents an opportunity to modernize service delivery in a way that aligns with regional needs while also reflecting the best national practices in digital government. The time is now to provide citizens with a one-stop portal for government services.

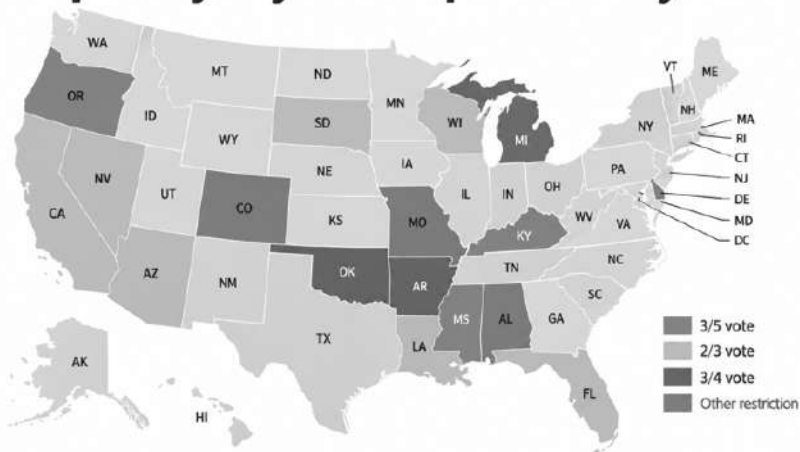
CHAPTER 2

2.1 Require a supermajority vote for state and local tax increases

If there's one thing Americans can still agree on, it's that tax policy is one of the most consequential decisions our government makes that impacts our economy and family budgets. There is also general agreement that tax increases should be the last resort when budgeting and imposing them should not be taken lightly by policymakers.

One way to ensure this occurs is by adding requirements to a state's constitution that require a supermajority vote or voter approval to raise taxes. This type of taxpayer protection already exists in several states.

Supermajority Vote Requirements by State



Examples from other states

There are currently 17 states with some form of supermajority or voter approval requirements for tax increases.¹⁶ Here are examples of the legislative vote thresholds required to raise taxes in those states:

¹⁶ "Senate considers supermajority for taxes constitutional amendments," Washington Policy Center, February 2013, available at <https://www.washingtonpolicy.org/publications/detail/senate-considers-supermajority-for-taxes-constitutional-amendments>

- 3/5 vote: Delaware, Kentucky, Mississippi, and Oregon.
- 2/3 vote: Arizona, California (includes fee increases), Florida, Louisiana, Nevada (includes fee increases), South Dakota, and Wisconsin.
- 3/4 vote: Arkansas, Michigan (property taxes only), and Oklahoma.
- Other: Alabama (state income and property taxes cannot be increased without a constitutional amendment), Colorado (voter approval is required for all tax increases), and Missouri (voter approval is required to raise taxes above a set revenue cap).

Here are examples of how these tax restrictions are worded in state constitutions:

- California Constitution Article 13a, Section 3: "Any change in state statute which results in any taxpayer paying a higher tax must be imposed by an act passed by not less than two-thirds of all members elected to each of the two houses of the Legislature, except that no new ad valorem taxes on real property, or sales or transaction taxes on the sales of real property may be imposed."¹⁷
- South Dakota Constitution Article 11, Section 14: "Vote required to impose or increase taxes. The rate of taxation imposed by the State of South Dakota in regard to any tax may not be increased and no new tax may be imposed by the State of South Dakota unless by consent of the people by exercise of their right of initiative or by two-thirds vote of all the members elect of each branch of the Legislature."¹⁸

Proactively acting to protect taxpayers by sending voters a supermajority for tax increases constitutional amendment is a prudent thing for policymakers to do. Whether requiring voter approval for all tax

¹⁷ "California Constitution Article XIII A - Tax Limitation Section 3," Justia Law, accessed on October 23, 2023, available at <https://law.justia.com/constitution/california/article-xiii-a/section-3/>

¹⁸ "Constitution," South Dakota Legislature, accessed on October 23, 2023, available at <https://sdlegislature.gov/Constitution/11-14>



increases, like in Colorado or needing a 2/3 legislative threshold, as occurs in Florida, increasing the tax burden imposed on families and businesses should first secure a broad consensus and always be the last resort when budgeting. It is also worth including a restriction on fee increases as well to avoid games being

played on raising revenue without a broad consensus.

2.2 Adopt automatic tax rebates tied to revenue triggers

Along with providing constitutional tax increase protections, several states like Oregon and Colorado also require automatic tax rebates when revenues grow above a certain level. Here are details on how that automatic refund process works in those states.

The Oregon Department of Revenue explains:¹⁹

“The Oregon surplus credit, known as the ‘kicker,’ is a way for state government to return some of your taxes to you when revenues are more than predicted. Every two years, the Oregon Department of Administrative Services (DAS) Office of Economic Analysis (OEA) determines whether there is a surplus and the amount to be returned to taxpayers as a kicker. If there's a surplus, the kicker may be claimed on the return as a refundable tax credit or donated to the State School Fund . . . The 1979 Oregon Legislature passed the ‘Two percent kicker’ law, which requires the state to refund excess revenue to taxpayers when actual General Fund revenues exceed the forecast amount by more than two percent.”

¹⁹ “Oregon surplus ‘Kicker’ credit,” Oregon Department of Revenue, accessed on October 23, 2023, available at <https://www.oregon.gov/dor/programs/individuals/pages/kicker.aspx>

According to the Colorado Department of Revenue:²⁰

“The Taxpayer's Bill of Rights (TABOR) Amendment was approved by voters in 1992. This amendment to the Constitution of the State of Colorado generally limits the amount of revenue governments in the state can retain and spend. Absent voter approval, it requires excess revenue to be refunded to taxpayers. TABOR also requires voter approval for certain tax increases. The state TABOR revenue limit is generally equal to the prior fiscal year's limit plus the rate of inflation and population growth in Colorado, subject to a voter-approved floor.”

Authorizing automatic tax rebate triggers based on revenue growth, like what occurs in Oregon and Colorado, will help policymakers avoid the temptation of overheating a state budget and increasing the pressure for future tax increases.

2.3 Use revenue triggers to reduce income tax rates

Over the past few years, lawmakers in Idaho and Montana have been working diligently on income tax reform by reducing rates and moving to a flat rate. The tax reduction action in both Montana and Idaho follows a national trend of lowering state income taxes. One of the only states not following the trend is Washington (a new income tax imposed in 2026 that is currently under legal challenge), providing a golden opportunity for policymakers in Idaho and Montana to take advantage of an extraordinary policy shift and solidify their state competitiveness for decades to come.

Comparing income tax rates

Income tax rates in the Mountain West and the western United States vary significantly. Wyoming and Nevada do not levy income taxes, while Washington state added a new income tax in 2026. California has the highest income tax rates in the country. Colorado and Utah both have income taxes, but they are both at or below 4.5%.

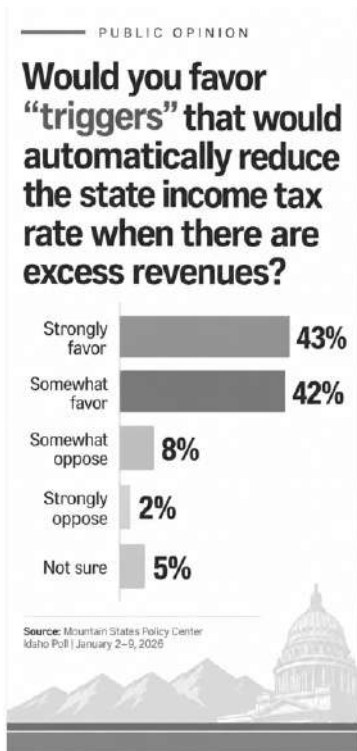
While the overall income tax reductions and focus on rates in Idaho and Montana are welcome, both states risk falling behind their neighbors if

²⁰ “Taxpayer's Bill of Rights (TABOR) Information,” Colorado Department of Revenue, accessed on October 23, 2023, available at <https://tax.colorado.gov/TABOR>

they don't take further action. Furthermore, states across the country with personal income taxes have also sought to lower the burden.

Tying extraordinary revenue growth to rate reductions

So how can lawmakers ensure the tax burden remains low, and a state is not over-collecting? One option is to tie the state's income tax rate to extraordinary revenue via a trigger. As the Tax Foundation reports:²¹



“When North Carolina legislators committed to comprehensive tax reform in 2013, they broadened tax bases and eliminated exemptions to fund rate reductions—but then turned to ‘tax triggers’ to implement a schedule of further rate cuts, as revenue permitted, in subsequent years. Seeking a lower individual income tax rate, Massachusetts policymakers opted for a gradual phase-in of rate cuts, proceeding only when revenue growth was more than sufficient to absorb the rate change.”

By using automatic triggers, there would be no need for special sessions of the legislature or one-time tax rebate checks that show the government has over-collected. The reduction would happen automatically.

The exact revenue percentage that is above expectations, the period of time required to make sure it is consistent, and the corresponding income tax rate reduction would all need to be set by lawmakers. Adopting this type of policy would send a clear message that Idaho and Montana will continue to lower the income tax burden it is placing on families and businesses.

²¹ “Designing tax triggers: lessons from the states,” Tax Foundation, September 2016, available at <https://files.taxfoundation.org/legacy/docs/TaxFoundation-FF526.pdf>

As the Tax Foundation notes, “tax triggers can help ensure revenue stability and limit the uncertainty associated with changes to the tax code while providing an efficient way for states to dedicate some portion of revenue growth to tax relief.”

Several states are also using triggers to phase out their income taxes entirely.

Here are some of the notable triggers being used by states to automatically reduce income tax rates:²²

- Indiana triggers to 2.9% in 2027, with an additional 0.05% reduction every year that economic conditions are met through 2042.
- North Carolina triggers down to 2.49% by 2030.
- Mississippi triggers to 3% by 2030, with future reductions until the tax rate hits zero.
- Oklahoma triggers down based on economic growth until the income tax is eventually phased out.
- Kansas triggers to a 4% flat tax based on economic growth.
- Kentucky triggers down based on economic growth until the income tax is eventually phased out.
- South Carolina triggers to a 1.99% flat tax and then eventual repeal based on economic growth.
- West Virginia triggers down based on economic growth until the income tax is eventually phased out.
- Missouri lawmakers in 2026 sent voters a constitutional amendment to allow replacing the income tax with an increase in sales taxes.

How rate reductions could help the economy and state credit ratings

²² “Why now is the time for Montana to join the flat tax revolution,” by Jason Mercier, Mountain States Policy Center, July 2026, available at https://www.mountainstatespolicy.org/_files/ugd/f1dfe7_0548a5a48bda41bb84cbb33874c8fb74.pdf

Economic analyses have found that tax cuts – specifically income tax cuts – are likely to immediately boost gross domestic product (GDP). Karel Mertens and Morten Ravn with the American Economic Review found that the progressivity of an income tax hurts economic growth. Idaho and Montana lawmakers have already addressed this issue by flattening the state’s income tax rate.²³ But Mertens and Ravn further found “a 1 percentage point cut in the average personal income tax rate raises real GDP per capita by 1.4 percent in the first quarter and by up to 1.8 percent after three quarters.”

Meantime, it is worth noting that states that rely heavily on volatile income taxes to support government revenue can find themselves on a roller coaster ride during inevitable economic downturns. This is because layoffs can crash a state’s income tax revenue, while sales and property taxes are less volatile in comparison.

This is confirmed by credit agencies across the country, including Standard and Poor’s (S&P), which says, “sales tax-based revenue structure... has demonstrated less sensitivity to economic cycles than income tax-reliant states.”²⁴ While no revenue source is immune to economic waves, graduated and capital gains income taxes are the most volatile taxes.²⁵

Rarely do policymakers get such an enormous opportunity to take advantage of surging tax revenues and the economic environment to lower the tax burden in their states and bring more stability to government revenues. With a revenue trigger, the more the state has in exceptional revenue growth, the lower the tax rate will go.

As the Tax Foundation points out, “well-designed triggers limit the volatility and unpredictability associated with any change to revenue codes and can be a valuable tool for states seeking to balance the economic impetus for tax reform with a governmental need for revenue predictability.”

²³ “What Is the Evidence on Taxes and Growth,” Tax Foundation, December 18, 2012, available at <https://taxfoundation.org/research/all/federal/what-evidence-taxes-and-growth/>

²⁴ “State of Washington Appropriations, General Obligation,” S&P Global Ratings, July 11, 2022, available at <https://www.tre.wa.gov/wp-content/uploads/2023AT-SP-2022.07.11-Report.pdf>

²⁵ “Income taxes are more volatile than sales taxes during an economic contraction,” by Jared Walczak, Tax Foundation, March 17, 2020, available at <https://taxfoundation.org/income-taxes-are-more-volatile-than-sales-taxes-during-recession/>

2.4 Montana should join the flat tax revolution

Over the last decade, the Treasure State has adopted several personal income tax reforms by reducing its numerous graduated tax brackets from seven to two, significantly dropping the top rate from 6.9% to 5.4%, and bringing record tax relief to Montanans.²⁶

Despite these efforts, Montana is still surrounded by states with lower income tax rates.²⁷ This includes Idaho with a flat rate of 5.3% (both personal and corporate), Wyoming and South Dakota with no personal or corporate income tax, and North Dakota with a top graduated personal rate of 2.5%.

States across the country are competing for people and capital with tax reform. For example, there has been a flat tax revolution over the last decade, with 10 states adopting this tax reform during that period. In total, 17 states currently use (or are moving to) a flat income tax rate, including several “blue” states like Illinois (4.95%), Colorado (4.4%), Michigan (4.25%), and Pennsylvania (3.07%).²⁸

States with flat income taxes

State	Rate
Idaho	5.30%
Georgia	4.99%
Illinois	4.95%
Utah	4.45%
Colorado	4.40%
Mississippi	4.40%
Michigan	4.25%
North Carolina	3.99%
Iowa	3.80%
Kentucky	3.50%
Pennsylvania	3.07%
Louisiana	3.00%
Indiana	2.95%
Arizona	2.50%

²⁶ “A History of Recent Individual Income Tax Changes in Montana,” Montana Legislative Branch, February 25, 2026, available at <https://archive.legmt.gov/content/Publications/fiscal/2027-Biennium/Committees/MARA/MARA-History-of-Income-Tax-Changes-Brochure-Feb2026.pdf>

²⁷ “State Individual Income Tax Rates and Brackets, 2026,” Tax Foundation, February 17, 2026, available at <https://taxfoundation.org/data/all/state/state-income-tax-rates-2026/>

²⁸ “The State Flat Tax Revolution: Where Things Stand Today,” Tax Foundation, October 8, 2025, available at <https://taxfoundation.org/data/all/state/flat-tax-state-income-tax-reform/>

Montana could continue to improve its economic outlook by building on its impressive income tax reforms by moving to a flat income tax rate.

Why are states moving to a flat tax?

There are four important benefits of moving to a flat income tax structure: Simplicity, economic efficiency, transparency, and protection against tax increases.

By having one flat tax rate, compliance costs are reduced, saving taxpayers time and money. Revenue forecasting is also improved, making it easier for policymakers to estimate how tax rate changes could impact collections. The neutral tax treatment of economic activity also incentivizes investment and work, leading to a growing economy.

Utilizing a flat tax rate also reduces the ability of government officials to impose discriminatory tax policy or pursue efforts to “tax the man behind the tree.”²⁹ A tax increase imposed on everyone uniformly is less likely to occur and would be reserved as a true last resort for budgeting. This helps to keep spending and taxes in check.

As noted by the Tax Foundation:



The economic case for a 4.7% Montana flat tax.

Lower taxes.
A stronger economy.
A brighter future for Montana.

A curved arrow points from the text to a QR code.

“For states that want to remove barriers to upward mobility and business investment while promoting long-term economic growth and enhancing their competitive standing, moving from a graduated-rate to a single-rate individual income tax structure while reducing the top marginal rate is

²⁹ “Congressional Record of 105th Congress,” U.S. Congress, March 14, 1997, available at <https://www.congress.gov/105/crec/1997/03/14/143/33/CREC-1997-03-14.pdf>

among the most valuable tax reforms lawmakers could adopt.”³⁰

Of the states that impose an income tax, there are 17 with a flat income tax rate (two based on hitting triggers).³¹ Ten of those states moved to a flat tax within the last decade. Massachusetts previously had a 5.0% flat tax until a “millionaires’” tax was imposed in 2023. In 2025, Kansas passed a law to move to a 4% flat tax based on revenue triggers.³²

Reforming corporate income tax is also important for economic growth

Along with moving Montana to a competitive flat income tax rate, attention should also be given to reforming the state’s regionally high corporate income tax. Imposed at 6.75%, the Treasure State corporate tax rate is an outlier compared to neighboring states.³³ There is no corporate income tax in Wyoming or South Dakota and Idaho’s rate is 5.3%.

Discussing why corporate tax rates matter, the Tax Foundation notes:

“Understanding who bears the burden of the corporate tax and the effects of a higher rate are essential to sound policymaking. A competitive corporate rate would help our tax code raise revenue without standing in the way of individuals looking for greater opportunities—for themselves, their families, their innovations, and their savings.”³⁴

Though it is often assumed that corporate taxes are paid by shareholders, the incidence of the tax is ultimately borne by workers through lower wages and consumers with higher prices.³⁵ Ideally, Montana’s corporate tax rate should eventually match the new flat personal income tax rate.

³⁰ “The State Flat Tax Revolution: Where Things Stand Today,” Tax Foundation, October 8, 2025, available at <https://taxfoundation.org/data/all/state/flat-tax-state-income-tax-reform/>

³¹ *IBID.*

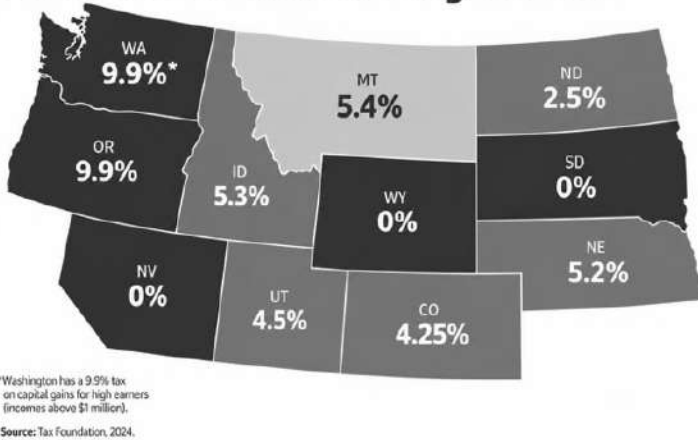
³² “Kansas House passes bill to trigger income tax cuts as long as state has surplus funds,” Kansas Reflector, March 25, 2025, available at <https://kansasreflector.com/2025/03/26/kansas-house-passes-bill-to-trigger-income-tax-cuts-as-long-as-state-has-surplus-funds/>

³³ “State Corporate Income Tax Rates and Brackets, 2026,” Tax Foundation, January 5, 2026, available at <https://taxfoundation.org/data/all/state/state-corporate-income-tax-rates-brackets/>

³⁴ “Why Should I Care About the Corporate Tax Rate?,” Tax Foundation, September 23, 2024, available at <https://taxfoundation.org/blog/why-corporate-taxes-important/>

³⁵ “Who Really Pays? Reevaluating the Corporate Tax Burden,” Mercatus Center, September 23, 2025, available at <https://www.mercatus.org/research/policy-briefs/who-really-pays-reevaluating-corporate-tax-burden>

Income Tax Rates by State



2.5 Reform property taxes

Calls to abolish property taxes keep growing louder across the country in response to growing concern about ever-rising property assessments and tax bills. In addition, more are asking philosophical questions about the morality of taxing property repeatedly, and why they should “pay rent to the government” in their opinion for property they own.

Property taxes have been a source of complaint since ancient times, and in the U.S. since the colonial era, when nascent territorial governments used it to fund transportation networks to increase trade and commerce.³⁶

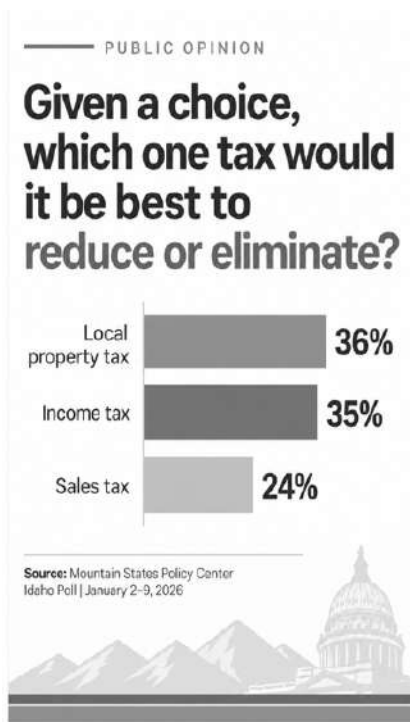
While the complaints against the property tax are understandable, there are significant ways to improve it. The alternative funding sources are worse for the economy and will make it significantly more difficult to fund roads, schools, fire and police departments, and other core functions of local government.

Consider that, in 2024, Idaho local taxing districts levied about \$2.2 billion in property taxes³⁷, with the money supporting counties, cities, schools, highway districts and other local governments.

³⁶ “A History of the Property Tax in America,” in *Property Taxation and Local Government Finance*, Wallace E. Oates, ed. Cambridge: Lincoln Institute of Land Policy, pp. 123-147, 2001. Reprinted in *State Tax Notes*, 18, 23, May 29, 2000, available at <https://econweb.umd.edu/~wallis/MyPapers/PTFinal.pdf>

³⁷ “Market Values and Property Taxes and the Effects of the Homeowner’s Exemption: 2024,” Idaho State Tax Commission, December 6, 2024, revised December 30, 2024, available at https://tax.idaho.gov/wp-content/uploads/reports/EPB00132/EPB00132_12-31-2024.pdf

Using Census Bureau retail-sales data as a simple illustration, Idaho had about \$40.6 billion in retail sales³⁸ in 2022. Replacing \$2.2 billion in property taxes from that base would require the equivalent of roughly another 5.4% sales tax. Added to Idaho’s existing 6% rate, that would



mean a combined rate of roughly 11.4%. But that would also represent a major shift in local control: Boise would collect the replacement revenue and determine how to distribute it back to local governments.

Another option would keep the decision local. Counties could be allowed to replace property taxes with their own sales tax. Our estimates show why that approach produces very different results across Idaho. Complete replacement would require roughly a 2.8% local sales tax in Bonneville County, resulting in an 8.8% combined rate. In Ada County, the estimate is about 5.5% locally, or 11.5%

combined. In Valley County, it jumps to approximately 14.7% locally, or 20.7% combined. These are illustrative estimates using Census retail sales rather than Idaho’s statutory taxable-sales base, but the differences demonstrate the problem clearly.

That is the central tradeoff. Eliminating property taxes may sound popular; the tax required to replace them may be considerably less popular. Eliminating a \$2.2 billion tax does not eliminate a \$2.2 billion revenue requirement unless spending falls with it.

³⁸ “QuickFacts: Idaho,” U.S. Census Bureau, Total Retail Sales, 2022, available at <https://www.census.gov/quickfacts/fact/table/ID/RTN130217>

What Would It Take to Replace Property Taxes in Idaho?

Top 10 counties with the highest estimated sales-tax rate needed to replace existing property-tax revenue.

Rank	County	Estimated 2024 Property Tax Revenue	2022 Retail Sales (Census)	Sales Tax Needed to Replace Property Tax	Total Sales Tax Rate (with current 6%)
1	Boise	\$10.0M	\$33.2M	30.27%	36.27%
2	Power	\$16.5M	\$78.1M	21.15%	27.15%
3	Valley	\$37.2M	\$253.0M	14.69%	20.69%
4	Blaine	\$73.3M	\$501.1M	14.63%	20.63%
5	Teton	\$22.2M	\$172.4M	12.85%	18.85%
6	Adams	\$4.9M	\$47.1M	10.39%	16.39%
7	Butte	\$2.3M	\$21.6M	10.73%	16.73%
8	Fremont	\$17.4M	\$169.3M	10.29%	16.29%
9	Owyhee	\$9.6M	\$97.2M	9.84%	15.84%
10	Caribou	\$11.3M	\$119.3M	9.47%	15.47%

Note: Based on 2024 Idaho property-tax data from the Idaho State Tax Commission and 2022 county retail-sales data from the U.S. Census Bureau. Estimates use total retail sales, which are not identical to Idaho's statutory taxable-sales base. Census does not report a usable retail-sales figure for Camas and Clark counties, and the figure for Lincoln County is suppressed.

Sources: Idaho State Tax Commission, "Market Values and Property Taxes and the Effects of the Homeowner's Exemption: 2024," December 6, 2024, revised December 30, 2024, available at https://tax.idaho.gov/wp-content/uploads/reports/EPB00132/EPB00132_12-31-2024.pdf; U.S. Census Bureau, 2022 County Business Patterns (Retail Sales), available at <https://www.census.gov/>.

As Manish Bhatt of the Tax Foundation said:

“Nationally, over 70 percent of local government revenue is raised through the property tax. Eliminating it could compromise the services that residents depend on each day or force lawmakers to consider shifting to more economically harmful forms of taxation. These replacement revenue sources pose challenges of geographic distribution and can create perverse incentives for localities as they compete for additional state funding. In lieu of wholesale elimination, lawmakers would do well to consider neutral reforms to the existing property tax.”³⁹

The case for keeping the property tax

There are four main reasons why the property tax should be kept:

- It’s transparent.
- It supports the local government services tied to the property.

³⁹ Email to MSPC, August 7, 2025.

- It's a stable, efficient, and fair way to support local government services.
- It's a more economically efficient and less volatile tax than income and sales taxes and doesn't deter people from moving to a particular area, unlike the aforementioned taxes.

As Jared Walczak writes in *Confronting the New Property Tax Revolt*:

“Imagine a new community is formed in a place without government services. The best thing to do, presumably, is form a government, because some services are best provided or at least funded by governments. But if this were impossible for some reason, the private sector certainly *can* provide roads, schools, security services, firefighters, and the like. Imagine that homeowners enter contracts for some of these services, paying premiums for police and fire protection, or paying to ensure that their home is on the road grid. Would they value these services, and expect to pay for them, even though they already paid for their home? And would they, in fact, potentially value them more highly if their home has a higher value?”⁴⁰

Regardless of whether one pays for services via taxes or other means, a homeowner will need them continually, not just the year of purchase. Local governments are structured to provide stable services.

Notably, multiple studies show that property taxes are healthier for growth than income and sales taxes.⁴¹ The data is clear: property taxes are both the most efficient way to raise local revenue, do the least economic harm, and can even help increase gross state and domestic product when taxes are shifted from income and sales taxes to property taxes.

If not repeal, what property tax reforms should be enacted?

Policymakers should focus on enacting levy limits and providing more transparency on the impact spending has on property taxes. This would shift the focus from assessments to the revenue needed to effectively run local government. To aid lower-income people of all ages, policymakers could also pass what are known as circuit breakers.

⁴⁰ “Confronting the New Property Tax Revolt,” Tax Foundation, November 5, 2024, available at <https://taxfoundation.org/research/all/state/property-tax-relief-reform-options>

⁴¹ IBID.

Generally, there are two types. One offers relief when property taxes surpass a certain income percentage and is known as a “threshold” circuit breaker. The other basis discounts on a “sliding scale” of different income levels.⁴²

As noted by the Tax Foundation:

“Many states establish eligibility based on age as well as income, but... Many retirees are wealthy and should not receive targeted relief merely due to their age, while at the same time, many families well under retirement age face financial difficulties. A circuit breaker that grants eligibility based on either age *or* income is unnecessarily broad, while one that makes age-based eligibility a prerequisite fails to help many households in need.”⁴³

A targeted circuit breaker could provide relief to low-income and fixed-income homeowners of any age in combination with the levy limits.

While calls for scrapping the property tax are understandable, studies show the alternative – moving to a higher sales or income tax – will hurt the economy and job growth, provide inadequate funding, and generate animosity between municipalities. Policymakers should instead move to foster fairness, stability, transparency, and fiscal restraint through the proven concepts of levy limits.

When paired with a reform known as Truth in Taxation, residents would be able to meaningfully constrain their property tax bills.⁴⁴ These laws require local governments to advertise proposed tax increases with detailed information and adequate time for public input and comment. Ultimately, the key to controlling property taxes is to keep spending in check.

2.6 Adopt Truth in Taxation to improve accountability for property taxes

Property taxes are an important part of the tax base for school districts,

⁴² “Property Tax Circuit Breakers,” Lincoln Institute of Land Policy, May 2009, available at <https://www.lincolnst.edu/publications/policy-focus-reports/property-tax-circuit-breakers/>

⁴³ “Confronting the New Property Tax Revolt,” Tax Foundation, November 5, 2024, available at <https://taxfoundation.org/research/all/state/property-tax-relief-reform-options>

⁴⁴ “Bring greater transparency to property taxes with Truth in Taxation,” Mountain States Policy Center, September 11, 2023, available at <https://www.mountainstatespolicy.org/post/bring-greater-transparency-to-property-taxes-with-truth-in-taxation>

local governments, and many states. Though based on a relatively straightforward calculation, they are among the least understood taxes by taxpayers. Although there are variations in each state, the general formula for property taxes is the value of the property multiplied by the tax rate.

Too often, taxpayers focus on assessed values instead of the spending decisions made by government officials when considering their property tax burden. With record property tax assessment increases occurring across the country, homeowners are concerned about the potential impact on their property tax bills.

First, it is important for taxpayers to know that assessments are just a part of the calculation. The main driver of property taxes is spending increases approved by policymakers and voters themselves through levies.

This is why efforts to restrict property assessments are often misplaced and lead to other problems. The better way to control property tax increases is on the spending side and/or with levy restrictions. One way to help bring greater transparency to the fact that spending is the main cause of property tax increases is with a reform called Truth in Taxation.

Case Study: Utah & Nebraska's Truth in Taxation Example

To bring more transparency to property tax increases, Utah was the first to adopt Truth in Taxation in 1985. Here is how the Utah Legislature describes the state's Truth in Taxation law:⁴⁵

“The basic concept of the system is that taxing entities may only budget the same amount of property tax each year, unless they have ‘new growth’ (not just change in value on existing properties) or go through a very public process of notifying the public and holding a public hearing on the proposed revenue increase. To achieve this, as taxable values change, the tax rate automatically adjusts to provide a constant amount of revenue. When values increase, the tax rate adjusts down to provide the taxing entity the same amount of revenue as it received in the prior year. When values decrease, the tax rate adjusts up to provide the same amount of revenue.”

⁴⁵ “A History of Property Tax in Utah,” Utah Legislature, September 2010, available at <https://le.utah.gov/lrgc/briefings/BriefingPaperPropertyTaxHistorySept2010.pdf>

Utah's Property Tax Division further explains:⁴⁶

"Taxing entities are required to follow a series of date specific steps, including notification to the county, newspaper advertisements, parcel specific notices, and a public hearing, before adopting a property tax rate above a calculated certified tax rate."

Nebraska has also adopted Truth in Taxation. An example of its tax increase postcards is below.

NOTICE OF PROPOSED TAX INCREASE
WASHINGTON COUNTY

The following political subdivisions are proposing a revenue increase which would result in an overall increase in property taxes in 2022. THE ACTUAL TAX ON YOUR PROPERTY MAY INCREASE OR DECREASE. This notice contains estimates of the tax on your property as a result of this revenue increase. These estimates are calculated on the basis of the proposed 2022 data. The actual tax on your property may vary from these estimates. This notice does not reflect the total of all property taxes due for this parcel.

Parcel Number: [REDACTED]
Owner Information: [REDACTED]
Situation Address: [REDACTED]
Legal Description: [REDACTED]

2021 Assessed Value	\$ 199,205	2022 Assessed Value	\$ 213,445		
Political Subdivision	2021 Taxes	2022 Estimated Tax	Estimated Change	Hearing	
METRO TECH (531) 622-2428	\$ 169.24	\$ 202.77	\$ 13.53	1	
BLAIR SCHOOL 1 (402) 427-2716	\$ 2,167.50	\$ 2,342.75	\$ 155.25	2	
WASHINGTON COUNTY (402) 426-6822	\$ 693.43	\$ 760.06	\$ 66.63	2	

PUBLIC HEARINGS

Hearing: 1 Date: Sep 27, 2022 Location: OMAHA CIVIC CENTER, LEG CHAMBER, 2ND FLOOR
Time: 06:05 PM 1218 FARNAM ST, OMAHA, NE 68103

Hearing: 2 Date: Sep 28, 2022 Location: BLAIR HIGH SCHOOL AUDITORIUM
Time: 06:05 PM 440 N 10TH ST, BLAIR, NE 68008

To obtain more information regarding the tax increase, citizens may contact the political subdivision at the telephone number provided in this notice. Please note that the taxes described on this postcard are determined before any exemption amount or property tax credit has been calculated.

Montana Governor Greg Gianforte succinctly explained the need for policymakers to focus on property tax transparency when he said in 2023:⁴⁷

"To ease the property tax burden, we must reform our system and bring greater transparency, accountability, and responsibility to local spending."

Even though Idaho doesn't have a statewide property tax and the legislature recently enacted property tax rebates to help with the local tax burden, Truth in Taxation is still needed in the Gem State to help

⁴⁶ "Tax Increase Requirements," Utah Property Tax Division, accessed on September 2023, available at <https://propertytax.utah.gov/tax-increases/>

⁴⁷ "Delivering income and property tax relief for Montanans," Independent Record, July 2023, available at https://helenair.com/opinion/column/greg-gianforte-delivering-income-and-property-tax-relief-for-montanans/article_09191952-2d73-11ee-9d53-536912f93301.html

empower taxpayers at the local level to better engage and understand their property tax burden and the connection to spending.⁴⁸

With the cry for property tax reform getting louder, policymakers in the Mountain States should focus their efforts on improving transparency and voter engagement with Truth in Taxation.

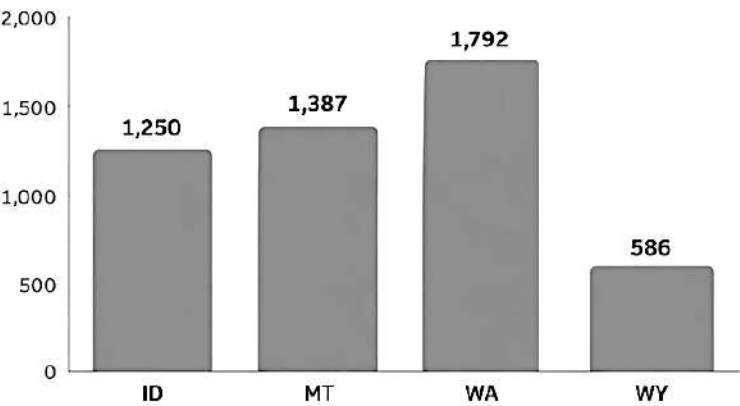
2.7 Create a Tax Transparency website

To be fully engaged in our governance, we need to be able to evaluate the level and value of service we receive for the taxes we pay. One of the ways to do this is with budget transparency resources like Transparent Idaho⁴⁹ and Washington State Fiscal Information websites.⁵⁰ Spending details, however, are only part of the equation. Meaningful transparency on the amount of taxes we pay and to whom is often the missing component.

Consider just how many taxing districts (entities with the authority to impose taxes) there are in each of the Mountain States:

Taxing Districts by State

Number of taxing districts in Idaho, Montana, Washington, and Wyoming.



Note: Number of taxing districts in Idaho, Montana, Washington, and Wyoming.
Source: Idaho State Tax Commission, "Market Values and Property Taxes and the Effects of the Homeowner's Exemption: 2024," December 6, 2024, revised December 30, 2024, available at <https://tax.idaho.gov/>.

⁴⁸ "Idaho property tax relief going forward after all," Mountain States Policy Center, March 2023, available at <https://www.mountainstatespolicy.org/post/idaho-property-tax-relief-going-forward-after-all>

⁴⁹ "Transparent Idaho," available at <https://transparent.idaho.gov/>

⁵⁰ "Washington State Fiscal Information," available at <https://fiscal.wa.gov/>

This means the typical home and business in these states could be subject to numerous taxing districts at the same time. The ability to hold the appropriate level of government accountable for that tax burden means knowing how much of the total tax bill they are responsible for and if the cost is worth the level and quality of service provided.

Now imagine if you could go to a tax transparency website and enter your home or business address to quickly see all the taxing districts you are subject to, at what rates, and perhaps be provided an educational calculator on your total estimated tax liability based on where you live.

As U.S. Supreme Court Justice Oliver Wendell Holmes, Jr, once noted, “Taxes are the price we pay for a civilized society.” Civilization, however, need not be shrouded in the mystery of compounding tax districts without meaningful transparency. Policymakers in the Mountain States should remove the mystery surrounding taxation by adopting a tax transparency website.

2.8 Use a taxpayer receipt to help provide a snapshot of government spending



We're all familiar with the shopping experience of seeing the total amount we owe ring up on the register and then being provided with an itemized receipt showing what we purchased. This simple sheet of paper helps us remember and understand where our shopping dollars went. Now imagine if you were provided

with a taxpayer receipt providing the same information for your tax dollars and how it relates to government spending.

Utah is doing just this. Adopted by lawmakers in 2013, HB 129 required the Office of Legislative Fiscal Office.⁵¹

“To develop a taxpayer receipt: (i) available to taxpayers through a website; and (ii) that allows a taxpayer to view on the website an estimate of how the taxpayer's tax dollars are expended for government purposes; and to publish or provide other information on taxation and government expenditures that may be accessed by the public.”

Utah's taxpayer receipt allows users to see what their tax dollars buy by an individual providing information on household size, income, amount of home value or rent, and type of cars and miles driven.⁵² The taxpayer receipt site notes:

“Your data is not stored or sent to any government entity. Results are illustrative of a typical full-year Utah resident with similar circumstance. Only State of Utah imposed taxes. Does not include local sales or property taxes or federal fuel or income taxes. Does not include fines, fees, or other taxes and charges paid to state government.”

Here is an example of what the Utah taxpayer receipt looks like by using these data points: A family of four, with \$80,000 in income, a home valued at \$300,000, and two mid-sized cars driven for a combined 40,000 miles a year.

According to the Utah taxpayer receipt, our sample family would owe \$810 in fuel taxes, pay \$2,690 in income taxes, \$230 in state property taxes, and \$1,320 in sales taxes for a total state tax liability of \$5,050.

The estimated use for these tax dollars would be for the following: \$180 for criminal justice, \$70 for economic development, \$20 for elected officials, \$80 for environmental and natural resources, \$50 for general government, \$560 for higher education, \$1,740 for infrastructure, \$1,890 for public education, and \$480 for social services (\$5,050 in state spending).

⁵¹ “H.B. 129 Amendments to Powers, Functions, and Duties of Office of Legislative Fiscal Analyst – 2013,” Utah Legislature, available at <https://le.utah.gov/~2013/bills/static/hb0129.html>

⁵² “Taxpayer Receipt,” Utah Legislature, accessed on May 22, 2024, available at <https://le.utah.gov/lfa/taxpayerreceipt.html>

Answer the following brief questions to see what your Utah state tax dollar buys.¹ [Reset Values](#)

HOUSEHOLD SIZE
How many people are in your family that you claim as dependent?

INCOME
How much total income (before taxes) do you (and your spouse, if you file jointly) earn in Utah each year?

PROPERTY
If you **OWN** your primary Utah residence, what is the approximate market value?

If you **RENT** your primary residence in Utah, how much do you pay monthly?

If you **OWN OTHER PROPERTIES** in Utah, what is their combined approximate market value?

VEHICLES
How many vehicles do members of your household own and how much do you drive?

	Number of Vehicles	Annual Mile
Motorcycles	<input type="text" value="0"/>	<input type="text" value="0"/>
Small Fuel	<input type="text" value="0"/>	<input type="text" value="0"/>
Midsize Fuel	<input type="text" value="2"/>	<input type="text" value="40,000"/>
Large Fuel	<input type="text" value="0"/>	<input type="text" value="0"/>
Hybrid	<input type="text" value="0"/>	<input type="text" value="0"/>
Plug-in Electric	<input type="text" value="0"/>	<input type="text" value="0"/>

Flow of State Tax Payments To State Expenditures²

Your Estimated Taxes Paid

Fuel Tax	\$810
Income Tax	\$2,690
Property Tax	\$230
State Sales Tax	\$1,320
Grand Total	\$5,050

Your Estimated Public Purchases
(Click on an item below to Explore Details)

Criminal Justice	\$180
Economic Development	\$70
Elected Officials	\$20
Environment & Natural Resources	\$80
General Government	\$50
Higher Education	\$560
Infrastructure	\$1,740
Public Education	\$1,890
Social Services	\$480
Grand Total	\$5,050

Providing fair and reasonable estimates of how your tax dollars may be spent.

[Download PDF](#)

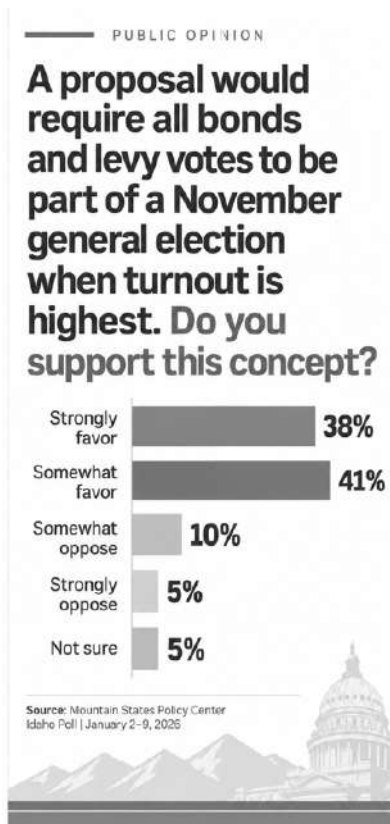
Users of the Utah taxpayer receipt site are also able to drill down further on the data for additional information. By combining a taxpayer receipt with a tax transparency website and state budget transparency resources, policymakers can help put taxpayers in the driver's seat to understand where their tax dollars are going and how much they are paying for those government services.

2.9 Move tax ballot measures to the November general election

No matter where you live, tax increases have a significant impact on citizens and businesses. State and federal tax increases are often easier to track, but local tax increases can sometimes fly under the radar. In fact, local tax increases often get considered during low-turnout special elections in winter and early spring, when few are even aware that there is an election being held. In an effort to ensure the highest voter participation possible for tax increases, these ballot proposals should be moved to the November General election.

Special elections nationally, on average, have a 19% turnout compared to 44% in general elections.⁵³ There are many contributing factors as to why the general election has a higher turnout. TV ads and mailers in these elections generally attract more attention to voting on these

⁵³ "The Sales Tax, Special Elections, and Voter Turnout," By Dr. Jeremy Horpedahl, Arkansas Center for Research in Economics, March 16, 2017. Available at <https://uca.edu/acre/2017/03/16/the-sales-tax-special-elections-and-voter-turnout>



ballots. Voters have also been conditioned to know that the “big ticket” ballot items occur at the November general election.

Despite this, nationally, from 1981 to 2020, roughly 82% of local options sales tax ballot measures took place at a special election. These special elections usually determine matters like school bonds and city tax levies. This means important tax issues were decided during low-turnout elections.

Changing election dates can improve voter turnout

Many cities and municipalities across the country have made changes to reform when elections are held to improve voter turnout. Some of these reforms have

resulted in a 20%-40% increase in voter turnout. Consider the case of California. In 2015, SB 415 was enacted, which prevented local governments from holding elections on dates other than statewide election dates if past off-cycle elections had significantly lower turnout than the statewide.⁵⁴

Unfortunately, there’s a trend of local government officials putting tax proposals on the calendar during elections with historically low turnout. Why shouldn’t these matters be considered at the November general election ballot?

Government officials proposing a tax increase owe it to their residents to put important decisions in front of them when they know voters are paying attention and more likely to participate in an election.

Case Study: Idaho’s election date reform

⁵⁴ California SB415” Regular Session. LegiScan. 2016. Available at <https://legiscan.com/CA/text/SB415/id/1207878>

Idaho has made significant progress in consolidating elections. In 2023, Idaho lawmakers eliminated the annual March election, and in 2024, removed the August school elections to increase voter turnout and civic engagement.⁵⁵ Historically, this is when school districts often offer supplemental levies; instead, those were shifted to the May primary or November general election with higher voter turnout.

A low-turnout election should not be used to consider increasing the tax burden imposed on citizens and businesses. Policymakers should ensure that in every instance, ballot measures proposing tax increases are voted on in the general election, or at a minimum, during the primary election. Government officials should strive to maximize voter participation on important issues, and requiring tax increases to be considered at a primary or general election does just that. There is never a good argument to use a low-turnout election to ask the community to increase taxes on families and businesses.

Election Calendars by State

Months in which each state regularly holds statewide elections.

Month	Idaho	Washington	Montana	Wyoming
February		✓		
April		✓		
May	✓		✓	
June			✓	
August		✓		✓
November	✓	✓	✓	✓

Note: Indicates months in which states regularly hold statewide elections, based on state law. States may also hold other elections (e.g., special elections) in additional months.

Source: National Conference of State Legislatures, "State Election Calendars," updated 2024, available at <https://www.ncsl.org/elections-and-campaigns/state-election-calendars>.

⁵⁵ "Tax increase ballot measures: How to increase voter participation," by Sam Cardwell, Mountain States Policy Center, June 2026, available at https://www.mountainstatespolicy.org/_files/ugd/f1dfe7_407ed53e413c420aad91c049cd44c3ab.pdf

2.10 Adopt a 30-day work requirement for state income tax liability

Remote work continues to surge across the country. Consequently, this trend needs the proper policy actions by policymakers to allow these employees to both thrive in their positions and incentivize them to work in the state. As remote-based companies grow, they need to have the assurance that the states their employees reside in are well-suited for their sector of work.

There is a great administrative advantage for employers to have the option to choose from job candidates all around the country without experiencing hesitations around a state's tax policies. One of the areas of policy involved is an income tax obligation or withholding threshold.

This is the limit that employees must exceed in a state before they are either liable to pay the state income tax or employers are required to withhold income taxes on the employees' behalf. Around the country, states have been looking at ways to increase this threshold to make their state attractive for remote and nonresident employees to work out of. Idaho should follow suit.

As it stands in the Gem State, a nonresident employee must make \$1,000 while in Idaho to have their employer withhold their income tax for the state. While this policy is mainly associated with remote workers, it also affects those who engage in frequent business travel and those who desire to work in a hybrid model in a different state.

Case Study: Montana's income tax threshold

Several states are acting to reform their nonresident income tax thresholds. In May of 2023, Montana passed a 30-day threshold for income tax liability. HB 447 states that:⁵⁶

“Compensation that is received by a nonresident for employment duties performed in this state, is excluded from Montana source income if: The nonresident is present in this state to perform employment duties for not more than 30 days during the tax year in which the compensation is received, where

⁵⁶ “HB 447- 2023,” Montana Legislature, accessed on May 21, 2024, available at <https://leg.mt.gov/bills/2023/billhtml/HB0447.htm>

presence in this state for any part of a day constitutes presence.”

While the issue of income tax relating to nonresident workers is treated differently throughout the country, Idaho should consider moving to a 30-day income tax obligation threshold. The state needs to both encourage remote and nonresident workers to operate in Idaho and ensure that employees aren’t taking advantage of a tax loophole.

A 30-day threshold would accomplish both. A wage threshold proves to be very complicated in the case of an employer with employees in multiple states. The employer must take all the specific wage thresholds into consideration while making hires and sending employees to other states for meetings, conferences, and other forms of business engagement.

A wage threshold also disincentivizes entrepreneurs from organizing events like business conferences. If the organizers know they will be obligated to pay the income tax within a given state if they exceed a certain compensation level, they will simply relocate to a state where they wouldn’t be penalized.

The 30-day mark provides adequate time for nonresidents to collaborate with residents while participating in the local economy. The current threshold standard in Idaho is lacking compared to the 30-day-specific direction that states like Montana are following.

2.11 Avoid sugary beverage taxes

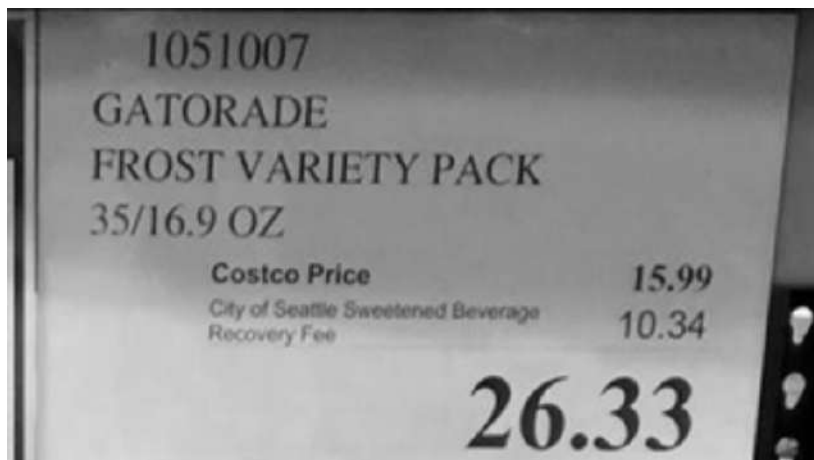
Policymakers have various tax levers available, but one they should avoid pulling is a tax specifically on sugary beverages. These taxes often come with promises to decrease sugar consumption and raise revenue for popular programs. These goals are counterintuitive. If soda taxes were successful in deterring consumption, the revenue stream for popular programs would decrease.

Research has been mixed. In Seattle, where in 2018 city leaders adopted a 1.75 cents per fluid ounce sugary beverage tax, there was little evidence of impact. In fact, research conducted by the city

showed that, while consumption of beverages did decline, it declined more in neighboring cities that did not have a sugary beverage tax.⁵⁷

In some stores, customers ended up being charged \$10 to \$15 more for Gatorade, soda and other drinks with sugar.

Peer-reviewed research on the Seattle beverage tax also showed a significant increase in beer purchases following implementation, suggesting alternative purchases were not necessarily healthy.⁵⁸ Policymakers are essentially using taxes to play sugar whack-a-mole.



Additional data on Philadelphia’s sugary drink tax show a reduction in sugary drink consumption but an increase in purchases of sugary foods. Researchers concluded, “the policy can be undermined by consumers changing their sources of sugar.”⁵⁹

Sugary drink taxes are very regressive, meaning they fall hardest on lower-income households — the very people lawmakers claim they want to help. A tax that adds dollars to a grocery bill doesn’t become progressive just because the revenue is spent on good intentions. Someone still pays at the register.

⁵⁷ “Twelve-month report: Store Audits and Child Cohort, The Evaluation of Seattle’s sweetened beverage tax,” March 2020, conducted by the City of Seattle, available at <https://www.documentcloud.org/documents/6838848-12-Month-SBT-Report-Final.html>

⁵⁸ “Impact of the Seattle Sweetened Beverage Tax on substitution to alcoholic beverages,” January 18, 2022, University of Illinois, available at <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0262578#references>

⁵⁹ “The effect of soda taxes beyond beverages in Philadelphia,” National Library of Medicine, August 2022, available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9804786/>

This is the deeper problem: the belief that government can micromanage personal behavior through the tax code. If soda is taxable because it's unhealthy, what's next? Candy? Snack foods? Ice cream? Fast food? At some point, the logic collapses under its own weight because it's not the government's role to tax away consumer behavior.

2.12 Index Idaho's grocery tax rebate for inflation

Idaho is one of the only states that applies the sales tax to groceries, and the Gem State has one of the highest rates at a full 6% (the state's current sales tax). Montana doesn't have a sales tax, Wyoming exempts food, and Washington doesn't apply the sales tax to most grocery items. Taxing food is controversial. Idaho offers a yearly rebate of \$155-\$250 to residents – a number that appears smaller as inflation roars.⁶⁰

In 2017, then Idaho Lt. Governor Brad Little urged Governor Butch Otter to sign a proposed repeal of the state's grocery tax.⁶¹ Other candidates and political leaders have called for a similar reduction or repeal, assuming that it would have a progressive effect. Instead of repealing or exempting the tax for all, grocery tax credits or rebates offer low-income households better savings.

Research from the Tax Foundation concludes:

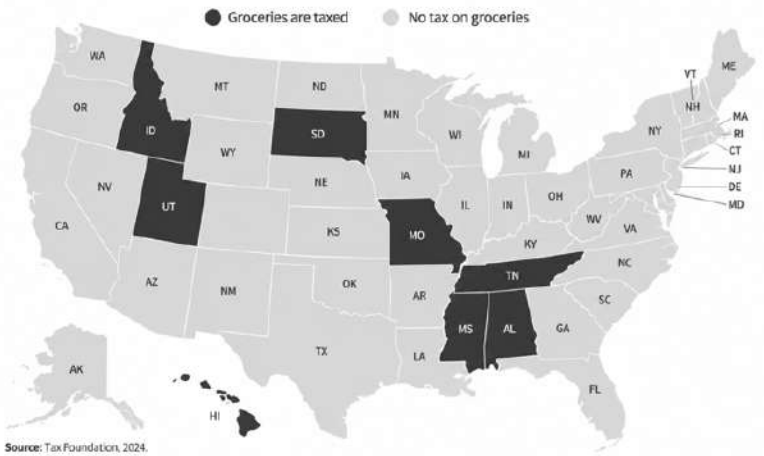
“Grocery exemptions are a middle -income, not a low -income, benefit—and middle earners can be more efficiently made whole through grocery tax credits. Higher earning households purchase not only more, but higher qualities of, groceries. Low-income households, in fact, are more likely to purchase taxable substitutes to what states classify as groceries, a category that traditionally only covers unprepared foods. The result is that a household in the fifth decile spends almost 70 percent more than a household in the first decile, and a household in the top decile spends over three times as much as a household in the lowest. The distributional effects of grocery taxation diverge sharply from most policymakers' expectations, which has dramatic ramifications for this

⁶⁰ “Idaho Food Tax Credit,” Idaho State Tax Commission, available at <https://tax.idaho.gov/taxes/income-tax/individual-income/popular-credits-and-deductions/idaho-grocery-credit/>

⁶¹ Little: Repeal the Idaho sales tax on groceries, Associated Press, April 3, 2017, available at <https://apnews.com/general-news-ac30e2b295cd4b738a4baa7d24a706ff>

ongoing debate and suggests better ways to achieve policymakers' desired aims."⁶²

Grocery Tax by State



Sales taxes are more stable and pro-growth than other forms of taxation – especially income taxes. Policymakers can better serve citizens by increasing the grocery tax rebates while indexing them for inflation and focusing additional tax relief efforts on reducing income taxes.

2.13 Repeal Montana's automatic university property tax

Montanans have heard plenty of promises about property tax relief. Here is one opportunity to actually deliver it. The state's 6-Mill University Property Tax Levy is scheduled to expire at the end of 2028, and lawmakers should let it die.

The levy currently generates roughly \$35 million a year for the Montana University System, collected from property owners across the state.⁶³ Montana law already specifies that the tax terminates on December 31, 2028. Unless lawmakers take action to put another extension before voters, taxpayers will finally get to keep that money.

The first reason is simple: Montana property owners could use the relief. Homeowners, farmers, ranchers and businesses have watched property values and tax bills become an increasingly prominent

⁶² "The surprising regressivity of grocery tax exemptions," by Jared Walczak, Tax Foundation, April 2022, available at <https://files.taxfoundation.org/20220412163431/The-Surprising-Regressivity-of-Grocery-Tax-Exemptions.pdf>

⁶³ "Eliminate Montana's \$35 million university property tax," by Kendall Cotton, Frontier Institute, August 2026, available at <https://frontierinstitute.org/eliminate-montanas-35-million-university-property-tax/>

concern in recent years. The state itself has recognized the problem, with the Legislature declaring in 2025 that rising residential property values created a compelling interest in lowering residential property tax rates. Eliminating an existing statewide levy is one of the most straightforward ways to provide genuine relief. Instead of creating another complicated rebate, credit or redistribution formula, lawmakers can simply stop collecting a tax.

There is another problem with the levy that goes beyond the \$35 million: it puts a portion of university funding essentially on autopilot. Montana's universities certainly deserve the opportunity to make their case for public funding, but they should have to make that case just like every other state program. Dedicated revenue streams weaken the normal budget process by insulating spending from the competition and scrutiny that come with legislative appropriations. The Legislature should determine how much taxpayers can afford to spend on higher education every budget cycle, examine the results taxpayers are receiving and weigh university funding against every other priority.

That does not mean Montana must stop funding its universities. It means changing how that funding is determined. If the Montana University System needs additional state support, university officials can bring that request to the Legislature. Lawmakers can examine enrollment, graduation rates, administrative expenses, workforce needs, tuition and other measures before deciding how much taxpayers should provide. If the case is compelling, lawmakers can appropriate the money. If efficiencies can be found, taxpayers should benefit. What shouldn't happen is assuming that because government collected a particular tax yesterday, it must continue collecting it tomorrow.

There is also a broader principle at stake. Temporary taxes should actually be temporary. Montana voters approved the current levy for a defined period, and state law explicitly gives it an expiration date. Too often in government, a "temporary" tax becomes permanent because policymakers grow accustomed to spending the revenue. Sunset dates become little more than procedural speed bumps on the road to automatic renewal. Letting this levy expire would send an important message: when government tells taxpayers that a tax has an expiration date, that date should mean something.

Most importantly, lawmakers don't need to invent a new property tax relief program to make this happen. The 2027 Legislature can simply

decline to refer another extension to voters, allowing the existing levy to expire as scheduled. That would eliminate roughly \$35 million a year in statewide property taxes while forcing future university funding decisions back into the regular appropriations process. For a Legislature certain to hear demands for property tax relief, this should be among the easiest places to start.

2.14 Avoid retail delivery fees

Consumers are frequently engaging in more online shopping. Although these purchases are already subject to sales taxes, some policymakers have been looking to also add new fees to the delivery of those items. Colorado was the first to implement a Retail Delivery Fee in 2022, and Minnesota quickly followed, implementing its policy in July of 2024.⁶⁴ This fee is imposed on the delivery of retail items by motor vehicles in a state.

Analyzing Minnesota and Colorado’s retail delivery fee

Minnesota and Colorado Departments of Revenue

POLICY FACTOR	MINNESOTA	COLORADO
Rate	\$0.50 per delivery	\$0.28 per delivery
Delivery eligibility	Applies to deliveries over \$100	Applies to all deliveries regardless of price
Revenue generation	\$59 million in first year estimate	\$75.9 million in first year estimate
Collection	Provides businesses a choice in how to collect fee	Provides businesses a choice in how to collect fee
Exemption	Exempts businesses that have \$1 million or less in annual sales	Exempts businesses that have \$500,000 or less in annual sales
Revenue distribution	Revenue distributed to towns and cities	Revenue distributed to transportation priorities, and state and local funding

As Minnesota followed Colorado’s example, pushback from across the country was immediate. A notable response was from the Council on State Taxation:

“A delivery fee mandated on nearly every Minnesota consumer is regressive and will negatively impact all families, as well as place an undue burden on businesses . . . As the state looks for

⁶⁴“Return to sender: Why policymakers should avoid retail delivery fees,” by Sam Cardwell, Mountain States Policy Center, August 6, 2024, available at <https://www.mountainstatespolicy.org/post/return-to-sender-why-policymakers-should-avoid-retail-delivery-fees>

thoughtful solutions to solve transportation challenges, the consumer delivery fee has undeniable impacts and insurmountable challenges.”⁶⁵

While the implementation and charge may vary, research clearly shows a negative impact, particularly among those who are mobility-challenged, elderly, and low-income. In fact, those categories make up the largest consumer base of those who order retail items online, particularly in the food service delivery sector.

A retail delivery fee has consequences for both the retailer and the consumer. On the one hand, legislation that assigns the fee to the business may hurt the ability of the company to hire more employees, expand, or even make a profit. On the other hand, allowing the fee to be passed on to the consumer raises prices, thereby hurting both the customer and the business.

Retail delivery fees are becoming more popular for policymakers attempting to make up for the loss of gas tax-related revenue due to electric vehicles. But the benefit for any government will come at the expense of businesses and consumers. While some lawmakers may want to use a retail delivery tax as a clever and inconspicuous way to raise revenues for transportation projects, they would be wise to respond to these proposals by marking them “return to sender.”

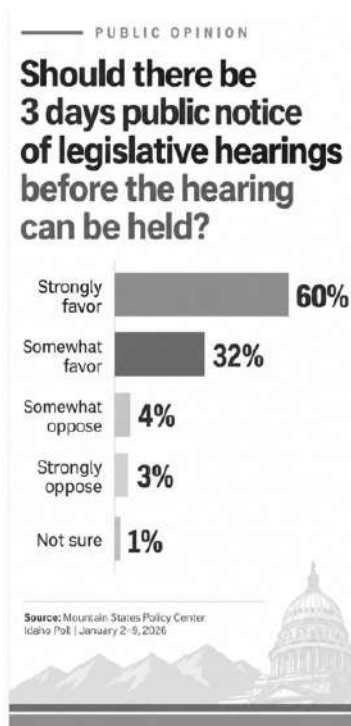
⁶⁵ “The Rise of Retail Delivery Fees: Unveiling the Impact on Consumers,” Sales Tax Institute, available at <https://www.salestaxinstitute.com/resources/the-rise-of-retail-delivery-fees-unveiling-the-impact-on-consumers>

3.1 Provide at least a 3-day notice of bills scheduled for a public hearing

To help maximize public involvement in their governance, state lawmakers should amend their rules to require at least a 3-day public notice of the bills to be heard at public hearings. Providing advance notice of bills scheduled for public hearings is a standard practice among states. This will help provide busy citizens with the time needed to adjust schedules if they wish to provide comments on pending legislation.

Here are examples of legislative rules requiring advance notice of bills scheduled for public hearings.

- Washington 5-day notice: “1. At least five days’ notice shall be given of all public hearings held by any committee other than the rules committee. Such notice shall contain the date, time and place of such hearing together with the title and number of each bill, or identification of the subject matter, to be considered at such hearing. By a majority vote of the committee members present at any committee meeting such notice may be dispensed with. The reason for such action shall be set forth in a written statement preserved in the records of the meeting. 2. No committee may hold a public hearing during a regular or extraordinary session on a proposal identified as a draft unless the draft has been made available to the public at least twenty-four hours prior to the hearing. This rule does not apply during the five days prior to any cutoff established by concurrent resolution nor does it apply to any



measure exempted from the resolution.”⁶⁶

- Montana 3-day notice: “Notice of a committee hearing must be made by posting the date, time, and subject of the hearing online and in a conspicuous public place not less than 3 legislative days in advance of the hearing.”⁶⁷

Several state constitutions also require the text of bills to be publicly available for several days to avoid quick passage toward the end of a session without the opportunity for public involvement. For example:

- Michigan constitution: “No bill shall be passed or become a law at any regular session of the legislature until it has been printed or reproduced and in the possession of each house for at least five days.”⁶⁸
- Washington constitution: “No bill shall be considered in either house unless the time of its introduction shall have been at least ten days before the final adjournment of the legislature, unless the legislature shall otherwise direct by a vote of two-thirds of all the members elected to each house, said vote to be taken by yeas and nays and entered

upon the journal, or unless the same be at a special session.”⁶⁹



The graphic features a play button icon in a square box at the top left. Below it, the title "Why the rule of three?" is written in a large, bold, serif font. Under the title, the text "It's a simple communication principle that makes a big difference." is written in a smaller, sans-serif font. A curved arrow points from this text to a square QR code on the right side of the graphic.

Whether we are entrepreneurs, parents, students, members of a trade group, or even a lawmaker, it is important to have meaningful public notice of when a bill is going to be available for a public hearing and what the actual text of

⁶⁶ “2023-24 Legislative Manual,” Washington State Legislature, accessed on May 21, 2024, available at <https://leg.wa.gov/media/11dxddd/2023-2024-legislative-manual.pdf>

⁶⁷ “Rules of the Montana Legislature,” Montana Legislature, adopted January 2023, available at <https://leg.mt.gov/content/Sessions/68th/2023-Rules.pdf>

⁶⁸ “Michigan Constitution,” Michigan Legislature, accessed on May 21, 2024, available at <https://www.legislature.mi.gov/Publications/MIConstitution.pdf>

⁶⁹ “Constitution of the State of Washington,” Washington State Legislature, accessed on May 21, 2024, available at <https://leg.wa.gov/media/o3fg0ey1/washington-state-constitution.pdf>

that proposal is. Only then can we rearrange our schedules, review, and prepare to provide the testimony lawmakers need to help advance good policy for the state.

Requiring at least a 3-day notice of bills scheduled for a public hearing will help improve the information available not only for citizens but also lawmakers, as bills advance through the legislative process.

3.2 Provide details of policies under consideration

An engaged citizenry should be the pursuit, not the torment of democracy. Adopting policies favoring government transparency at all levels of government is of utmost importance to the progression of free market ideals. Providing citizens with notice of public meetings and meaningful details of the topics on agendas is the first step towards more government transparency.

This trust is a time-saving effort. Government officials spend less time on dispersing information when a framework already exists. Also, an informed citizenry needs less time spent on history and background information and can move forward to solutions. These benefits of transparent government can be realized when:

- a. *Public Meetings are Announced and Available:* Public meetings should be announced on a regular platform, where it is easy for citizens to find and attend. Meetings should take advantage of the digital age and allow attendance through online meeting platforms – this includes remote testimony. Meetings should also be recorded for citizens to have access and review material.
- b. *Three Days Public Notice of Agenda:* It is difficult for citizens to come prepared to government meetings without knowing the agenda items before the meeting. Local government should provide agenda items with at least a three-day notice.
- c. *Policy Changes and Proposals Included in Packet:* All policy changes and proposals included on a public meeting agenda for any level of government should have related documents and information publicly available before the meeting. If the item is included in the agenda and up for discussion, information should be included

before the meeting explaining the issue. This includes the actual text of ordinances (etc.) to be considered.

Efforts towards more open public meetings are ongoing throughout the country. For example, the Transparent Idaho website has already taken a great step towards open and transparent government finances by providing spending information for the cities and school boards.⁷⁰ The Town Hall Idaho website also provides a list of all upcoming public meetings and links to virtual platforms when available.⁷¹ The natural next step is for the documents and proposed measures under consideration to also be available when notice of a public meeting is made.

State and local governments should embrace increased transparency and provide access to the same details provided to public officials when issuing public notice of a meeting and agenda. Citizens will benefit when government meetings are transparent for everyone (online and in-person), a three-day notice is provided, and relevant information is publicly included in the agenda notice before the meeting.

3.3 Authorize an open government ombudsman

To ensure public accountability and maintain control over the actions of government officials, state laws across the country authorize access to public records and require open public meetings. Though these rights exist on paper, they are not self-executing and often can result in costly litigation as the people attempt to enforce open government laws. One reform that could help serve as an advocate for the people's right to know would be the authorization of an official open government ombudsman.

This type of citizen-focused open government expert would help reduce the possibility of litigation when a public records dispute occurs. A similar concept is currently used in Connecticut. That state uses a Freedom of Information Commission to help mediate access to public records. Under Connecticut state law:⁷²

“Any person denied the right to inspect or copy records under section 1-210 or wrongfully denied the right to attend any meeting of a public agency or denied any other right conferred by the

⁷⁰ “Transparent Idaho,” accessed on May 21, 2024, available at <https://transparent.idaho.gov/>

⁷¹ “Townhall Idaho,” accessed on May 21, 2024, available at <https://townhall.idaho.gov/>

⁷² “Connecticut Freedom of Information Commission,” accessed on May 21, 2024, available at https://portal.ct.gov/foi/common-elements/template-v4/how-do-i_b#AppealCommission

Freedom of Information Act may appeal therefrom to the Freedom of Information Commission, by filing a notice of appeal with said commission.”

Another example is New Jersey’s Government Records Council.⁷³

“The Government Records Council:

- Responds to inquiries and complaints about the law from the public and public agency records custodians
- Issues public information about the law and services provided by the Council
- Maintains a toll-free helpline and Web site to assist the public and records custodians
- Issues advisory opinions on the accessibility of government records
- Delivers training on the law
- Provides mediation of disputes about access to government records
- Resolves disputes regarding access to government records”

State constitutions generally start with a strong acknowledgment of the power of the people. For example, Idaho’s constitution proclaims: “All political power is inherent in the people.” Idaho’s Public Records Law Manual also clearly explains: “Open government is the cornerstone of a free society.”⁷⁴

The foundations for an accountable government can be found in strong citizen oversight, and one of the most critical tools to achieve this is open government laws. Authorizing an open government ombudsman would provide a helpful resource for citizens and potentially reduce the possibility of litigation relating to the enforcement of state public records and open meeting laws.

3.4 Require legislative oversight of emergency powers

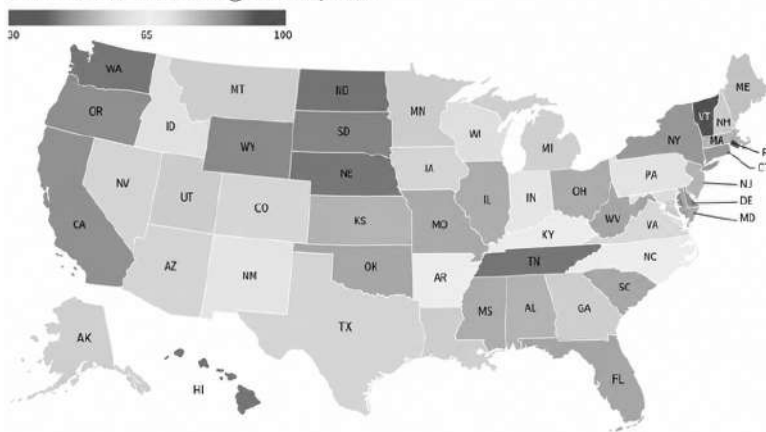
Though the lockdowns and heavy-handed mandates from the COVID-19 pandemic are fading from memory, it is still important for a proper check and balance of executive powers to exist. The legislative branch

⁷³ “State of New Jersey Government Records Council,” accessed on May 21, 2024, available at <https://www.nj.gov/grc/about/>

⁷⁴ “Idaho Public Records Law Manual,” Idaho Attorney General, January 2023, available at <https://www.ag.idaho.gov/content/uploads/2018/04/PublicRecordsLaw.pdf>

But when problems do last for extended periods, it is the responsibility of the legislatures to debate risks, benefits, and trade-offs of various long-term approaches. Lawmakers may end up passing the very policies a governor would prefer, but they do it after deliberation as representatives of the people and do it in a public process. It's the legislature, not the executive branch, that should make the laws we live under, and the governor – no matter the state or the person – is supposed to implement only laws passed by the Legislature.

Highest score given to the greatest safeguards of liberty via legislative counterbalance to the governor, 2023



No emergency declaration should be indefinite or remain in place without legislative approval. There are many examples across the country of states ensuring this proper balance of power occurs. In Wisconsin, for example, a state of emergency cannot exceed 60 days unless it is extended by the Legislature, and in Minnesota, a governor must call a special session if a “peace time” emergency lasts longer than 30 days.

To allow a governor to quickly respond to an emergency while still requiring appropriate legislative oversight, lawmakers could adopt this type of compromise for emergency powers:

"No emergency order issued by the Governor may continue for longer than 30 days unless extended by the legislature through concurrent resolution. If the legislature is not in session, the emergency order may be extended in writing by the leadership of the Senate and the House of Representatives for 30 days or until the legislature can extend the emergency order by concurrent resolution. For purposes of this section, 'leadership of the senate and the house of representatives' means the majority and minority leaders of the senate and the speaker and the minority leader of the house of representatives. An emergency order narrowly written solely to qualify for federal funds is exempt from the requirement to receive legislative extension."

Policies should never be made by one person behind closed doors, even during an emergency. The number of days an emergency declaration remains in effect is less important than the requirement that the policies imposed be subject to legislative review and consent. Lawmakers must ensure that emergency powers statutes have this proper balance of power before the next emergency is declared.

3.5 Prohibit secret negotiations with government unions

Collective bargaining with government employees that determines the use of tax dollars should never be a secret. These discussions cover important budget expenses concerning salaries, benefits, and working conditions for government workers. Because they involve the use of taxpayer money, these negotiations should be open and transparent. This doesn't mean the public participates in the negotiations, but the public should be allowed to observe the process.

This kind of process is not only good for taxpayers, but also for government union members who are able to see how their union leadership is representing them at the bargaining table. Idaho law prevents cities and unions from negotiating any contracts in secret. Democrats and Republicans passed the requirement unanimously, and it was signed into law by former Governor Butch Otter in 2015. Other states in our region should follow Idaho's lead.

Ideally, contract negotiations should be fully open to the public. But at a minimum, government officials should adopt an openness process like the one used by the City of Costa Mesa, California, to keep the public informed. The city's policy is called Civic Openness in Negotiations, or COIN.

Under COIN, all contract proposals and documents to be discussed in closed-door negotiations are made publicly available before and after the meetings, with fiscal analysis showing the potential costs. While not fully open meetings, access to all of the documents better informs the public about promises and trade-offs being proposed with their tax dollars before an agreement is reached.

This openness also makes clear whether one side or the other is being unreasonable in its demands and quickly reveals whether anyone is acting in bad faith. It's a hybrid solution that could be adopted by government officials if full open meetings are not allowed.⁷⁵

3.6 Consider open primaries without imposing controversial Ranked Choice Voting



There is an ongoing debate in states across the country about whether to move from a closed primary to an open primary for elections. Unfortunately, this policy debate has sometimes also been intertwined with imposing Ranked Choice Voting (RCV). Ranked choice voting continues to be controversial across the country.

Example of ranked-choice voting repeal in Washington

Washington State has had experience both with an open primary and with local voters in Pierce County adopting and then quickly repealing

⁷⁵ Collective Bargaining Transparency, by Jason Mercier and F. Vincent Vernuccio, Better Cities.org, available at <https://better-cities.org/wp-content/uploads/2020/11/BCP-collective-bargaining-transparency.pdf>

RCV. Here are details on the state's voter approved Top Two open primary:⁷⁶

"The Top 2 Primary was passed by the people in 2004 as an initiative. Initiative 872 passed by almost 60%. In 2005, before the new law was implemented, the Washington state Democratic, Republican, and Libertarian Parties sued in federal court. The lower courts imposed an injunction prohibiting the state from implementing the new Primary, but in March 2008, the U.S. Supreme Court upheld the new law. Washington state used the new Primary for the first time in the 2008 Primary and General Elections."

As for RCV, this is from a 2009 blog post by the Washington Secretary of State's Office discussing why 71% of Pierce County voters repealed ranked-choice voting after using the system only once:⁷⁷

"It has always been kinda confusing to explain, but advocates believed it would be extremely popular and then possibly catch on elsewhere. Its biggest usage was last year when a new County Executive and other offices were filled this way, running in tandem with the regular state primary and general elections. It went downhill from there. Voters participating in an auditor's survey said by a 2-to-1 margin that they didn't like the system. And this year, it was back on the ballot –and voters have thrown it out by a 71-29 margin."

Washington's current Secretary of State Steve Hobbs remains opposed to ranked-choice voting:⁷⁸

"Ranked-choice voting adds a layer of complexity to voting that threatens to disenfranchise people who aren't experts at the process. This includes people living with developmental disabilities – such as my son – for whom choosing one candidate is more straightforward than figuring out how to rank a list of them. Additionally, it can be a challenge for newly naturalized citizens to adapt to American elections. Converting some elections to ranked-choice voting would increase the obstacles to exercising their

⁷⁶ "Top 2 Primary: FAQs for Voters," Washington Secretary of State, accessed on May 21, 2024, available at <https://www.sos.wa.gov/elections/voters/helpful-information/top-2-primary-faqs-voters>

⁷⁷ "Pierce Voters Nix 'Ranked-Choice Voting,'" Washington Secretary of State, November 10, 2009, available at <https://blogs.sos.wa.gov/fromourcorner/index.php/2009/11/pierce-voters-nix-ranked-choice-voting/>

⁷⁸ "Open Primaries and Ranked Choice Voting: A Conversation with WA's Secretary of State," by Jason Mercier, Mountain States Policy Center, September 15, 2023, available at <https://www.mountainstatespolicy.org/post/open-primaries-and-ranked-choice-voting-a-conversation-with-wa-s-secretary-of-state>

rights as Americans. Top two primaries present none of these challenges. You pick your favorite, then you send in your ballot. That's something people can easily grasp. I stand firmly behind Top Two and encourage other states to learn from our usage of it."

**CANDIDATES FOR
CITY COUNCIL**
for Term of Two Years
SPECIMEN BALLOT



Cambridge
November 5, 2019



Election Commissioners

INSTRUCTIONS TO VOTERS

Mark your choices by completely filling in the numbered ovals like this  using a black pen.

- Fill in the number one (1) oval next to your first choice.
- Fill in the number two (2) oval next to your second choice.
- Fill in the number three (3) oval next to your third choice, and so on.
- You may fill in as many choices as you please.
- Fill in no more than one oval per candidate.
- Fill in no more than one oval per column.

To Vote for a write-in candidate:

- Fill in a numbered oval next to the name you have written, showing your choice as a number for a candidate.
- Record write-ins from the top line down.

If you spoil this ballot, return it for cancellation to the election officer in charge of the ballots and get another from such officer.

Only one vote per candidate. Only one vote per column.		DO NOT USE RED TO MARK BALLOT															
SUKIA AKIBA, 343 Walden Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
BURHAN AZEEM, 91 Sidney Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
DENNIS J. CARLONE, 9 Washington Avenue	Candidate for Re-election	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
CHARLES J. FRANKLIN, 162 Hampshire Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
CRAIG A. KELLEY, 6 Saint Gerard Terrace	Candidate for Re-election	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
DEREK ANDREW KOPON, 8 Wight Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
ILAN LEVY, 148 Spring Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
ALANNA M. MALLON, 3 Maple Avenue	Candidate for Re-election	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
MARC C. MCGOVERN, 17 Pleasant Street	Candidate for Re-election	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
JEFFERY McNARY, 116 Norfolk Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
RISA MEDNICK, 30 Maple Avenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
GREGG J. MOREE, 25 Fairfield Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
ADRIANE MUSGRAVE, 48 Haskell Street		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
PATRICIA M. NOLAN, 184 Huron Avenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	

In 2024, Princeton University professor Nolan McCarty conducted a study of ranked-choice elections in New York City and Alaska and found that minority voters are disproportionately impacted by this type of election process. Professor McCarty noted:

"In recent years, ranked-choice voting has been hyped as a solution to many perceived problems in American elections. Unfortunately, the hype has often outpaced the evidence. My research raises major concerns about whether RCV may work to further reduce the electoral influence of racial and ethnic minority communities."⁷⁹

Former California Governor Jerry Brown may have said it best when vetoing a RCV bill in 2016:

"In a time when we want to encourage voter participation, we need to keep voting simple. Ranked choice voting is overly complicated

⁷⁹ "Ranked-Choice Voting Hurts Minorities: Study," Center for Election Confidence, January 11, 2024, available at <https://electionconfidence.org/2024/01/11/ranked-choice-voting-hurts-minorities-study/>

and confusing. I believe it deprives voters of genuinely informed choice.”⁸⁰

There is a big difference between open primaries and ranked-choice voting. Moving to a clean open primary is a debate worth having (preferably a Top Two). Adopting open primaries, however, need not be limited to a take-it-or-leave-it proposition tied to the controversy of ranked-choice voting.

3.7 Respect the people’s right of initiative

One of the most important powers secured by several state constitutions is the right of the people to propose and reject laws through a referendum or initiative. The initiative power, however, is often subject to conditions set by the legislature. When considering a constitutional right, the focus should be on what is the best way to exercise that power in a responsible and appropriate way.

For example, Article 1, Section 2 of Idaho’s constitution proclaims:

“All political power is inherent in the people. Government is instituted for their equal protection and benefit, and they have the right to alter, reform or abolish the same whenever they may deem it necessary; and no special privileges or immunities shall ever be granted that may not be altered, revoked, or repealed by the legislature.”⁸¹

Article 3, Section 1 of Idaho’s constitution makes it clear the people are not subservient to the legislature:

“The people reserve to themselves the power to approve or reject at the polls any act or measure passed by the legislature. This power is known as the referendum, and legal voters may, under such conditions and in such manner as may be provided by acts of the legislature, demand a referendum vote on any act or measure passed by the legislature and cause the same to be submitted to a vote of the people for their approval or rejection.

⁸⁰ “Brown vetoes bill to broaden ranked-choice voting in California,” San Francisco Gate, September 30, 2016, available at <https://www.sfgate.com/politics/article/Brown-vetoes-bill-to-broaden-ranked-choice-voting-9518031.php>

⁸¹ “Idaho Constitution,” Idaho Legislature, available at <https://legislature.idaho.gov/statutesrules/idconst/ArtI/Sect2/>

The people reserve to themselves the power to propose laws and enact the same at the polls independent of the legislature. This power is known as the initiative, and legal voters may, under such conditions and in such manner as may be provided by acts of the legislature, initiate any desired legislation and cause the same to be submitted to the vote of the people at a general election for their approval or rejection.”

While the state constitution gives the people co-equal lawmaking powers, the legislature is provided the authority to set the terms “under such conditions and in such manner as may be provided by acts of the legislature.”

Unlike what occurs for a bill, there isn’t an opportunity for public hearings or amendments before the text of a ballot measure is finalized and put before voters. This means voters are given a take-it-or-leave-it option, even if flaws or problems are identified after a ballot measure qualifies.

One option to maintain the strong right of initiative while following the more traditional public process that a bill goes through would be to restructure the initiative process as proposals to the legislature. A variation of this legislative initiative option is available in Nevada and Washington.

Here is the requirement under Article 19 of the Nevada Constitution:

“The Secretary of State shall transmit such petition to the Legislature as soon as the Legislature convenes and organizes. The petition shall take precedence over all other measures except appropriation bills, and the statute or amendment to a statute proposed thereby shall be enacted or rejected by the Legislature without change or amendment within 40 days.”⁸²

The Nevada legislature describes the process this way:

“If the Legislature does not enact the initiative without change within 40 days from when the regular session of the Legislature convenes, the question is submitted to the voters at the next general election for approval or disapproval. If the Legislature amends the initiative (and it is passed by the Legislature and signed

⁸² “The Constitution of the State of Nevada,” Nevada Legislature, available at <https://www.leg.state.nv.us/const/nvconst.html#Art19>

by the Governor), both versions of the initiative will be added to the ballot at the next general election and the initiative with the highest number of votes in favor will become law."⁸³

Under the “initiative to the legislature” option in Washington, there are three possible outcomes for a ballot measure that qualifies:

- 1) The legislature can adopt the proposal as submitted without changes. Under this option, the language is not subject to veto by the governor and automatically becomes law if approved by lawmakers;
- 2) The legislature can propose alternative language. If this occurs, the legislative alternative and original proposal are both placed on the ballot for voters to consider; or
- 3) The legislature can take no action other than holding a public hearing. If this occurs, the original proposal is placed on the ballot

Regardless of the option used, lawmakers in the Evergreen State must at least hold a public hearing to allow the case for policy changes to be heard and identify any concerns.

The ability to directly propose laws is an awesome and important constitutional right of citizens. To ensure the best policies are enacted and provide a more traditional legislative vetting of proposals, states may want to consider a constitutional amendment transitioning to an “initiative to the legislature” format. This would allow the people to propose laws while providing an opportunity for lawmakers to enact them directly (without veto threat), propose an alternative, or take no action other than holding public hearings before placing the original proposal directly on the ballot.

Along with this reform, changes to voter-approved ballot measures should also require a high legislative threshold to be amended (such as a 3/5 vote) or be sent back to the voters for ratification. This will ensure that the public will is not thwarted without first reengaging the citizens who took the time and effort to exercise their right of initiative.

⁸³ “How statewide questions qualify for the ballot,” Nevada Legislature, August 16, 2024, available at <https://www.leg.state.nv.us/App/InterimCommittee/REL/Document/30992>

3.8 Authorize a statewide voters' guide

Voting is one of the most important responsibilities and rights that we have as citizens. It can be difficult at times, however, to find the needed information about those running for office who want to represent us. This is why several states authorize their Secretary of State to provide a statewide voters' guide to help provide these important details.

According to the National Association of Secretaries of States (NASS), several states currently provide a voters' guide, including Alabama, Alaska, California, Florida, Oregon, and Washington. Here is how the Alaska Secretary of State explains this resource:

“During a Primary and General election year the Division of Elections publishes two official pamphlets designed to help Alaskan voters make informed choices. Pamphlets are available in printed, digital, and audio formats; and made available to the public no later than 22 days prior to Election Day. Printed versions are mailed to every voter household and digital versions are posted to this page. Digital versions of the pamphlets are also available in select languages.”

Along with a traditional printed and online voters' guide, another resource worth considering is a Video Voters' Guide. This would allow voters to go to one place to see and hear candidates in their own words about why they are running for office.

A voters' guide usually provides basic demographic and background information about candidates, generally in their own words, to help voters have a standardized reference for learning more about those seeking office. Providing a statewide voter guide is not only popular amongst voters, but it is also a best practice that all states should consider helping provide citizens with access to the information they need to make informed decisions about those wishing to represent them.

3.9 Protect the integrity of the Electoral College

For the last couple of decades, the Electoral College has been under increasing scrutiny. Why did the founders adopt a system that allows a candidate to win the popular vote and yet lose the presidency? While some claim it's based on an arbitrary idea, the Electoral College is grounded in deep philosophical roots that prevent the tyranny of high-

population states over smaller ones. It is also very important for growing states that are likely to add electoral votes after the next census (such as Idaho). Despite prior election controversies, the Electoral College continues to play an important role in maintaining the power and importance of states in the operation of our Republic.

The Electoral College is a process in which 538 electors cast their votes for the presidential nominee their state has chosen. Each state gets the number of electors equal to the number of congressional seats plus its two Senate seats. The District of Columbia is also accounted for and gets three votes. To win the presidency, a candidate must get either 270 electoral votes or half the total plus one.

There is a growing movement of states, however, that want their electors to cast their vote for whoever wins the national popular vote, called the National Popular Vote Compact. Currently, 19 states (plus D.C.) have passed legislation to join the compact. There must be at least 270 electoral votes in the compact for it to take effect, and there are currently 222 votes represented in the compact. This NPV is problematic for multiple reasons. The 14th Amendment of the U.S. Constitution, for example, states that:

“No state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States.”

Also, the NPV compact specifically nullifies a citizen’s vote if the state’s electoral votes are simply transferred to the winner of the national popular vote. This becomes very concerning from a constitutional standpoint.

A Republic, not a democracy

It is of utmost importance that U.S. citizens understand that we live in a federal republic, not a direct democracy. This means there is a division between the federal (national entity) and the subdivisions, which in this case are the states. In a republic, citizens elect representatives who vote on their behalf, instead of voting directly on the issues. The Electoral College is no different. The founders had a healthy fear of concentrated power, even if it was elected by the people through a democracy. This is reflected through the three governmental branches with a separation of powers to establish accountability.

It is estimated that roughly 50% of American citizens live in just nine states.⁸⁴ California, for example, contains more people than the 21 least populated states combined. Political Scientist Michael Uhlmann notes, “because the states, whether small or large, are the principal presidential battlegrounds, candidates accommodate interests that might otherwise be ignored if the size of the popular vote were the only criterion for election.”⁸⁵

While it is tempting to attack the Electoral College when the results diverge from the popular vote, citizens should understand the profound reasons for its existence and continuation. Whether this system elects our preferred candidate or not, confidence can be rightly placed in the Electoral College our founding fathers established. Our republic needs to continue to support the importance and power of the states, and the Electoral College is a prime pillar of that ideal.

3.10 Reform Idaho elections by extending Senate terms to four years

Idaho’s Legislature has an unusual feature that deserves more attention: every single state legislator is up for election every two years. All 70 members of the House and all 35 members of the Senate serve two-year terms, meaning all 105 legislative seats appear on the ballot at the same time. That arrangement is written directly into Article III, Section 3 of the Idaho Constitution.

At first glance, that may sound like maximum accountability. If lawmakers are constantly facing voters, shouldn’t that make government more responsive? There is certainly value in frequent elections, particularly in the House. But Idaho’s system also means the House and Senate operate on essentially the same political timetable. A newly elected senator arrives in Boise, serves one legislative session, and by the time the second session begins, another primary election is only months away. That can encourage election-year grandstanding, political stunts and pressure to end sessions quickly so lawmakers can return home and campaign.

There is another, less obvious consequence: institutional knowledge and the balance of power with Idaho’s permanent

⁸⁴ “Just 9 States Make up More than Half the U.S. Population,” Independent California Institute, February 27, 2025. Available at <https://ic.institute/2025/02/26/just-9-states-make-up-more-than-half-the-u-s-population/>

⁸⁵ “As the Electoral College Goes, so Goes the Constitution,” by Michael M. Uhlmann, November 3, 2020. Available at <https://americanmind.org/memo/as-the-electoral-college-goes-so-goes-the-constitution>

bureaucracy. Theoretically, one election could replace every one of Idaho's 105 legislators. The agency officials and career government employees who work with those legislators, however, don't disappear after Election Day. They may have spent years—or decades—learning state budgets, regulations and programs. When an inexperienced Legislature confronts an experienced bureaucracy, the knowledge advantage naturally shifts toward the bureaucracy. Legislative experience therefore isn't necessarily a liability; it can be an important check on unelected government.

States with Two-Year State Senate Terms

Only 12 states hold regular elections for all state senate seats every two years.



Source: National Conference of State Legislatures, "State Legislative Terms," updated 2024, available at <https://www.ncsl.org/about-state-legislatures/state-legislative-terms>.

Idaho is also an outlier compared with much of the country. According to the National Conference of State Legislatures, most states give their state senators four-year terms.⁸⁶ Idaho is among a relatively small group that gives senators only two years. Nearby Washington, Oregon, Montana, Utah and Wyoming all use four-year Senate terms, while generally retaining two-year terms for their lower chambers. In states such as Washington, Oregon and Utah, only about half of the Senate comes before voters during a regular election cycle.

That points toward a straightforward reform for Idaho: keep House terms at two years but move senators to staggered four-year terms. Roughly half of Idaho's 35 Senate seats would be elected every

⁸⁶ National Conference of State Legislatures, Senate Terms Comparison, available at <https://www.ncsl.org/resources/details/number-of-legislators-and-length-of-terms-in-years>

two years. Voters would retain tremendous power to change the direction of state government—they could replace the entire House and approximately half the Senate in a single election—but there would always be experienced senators remaining who understand the budget, legislative history and workings of state agencies. The Senate could become what an upper legislative chamber is intended to be: somewhat more deliberative and insulated from the pressures of the next immediate election.

This wouldn't be about protecting politicians from voters. It would be about strengthening the elected Legislature relative to the unelected bureaucracy. Elections provide accountability, but continuity provides institutional strength. Idaho can have both. A House elected every two years would remain closely connected to voters, while a staggered Senate would provide stability and experience. It would also create a meaningful structural distinction between the two chambers rather than having both operate on exactly the same political clock.

The recommendation, then, is simple: amend the Idaho Constitution to establish four-year, staggered terms for state senators while preserving two-year House terms. Idaho has every reason to demand accountability from its elected officials. But the state should also make sure those elected officials have the experience and institutional strength necessary to hold the permanent government accountable.

The goal shouldn't be longer terms for the sake of longer terms. It should be a stronger Legislature, a more deliberative Senate and a better balance of power between the people's representatives and the bureaucracy they are supposed to oversee.

3.11 Montana should call a state constitutional convention

Every twenty years, Montanans have an opportunity to decide whether to call a new constitutional convention. In 1990, Montanans voted overwhelmingly against a new convention, but in 2010, the tally was much closer. The question will be on the ballot again in 2030. This time, Montanans should consider a "yes" vote.

Montana's current constitution has some undoubted strengths, and the state's establishment figures and special interest groups regularly heap praise upon it.

But the document also has some serious weaknesses. One measure of



these weaknesses is that, despite the state supreme court's tight restrictions on constitutional amendments, voters have altered it 38 times in less than 54 years.

Even aside from the many amendments, the constitution as now enforced is quite different from the version approved by

the voters on June 6, 1972. This is because an overly ambitious state judiciary has altered it in important ways.

Defects in Montana's current constitution fall into four broad categories:⁸⁷

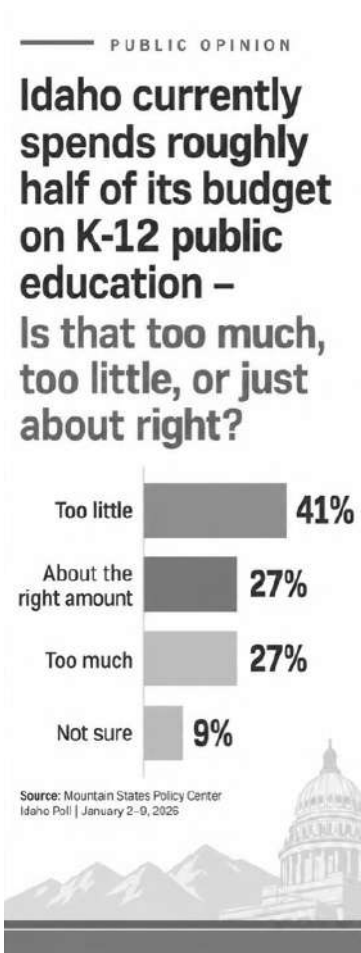
- *Poor draftsmanship:* Unlike the framers of the U.S. Constitution, the 1972 Montana drafters often used terms that had no established legal meaning and that they left undefined. Additionally, some provisions contradict each other, at least in part. In some instances, Montana Supreme Court interpretations have aggravated rather than minimized these problems.
- *Legal Defects:* Some provisions conflict with holdings by the U.S. Supreme Court. At least one violates the First Amendment.
- *Authoritarian mandates:* Although the document sometimes is said to be "libertarian," several provisions impose jarring mandates on individuals and private entities.
- *Inadequate safeguards:* The state constitution lacks financial and other safeguards that long experience has shown to be necessary.

⁸⁷ We the People- The Case for a Montana Constitutional Convention, by Rob Natelson, September 2026, available at https://www.mountainstatespolicy.org/_files/ugd/f1dfe7_9c529460b43942c4ac25864d5d3123e4.pdf

These defects must be distinguished from another problem for which the drafters were in no way responsible: The state supreme court has distorted the meaning of some words and phrases in ways that neither the drafters nor the ratifiers intended.

A new constitutional convention will offer “We the people of Montana” an historic opportunity to restore responsible government and popular control within their own state. Further, a convention will enable Montanans to clarify state constitutional law—and to enact crucial safeguards to protect their freedom and their prosperity. But Montanans will benefit from that opportunity only if they vote for a constitutional convention when the question is next on the ballot in 2030. In view of the importance of the decision, Montanans should begin to consider it now.

4.1 Higher spending doesn't correlate with improved student performance



Public education is important. Labor is not a homogeneous unit that possesses no intelligible differences between its members. Just as low-quality steel will lead to a lower-quality car chassis, poorly educated American workers will lead to a drop in quality of their respective vocations.

At this stage of specialization in the American economy, it is more essential than ever to improve American education. It is important to note at the outset that no state bases its primary K-12 funding model on student outcomes. Idaho, Washington, Wyoming, and Montana all base their education expenditures primarily on student enrollment or attendance.

Looking at historical student performance outcomes, however, there is not a clear correlation with state education spending levels and results.⁸⁸

One of the most important factors in student success is teacher quality. Improving student outcomes is possible without blindly increasing spending. Let's consider a case study from New Orleans to illustrate this point.

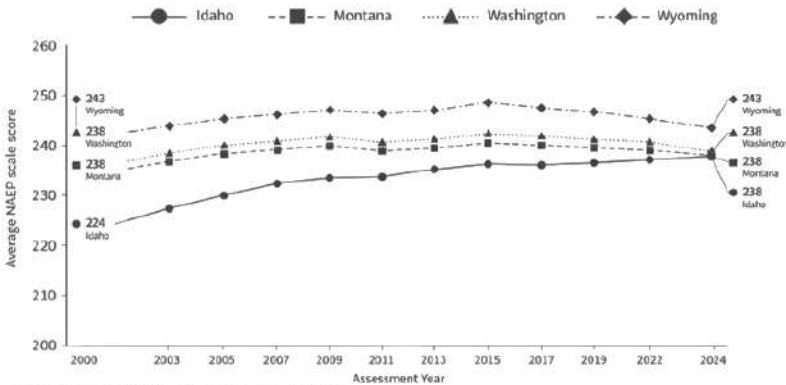
⁸⁸ "Does higher spending lead to better educational outcomes?" By Luke Hill, Mountain States Policy Center, December 10, 2025, available at <https://www.mountainstatespolicy.org/post/does-higher-spending-increase-student-outcomes>

Case Study: Lessons from New Orleans

After Hurricane Katrina hit New Orleans, the public school system was so devastated that it overturned the entire education system. Almost every school was converted to a non-profit, privately run charter school with complete pay, hiring, and firing autonomy.⁸⁹

NAEP Grade 4 Math Scores

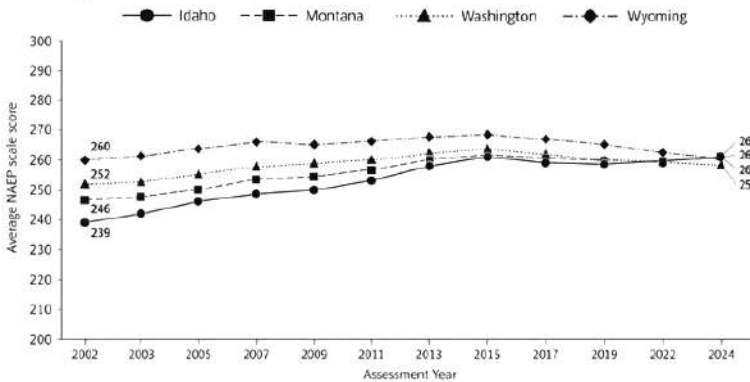
Average scale scores, 2000–2024



Source: U.S. Department of Education, National Center for Education Statistics, The Nation's Report Card (NAEP), 2000–2024.
Note: Scores are on the NAEP 0–500 scale. Not all states participated in every assessment year.

NAEP Grade 8 Reading Scores

Average scale scores, 2002–2024



Source: U.S. Department of Education, National Center for Education Statistics, The Nation's Report Card (NAEP), 2002–2024.
Note: Scores are on the NAEP 0–500 scale. Not all states participated in every assessment year.

⁸⁹ “Charter School City: What the End of Traditional Public Schools in New Orleans Means for American Education,” Douglas N. Harris, July 15, 2020, available at https://www.google.com/books/edition/Charter_School_City/wbjtDwAAQBAJ?hl=en&gbpv=1&pg=PA3&printsec=frontcover



More spending doesn't equal better results.

See the facts
in our short
video.



According to the research, this reorganization worked. The reforms were followed by significant increases in student achievement, graduation rates, college entry rates, college persistence rates, and college graduation rates.⁹⁰ Keep in mind, this was following the economic disaster that was Hurricane

Katrina, and it happened in the district ranked 67th out of 68th in math and reading test scores among Louisiana school districts. It happened in a district with a previous graduation rate 10% lower than the state average.⁹¹ The lesson here is that improvements in teacher and school quality come from more than just funding increases, and that a fundamental part of a child's education quality is their teacher.

Research on teacher quality, comparing the spending and outcomes in our region, and case studies from New Orleans give compelling evidence that academic performance can be improved by giving schools greater autonomy over who they hire and fire.

It is also clear from the research that teacher quality is not improved merely by increases in teacher education levels or a one-size-fits-all salary model that doesn't focus on rewarding excellence. Yet this continues to be the dominant formula that determines teacher pay. Policymakers should make decisions centered around improving school autonomy to manage their staff and reward high-performing teachers rather than flooding the system with greater funds if student performance is waning.

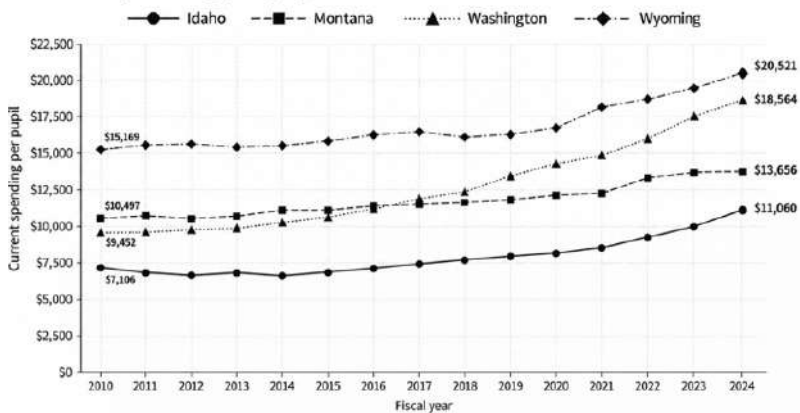
⁹⁰ "What Effect Did the New Orleans School Reforms Have on Student Achievement, High School Graduation, and College Outcomes," Education Research Alliance for New Orleans, July 15, 2018, available at <https://educationresearchalliancencola.org/files/publications/071518-Harris-Larsen-What-Effect-Did-the-New-Orleans-School-Reforms-Have-on-Student-Achievement-High-School-Graduation-and-College-Outcomes.pdf>

⁹¹ *IBID.*

If spending were the determining factor, the United States would have the best schools in the world, as the U.S. spends more than any other developed nation. To refocus this debate, efforts should be made to tie new spending to desired educational performance outcomes.

Public School Spending Per Student

Current spending per pupil, 2010–2024



Source: U.S. Census Bureau, Annual Survey of School System Finances, 2010–2024.
Note: Current spending covers operating costs and excludes capital outlay and debt service. Nominal dollars; not adjusted for inflation or cost-of-living differences.

It’s no longer good enough to simply say all education problems would be solved if the system only had more money. States that spend the most don’t necessarily have the best outcomes, and states that spend the least don’t have the worst outcomes. In the end, outcome-based funding encourages districts to focus on student performance, and not just enrollment. In the effort to improve student outcomes, it is a policy worth pursuing.

4.2 Public school attendance should dictate funding levels

In almost every state, there is a major difference between the number of students enrolled in a public school and the number who attend on an average day.

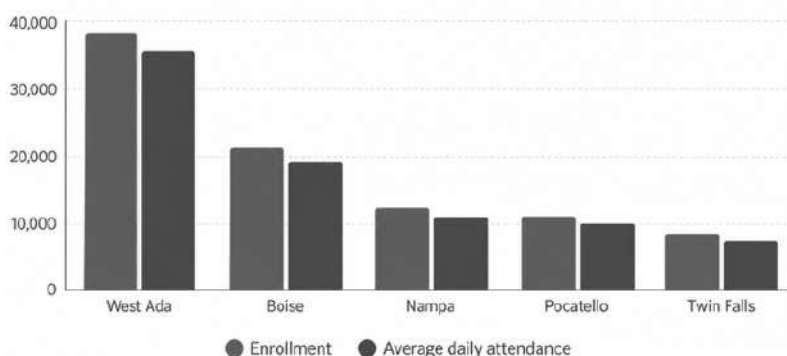
For example, the Boise School District reports 21,331 students enrolled in 2026, but average daily attendance of just 19,743 — a difference of nearly 1,600 students. West Ada, also in Idaho, reports 37,622 students enrolled compared with average daily attendance of 35,623, a gap of nearly 2,000.

Why does that matter? Because whether a state funds schools according to enrollment or average daily attendance can have enormous financial consequences.

Using Idaho's roughly \$9,000 in state funding per public school student as a benchmark, every 1,000-student difference represents the equivalent of about \$9 million. Boise's enrollment-to-attendance gap is therefore equivalent to roughly \$14.3 million at that benchmark, while West Ada's is roughly \$18 million. That does not mean either district automatically receives that amount under Idaho's complicated school funding formula. It does demonstrate just how consequential the enrollment-versus-attendance debate can be.

Idaho School Enrollment vs. Average Daily Attendance

2026 enrollment compared with average daily attendance for selected Idaho school districts.



Source: Idaho State Department of Education, 2026.

Idaho has traditionally relied heavily on average daily attendance, or ADA, in determining school funding. During COVID, when quarantines, closures and extraordinary absenteeism disrupted classrooms, the state temporarily protected schools by relying more heavily on enrollment. That was understandable during an emergency. But an emergency policy should not automatically become permanent simply because it produces more predictable budgets for school districts.

There is a fundamental policy question states must answer: Should taxpayers fund the students who are actually being served, or should funding be based primarily on the number of names a district has on its enrollment rolls?

That question becomes even more important because "enrolled" does not always mean what taxpayers might assume. Idaho families participating in the state's parental choice program discovered that some children could be considered enrolled in a public school even though their primary education occurred elsewhere. In some cases, homeschool students participating in public school extracurricular activities found themselves classified as enrolled. Lawmakers ultimately addressed that problem for purposes of the parental choice program, but the episode demonstrated why enrollment should not automatically be treated as synonymous with a student receiving a full public school education.

None of this means a school should lose thousands of dollars every time a child stays home with the flu. ADA is an average, not a daily financial penalty, and Idaho's system contains mechanisms designed to smooth ordinary attendance fluctuations. School districts also have legitimate fixed costs and need some predictability when hiring teachers, maintaining buildings and constructing budgets.

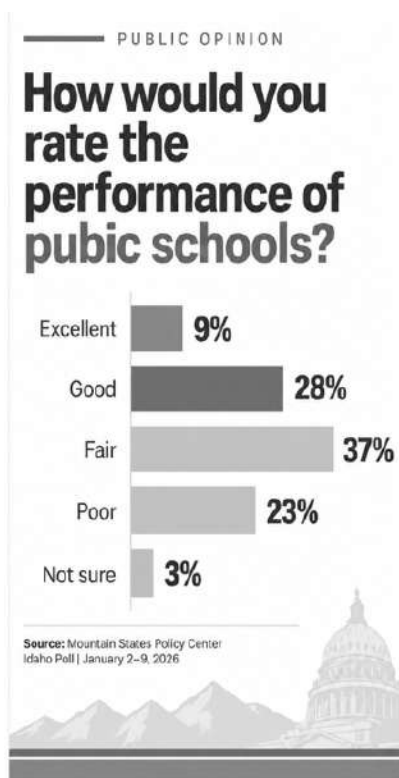
But budget stability should not become a guarantee that taxpayers will indefinitely fund students who are no longer being served simply because districts would prefer to maintain spending levels built around a larger student population.

The latest numbers show why this debate matters. Enrollment and attendance are not interchangeable, and when the difference can involve hundreds or even thousands of students, the financial consequences can reach into the millions of dollars. Idaho should provide the resources necessary to give every public school student a quality education. But taxpayers should be funding real students receiving real education — not ghost students created on a spreadsheet simply to satisfy a school district's budget. The purpose of the public education system is to serve students. The purpose of students is not to fund the system.

4.3 Put principals in charge of schools

Research shows that one of the most effective tools for improving school outcomes is to put the principal in charge of the school. What exactly does this mean? Isn't the principal already in charge of the school?

Not exactly. In many districts, principals are viewed as the manager instead of the leader. Principals should, instead, be considered the CEOs of their schools. They should be given a budget and then decide how to spend it. They should have the authority to hire and fire their staff. They should have the authority to shape educational programs that best suit their students' needs. And after all of this happens, they should be held responsible for student outcomes.



This kind of education reform is not complicated, and has been successfully adopted in places like Baltimore, where former CEO Dr. Andres Alonso put his faith in his principals. School principals became responsible for more than 80% of their budgets, and those who were unsuccessful were removed. An article about this reform noted:

“Many principals were excited regarding the new changes and greater levels of responsibility, now having control of the school budget, curriculum and staffing decisions and developing strategies for school improvement. Dr. Alonso and the team understood that no two schools are necessarily alike, and each has

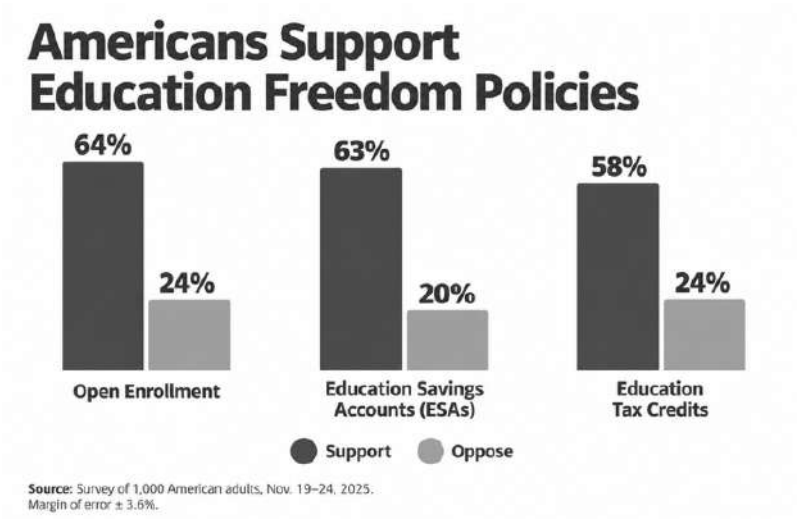
a unique context with specific needs. Now, principals had to think much differently about their work. For example, in the past there were examples of principals who felt there was little that could be done regarding curriculum materials that did not meet the reading needs of upper grade students. With the change, principals and teachers had much greater authority and investment in and responsibility for making decisions that best meet the particular learning needs for students at the school level. And as a result, principals were being held accountable for doing so.”⁹²

⁹² “The Case of Dr. Andres Alonso: Principles of leadership in practice to transform urban schools,” by Jared R. Lancer, Ed.D., August 20, 2021, available at <https://www.linkedin.com/pulse/case-dr-andres-alonso-principles-leadership-practice-r-lancer-ed-d-/>

The results were astounding. Not only did student outcomes improve, but schools were, at the time, removed from federal “needs to improve” lists. Unfortunately, as Baltimore got away from the reform, it returned to its struggles. Still, policymakers and education leaders should note the success that came along with the change of treating principals like school CEOs and putting them in charge of staffing and budgets.

4.4 Expand education choice options for families

No education policy is a panacea for perfect outcomes. Every system and every school will produce failures, and there will always be opportunities for improvement and lessons learned. “Education choice” simply means allowing some resources to follow the student to the education method or school of their choice, rather than allotting all funding to the public school district where the student resides. Mountain States Policy Center believes that education choice means an all-of-the-above approach – traditional public schools, private schools, charter schools, magnet schools, micro-schools, homeschooling, and more.



Education choice policies such as Education Savings Accounts (ESAs) or education choice tax credits shift decision-making power to those closest to the student (parents) who are best able to assess that student’s unique education needs. While some families can afford to opt out of the state-sponsored system, the majority cannot. The competition and innovation generated by education choice will require

schools to be more responsive to student needs, allowing great schools to flourish and forcing poor schools to improve. A family is never worse off by having more than one education choice.

Fact-checking claims made against additional education choice options

Several false claims are routinely made against education choice options such as ESAs or education tax credits. Here are the most common:

- *False claim: “This is a voucher scheme.”* By the very definition, tax credits and ESAs are not vouchers. Tax credits are the simplest form of education choice. Essentially, it’s no different than a tax deduction for your mortgage interest or even a child tax credit. In the end, tax credits are given to parents directly, and vouchers are given to schools or a specific institution.
- *False Claim: “This defunds neighborhood schools.”* Tax credits take zero funds out of a state’s public school budget. They are a completely separate line item just like other policy proposals in the budget. Comparatively speaking, tax credits are generally a small fraction of a state’s overall K-12 public school allocation.
- *False claim: “This will only help the wealthy.”* Wealthy parents currently have the privilege of making two types of educational choices. They can either opt to reside in areas with high-achieving public schools, or they can afford to enroll their children in private schools by paying the necessary fees. Consequently, educational choice initiatives are typically tailored to cater to the requirements of disadvantaged students and those from low-income backgrounds. By erecting barriers that prevent low-income families from accessing the highest quality education, we are essentially impeding the advancement of disadvantaged children, which is both unfair and unnecessary.
- *False claim: “These programs haven’t helped students in other states.”* There have been nearly 190 empirical studies on the impact of education choice. Researchers have looked at fiscal effects, parent satisfaction, test scores, attainment, civic values, school safety, and racial integration. Remarkably, 84%

of studies show a positive effect, 10% show no impact, and 6% show a negative result.⁹³

- *False claim: "Rural communities will be hurt."* It cannot be said that education choice will not help in rural areas because there are few or no alternatives, and then, at the same time, that education choice will destroy the district school system because so many students will leave for alternative options. Since Florida enacted its tax-credit scholarship policy 20 years ago, "the number of private schools in Florida's 30 rural counties has grown from 69 to 120" and "private school enrollment in those counties has more than doubled, from 5,354 rural private school students in the 2001–2002 academic year to 10,965 students in 2021–2022, according to state data."⁹⁴
- *False claim: "These programs are unconstitutional."* Education choice has been extensively litigated and ruled on by courts across the country. The experience of other states gives lawmakers a roadmap for what is possible in the education choice arena. Likewise, these cases help separate fact from fiction (which is used to frighten elected officials and the general public). The overwhelming consensus of cases at the federal and state level shows education choice programs are constitutional.⁹⁵ This includes a unanimous ruling by the Idaho State Supreme Court in 2026 upholding the new parental choice tax credit.⁹⁶

Lawmakers in our region should continue to embrace education choice options while also expanding existing state programs to provide students and families with more options to meet their individual learning needs.

Case Study: Idaho's new education choice tax credit

⁹³ "There are 187 studies on impact of education choice – and the results are overwhelming," by Chris Cargill, Mountain States Policy Center, January 23, 2024, available at <https://www.mountainstatespolicy.org/post/there-are-187-studies-on-impact-of-education-choice-and-the-results-are-overwhelming>

⁹⁴ "Rustic Renaissance: Education Choice in Rural America," Heritage Foundation, January 9, 2023, available at https://www.heritage.org/sites/default/files/2023-01/SR264_0.pdf

⁹⁵ "Answering the legal questions on expanding education choice," By Chris Cargill, Mountain States Policy Center, July 2024, available at https://f1dfe764-7594-4c6a-847e-8ae7679554a2.usrfiles.com/ugd/f1dfe7_7f383fe7c75fb46b18ed66927dbb5ef40.pdf

⁹⁶ "COMPLETE VICTORY: Idaho Supreme Court upholds parental choice tax credit," By Chris Cargill, Mountain States Policy Center, February 5, 2026, available at <https://www.mountainstatespolicy.org/post/complete-victory-idaho-supreme-court-upholds-parental-choice-tax-credit>



Idaho's Parental Choice Tax Credit has quickly become one of the state's most significant education reforms. Enacted in 2025, the program provides nearly \$50 million annually to help Idaho families pay for qualified nonpublic education expenses. Families can receive up to \$5,000 per eligible student—or \$7,500 for

a student with a qualifying disability—for expenses such as tuition, curriculum, textbooks, tutoring, transportation and certain assessments. Importantly, the program gives priority to families with incomes at or below 300% of the federal poverty level.

The response from Idaho parents demonstrated substantial demand. Just six days after applications opened in January 2026, the state had already received more than 4,650 applications covering more than 7,300 students. By early March, that had grown to more than 6,400 applications representing more than 11,800 students. After the initial application period, the Idaho State Tax Commission reported 6,069 applications covering 10,809 students, with 2,709 applications coming from households at or below 300% of the federal poverty level.

Demand continued after the state reopened applications to distribute remaining funds. By July, the Tax Commission announced that the program had reached its nearly \$50 million statutory limit and closed the application period early—nearly a month before the August 15 deadline. In other words, Idaho families ultimately claimed the full amount lawmakers made available for the program in its first year. That provides a measurable indicator of demand for alternatives to the traditional public-school system. If it were a public school district, the number of students using Idaho's parental choice tax credit would be the fifth largest in the state.

The program also represents a different approach to education funding. Instead of assigning every child to a single government system, the tax

credit allows eligible parents to direct resources toward the educational setting and services they believe best meet their child's needs. Idaho's first year provides policymakers with concrete participation and spending data that can be evaluated as the program develops.

The Tax Commission is required to report additional information—including average credit amounts, participation by lower-income families, geographic distribution, waiting-list figures and categories of educational expenses—to the Legislature and governor.

4.5 Repeal the Blaine Amendment

A state constitution should reflect state values: fairness under the law, equal rights, and freedom of conscience. But today, Idaho's Constitution still contains a provision that falls short of those principles.

Article IX, Section 5⁹⁷ – commonly called Idaho's "Blaine Amendment" — singles out religious institutions and religious schools for different treatment. It broadly prohibits public funds from being used "in aid of" any church or religious organization and blocks support for schools controlled by religious denominations.

That distinction raises serious constitutional concerns. And after a series of U.S. Supreme Court rulings, provisions like Idaho's are increasingly out of step with federal constitutional protections.

During the 2026 legislative session, an effort was made to change that. House Resolution 7, a proposed



⁹⁷ Article IX, Section 5, Idaho State Constitution, available at https://archive.sos.idaho.gov/downloads/Idaho_Constitution.pdf

constitutional amendment that would have repealed Article IX, Section 5 and given Idaho voters the final say on whether the language should remain in the state Constitution.

The proposal advanced farther than previous efforts but ultimately failed to receive the two-thirds vote necessary for an amendment.

Supporters of Idaho's Blaine Amendment often describe it as a safeguard for church-state separation. Historically, however, the story is more complicated.

The "Blaine Amendment" movement traces back to 1875, when Congressman James G. Blaine proposed a federal constitutional amendment intended to prevent public funding of "sectarian" schools. The proposal passed the U.S. House but failed in the Senate.

At the time, many so-called public schools incorporated Protestant norms, including Bible reading and prayer. Catholic immigrants established their own schools and sought access to public support. Against that backdrop, the term "sectarian" was frequently associated with Catholic institutions, and Blaine-style provisions spread through state constitutions during a period marked by significant anti-Catholic sentiment.

Whatever their application today, that history deserves scrutiny. A state constitution should not preserve language rooted in an era when religious minorities often faced unequal treatment under the law.

A constitution is not a storage bin for outdated ideas. It is the highest expression of what a state believes about rights, citizenship and the proper limits of government.

Neutrality toward religion does not require hostility toward religion. It means government should play by the same rules when dealing with religious and nonreligious citizens and organizations.

That principle has become increasingly important in federal constitutional law.

Over the last decade, the U.S. Supreme Court has repeatedly held that states may not exclude people or organizations from generally available public-benefit programs simply because they are religious.

- In *Trinity Lutheran Church of Columbia v. Comer* (2017)⁹⁸, Missouri denied a church-operated preschool access to a generally available grant for playground resurfacing because of its religious status. The Supreme Court held that the exclusion violated the Free Exercise Clause
- In *Espinoza v. Montana Department of Revenue* (2020)⁹⁹, the Court considered Montana’s own no-aid provision. It held that once a state chooses to subsidize private education, it cannot disqualify otherwise eligible schools solely because of their religious character
- And in *Carson v. Makin* (2022)¹⁰⁰, the Court struck down Maine’s exclusion of religious schools from a tuition-assistance program available to other private schools

Taken together, these decisions have substantially limited the ability of states to use “no-aid” provisions to exclude religious institutions from otherwise generally available public benefits.

That leaves Idaho with an important question: If the state Constitution contains language that cannot be applied as broadly as it once was, why keep it?

Idaho’s Blaine language can create uncertainty. Lawmakers and agencies are left asking: What is permitted? What might be challenged? What would survive federal constitutional review?

It can also become a convenient way to end a policy debate before it begins: “The Idaho Constitution won’t allow it.”

After *Trinity Lutheran*, *Espinoza* and *Carson*, that answer is not always so simple.

Idaho should want constitutional clarity, not constitutional clutter.

⁹⁸ *Trinity Lutheran Church of Columbia, Inc. v. Comer*, 582 U.S., United States Supreme Court, 2017, available at <https://supreme.justia.com/cases/federal/us/582/15-577/>

⁹⁹ *Espinoza v. Department of Revenue*, United States Supreme Court, 2020, available at <https://constitutioncenter.org/the-constitution/supreme-court-case-library/espinoza-v-montana-dept-of-revenue>

¹⁰⁰ *Carson v. Makin*, United States Supreme Court, 2022, available at https://www.supremecourt.gov/opinions/21pdf/20-1088_dbfi.pdf

Idaho voters should decide whether this language still belongs in their state's foundational document.

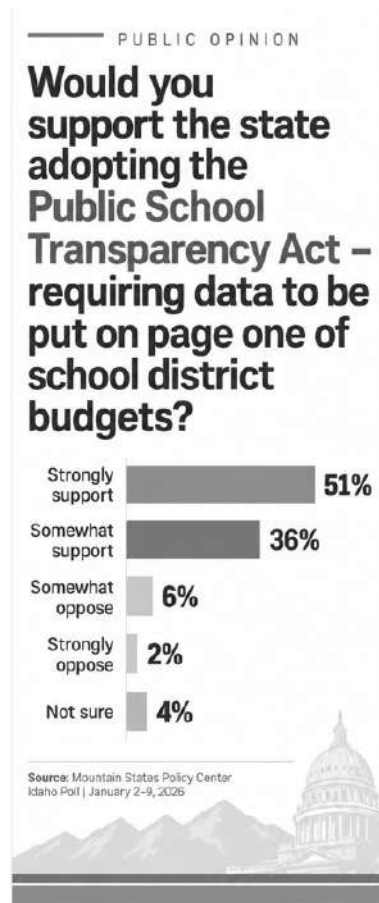
No state constitution should preserve unequal treatment based on religious identity simply because the language has been there for generations. And constitutional provisions written in a very different legal and historical environment deserve reconsideration when modern constitutional law has overtaken them.

4.6 Adopt the Public School Transparency Act

School district budget documents are a maze of numbers and legal jargon – if you can even find them. Depending on the district, they can be buried on websites and only accessible if you know where to look. When you finally do track down the document, it can be very difficult to read and understand.

To increase K-12 transparency, policymakers should adopt the Public School Transparency Act. This simple step would help taxpayers and parents determine whether their local district has enough funds and is properly spending the money in the classroom. As part of this idea, all public school districts would be required, both on the first page of their budget and also on the front page of the district's main website, to report six simple things:

1. *Amount of total dollars (all funds – local, state, and federal) spent by the district that year;*
2. *Amount of total dollars spent per student, per year;*



3. *Amount and percentage of total dollars allocated to average classroom;*
4. *Average administrator salary and benefits;*
5. *Average teacher salary and benefits; and*
6. *Ratio of administrators to teachers to students.*



Very little extra work would be needed to provide this data and make it accessible on paper and online. Most districts already have it buried somewhere in their budget documents. They know where to look, whereas parents and taxpayers can get lost. In the interest of transparency, school districts should be eager to share this

information with the public. Parents and taxpayers may see this data and conclude their school districts need more resources. Others may see it and believe that not enough is being done to spend money in the classroom. Regardless, the community will have a broader sense of the results being achieved, and what – if any – changes need to be made.

Idaho's top education official has also endorsed the idea:

"It's positive for our schools if the communities they serve understand how tax dollars are being spent," said Superintendent Debbie Critchfield. "Let's face it, school budgets tend to be complex and [the Public School Transparency Act] is a step that helps simplify the way they're communicated publicly."

Transparency can help improve student outcomes, and the public needs more information to inform education decisions.

4.7 Support open enrollment opportunities

Imagine being assigned to a grocery store based on your ZIP code. Would you be able to find all the products you need at the right price? How would the grocery store adjust its pricing and offerings if it knew you didn't have any other choice? This is the dilemma public school families often face – a situation wherein a quality school and equal opportunity can depend on where you live.

For decades, millions of American children have been assigned to a public school. Those who live in neighborhood A, for example, must go to school A. The reasons for this were, initially, easy to understand – transportation ease and neighborhood cohesion were thought to be

part of the equation. But policies of racial discrimination were also at play.¹⁰¹ As states seek to innovate and improve public schools, open enrollment for all children must be at the top of the list of policy reforms. And transparency regarding a state's open enrollment policies should be paramount.



There are two kinds of open enrollment policies – intradistrict and interdistrict. The first, intradistrict, allows families to transfer to a different school, but only within the same school district. The second policy, interdistrict, allows families to transfer to any school within the state, regardless of district.

Currently, 43 states have an open enrollment policy, but they can vary significantly. Some may be voluntary; others may choose a limited number of students who qualify. Some states use open enrollment for

¹⁰¹ "Housing redlining and its lingering effect on education opportunity," Heritage Foundation, March 11, 2021, available at <https://www.heritage.org/education/report/housing-redlining-and-its-lingering-effects-education-opportunity>

students who face geographic challenges, while others use open enrollment as a means for school integration.¹⁰²

How open enrollment differs by state

Lawmakers across the nation have taken various paths toward open enrollment. While states like Idaho and Utah have high-ranking open enrollment laws, other states have sought to add additional roadblocks for families seeking other options. North Dakota, for example, requires that the only reason a school board may not consider open enrollment is if there is a lack of school capacity. Florida publishes school capacity data every 12 weeks.¹⁰³

Even states with the best open enrollment policies can improve their policies and transparency, thereby making it easier for children to access a quality education. Public schools are very much part of education choice. Most families are satisfied with the performance of their local schools. But not every child is the same, and families must have the opportunity to seek other options.

Open enrollment is a popular form of public education choice that is supported by those across the political spectrum. Children should not be assigned to a school simply based on where they live, but rather whether that school offers the best opportunity for them to succeed. As states seek to innovate and improve public schools, open enrollment for all children must be at the top of the list of policy reforms. And transparency regarding a state's open enrollment policies should be paramount.

4.8 Increase the availability of public charter schools

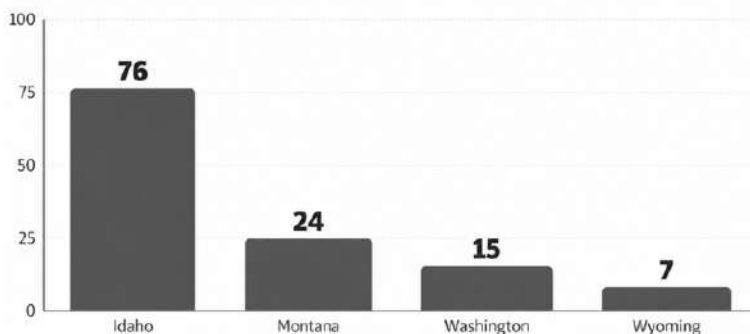
Charter schools are tuition-free schools that are publicly funded but independently run. Most charter schools are exempt from many state laws and regulations but are subject to a contract that includes goals, fiscal oversight, and accountability. If charter schools don't perform, they can be closed. However, charter school laws vary from state to state.

¹⁰² "50 State Comparison," Education Commission of the States, available at <https://www.ecs.org/50-state-comparison-openenrollment-policies/#:~:text=43%20states%20have%20state%20policies,28%20states%20have%20voluntary%20program> S.

¹⁰³ "Open Enrollment: State Policy Trends," National Conference of State Legislatures, June 3, 2024, available at <https://www.ncsl.org/education/open-enrollment-state-policy-trends>

Public Charter Schools by State

Number of public charter schools, 2026.



Source: State education agencies and charter school organizations, 2026.

While Washington, for example, allows public charter schools, the law is so limiting that it produces an artificial cap on the number of students who can attend. Despite the claims of opponents, charter schools are public schools. They don't pick and choose students, and often they serve more underserved students than local district schools and achieve higher outcomes than traditional public schools.

Charter schools are showing positive performance outcomes for students

Public charter schools are making a positive difference in students' lives. That's the main conclusion from Stanford's Center for Research on Educational Outcomes (CREDO) 2023 analysis.¹⁰⁴ The CREDO study has been produced three times – once in 2009, again in 2013, and the latest version in 2023. Nearly four million students across 43 states attend over 8,100 charter schools.

The National Alliance for Public Charter Schools notes:

“In 90% of states, charter growth outpaced overall school-age population trends . . . Growth is occurring both in states with long-established charter laws and in those just beginning, signaling that charter schools are reshaping the future of public

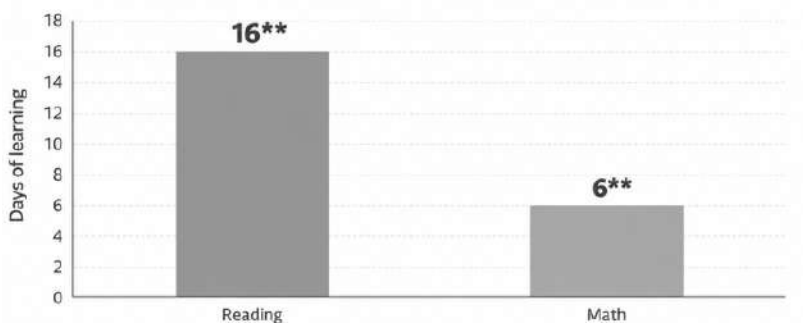
¹⁰⁴ “As A Matter Of Fact: The National Charter School Study III,” Credo, accessed on May 22, 2024, available at <https://ncss3.stanford.edu/>

education by expanding opportunity, driving quality, and meeting the evolving needs of families.”¹⁰⁵

The latest CREDO report shows increases in outcomes for just about every student category in nearly all states. The typical charter school student had math and reading gains that outpaced peers in traditional public schools. In math, charter schools advanced learning by an additional six days. In reading, charter school students advanced 16 days of learning each year.

While these numbers are national averages, certain state-by-state data show even stronger gains. Idaho’s charter school students gained an additional 17 days of learning in reading. Washington’s advancement approached 30 days. In Math, Washington students advanced almost 40 days while Idaho students advanced eight.

Average Annual Additional Growth from Charter Attendance, Reading and Math



** Significant at $p < 0.01$.

Charter schools in Idaho continue to have an impressive record. There are more than 70 statewide, and some are listed as among the top schools in the nation.¹⁰⁶ In 2024, Idaho adopted “The Accelerating Public Charter Schools Act” to remove some of the regulatory burden on charter schools to allow administrators and educators more time to focus on student outcomes. A press release by Idaho’s Governor Little said this about the new law:

¹⁰⁵ “2025 Enrollment Report,” National Alliance for Public Charter Schools, November 2025, available at https://publiccharters.org/wp-content/uploads/2025/11/NAPCS-2025_Enrollment-Brief-111425v1.pdf

¹⁰⁶ “Best Idaho High Schools,” US News, accessed on May 22, 2024, available at <https://www.usnews.com/education/best-high-schools/idaho/rankings>

“This bill cuts red tape around supporting charter schools in Idaho through best practices, development, and educational and operational assistance. It gives more flexibility for the high-performing charters of Idaho and more support to charters that are struggling and need more guidance.”¹⁰⁷

Though limited in number, charter schools are also performing well in the Evergreen State.

“Washington’s charter school students are scoring similar to or better than their traditional public school peers, according to a new report released by the State Board of Education. The report, which analyzes data from the 2022-2023 school year, also found Black and Hispanic students, English learners and children from low-income households are consistently performing better in charter schools than in traditional public schools.”¹⁰⁸

Policymakers in all states should continue to embrace charter schools and act to enhance their ability to meet the needs of students and families who are looking for alternative education opportunities.

4.9 Adopt the College Career Transparency Act

High school students considering whether the cost is worth pursuing a college degree usually consider two major questions: how much debt will I incur, and how much will I make when I finally achieve graduation and start my career? Unfortunately, it can be very difficult to easily find the answers, which can result in students taking out large college loans for careers that might not provide an adequate salary to pay down the loans. One option to make the decision easier is a policy called the Career Transparency Act, or CTA. The CTA would require the state to make a variety of statistics and information publicly available to high school students considering a college path. The information should include:

- *A listing of the state’s future workforce needs;*

¹⁰⁷ “Idaho sets a strong example by enhancing charter schools,” by Jason Mercier, Mountain States Policy Center, March 2, 2024, available at <https://www.mountainstatespolicy.org/post/idaho-sets-a-strong-example-by-enhancing-charter-schools>

¹⁰⁸ “WA charter school performance on par with other public schools, state report says,” Washington State Standard, April 22, 2024, available at <https://washingtonstatestandard.com/2024/04/22/wa-charter-school-performance-on-par-with-other-public-schools-state-report-says/>

- *Starting wage information and education requirements for the top 25 high-demand jobs in the state;*
- *A listing of the 40 baccalaureate degree programs with the highest average annual wages following graduation;*
- *A listing of the 20 associate degree programs with the highest average annual wages following graduation;*
- *The cost of obtaining the degree or certificate at state institutions of higher education, including;*
 - *Tuition and fees*
 - *Room and board*
 - *Books and supplies*
 - *Transportation*
 - *Other costs*
- *The median wage earned by students who graduated with the certificate or degree;*
- *The median student debt of those who graduated with the certificate or degree;*
- *Progress on repaying student loans by those who graduated with the certificate or degree; and*
- *The percentage of students who withdrew from the institution and do not enroll in the program at another higher education institution.*

With this information readily available, students could better understand whether the long-term career benefit would be worth such a large financial burden. Policymakers may not be able to control all college costs, but they can help inform better career and financial decisions by students considering higher education. Identifying workforce needs, a listing of wages, clear information about the cost of obtaining a degree, and more should all be made readily available via the Career Transparency Act.

4.10 Embrace performance-based funding for higher education

If and where to attend college can be a life-changing decision with significant impacts on an individual's future job opportunities and potential debt liabilities. Students, parents, and policymakers all have a vested interest in ensuring the return on investment is worth the considerable expense.

This is why there's a need for states to focus on performance-based funding formulas for higher education. States across the country currently differ in their approach to funding higher education institutions. Some formulas are based on enrollment numbers, and others have a minimum number that their funding cannot go below. In recent years, there has been a push towards using performance-based formulas.

In 2023, Texas and Tennessee decided to reward their institutions based on achieving performance metrics rather than supporting subpar outcomes. This means they are funded based on outcomes such as certificates, degrees, and credits earned. The aim of this is to prepare students for the workforce. Higher education institutions in our region are currently providing funding based on enrollment instead of outcomes.

There are three basic approaches that policymakers in the U.S. have taken for higher education funding formulas. The enrollment-based model looks at the headcount of students at the institution and budgets accordingly. There is usually a base number per student, and that number will fluctuate by year. The base-adjusted formula uses a mechanism to make sure that university funding doesn't drop below a certain point or retain a minimum share of funding. The performance-based model looks at certain outcomes and provides funding based on objectives that policymakers want the university to achieve.¹⁰⁹ Obviously, some formulas can mix multiple approaches, but for the most part, they can be separated into those subtypes.

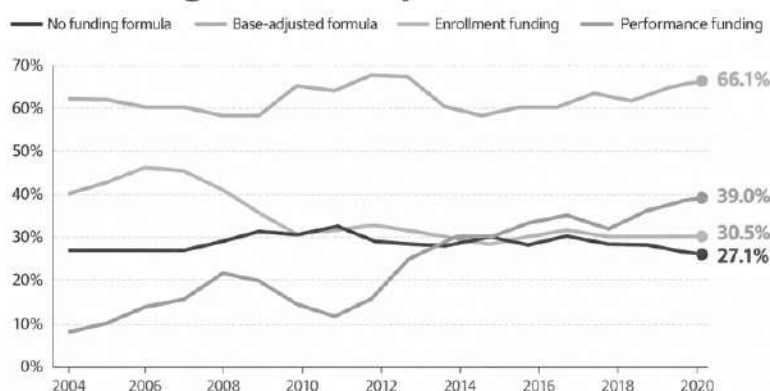
During the last 15 years, there has been an increased use of performance-based funding formulas across the country for higher education. Taxpayers want to fund effective institutions. Some

¹⁰⁹ "Designing State Funding Formulas for Public Higher Education to Center Equity," Brookings, August 9, 2024. Available at: <https://www.brookings.edu/articles/designing-state-funding-formulas-for-public-higher-education-to-center-equity>

educational data can be subjective in the qualitative sense, but there are plenty of quantitative, objective, and measurable outcomes for higher education institutions.

There are different ways to implement a performance-based model, but a popular metric to consider is post-graduation job placements. While this data may be hard and time-consuming to find, this is a great marker for the public to gauge an institution's effectiveness. Budget writers can also reward schools with funding if they provide training for jobs in high-demand areas or in developing fields. A simple way to think about it is that the state must determine the true purpose of the institution and then incentivize its higher education institutions to meet that purpose.

Percent of public four-year college systems with funding formula components, 2004 to 2020



Source: State Higher Education Executive Officers Association, State Higher Education Finance, FY 2022.

Structure of performance-based metrics

Different higher education institutions serve a slightly different purpose. This means performance metrics will vary. For example, a community college and university should not base their funding on job placements in their field within one year, because a majority of community college graduates go on to earn their bachelor's degree in another two years and don't go directly into their field. Certain technical colleges aim to equip students who are going into a particularly difficult niche job market, and numbers such as job placements upon graduation may be skewed.

Some policymakers prefer having a set amount of funds that may be "at risk" if the university fails its target goal. Others prefer a number that

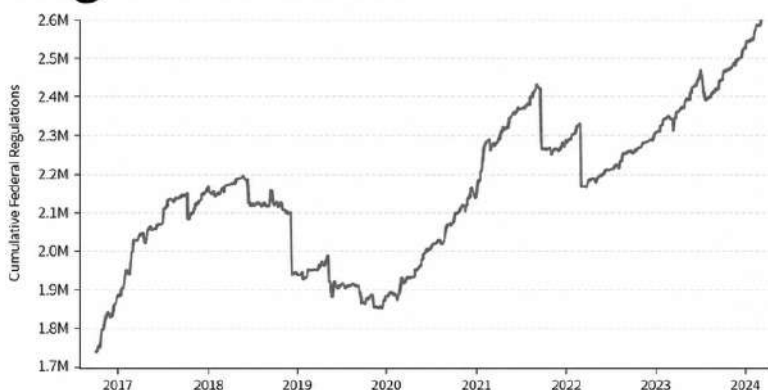
can be multiplied by the percentage of graduates who secure a job upon graduation. There is also diversity within bonus structures. A low flat base fund may be added with other funds that will become available upon achieving a target metric.

Competitive higher education institutions focused on meeting performance-based outcomes are what students deserve. To ensure that taxpayers, parents, and students achieve a strong return for their considerable investment, states should use performance-based funding for higher education to promote accountability, transparency, and efficiency for their higher education system.

5.1 Pillars of regulatory reform and oversight

Like it or not, regulations play a role in our everyday lives. Some dictate where and how we can eat. Others place restrictions on what we can sell or how we can operate a business. For example, in Tamarack, Idaho, it was once illegal to buy onions after dark without a permit. Nationally, 18 U.S. Code 2074 makes it a crime to “knowingly issue or publish any counterfeit weather forecast.” Bacon processing plants in California still require a fax machine.

United States Federal Regulation Tracker



Whether they are at the local, state, or federal level, all laws and regulations have a cost. In fact, a study by the Journal of Economic Growth concluded that regulations have slowed economic growth by as much as two percent per year. Economists at the Mercatus Center at George Mason University found that the size of the regulatory state significantly slows economic growth and has translated into a \$13,000 loss in real income for every American.

Rules and regulations come in all shapes and sizes. They can be tallied by pages, words, and even economic significance. Luckily, policymakers in the Mountain States have recognized the need to limit the regulatory burden. Idaho Governor Brad Little has touted his Red

Tape Reduction Act – an effort to make Idaho one of the least regulated states in the nation. Numerous national reports give Idaho top marks for the effort. Montana Governor Greg Gianforte has labeled red tape reduction as one of his top priorities.

These efforts should not be confused with an attempt to do away with every law, rule, and regulation. On the contrary, those that are well-designed and consistently reviewed protect not only business owners and workers but also consumers and citizens. Still, lawmakers in the region and across the nation can and should do more. Thousands of rules and regulations are no longer relevant or need to remain on the books.

The keys to regulatory reform

As policymakers consider the rules that govern rules and regulations, they should take care to ensure they are simple, predictable, and reviewable. The fight to reduce ineffective and burdensome regulations has received the most traction at the state level. Idaho started on the path to its low regulatory burden with Governor Brad Little's Red Tape Reduction Act. It continued its effort with zero-based regulation – an executive order that forces regular reviews of rules and restrictions. In fact, roughly 20% of each of Idaho's agency rules are reviewed annually.

At the state level, policymakers should be doing more to reduce burdensome regulations and take responsibility for those still on the books. Perhaps the best way to accomplish this goal is to be committed to the separation of powers. In too many cases, bureaucrats take on the role of rulemaking and implementation – even though they were never elected to write laws. Legislatures should never delegate sweeping lawmaking authority to regulatory agencies.

Executives have the responsibility of signing and implementing laws, and any rule that has the force of law should be signed by the Governor. Far too often, state rules are signed and put into place by unelected bureaucrats who may not need to consider the best interests or concerns of citizens because citizens cannot remove them from office. It is more difficult for a state's chief executive to claim he or she didn't know about a controversial rule if they were required to approve the rule before it took effect.

Judges are constitutionally required to interpret the law without bias. Unfortunately, many judges have decided to defer their role and responsibilities to agency interpretation. To ensure the judiciary understands and doesn't skirt its duty, judges should interpret statutes, regulations, and other documents without giving any deference to an agency's legal interpretation. If the text is still unclear, judges should default to a reasonable interpretation that limits agency power and maximizes individual liberty. In other words, the tie should go to the citizens, not the government.



Thanks to the separation of powers, ensuring oversight and lessening the regulatory burden are achievable. Each of the three branches has a role and responsibility. As the National Governors Association writes, “well designed regulations protect workers, consumers and the environment while promoting entrepreneurship and economic growth.”

Idaho and Montana deserve credit for their efforts to reform the regulatory state. But as new policymakers consider the rules that govern rules and regulations, they should take care to ensure they are always simple, predictable, and reviewable. Policymaking is the exclusive prerogative of the legislative branch of our government and should never be delegated to an unelected administrative body.

5.2 Adopt regulatory sunset provisions

One of the best ways to ensure laws and regulations do not become overly burdensome is to include sunset clauses or provisions. A sunset

clause is an expiration date – requiring further legislative action if the legislation or regulation is to continue. This can be particularly helpful in a situation where a law was passed to address an urgent, timely situation, but no longer applies.

Unfortunately, tens of thousands of laws that were passed in the 19th and 20th centuries may be outdated, but they remain on the books and therefore create a larger regulatory burden each year. Adding sunset clauses requires lawmakers to review the effectiveness and need of regulations and programs. Researchers at the Mercatus Center at George Mason University found a sunset review process can also be effective in minimizing the executive branch’s influence on state boards and agencies.¹¹⁰

5.3 Embrace occupational licensing reform

State-specific, non-universal occupational licensing exists in 22% of professions and has grown over the last few decades, from 5% in the 1950s.¹¹¹ Why? It has nothing to do with the quality of service or requests from consumers. In many situations, these are industry-created artificial barriers to entry, limiting competition in the market. Occupational licensing does the reverse of its promises: decreasing the quality of service, increasing prices, decreasing employment, and frequently having a disproportionate effect on low- to middle-income earners.

A frequent example of occupational licensing harm can be found among hair braiders. Many states have required hair braiders to attend cosmetology school. Except, with the glaring oversight that cosmetology school doesn’t teach the braiding profession. Thankfully, many of the braiding licensing requirements have been overturned in recent years, but while they existed, they caused unnecessary economic harm to many families.

Occupational licensing reform doesn’t argue for poor service from any profession but recognizes that consumers encourage better quality through reviews and choice than the quality licensure creates. Many professions are better served by utilizing voluntary programs, removing

¹¹⁰ “Sunset Legislation in the States: Balancing the Legislature and the Executive,” by Brian Baugus and Feler Bose, Mercatus Center, George Mason University, August 2015, available at <https://www.mercatus.org/research/research-papers/sunset-legislation-states-balancing-legislature-and-executive>

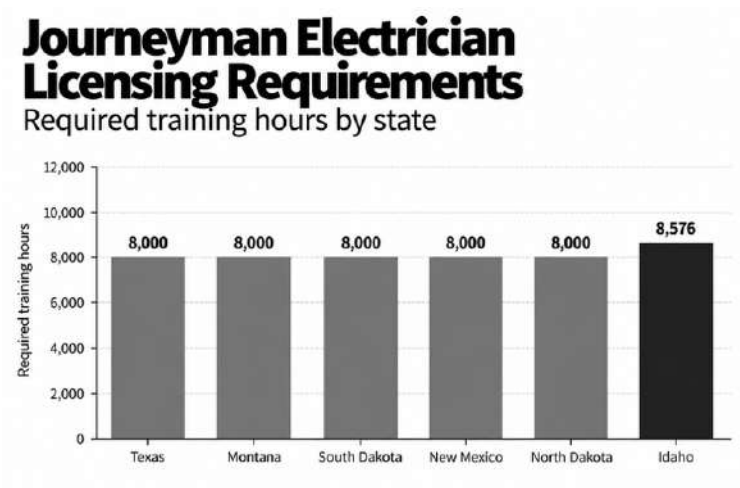
¹¹¹ “Occupational Licensing,” CATO, December 15, 2022, available at <https://www.cato.org/publications/facilitating-personal-improvement-occupational-licensing>

unneded licenses, and relying on service review websites like Yelp and Angie. Even the American Veterinary Medical Association has recognized the hassles and costs of state-specific licensure and is looking for better practices. A life-changing event, like moving or employment changes, doesn't change abilities. It's time states recognize this conclusion and support occupational licensing reforms.

5.4 Idaho should reform licensing requirements for the trades

The trades - electrical, plumbing, and HVAC (Heating, Ventilation, and Air Conditioning) - face a growing concern surrounding what could most accurately be labeled a retirement crisis. Some estimates say that for every five journeymen who retire from the trades, only two apprentices from a younger generation will replace them.¹¹² Basic economics tells us that when the demand for labor exceeds the quantity supplied, the salary of that labor rises. Given that the real wages of trade workers are rising, there is a rising demand for trade workers, implying an insufficiency in the current stock of trade labor.¹¹³

Of course, the government-regulated labor market can address an insufficient number of laborers. But those government regulations, particularly licensure requirements, inhibit the ability of the market to respond to new demand for labor.



¹¹² “The Labor Shortage In The United States: Why Are American Workers Becoming Harder to Find,” Skillwork, available at <https://skillwork.com/blog/the-labor-shortage-in-the-united-states-why-are-american-workers-becoming-harder-to-find/>

¹¹³ “Slowed Hiring in White Collar Jobs is Driving GenZ Toward Skilled Trades,” Gusto, November 27th, 2024, available at <https://gusto.com/resources/gusto-insights/skilled-trade-workers-2024>.

Licensure raises the price of entry into the trades' labor market, artificially limiting the number of people who can enter it. Given the ever-important need for skilled laborers in the trades, this is a big concern. The research shows that Idaho can lower its licensure requirements without significant harm and therefore should do so.¹¹⁴

Despite evidence that there is growing market demand for the trades, and in spite of evidence that those same trades are suffering from shortages, Idaho continues to impose heavy licensure requirements on electricians, plumbers, and HVAC workers. Idaho's own regulations are even more stringent than the requirements for states whose licenses they recognize. This imposes high costs on consumers and does not seem to have a positive effect on worker quality based on the available evidence. It would be best practice for Idaho to seek to lower barriers to entry into the trades to meet the needs of the present.

5.5 Use competition to reduce workers' compensation costs

Workers' compensation is defined by the United States Centers for Disease Control as, "systems [that] were established to provide partial medical care and income protection to employees who are injured or become ill from their job." Workers' compensation was established to incentivize employers to reduce injury and illness to their employees. While the federal government has established this overarching definition of workers' compensation and its purpose, each state government is responsible for creating its own system and regulations for workers' compensation.

This has led to some stark differences in the workers' compensation systems of varying states. Washington and Wyoming, for example, are two of just four states (North Dakota and Ohio are the others) with a monopoly workers' comp system. This top-down control without any competition has led to increasing rates and questionable customer service. Meanwhile, in Idaho and Montana, employers can choose to purchase their workers' compensation from the state, from private companies, or can self-insure, leading to declining rates.

While there is some debate about which system – private or state-controlled – works best, there is ample research to suggest the private

¹¹⁴ "The need for occupational licensing reform in Idaho," by Luke Hill, Mountain States Policy Center, March 2026, available at https://www.mountainstatespolicy.org/_files/ugd/f1dfe7_8f77990cb47745c78abe78bd71ad8ce9.pdf

model uses the free market to improve coverage, lower costs, and protect workers.

Shifting to private competition

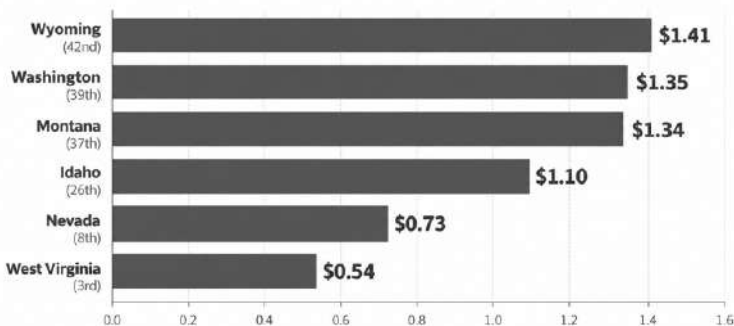
As we compare the public and private provisions of workers' compensation, we should consider the results of states that have shifted from entirely public to private systems. West Virginia is an excellent example of this.

In 2004, then-governor Joe Manchin and the Legislature approved legislation that privatized workers' compensation. In the years since, workers' compensation rates for businesses have steadily declined thanks to the competition offered by dozens of private insurance companies. Prior to 2004, when the state oversaw workers' compensation in West Virginia, the system was losing \$1 million dollars per day and had an unfunded \$3 billion in liability. There were also loopholes that allowed individuals to take advantage of the system at taxpayers' expense - one could be declared permanently disabled at one job and collect lifetime benefits all while working at a new job.

However, since privatization in 2004, scams such as this have halted, as private companies compete to offer injured workers the best and timeliest coverage to get them back to work as soon as possible. This has provided major savings for both employers and taxpayers, and the consistent decline in rates since 2004 is proof that free markets and the competition they provide are essential.

Average Workers' Compensation Costs by State

Workers' Compensation Index Rate — cost per \$100 of payroll.



Source: Rich States, Poor States, 2025; Oregon Department of Consumer and Business Services.

West Virginia isn't the only state to switch from public to private workers' compensation systems. In 2000, Nevada also made the switch to workers' compensation provided by private companies and self-insurance. As with West Virginia, privatization had immediate positive effects on Nevada employers and taxpayers. In the 90s, the state's workers' compensation system was at risk of being insolvent due to a large deficit, and the state's fund had a projected unfunded liability of \$3 billion. However, in the years since privatization, Nevada's workers' compensation rates have declined steadily. Workers' compensation is important for employees and their employers.

While nearly all states require businesses to purchase some form of workers' compensation to protect their employees and themselves, each state takes a different approach and presents a unique set of requirements. Policymakers should allow private options for workers' compensation - a free market solution that will promote competition and benefit businesses and employees alike.

5.6 Review impact fees for legal validity

Government officials should review the impact fees they impose to ensure they comply with the 2024 ruling by the Supreme Court of the United States (SCOTUS) in the case of *Sheetz v. El Dorado County*. Before this court ruling, if you wanted to build your family home, there was the possibility that impact mitigation fees could require you to pay thousands of dollars to local governments for the mere privilege of acquiring the proper permit.

This fee was a preset figure by the legislature, which believed it was exempt from proving the fees they were charging were reasonable. However, SCOTUS held in a unanimous decision that conditions placed on building permits are subject to heightened scrutiny and that fees must match the public's goals.¹¹⁵

The individual who brought this case, George Sheetz, argued that these impact mitigation fees violate the long-standing unconstitutional conditions doctrine, which, in sum, states the government cannot place a condition of receiving a public benefit on releasing a constitutional right. The Fifth Amendment to the U.S. Constitution provides more than the commonly known right to remain silent—it is

¹¹⁵ "Court rules for property owner in building fee dispute," SCOTUS Blog, April 12, 2024, available at <https://www.scotusblog.com/2024/04/court-rules-for-property-owner-in-building-fee-dispute/>

also where a limit on the government's ability to take property without justly compensating the property owner can be found. This case arose because Mr. Sheetz wanted to use his land located in El Dorado County to its highest utility by building a home where he and his family could reside.

Sheetz sought a residential building permit from the defendant county, and while they obliged by providing a permit, it was on the condition he pay \$23,420—a fee set by the state legislature to compensate for the alleged burdens the new construction would have on the county's traffic levels.

Court precedent on imposing impact fees

SCOTUS precedent, *Nollan and Dollan*, established the “essential nexus” and “rough proportionality” requirements between a permit fee imposed by a government body and the impact on the public. This means government bodies charging these types of fees should be required to prove the connection between the costs the individual homebuilder is incurring and what exactly the public is being compensated for.

These “impact fees” that Sheetz encountered are intended to mitigate the negative consequences of building in highly populated and wealthy areas. Proponents of the fees believe it to be a vital regulatory tool to fund infrastructure such as schools, parks, libraries, etc. However, the impact fees, sometimes known as “exaction fees,” quickly became a contested subject under the Fifth Amendment because builders, architects, and developers believed this to be an unduly burdensome barrier to performing work.

California is not the only place this practice has drawn controversy. Wyoming's impact fee schedules have also received backlash. Jackson and Teton counties have recently been scrutinized for their cost of building new homes and businesses. For instance, to build a 4,000-square-foot home in either of these quickly populating counties, the homebuilders incur \$31,000 in fees demanded by the county. Due to Sheetz's success, these fees cannot be imposed unless the government can prove that this individual Wyoming resident's building plan has a direct \$31,000 impact on the public.

SCOTUS provided a narrow ruling. Justice Barrett, the author of the opinion, said:

“There is no basis for affording property rights less protection in the hands of legislators than administrators. The Takings Clause applies equally to both — which means that it prohibits legislatures and agencies alike from imposing unconstitutional conditions on land-use permits.”

Sheetz secured a win for property owners and builders across the country—governments are now subject to the two-part fairness test for the fees that they are imposing in the name of the public good. Public officials should ensure that they are complying with this ruling on impact fees and protecting important constitutional rights.

5.7 Advance market options to improve housing affordability

Housing affordability and availability are major concerns in the Mountain West.

What should local and state governments do in this housing crisis? The answer is not a government solution but a market solution.

Government track records in the area of housing affordability are very poor. Many of the so-called government fixes, like rent control, make housing more unaffordable. How will the mountain states solve the housing crisis? The solution is allowing the market to supply more homes.

Market options to improve affordability

The housing attainability crisis our region faces is not going to be fixed through government solutions and funding. The attainability crisis is an availability crisis, and our local policies need to improve housing supply with the market, not the government. Improved housing supply will grant homebuyers more attainable choices.¹¹⁶

Our region is expected to continue to increase in population, leaving the housing supply tight. Policies that favor increasing the housing supply are the best solution to increasing availability and affordability. Though often doubted, the simple theory of supply and demand applies to the housing industry. As the supply of houses increases, prices decrease. State and local governments need to move away from Not In

¹¹⁶ “Why housing is getting more expensive - and how states can fix it,” by Madi Clark, Mountain States Policy Center, June 2026, available at https://www.mountainstatespolicy.org/_files/ugd/f1dfe7_cf6432da410f4997aff4c014f1878eea.pdf

My Backyard (NIMB) policies that discourage denser housing and favor policies that make home building easier.

Supply problems plague the housing industry due to regulatory red tape, land constraints, labor shortages, and misaligned demand signals. But if the housing crisis were to be resolved today, 3 to 4 million units would need to appear on the market nationally, or about 2-2.6% of the current housing stock.¹¹⁷ This is three times the number of units started in 2025. In our region, the shortage totals 335,161 homes (Idaho 44,525 homes, Montana 32,703, Washington 247,642, and Wyoming 10,291), based on a mid-range shortage estimate of 6 million homes nationwide.¹¹⁸

Housing Demand Limitations

Homeownership is America's cultural path to accruing wealth. With growing housing prices and income disparity, the path is becoming unattainable. Housing affordability is the ability of households to spend no more than 30 percent of their monthly income on housing costs.

Nationwide, the ratio of income to home prices peaked in 2022 at 5.83. The ratio breached 5x in 2004 and has rarely dipped below since 2008.¹¹⁹ In the last five years, all of our region, except Wyoming, joined the 17 states in the nation where home prices are unaffordable.¹²⁰

Supply Side Policies

Housing affordability advocates often point to broad-handed government intervention as a solution to the housing crisis. But time after time, these government interventions fail to deliver on the intended promises. Rent control creates empty units, government-owned housing projects foster social disparity, zoning ordinances limit construction, etc. The list can continue. Too often, the best intentions of housing affordability create market failures in an attempt to solve perceived market failures. Below are the core housing policies that should be acted on.

¹¹⁷ "The Outlook for US Housing Supply and Affordability," Goldman Sachs, October 2025, available at <https://www.goldmansachs.com/insights/articles/the-outlook-for-us-housing-supply-and-affordability>

¹¹⁸ "U.S. Housing Shortage by State, County, and City," American Enterprise Institute, available at https://heat.aei.org/toolkit/housing_shortage

¹¹⁹ "Charted: The Decline of U.S. Housing Affordability (1967-2023)", Visual Capitalist, July 2025, available at <https://www.visualcapitalist.com/decline-u-s-housing-affordability-1967-2023/>

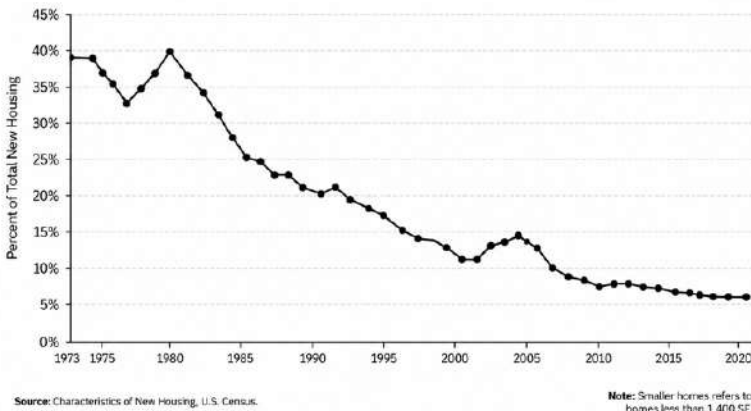
¹²⁰ "Housing Affordability Across the Country," Office of Policy Development and Research (PD&R), U.S. Department of Housing and Urban Development, July 2025, available at <https://www.huduser.gov/portal/pdredge/pdr-edge-frm-asst-sec-072425.html>

1. *Streamline Regulatory Processes to Increase the “Swarm” of Construction Workers and Developers:* The government’s role in ensuring the safety of residential and commercial units is a non-negotiable item in our country. All units are legally required to comply with the International Building Code. However, the government should avoid additional requirements. For example, the expansive Washington State Building Codes, specifically the State Energy Code, have added \$39,876 to the cost of building a new home.¹²¹
2. *Remove barriers to land availability:* Housing supply needs land to build, but not necessarily urban sprawl consuming viable farmland. Healthy housing growth should look inward before spreading outward and look towards non-productive land first. Policies that favor residential development as infill in the form of light-touch density, mixed-use zoning to allow for flexible use as in the case of commercial conversion, accessory dwelling units, starter home subdivisions, and conscientious public land use are vital to solving the housing shortage. An important aspect all housing policy should consider is the role Homeowners Associations (HOA) and covenants play in creating more choice in the marketplace. Though zoning is not an inherent property right, housing policy should respect the choices homeowners can make collaboratively for their neighborhood.
3. *Don’t create winners and losers in the housing market:* If consumers want to live in a manufactured home or a 3-D printed home or a traditional stick-built home, the government should not pick winners or losers. The government must ensure the permitting process is fair and equitable across different building methods. This will allow consumers the opportunity to choose what building method best fits their needs.

¹²¹ “The Cost of Regulations 2025,” BIAW Washington Center for Housing Studies, March 2025, available at <https://housingstudies.biaw.com/reports/the-cost-of-regulations-2025>

Supply: Small Home Construction

Decline of Smaller/Starter Home Construction, 1973–2021



Demand Side Policies

1. *Stimulate growth by attracting business:* Providing all of the needed housing supply will accomplish little if the majority of the region is unable to afford the houses. States need to focus on policies that attract businesses with many well-paying jobs. This means embracing competitive tax and regulatory structures.
2. *Innovation and Entrepreneurship:* The solution to well-paying jobs isn't place-based economic stimulus packages that tend to be slow to respond and misplaced. Instead, states should limit their involvement in the economy.

In summary, policymakers should adopt supply-side reforms including streamlining bureaucracy, removing barriers to land availability, and not picking winners and losers through red tape. Demand side reforms also need to be continued and/or adopted simultaneously, including policies that are economically favorable to retaining and attracting businesses and leading to innovation and entrepreneurship.

5.8 Avoid costly minimum wage increases

Raising the minimum wage is a policy discussion ripe with tradeoffs. On the one hand, a hike in hourly pay could help some low-income workers. On the other, small business owners would be hurt and, as a result, would likely employ fewer workers. The tradeoff is highlighted in the Mountain States. Washington state, for example, has raised its

minimum wage to \$17.13 per hour (with annual increases). Wyoming and Idaho have kept the minimum wage at the federal minimum of \$7.25, while Montana’s minimum wage is \$10.85 (with annual increases).¹²² As of May 2026, data from the Bureau of Labor Statistics shows Washington’s unemployment rate is 53% higher than both Wyoming’s and Montana’s, and 41% higher than Idaho’s.¹²³

Economists across the political spectrum agree there are tradeoffs. The Congressional Budget Office (CBO) says: “In general, increasing the federal minimum wage would raise the earnings and family income of most low-wage workers and thus lift some families out of poverty—but doing so would cause other low-wage workers to become jobless, and their family income would fall.”¹²⁴ The CBO’s online tool allows users to plug in a minimum wage target and experience the consequences. For example, if the minimum wage were increased to \$12 per hour, CBO data shows a decline in average weekly U.S. employment, as well as a drop in real family income.

Seattle’s \$15 Minimum Wage

The University of Washington conducted a review of Seattle’s increase of the minimum wage to \$15, phased in over several years.



Source: University of Washington, “The Effects of Seattle’s Minimum Wage Ordinance,” 2018.

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 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

¹²² “State minimum wage laws,” U.S. Department of Labor, accessed on July 17, 2026, available at <https://www.dol.gov/agencies/whd/minimum-wage/state>

¹²³ “Unemployment rates for states,” U.S. Bureau of Labor Statistics,” May 2026, available at <https://www.bls.gov/web/laus/laumstrk.htm>

¹²⁴ “How Increasing the Federal Minimum Wage Could Affect Employment and Family Income,” Congressional Budget Office, accessed on July 17, 2026, available at <https://www.cbo.gov/publication/55681>

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 actually fell by 13.6%. This decrease in the average number of hours worked not only reduced total wages but also impacted eligibility for benefits."¹²⁵

Government estimates track with real-life data in cities and states that have raised their minimum wage. The University of Washington conducted a review of Seattle's increase of the minimum wage to \$15, phased in over several years. Researchers wrote, "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."¹²⁶ In other words, the hike was costing jobs. In fact, the research showed 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. The impact there is likely to be much more severe. Any minimum wage increase is particularly harmful to young people. The minimum wage for an individual unable to find a job is zero.

5.9 Follow Idaho's example on short-term rental reforms

Local governments across the country are engaging in a slow-motion seizure of private property rights—but in Idaho, lawmakers put a stop to it in 2026.¹²⁷ With its new short-term rental law, Idaho provides a blueprint for other states, reminding local governments that a presumption in favor of peaceful property use is not a policy preference, but the starting point of legitimate governance in a free society.¹²⁸

To understand the necessity of such a law, consider the regulatory absurdity that preceded it. Under pressure to solve a housing crisis

¹²⁵ "Research: When a Higher Minimum Wage Leads to Lower Compensation," Harvard Business Review, June 10, 2021, available at https://www.lavorosi.it/wp-content/uploads/documenti/PRASSI_2023/harvard-business-review-salario-minimo-in-usa-effetti-negativi.pdf

¹²⁶ "New evidence from the Seattle minimum wage study," Evans School of Public Policy & Governance, accessed on July 17, 2026, available at <https://evans.uw.edu/new-evidence-from-the-seattle-minimum-wage-study/>

¹²⁷ "HB 583," Idaho Legislature, 2026, available at <https://legislature.idaho.gov/sessioninfo/2026/legislation/H0583/>

¹²⁸ "Short-term rental regulations: Principles, pitfalls and practical reforms," by Amber Gunn, Mountain States Policy Center, January 2026, available at https://www.mountainstatespolicy.org/_files/ugd/f1dfe7_ae8b2e1d76834033b8f3a62a12777301.pdf

largely created through restrictive zoning, cities and counties required owners who wanted to rent their residential homes for less than 30 days to run a legally treacherous gauntlet of red tape so burdensome that many homeowners simply gave up.



Prior to issuing a permit, many jurisdictions also required owners to notify every neighbor within a set radius that they planned to operate a short-term rental, effectively inviting the whole block to veto an individual homeowner's private property rights. Rather than enforcing existing nuisance laws, local governments have weaponized building

codes to target specific homeowners. Citing Idaho's previously vague statutory authority allowing them to "safeguard the public health, safety, and general welfare," municipalities justified almost any STR restriction they could concoct.

Clearly, local governments cannot be trusted to grade their own papers when it comes to the limits of their power. When a government reclassifies a residential home as a commercial business, it strips away the property's primary use—a backdoor to seize control of an asset without compensation.

Idaho's new law recognizes that hosting guests is a residential act, protecting a critical financial lifeline for middle-class families. Local governments still have every tool they need to crack down on noise and trash; they just can't use those rules as a pretext to discriminate against homeowners.

State lawmakers should not allow property rights to be subject to a "zip code lottery" where rental opportunity is dependent upon the current makeup of a city council. While governments fixate on STRs, they ignore the staggering cost burden of their own bureaucracy. Regulation accounts for 23.8 percent of the price of a new home and 40.6

percent of the cost of multi-family housing developments, according to the National Association of Home Builders.

Idaho is not alone in facing aggressive local overreach. From Chelan County, Washington, to Jackson, Wyoming, municipalities are flexing Rube Goldberg levels of imagination to restrict short-term rentals. Inconsistent local mandates drive up compliance costs and create a minefield of uncertainty for homeowners.

Short-term rentals are not a disruption to American housing—they are a continuation of a longstanding tradition of home-based lodging and a meaningful tool for economic mobility and housing growth. Individuals renting out their properties are not the cause of rising housing costs, and broad restrictions do little to improve affordability.

Policymakers committed to the principles that shaped America’s constitutional and economic foundations should anchor STR regulation in property rights, targeted enforcement, and market-based solutions. That means prohibiting blanket bans, preventing regulatory capture, streamlining compliance, limiting fees to administrative costs, and requiring periodic review of any rules to ensure they remain justified by real-world outcomes. When governments focus on addressing documented harms rather than speculative concerns, they protect both individual liberty and the health of the housing market.

Housing affordability will not be achieved by restricting peaceful uses of private property, but by expanding supply, reducing regulatory barriers, and allowing markets to respond to demand. A disciplined, rights-centered STR framework helps move policy back toward that goal—strengthening economic opportunity for homeowners, supporting local economies, and keeping government aligned with its proper role in a free society.

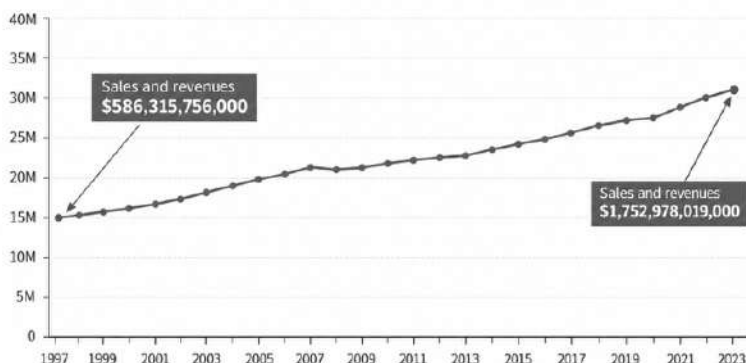
Idaho’s new law ensures property rights do not vanish because a guest stays for three nights instead of thirty. By protecting the residential status of all homes, Idaho has created a gold standard for regulation anchored in property rights and targeted enforcement. Other states should follow this lead, reminding local governments that they are not a substitute for the neighborhood HOA—and that their regulatory creativity has limits.

5.10 Montana and Washington should adopt portable benefits

The Mountain States have a long tradition of entrepreneurship: ranchers who contract with multiple buyers, tradespeople who run their own shops, and professionals who consult across companies. As self-employment and contracting grow, a persistent policy problem remains: benefits such as health coverage and retirement savings are still tied to a single employer. That legacy model doesn't fit how many workers in our region earn a living today. This is why Idaho and Wyoming adopted portable benefit reforms in 2026. Montana and Washington should follow their lead.

Growth in self-employment in the USA

Number of establishments, 1997 to 2023



Portable benefits offer a limited-government solution. Instead of mandating one employment model, states can create a legal *safe harbor* so that businesses, clients, and buyers may voluntarily contribute to benefits for independent workers—without those contributions being used as evidence of a formal employment status. This preserves freedom of contract and expands choice, consistent with the principles of individual liberty and competition.

Across the country, more than one in six workers participates in some form of self-employment or contracting, according to Census Bureau data. These workers are truck drivers, construction workers, real estate agents, repair specialists, caregivers, and freelance professionals who operate as sole proprietors or independent contractors.

The Bureau of Labor Statistics survey shows that the vast majority prefer this arrangement: they value flexibility, independence, and the ability to manage their time and workload. Fewer than 9 percent of independent workers desire formal employment. But independence also means that these workers often lack access to benefits such as health insurance or retirement savings that are traditionally tied to full-time employment.

The *Mercatus Center's Portable Benefits Spotlight* highlights that nearly 81 percent of self-employed workers want benefit models that are flexible, portable, and tied to the individual rather than the employer.¹²⁹ For example, a system could allow multiple companies or clients to contribute small amounts to a worker's benefits account.

How a State Safe-Harbor Statute Can Work

- Voluntary contributions: Any business or client may voluntarily contribute a percentage of transaction value to a worker's portable account. No mandate; no payroll taxes triggered solely by participation.
- Neutrality on employment status: Participation cannot be used as evidence for or against employee classification in wage-and-hour, unemployment insurance, or workers' compensation disputes.
- Worker-owned portability: Accounts belong to the individual and follow the worker across clients, sectors, and time.
- Provider competition: Allow multiple benefit administrators—insurers, fintechs, mutual-aid associations—to compete on price and service.
- No new state appropriation: The framework enables private contributions; the state's role is to clarify law, not to build a new bureaucracy.

Why Montana and Washington should act

Current labor laws discourage experimentation. Firms or clients that want to provide support—say, a stipend toward health insurance or retirement savings—risk being accused of “employing” their contractors, triggering significant liabilities. This legal uncertainty leads many to avoid offering anything at all. As a result, millions of

¹²⁹ “Bringing Portable Benefits to America's Independent Workforce: Overview,” By Liya Palagashvili, Mercatus Center, August 20, 2025, available at <https://www.mercatus.org/research/policy-spotlights/bringing-portable-benefits-americas-independent-workforce-overview>.

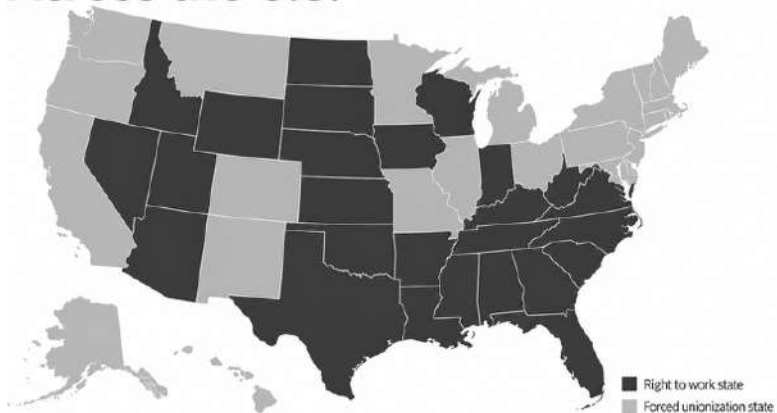
independent workers who generate hundreds of billions in annual income remain excluded from modern benefits systems.

By establishing a state-level safe harbor, legislatures can remove this chilling effect and empower voluntary, market-based solutions. Portable benefits allow workers to remain independent while gaining access to financial security tools that fit the 21st-century workforce. They also encourage innovation: new private benefit providers, portable retirement platforms, and pooled insurance systems can emerge once the regulatory fog lifts.

5.11 Provide constitutional protection for the Right to Work

Imagine going to work and being forced to pay a fee from every paycheck for a service you don't want. Frustration would be a mild reaction, outrage a more understandable one. Month after month, paycheck after paycheck, a portion of your wages would go to support a private organization you disagree with. This is the position many union members find themselves in across the country.

Right to Work States Across the U.S.



The First Amendment of the United States protects the right to free speech, and the courts have repeatedly affirmed this right naturally extends to freedom of association. Unfortunately, for workers in 24 states, because these states lack a right-to-work law, unions have found a workaround to freedom of association.

Forced union membership is as undemocratic as it sounds. No American can be legally forced to join a formal union, but unions have historically found a way to protect their pocketbooks from uninterested members.¹³⁰ In non-right-to-work states, unions can require companies to charge ‘non-member fees’ as part of the employment conditions. These non-member fees are often the equivalent (or so close) to the member fee that there is no point in opting out of membership.

A right-to-work law prevents these compulsory private membership practices. Instead of mandating that all workers in certain fields and careers must be members and pay the union dues, right-to-work states recognize that not all workers may agree with the practices of the unions. In right-to-work states, unions must *earn* the membership dues of their members. Guarding this protection within state constitutions is an important policy protection.

History of Right-To-Work

Right-to-work laws stem from the 1947 Taft-Hartley Act, Section 14B, which prevented unions from requiring companies to fire workers who refused to join the union. After its passage, many states adopted right-to-work laws. In the last fifteen years, five states have also adopted the policy.

Idaho and Wyoming are right-to-work states that adopted their statutory protections decades ago. Wyoming became a right-to-work state in 1963 and Idaho in 1985. Unfortunately, workers in Montana and Washington remain unprotected, and they can be subject to union association they disagree with.

These laws create a balance between worker rights and union interests. No worker should be beholden to a private organization they disagree with to maintain employment. The attacks against right-to-work stem from organized labor’s fear of losing revenues based on compulsory membership. Union leadership argues that right-to-work destroys collective bargaining, decreases wages, increases poverty, and allows free riders. All of these are myths.¹³¹

¹³⁰ “Right to Work – What Is It, And More Importantly, What Isn’t It?” Freedom Foundation, May 8, 2018, available at <https://www.freedomfoundation.com/labor/right-to-work-what-is-it-and-more-importantly-what-isnt-it/>

¹³¹ *IBID.*

Right to Work States

Right to work date and by statute or constitutional provision

Right to Work State	Right to Work Date	By Statute or Constitutional Provision
Arkansas	Tuesday, November 2, 1943	By Constitution
Florida	Tuesday, November 2, 1964	By Constitution
Arizona	Tuesday, November 5, 1968	By Constitution
Nebraska	Wednesday, December 11, 1946	By Constitution
Virginia	Sunday, January 12, 1947	By Statute
Tennessee	Friday, February 21, 1947	By Statute
North Carolina	Tuesday, March 18, 1947	By Statute
Georgia	Thursday, March 27, 1947	By Statute
Iowa	Monday, April 28, 1947	By Statute
South Dakota	Tuesday, July 01, 1947	By Constitution
Texas	Friday, September 5, 1947	By Statute
North Dakota	Tuesday, June 29, 1948	By Statute
Nevada	Thursday, December 4, 1952	By Statute
Alabama	Friday, August 28, 1953	By Statute, then by Constitution in 2016
Mississippi	Wednesday, February 24, 1954	By Statute, then by Constitution in 1960
South Carolina	Friday, March 19, 1954	By Statute
Utah	Tuesday, May 10, 1955	By Statute
Kansas	Tuesday, November 4, 1958	By Constitution
Wyoming	Friday, February 8, 1963	By Statute
Louisiana	Friday, July 9, 1976	By Statute
Idaho	Thursday, January 31, 1985	By Statute
Oklahoma	Sunday, September 25, 2001	By Constitution
Indiana	Wednesday, February 1, 2012	By Statute
Michigan	Friday, March 08, 2013	By Statute (Repeal in Effect Feb 2024)
Wisconsin	Monday, March 9, 2015	By Statute
West Virginia	Friday, February 12, 2016	By Statute
Kentucky	Saturday, January 7, 2017	By Statute

Source: National Right to Work Committee

- If collective bargaining is destroyed, it is only the fault of the union not representing employees effectively. Effective unions will maintain their membership, whereas ineffective unions relying on compulsory membership and delivering poor service or questionable political activity will have earned their demise.
- Studies that claim lower wages and higher poverty questionably assume correlation is causation. Studies that dive deeper into the data and look at the cost-of-living assumptions turn these claims around and find that the rates do not vary significantly between right-to-work and non-right-to-work states. In fact, a recent Harvard Study found that people living in RTW areas have higher employment, higher labor force participation, lower disability receipts, and higher population growth because of the attractive economy. All these factors are associated with lower childhood poverty rates in RTW locations.¹³²

¹³² "The Long-Run Effects of Right to Work," Harvard University, November 16, 2021, available at <https://scholar.harvard.edu/files/matthew-lilley/files/long-run-effects-right-to-work.pdf>

- An interesting note is that a labor union's obligation to represent all employees (non-members too) is self-inflicted. If unions were willing to part with their hold on exclusive workplace representation, the free-rider argument would be pointless.

There is a big difference between government and private sector unions. As noted by President Franklin D. Roosevelt in this 1937 letter to the National Federation of Federal Employees:

“All Government employees should realize that the process of collective bargaining, as usually understood, cannot be transplanted into the public service. It has its distinct and insurmountable limitations when applied to public personnel management. The very nature and purposes of Government make it impossible for administrative officials to represent fully or to bind the employer in mutual discussions with Government employee organizations. The employer is the whole people, who speak by means of laws enacted by their representatives in Congress. Accordingly, administrative officials and employees alike are governed and guided, and in many instances restricted, by laws which establish policies, procedures, or rules in personnel matters. Particularly, I want to emphasize my conviction that militant tactics have no place in the functions of any organization of Government employees.”¹³³

Constitutional Amendment best protection

26 states are currently protecting the fundamental rights of speech and association through right-to-work laws.¹³⁴ Of these states, 10 have gone beyond statutory laws, protecting worker freedom directly in their state constitutions. Tennessee is the most recent state to vote for a constitutional amendment (2022), joining nine other states with constitutional safeguards.

In November 2022, Amendment 1 won in all 95 counties in Tennessee and showed that workers want to be able to make their own choices

¹³³ “Letter on the Resolution of Federation of Federal Employees Against Strikes in Federal Service Online” The American Presidency Project, accessed on May 22, 2024, available at <https://www.presidency.ucsb.edu/node/208681>

¹³⁴ “Right to Work States Timeline,” National Right to Work Committee, accessed on May 22, 2024, available at <https://nrtwc.org/facts/state-right-to-work-timeline-2016/>

concerning union membership.¹³⁵ Nearly 70 percent of Tennessee voters agreed with protecting the right to work in the state constitution.¹³⁶ Amending the state constitution to include worker freedom protects the existing right-to-work law from future political changes that would disadvantage workers to favor union leaders.

A strong right-to-work policy would add language to a state constitution, making it unlawful for any person to be denied employment because they want to resign or refuse to join or affiliate with any labor union or employee organization. A benefit of right-to-work constitutional amendments is the opportunity for voters to cast their opinions. In Tennessee, voters agreed with the measure by a 2-1 margin, showing how important freedom of association is to a majority of Americans.

Lawmakers in our region should put forward a right-to-work constitutional amendment and join the 10 other states with strong constitutional protections for workers and the economy.

¹³⁵ “Tennessee adds right-to-work to state constitution,” Mackinac Center For Public Policy, November 9, 2022, available at <https://www.mackinac.org/blog/2022/tennessee-adds-right-to-work-to-state-constitution>

¹³⁶ “Tennessee Constitutional Amendment 1, Right-to-Work Amendment (2022), BallotPedia, accessed on May 22, 2024, available at [https://ballotpedia.org/Tennessee_Constitutional_Amendment_1,_Right-to-Work_Amendment_\(2022\)](https://ballotpedia.org/Tennessee_Constitutional_Amendment_1,_Right-to-Work_Amendment_(2022))

6.1 Require health care price transparency

America does not have a free market health care system and hasn't for the last century. One needn't look further than the fact that a third party, either the government through insurance programs such as Medicare, Medicaid, and Obamacare, or employers through employee benefits, pay for a very significant portion of health care in our current system.

Consequently, until recently, prices in health care have not mattered to patients. Americans have been shielded from health care costs. Yet, insurance deductibles and out-of-pocket expenses have been increasing, putting more financial pressure on patients. The quality of "health care coverage" is often determined by the amount/cost an insurance plan covers, rather than the care itself.

Let's do a simple thought experiment. Pretend that every time you go to the grocery store, there are no prices posted for the food products. You have no way of knowing how much anything costs until you get to the checkout counter. And when you do get to the checkout, someone else pays for over 80 percent of your groceries. On the one hand, you really don't care what prices are because someone else is paying for much of your food. On the other hand, you are still paying for a significant

portion of your groceries, so it would be handy to know prices.

Why are so many hospitals refusing price transparency?

Patients deserve clear prices.
More transparency means lower costs.

This thought experiment defines the current health care system in the United States. Patients need details on the price of medical services. Yet until recently, hospitals were not required to post their

prices. This changed with a federal rule adopted in 2019.¹³⁷ Unfortunately, more than five years after hospitals were required by law to post prices for their services, over 500 nationally, including 19 in the Mountain West (nine in Washington; four in Montana; three in Idaho; and three in Wyoming), failed to meet transparency requirements in 2026 – keeping healthcare costs higher for everyone.¹³⁸

Among the 2021 requirements are that hospitals must provide a machine-readable digital file with the standard charges for all services and products, including the full, undiscounted prices, discounted cash prices, negotiated prices with various insurance companies, and minimum and maximum prices. They must also provide an easily readable display of the hospital's shoppable services so that consumers can compare prices at different health centers.

Posting prices seems like a no-brainer. Would anyone spend money at a place that didn't post prices? What makes it even more egregious is that hospitals in the same city frequently charged radically different prices for the same service because no one could find out. Maintaining their secret pricing was so important that hospitals sued the government in 2019 prior to the rule becoming law.¹³⁹ Their argument: forced transparency was compelled speech which violated the First Amendment. In other words, in their opinion, obfuscating costs from consumers and the government – aka, taxpayers who subsidize a hefty portion of their operations – was their right under the Constitution. They also argued that demanding that hospitals post negotiated prices with insurance companies would force them to disclose trade secrets.

Businesses across the country must negotiate prices with their suppliers, and those negotiations are reflected in their store prices. Hospitals do not deserve different rules because they don't like competing for business. Thankfully, this argument failed. As U.S. District Court for the District of Columbia Judge Carl J. Nichols ruled, "The publication of charges will allow the agency (HHS) to further its

¹³⁷ "Medicare and Medicaid Programs – Price Transparency Requirements for Hospitals To Make Standard Charges Public," Federal Register, November 27, 2019, available at <https://www.federalregister.gov/documents/2019/11/27/2019-24931/medicare-and-medicaid-programs-cy-2020-hospital-out-patient-pps-policy-changes-and-payment-rates-and#p-1030>

¹³⁸ "Trump Administration is right to enforce hospital price transparency rule," by Marta Mossburg, Mountain States Policy Center, June 18, 2026, available at <https://www.mountainstatespolicy.org/post/trump-administration-is-right-to-enforce-hospital-price-transparency-rule>

¹³⁹ "American Hospital Association v. Alex M. Azar II," United States District Court for the District of Columbia, December 4, 2019, available at <https://www.aha.org/system/files/media/file/2019/12/hospital-groups-lawsuit-over-illegal-rule-mandating-public-disclosure-individually-negotiated-rates-12-4-19.pdf%20.pdf>

interest of informing patients about the cost of care, which will in turn advance its other interest – bringing down the cost of care.”

Wyoming passed a law in 2026¹⁴⁰ and Washington in 2025¹⁴¹ requiring price transparency at the state level. Those laws add another level of scrutiny to protect patients from unfair pricing with the ultimate goal of reducing costs through competition. Montana and Idaho should follow suit. Patients on all sides of the political aisle will benefit by being able to choose which hospital best suits their needs from both a medical and financial standpoint.

With medical debt – often incurred without a patient knowing the price of services – one of the leading causes of bankruptcy in the United States, everyone should cheer a reform that allows patients to choose the most affordable service for their needs. Hospital price transparency is not political; it’s the only fair, compassionate, and honest way to operate our healthcare system. Price transparency is especially important when understanding that many Americans today have health savings accounts paired with high-deductible insurance. The ability to know the cost of services is especially critical for this cohort of healthcare consumers.

The first step in controlling health care costs is to give patients, as consumers of medical care, the ability to obtain quality care at the most reasonable price. Competition in pricing is a fundamental of a free market, and just as in grocery shopping, Americans should have the right to know prices for their medical care. Policymakers should work to require price details to be available to patients before services are provided.

6.2 Make telemedicine permanent

The COVID-19 pandemic forced many health care providers to move their services online, and many Americans have enjoyed the benefit ever since. Unfortunately, Medicare beneficiaries and some privately insured patients could lose access to telemedicine by the end of 2027.¹⁴² This is because restrictions on telehealth were only temporarily waived by the federal government. Those waivers are set to expire

¹⁴⁰ “SB 57 - Transparency in hospital service pricing,” Wyoming Legislature, 2026, available at <https://www.wyoleg.gov/Legislation/2026/SF0057>

¹⁴¹ “2025 State Price Transparency Actions,” The Source on Healthcare Price and Competition,” November 25, 2025, available at <https://sourceonhealthcare.org/spotlight-on-2025-state-price-transparency-actions/>

¹⁴² “Telehealth policy updates,” Telehealth.HHS.GOV, accessed on July 14, 2026, available at <https://telehealth.hhs.gov/providers/telehealth-policy/telehealth-policy-updates>

unless Congress acts. Along with expanding access to care, studies have shown that offering telehealth services can also dramatically lower the cost of care. Policymakers should support efforts to make access to telemedicine a permanent option for patients.

6.3 Don't expand the Hospital 340B program without reforms first

As a safety net for the poor, Congress started a drug rebate program in Medicaid in 1990 to provide pharmaceuticals to the most vulnerable enrollees. Section 340B of the Public Health Service Act requires drug companies that participate in the Medicaid entitlement to sell outpatient pharmaceuticals to various medical facilities that provide care to low-income patients. The program began in 1992 and was essentially an extension of the original drug rebate plan.

Drug companies give outpatient medicines at a discounted price to facilities called “covered entities” that serve the poor or uninsured. However, covered entities can sell the drugs to anyone, not just the poor, regardless of their insurance or ability to pay. In other words, these facilities obtain drugs at a mandated discount price through the 340B program, sell them at higher prices to insured and paying patients, and then collect the profits between the full retail price and their discounted price. The bottom line: the program has changed from assistance to the poor into a money-maker for these facilities and an additional cost, or tax, for the drug manufacturers.

The definition of a covered entity has expanded several times since 1992, but Congress and newly passed laws, such as the Affordable Care Act, increased the number of qualified facilities dramatically. Obamacare added outpatient cancer clinics, rural clinics, sole community hospitals, and critical access hospitals to the list. Plus, the ACA increased Medicaid significantly.

340B program expanding but not serving the original goal

Over 40 percent of all insured patients in the United States are in the government programs of Medicare and Medicaid, both of which began in 1965. Since the 1980s, provider payments have gradually, but relentlessly, gone down. This has caused doctor and hospital consolidation so that medical providers could survive financially. Unfortunately, medical facilities use the 340B program as another income source. Elected officials argue that the money comes from drug manufacturers and not taxpayers, so why not expand the program?



Although it began with the goal of helping the poor, the 340B program has morphed into a supplemental income plan for the participating medical facilities. The poor are not being helped as originally intended. The other untoward consequence of the program is the financial burden placed on the pharmaceutical

manufacturers. Instead of more money for the research and development of life-extending and life-saving drugs, the companies are subsidizing medical facilities that the government can't financially support.

The 340B program either needs serious reform to actually support the most vulnerable patients, or it should be closed. It should not be expanded by policymakers in its present form.

6.4 Reduce health insurance mandates to offer more insurance options

Americans view health insurance much differently than other types of insurance. When a person says that they have great health insurance, what they really mean is that their insurance covers a whole host of medical problems – eye wear, dental, preventive care, and routine check-ups. Other forms of insurance, for example homeowners, cover major problems, but routine issues, like mowing the lawn and cleaning the gutters, are covered by out-of-pocket expenditures.

Compounding this difference between health insurance and other types of insurance are state and federal mandates that require policies to cover various medical problems. The Affordable Care Act, or Obamacare, requires every health insurance policy to contain ten specific mandates. Each state has its own mandates that in many cases overlap the federal mandates. As of several years ago, Wyoming

had 32 health benefits and provider mandates, Montana had 31, and Idaho had 10.

Instead of government-mandated “insurance” and entitlement programs that attempt to cover every possible health-related activity, health coverage needs to work like other forms of indemnity insurance used to mitigate risk, such as car, homeowners, and life insurance. Just as it makes little sense to use insurance to pay for gas or to mow the lawn, state and federal governments need to get away from the idea that health insurance should cover all our health-related events. True indemnity insurance should be there for catastrophes and emergencies. Routine day-to-day health services should be paid for out-of-pocket as needed.

Health mandates unnecessarily add cost

Each health care mandate adds to the overall cost of health insurance. The reality is that not everyone needs all of the required mandates. For example, a healthy, unmarried thirty-year-old man does not need obstetrical coverage, yet he is paying for it in his health insurance plan. Women do not need tests to screen for prostate cancer. Mandates are a classic example of politically powerful interest groups lobbying elected officials to include payment for their services in every insurance policy. Mandates restrict competition, drive up prices, and greatly restrict choices for patients.

Supporters of mandates say no one can predict a patient’s future needs, so the government should require people by law to buy expensive coverage. The future is indeed unknown, but a catastrophic, high-deductible insurance plan can be designed to cover any future major medical problem. Affordable auto and homeowner insurance policies, except in very unusual circumstances, cover all major problems and provide individuals and families with millions of dollars of coverage should the need arise.

In addition, health savings accounts (HSA) allow people to save money for day-to-day health care expenses. These accounts require a person or family to purchase a high-deductible catastrophic policy to cover high-dollar medical expenses but allow a tax-advantaged savings account to save for routine medical-related purchases. Savings can be accumulated from year to year, and the balance in an individual’s personal account can be taken from one job to another.

As mentioned above, states vary in the number of mandates required. Unlike other forms of insurance, health insurance is sold on a state-by-state basis. A reasonable first step would be to allow the interstate purchase of health insurance. Patients would have a huge increase in their choices, and the market would become much more competitive. The health coverage that some state governments mandate would still be available, but consumers would make their own decision about whether to buy it.

Americans across the political spectrum agree that the fundamental problem with health care in the United States is the ever-increasing cost. Reducing or eliminating government health insurance mandates would be a definite move to lowering these costs.

6.5 Abolish certificate of need requirements

Limiting options is not a way to reduce costs or improve care. Certificate of Need (CON) laws are a state regulatory tool that seeks to limit the number of health care resources in a specific area under the theory that excess facilities will lead to excess cost. In fact, the opposite is true. The United States Department of Health and Human Services has concluded that CON laws can restrict investments that would benefit consumers and lower costs in the long term and are likely to increase, rather than constrain, healthcare costs.¹⁴³

Idaho and Wyoming do not have a CON law. Montana's CON requirement is limited to nursing homes. Washington state's CON requirement, which has been in place since 1971, is much more restrictive.¹⁴⁴ Analysts at the Mercatus Center at George Mason University have found that there would be more health care services, as well as savings in the cost of healthcare spending in Washington state, if there were no Certificate of Need requirement.¹⁴⁵

6.6 Reform Medicaid to protect patients and taxpayers

Medicaid is a joint federal and state-controlled health care insurance entitlement. It is not financially sustainable in its current form unless the federal debt or taxes are significantly increased. Medicaid was set

¹⁴³ "Reforming America's Healthcare System through Choice and Competition," U.S. Department of Health and Human Services, 2017, available at <https://www.hhs.gov/sites/default/files/Reforming-Americas-Healthcare-System-Through-Choice-and-Competition.pdf>

¹⁴⁴ "Certificate of Need State Laws," National Conference of State Legislatures, April 29, 2026, available at <https://www.ncsl.org/health/certificate-of-need-state-laws>

¹⁴⁵ "Washington and Certificate of Need Programs," Mercatus Center, George Mason University, March 22, 2021, available at <https://www.mercatus.org/publication/washington-and-certificate-need-programs-2020>

up in 1965 as a joint federal and state program, with Washington, D.C. providing broad national guidelines and the individual states deciding the type, duration, and amount of health services to be provided, as well as specific eligibility criteria. The federal government would match state spending on a one-to-one basis. Over the years, the federal percentage has increased from 50 percent to 70 percent for poorer states.

The original thinking in Congress was that a joint program would protect taxpayers because state legislators would not be as willing to spend their state dollars on an entitlement plan. The rapid expansion in the eligibility and cost of the program since then, however, has shown this supposition to be false. The opposite has occurred. State lawmakers have greatly expanded the program in their pursuit of federal matching dollars.

The Affordable Care Act of 2010, aka Obamacare, greatly expanded Medicaid to any low-income, able-bodied American between the ages of 18 to 64.¹⁴⁶ The original ACA bill forced states to participate in the expansion. The U.S. Supreme Court ruled this provision to be unconstitutional and left it up to individual states to decide on expanding their programs. Forty states, plus D.C., have chosen to expand their programs.¹⁴⁷ Wyoming, Texas, and Kansas are the only states west of the Mississippi River that have not expanded their programs. The enticement in Obamacare for states was an increased federal payment match of 90 percent.

The health reality of Medicaid

Does having Medicaid health insurance actually save lives or improve health more than being uninsured? Except in very specific cases, the answer is no.

In 2008, Oregon lawmakers decided they only had enough additional public money to add 10,000 people to the state's Medicaid program. So, Oregon officials held a lottery that ultimately signed up 6,400 new Medicaid enrollees. A further 5,800 people were eligible for the program but were not selected. People in this group had the same health and economic profile as the lottery winners. This created the perfect test case on the effectiveness of Medicaid in providing care.

¹⁴⁶ "Overview of the Affordable Care Act and Medicaid," at <https://www.macpac.gov/subtopic/overview-of-the-affordable-care-act-and-medicaid/>

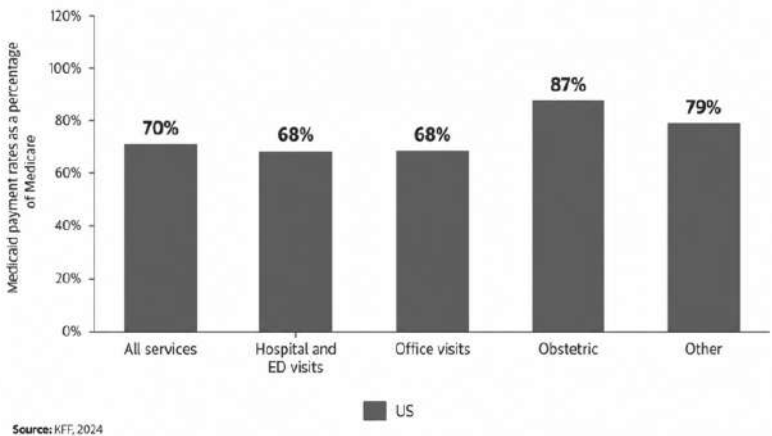
¹⁴⁷ "Medicaid Expansion Under the ACA – A State-by-State Guide," at <https://govfacts.org/federal/hhs/medicaid-expansion-under-the-aca-a-state-by-state-guide/>

These 5,800 people became the control group in an objective, randomized study.¹⁴⁸

The two-year results of the health comparison study were published in *The New England Journal of Medicine*. The conclusion is surprising. It turns out that having Medicaid health insurance does not improve health outcomes, nor does it improve mortality statistics, compared to having no insurance coverage at all.

The Medicaid group had no improvement in the important objective measurements of blood sugar levels, blood pressure, and cholesterol levels. The study did find that vaguely defined “mental health” did improve; however, this was done via subjective telephone interviews, not objective clinical data. For those few people requiring prolonged medical and hospital treatment, having Medicaid did improve their financial status because their medical bills were covered by federal and Oregon taxpayers.

Medicaid vs. Medicare payment rates, 2024



Another tragedy for Medicaid patients is limited access to care in some areas because of poor provider payments. States have the leeway to set reimbursement rates for doctors and medical facilities, but traditionally, these payments have been very low. Depending on the medical specialty, Medicaid pays physicians 30 to 50 percent of what private insurance pays. Hospital payments are likewise less than

¹⁴⁸ “The Oregon Experiment – Effects of Medicaid on Clinical Outcomes,” by Katherine Becker, et. al., *New England Journal of Medicine*, May 2, 2013, at <http://www.nejm.org/doi/full/10.1056/NEJMSa1212321>

Medicare payments and considerably less than private insurance. No doctor or hospital could pay their overhead and keep their doors open with only Medicaid's poor reimbursements. The reality is that not every provider can afford to see Medicaid patients, which limits recipients' access to care. It is very clear that simply having health insurance does not guarantee timely access to health care.

Medicaid reform options

There are many Medicaid reforms policymakers can pursue to improve care and reduce taxpayer costs.¹⁴⁹ They include:

- Waivers: Major changes to a state's Medicaid plan, such as adding a premium charge, require federal approval through a waiver process. Temporary changes require a 1135 waiver. Permanent changes require a 1115 waiver.
- Return to a Safety Net Program: Elected officials should return their programs to a safety-net plan, where money spent would go toward otherwise unfunded medical care. Direct Medicaid dollars for medical care and not for food supplements, transportation, and housing, as some states have done.
- Work requirement: Ensure vigorous application and enforcement of the new federal Medicaid work requirements for able-bodied individuals.
- Frequent eligibility checks: People's lives are not static. They move from state to state, they change jobs, their income levels improve, and their children ultimately leave home. Eligibility requirements should be checked at least twice a year, if not quarterly. Ideally, an agency outside of government should be in charge of the checks.
- Make Medicaid a temporary entitlement: Welfare reform in the 1990s was successful in large part because it focused on a time limit for receiving aid. Medicaid should be considered the same way. Where possible, it needs to be a transition health insurance program until patients qualify for other forms of health insurance. Medicaid should not be a permanent plan

¹⁴⁹ "Ideas for reforming Medicaid and protecting patients," by Dr. Roger Stark, Mountain States Policy Center, August 2025, available at https://f1dfe764-7594-4c6a-847e-8ae7679554a2.usrfiles.com/ugd/f1dfe7_e9b10371e8c74a17b3bb5dace7216073.pdf

that covers recipients until they are eligible for senior insurance through Medicare.

- Allow patients more control of their health care dollars: As it is structured now, Medicaid is an open-ended entitlement. If an enrollee qualifies, they essentially receive free health care without any financial responsibility. Medicaid recipients should have a nominal copay requirement based on income. It is not unreasonable to require recipients to pay a small amount to receive otherwise free health care. Allowing them to control their own health care dollars through subsidized health savings accounts or a voucher system would financially reward enrollees for leading a healthy lifestyle and making smart personal choices.
- Block grants: A reasonable first step for states would be to ask the federal government for a block grant of money. It would force states to prioritize the neediest patients, which was the goal of the original Medicaid law. This would also place a cap on Medicaid spending, making state budget planning much easier.
- Restore original funding ratio to minimize fraud: Congress should restore the original 50/50 funding ratio for all aspects of the Medicaid program. This would be a strong incentive for states to be responsible stewards of the Medicaid program.
- Reconsider the Obamacare expansion: For states that expanded their Medicaid programs under Obamacare, reconsidering the expansion would be another way to ensure that the most vulnerable patients continue to have coverage.

The massive expansion of Medicaid is completely understandable. Elected state officials have looked at the program as a federal piggy bank. They can feel good about providing health insurance to the poor, with the federal government paying over half the costs. In a sense, Medicaid could be considered the first step to a single-payer health care system in the United States. Although it appears that the federal money for Medicaid is “free” money for states, elected officials need to remember that federal taxpayers are also their state taxpayers.

For meaningful reform and to ensure that the most vulnerable patients can still access the program, state officials must be willing to make the

necessary changes to the entitlement. They should be willing to go to the federal government and push for sensible reforms. They must be willing to confront criticism and do what is necessary to guarantee Medicaid's viability for those truly in need and for whom the program was originally designed to assist.

6.7 Avoid price controls

Health care costs continue to rapidly increase in the United States. Some elected officials have targeted prescription drugs as one of the main drivers of these increased costs. Prescription drugs account for only about 10 percent of overall health care spending in the U. S., but this area of spending often involves out-of-pocket costs for the average patient.

The Biden Administration placed price controls on certain pharmaceuticals in the Inflation Reduction Act of 2022. The current federal Administration is pushing for further price controls on drugs, although there is currently bipartisan opposition in Congress. The proponents of price controls believe that Americans should pay the same amount that patients in other countries pay for prescription pharmaceuticals. The fashionable term for this is “most favored nation” pricing.

It is well known that Americans pay more for their drugs, but a bit of background is necessary. Health care systems in other countries are controlled by the government, which decides what medicines to make available. Bureaucrats negotiate directly with drug manufacturers and essentially tell the companies what they are willing to pay. If the company doesn't like the financial deal, the country simply goes to another company, or in many cases, denies its citizens the use of that particular drug. The consequence of these negotiations is that new drug availability is much worse in these other countries.

The expense of making a new pharmaceutical is in research and development (R&D). It can take over ten years at a cost of billions of dollars to bring a new drug to market. The cost of manufacturing the drug is minimal. Consequently, a company will accept any payment from another country once the R and D is completed.

So, yes, Americans are footing the bill for R and D, but what do drug price controls mean for the health of Americans? Researchers at the University of Chicago released data on the impact of price controls on

drug research and development and pharmaceutical availability to patients in the U.S. The Chicago study estimates that R and D dollars would drop by 30 percent to 60 percent by 2029, which translates to 167-342 fewer new drugs being brought to market.¹⁵⁰ Add to this fact that U.S. pharmaceutical companies develop two-thirds of all new medications offered worldwide.

If public officials really want to bring prices down and increase competition in the drug industry, they should streamline the drug approval process to reduce the time and money manufacturers devote to bringing a new drug to market. There is even a backlog of generic drugs awaiting government approval, even though they have been approved and available in patent form.

Throughout our economy, a vigorous and creative free market, without third-party interference, results in better products at lower prices every day with constant improvement. Allowing patients, in consultation with their providers, to decide which drugs are best clinically and financially for them should be the goal of health care reform, not damaging price controls.

6.8 Expand the use and availability of Health Savings Accounts

Policymakers at the state and federal levels should be doing whatever they can to expand and promote the use of Health Savings Accounts (HSA). An HSA is an account that allows a user to set aside money on a pre-tax basis to pay for health care expenses. Often, employers will match an employee's contributions to an HSA. Depending on how the HSA is set up, employees can also earn interest in the account. An HSA puts the power of everyday health care spending in the hands of the consumer.

Instead of forcing citizens to abide by all the rules of their health insurance company, they can shop around and, in doing so, help put pressure on the market to lower costs and improve care. Recent HSA account balances exceed \$100 billion nationally, roughly \$3,000 per account, on average.¹⁵¹ Unfortunately, 90% of Americans lack access to health savings accounts. Why? Because, under current law, it is illegal to have an HSA unless you have a high-deductible health care plan. This

¹⁵⁰ "The Evidence Base on the Impact of Price Controls on Medical Innovation," University of Chicago, September 14, 2021, available at <https://bfi.uchicago.edu/working-paper/the-evidence-base-on-the-impact-of-price-controls-on-medical-innovation/>

¹⁵¹ "Why 90% of Americans lack access to health savings accounts," by Dean Clancey, Americans for Prosperity, October 2022, available at <https://americansforprosperity.org/blog/how-to-fix-the-hsa-ceiling/>

means even those who are uninsured cannot legally save for their health care in an HSA.

Most federal health care programs like Medicaid and Medicare don't meet the definition of high deductible, so Americans are shut out there as well. This makes no sense. Lawmakers can change the system by either decoupling HSAs from insurance altogether or allowing most insurance plans to be HSA-qualified. For example, if a citizen buys health coverage through an exchange, cost-sharing by the federal government reduces the cost. Citizens would be able to choose whether they wanted a lower insurance premium or a higher premium with the option to have an HSA partially funded by the government.

Researchers with the Paragon Health Institute contend doing so would result in approximately \$1,400 a year being placed in a citizen's new health care savings account. For a younger adult who has few health care costs, the account could grow and be worth as much as \$119,000 in 30 years.¹⁵²

6.9 Treat health care as an economic activity

The Declaration of Independence defines the “rights” of American citizens, but nowhere in the document does it include health care as a right. Yet for decades, an ever-increasing number of Americans have believed that health care is not only a right, but that the government should provide it and taxpayers should pay for it.

If medical treatment is a right, then what exactly does that mean? Does it mean that your neighbors, through the government, are obligated to provide all health care for you? Does it mean that any citizen can demand the government pay for hospitalization, for prescription drugs, and for specialty treatments such as organ transplants? Does it mean that every American has the right to the skill and knowledge of all physicians and providers?

These questions lead to other questions. How does the country pay for health care for all? Who gets to decide who should receive medical care and how much – unseen government bureaucrats? Who gets to decide what the health care budget should be? Who should have the power to make health care decisions for us?

¹⁵² “Follow the Money: How Tax Policy Shapes Health Care,” Paragon Health Institute, available at <https://paragoninstitute.org/private-health/follow-the-money-how-tax-policy-shapes-health-care/>

It is unclear whether people who believe in health care as a right have ever thought through these questions. Or rather than confronting these questions, do proponents of health care as a right mean everyone should have health insurance? The problem with this belief is that simply having health insurance does not guarantee timely access to medical care. Every citizen in Canada has government-paid health insurance, but the long wait times for treatment, especially specialty care, would be unacceptable for Americans.

Everyone can agree that health care is a necessity of life. So are food, shelter, and clothing. Yet no one is demanding universal “food care” or universal government housing. The critical issue is that people expect access to food, shelter, and clothing. Americans expect choices and competition when they shop for these necessities of life.

The government's role is to protect property rights and facilitate a free market for Americans when they seek access to virtually any product, but especially access to food, shelter, and clothing. No one would expect society, through taxpayers, to pay for these necessities of life for everyone. For example, if “food care” were controlled, paid for, and regulated by the government, we would have overutilization, fewer choices, and a limited supply. The private system of grocery stores and supermarkets guarantees access, choice, and competitive prices for everyone. The free-market system is efficient, voluntary, and fair.

The critical point is utilizing the best mechanism to allow the greatest number of Americans access to health care. The Canadian single-payer system does not guarantee timely access. The American experience with the Veterans Administration hospital system, a comprehensive government-controlled single-payer health care program, reveals unacceptable wait times and huge inefficiencies. Fundamentally, these systems ration health care by waiting lists and limited money. The quality of care can be variable.

Because of budgetary constraints, the demand for health care is much greater than the supply in virtually every country with a government-controlled health care system. Even Medicare, essentially a single-payer plan, is not financially sustainable in its current form.

Just like in all other economic activities, the free market offers the best solution to provide the greatest access to health care and to control costs. People freely making their own health care decisions and using their own health care dollars would give Americans the best chance to

utilize their “right” to access health care with safety-net health programs provided for the most vulnerable people.

At the end of the day, health care is an economic activity like any other, albeit with the most personal interactions between patient and provider. Society should work towards putting patients in charge of their health care, reducing the role of government, and focusing on access, not health care as a supposed “right.”

6.10 Support patient-centered health care reform

Health care continues to be a major policy issue in Congress. Obamacare has been an abject failure. It has not provided universal health insurance coverage as was promised, nor has it controlled the ever-rising cost of health care. All Americans, except for people in the Medicaid entitlement, have seen their health care expenses increase. Congress was unable to repeal or replace Obamacare in 2017.

Congress is now at odds with itself on how to offer the country a new or revised plan for our health care system. A promising and comprehensive plan was presented in 2019. The Congressional Republican Study Committee then put together a proposal that retained the popular features of the ACA, retained Medicaid as a safety net program for the truly needy, and most importantly, gave patients much more control over their health care.¹⁵³

The plan eliminated the employer mandate and gave the employer tax credit to individuals through Health Savings Accounts. People could contribute to their HSAs using pre-tax dollars, could watch the funds in their HSAs grow tax-free, could use those dollars for an expanded list of health care expenditures, and could withdraw that money without paying taxes. From a practical standpoint, this would have eliminated the distortion caused by existing tax laws that favor employer-paid health benefits.

The maximum contributions to HSAs would increase to \$9,000 per year for individuals and \$18,000 for families. HSAs could be used for an expanded list of health care-related items, such as direct primary care, health status insurance, and paying for health insurance. The requirement for an accompanying high-deductible health insurance

¹⁵³ “Republican Study Committee releases the RSC Health Care Plan,” PNHP, October 22, 2019, available at <https://pnhp.org/news/republican-study-committee-releases-the-rsc-health-care-plan/>

plan would have been eliminated.

Polls at that time showed that Americans liked the pre-existing condition and the guaranteed issue clauses in Obamacare. The 2019 plan addressed these items by prohibiting pre-existing condition exclusions and by the use of state-based guaranteed coverage pools. The plan also allowed states to provide alternatives, such as high-risk pools to cover patients with high costs and high utilization. The plan also allowed the purchase of new insurance before COBRA funds were exhausted and encouraged the use of short-term, limited-duration health insurance plans for people in transition from job to job or from working to enrolling in Medicare.

Medicaid has not been sustainable in its current form for years. The 2019 plan placed a moratorium on further expansion of the entitlement and would have given states more control over the program through the use of per capita block grants. It would also have given states more flexibility by allowing greater use of the individual private market to cover Medicaid patients and by allowing states to combine their children in the CHIP program with the Medicaid program.

Finally, the 2019 plan would have expanded the use of innovative care through greater use of:

- Direct primary care;
- Health care sharing ministries;
- Association health plans;
- Health status insurance (basically a form of re-insurance to cover unforeseen medical expenses);
- Short-term, limited-duration plans;
- Telemedicine; and
- The repeal of Certificate of Need laws.

The current health care debate revolves around some form of single-payer or Medicare for All program as opposed to incrementally expanding government control with a public option or a Medicare buy-in. On the other hand, the promising 2019 plan would have been a good

start toward meaningful health care reform that puts patients, not the government, in charge of their own medical care. Rather than nibbling around the edges, policymakers should encourage Congress to revisit the 2019 reform plan.

7.1 Facilitate an AI ecosystem

Policymakers have an important opportunity to move from justified skepticism of Artificial Intelligence (AI) to pragmatic experimentation with its use. Many of the shortcomings associated with AI—high rates of hallucination, excessive sycophancy, and opaque processes—will be less prevalent in the near future as the models learn and grow. AI labs are developing tools that can autonomously complete complex tasks with high rates of accuracy and auditability. All signs suggest that these tools will only become more capable with each passing day. As these exponential gains continue, pressure will mount on lawmakers to help existing institutions adapt and to support the creation of new businesses, programs, and regulatory frameworks.

Those states that deliberately respond to that pressure have brighter futures ahead. Recent data indicates that young, fast-growing firms continue to create new jobs. AI pilots demonstrate that this technology can streamline and improve government services. Trials of AI tools in schools show that with the right scaffolding, students and educators can benefit tremendously from AI support. States that adopt a regulatory ecosystem supportive of those activities will draw new investments, new residents, and new opportunities.¹⁵⁴

Policymakers should weigh the following affirmative policies to kickstart an AI flywheel—easing the creation of new AI tools by new companies, building the educational and workforce development programs to start and grow those companies, and assisting businesses, nonprofits, and government agencies with the implementation of those tools.

Building an AI ecosystem

AI is only as useful as the data used to develop and apply models. Policymakers can assist students and educators, startups and nonprofits, and government offices in making full use of AI by

¹⁵⁴ “Building an AI-Ready America,” Kevin Frazier testimony before the House Committee on Education and the Workforce, U.S. House of Representatives, January 14, 2025, available at https://law.utexas.edu/faculty/uploads/publication_files/frazier-testimony-on-building-an-ai-ready-america.pdf

developing robust data hubs. As of now, state data is often fragmented and maintained in a format that's ill-suited for AI development and deployment.

Lawmakers should consider the following actions to ensure their data is being put to its full use:

1. Mandate that agencies improve their data collection and storage practices;
2. Create or further support data hubs that house high-quality datasets on pressing public policy issues such as education, healthcare, and workforce training;
3. Establish protocols for making that data available to third parties, subject to privacy protections and use limitations;
4. Investigate how to allow third parties to contribute their own data to the hub, which may require new laws or regulations specifying common definitions for data and standardized data collection practices; and
5. Evaluate processes by which any collected data could be shared with other states developing similar data hubs.

The AI tools made possible by better data collection and distribution will contribute to the general welfare if the state has the workforce in place to put these tools to use. Too few people have a meaningful understanding of the latest AI tools. They may use AI for basic tasks but have yet to explore more novel and transformational use cases. Policymakers can increase the odds of the best AI tools being used by cultivating and attracting AI talent. Several actions may assist with that work:

1. Launch or otherwise support the creation of a general AI training corps that can teach educators, small business owners, civil society leaders, and others to learn the ins and outs of AI;
2. Partner with existing research institutions, investor groups, and business development organizations to designate AI hubs—areas that are densely populated with nascent AI firms and

educational programs—that foster information sharing and entrepreneurship; and

3. Update existing law to reflect new labor market realities by making benefits portable and initiating a review of existing occupational licenses to assess if their scope needs to be curtailed in light of the risks and benefits posed by that gatekeeping mechanism.

Pragmatic AI Experimentation

The pros and cons of any AI use case are difficult to predict. Yet, fear of the unknown and a failure to appreciate the shortcomings of the status quo may cause policymakers to place unnecessarily high barriers to deployment. A failure to design pathways for AI companies to make their latest tools available may deprive residents of tools that could markedly improve their quality of life. Delay in deployment could also cause the state's government offices and businesses to lag behind their peers in improving existing operations and offering new goods and services. Lawmakers can establish an evidence-based approach to governing AI tool deployment and use by adopting the following policies:

1. Build a regulatory sandbox program through which AI developers can deploy their tools subject to increased oversight, data sharing, and means for residents to share any harms or benefits;
2. Specify priority areas for AI use, such that applicants for the regulatory sandbox with tools addressing those areas receive expedited consideration; and
3. Start a grant program for researchers and startups to develop tools that may address those priority areas to spur in-state AI activity.

Those states that work to facilitate a functional AI ecosystem will be best positioned for efficient governance and economic success.

7.2 Use AI to improve government efficiency and save taxpayer money

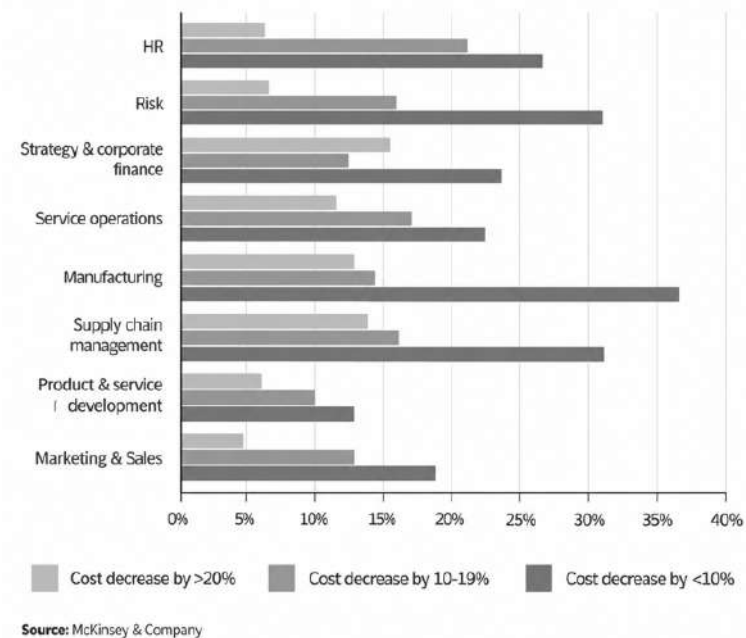
As AI rapidly advances, state legislatures across the country are grappling with how to regulate this complex technology. There are many

steps policymakers can take to maximize the potential of AI while mitigating risks and ensuring financial value.

Here are areas where AI can help improve government service delivery:

- **Repetitive tasks:** Are employees bogged down in manual data entry or paperwork? AI automation can free them for higher-value tasks, saving time and money.¹⁵⁵
- **Administrative bloat:** Are layers of bureaucracy slowing down processes and inflating costs? AI can streamline workflows, reducing administrative overhead.¹⁵⁶
- **Hidden inefficiencies:** Analyze wait times for business filings, error rates, and citizen feedback to uncover hidden inefficiencies that drain resources and frustrate taxpayers.

Percentage of companies reporting cost decreases from adopting AI



¹⁵⁵ “3 Surprising Benefits of Artificial Intelligence in the Workplace,” Beekeeper, March 1, 2024, available at <https://www.beekeeper.io/blog/3-reasons-you-want-ai-in-the-workplace/>

¹⁵⁶ “15 Ways Agencies Are Using AI To Streamline Workflows,” Forbes, April 11, 2023, available at <https://www.forbes.com/sites/forbesagencycouncil/2023/04/11/15-ways-agencies-are-using-ai-to-streamline-workflows/?sh=7ccf61d5d933>

A rigorous cost-benefit analysis should be the cornerstone of any AI implementation plan. This analysis goes beyond simply accounting for the costs of developing, implementing, and maintaining AI solutions. It must meticulously estimate the potential cost savings generated by increased efficiency across various areas. For example, one report by *Route Fifty's Public Finance Update* estimated that AI could boost productivity by \$519 billion a year across all U.S. governments.¹⁵⁷

One example of a state using AI is the Robotic Process Automation (RPA) tool in Texas:

"Texas uses RPA to collect data from the Bureau of Vital Statistics and Social Security Administration to compare against the eligibility system for a perfect match. The bot will automatically update the case to send a Notice of Adverse Action to one-person households that are reported deceased."¹⁵⁸

Building a roadmap for phased implementation for sustainable success

Building a sustainable and successful AI implementation within state government requires a strategic, fiscally responsible approach. Prioritize projects based on their potential for cost savings and efficiency gains. This includes areas like repetitive tasks, data-driven decision-making, and fraud detection. Begin with low-risk pilot projects to test the water, gather valuable learnings, and refine the approach before wider implementation. This minimizes risk and allows for course correction based on real-world experience.

The AI landscape is vast and mostly unexplored in the public sector. It is likely that when implementing these practices, public officials will be trailblazers for the surrounding states and even the county. Harnessing the power of AI is not just about cost savings; it's about delivering better public services and improving the lives of citizens. By using a good process, public officials can effectively put AI to work for their state.

¹⁵⁷ "States look to AI for its potential to help with finances," Route Fifty, March 20, 2024, available at <https://www.route-fifty.com/finance/2024/03/states-look-ai-its-potential-help-finances/395102/>

¹⁵⁸ "Use of Advanced Automation in SNAP," U.S. Department of Agriculture, January 10, 2024, available at <https://www.fns.usda.gov/snap/advanced-automation>

7.3 Protect the internet from misguided “net neutrality” efforts

In 2015, the federal government adopted a policy that seemed to target a problem that didn't exist – “net neutrality.” Net neutrality was supposed to prevent internet service providers (ISPs) from favoring or limiting internet traffic. It sounded good - in fact, large national companies and celebrities alike supported the idea - and predicted doom and gloom when it was repealed by the Federal Communications Commission (FCC) in 2017.

The problem is it was a heavy-handed, government regulatory approach that actually stifled competition and the freedom of the internet. And, to the extent that there was any issue in the first place, it would have been better dealt with using current laws that encourage and enforce competition. Data shows that internet speed was improving before 2015 (pre-net neutrality) and continues to increase in this post-net neutrality world.

There have been very few - if any - examples of ISPs blocking content since net neutrality was repealed. Unfortunately, the biggest factor that determines your internet speed is the place you live. Typically, more rural areas experience slower internet speeds. This is why we need more innovation - and less regulation - to expand and improve access. Policymakers should avoid misguided efforts to impose “net neutrality” and instead focus efforts to expand access to high-speed internet.

7.4 Accelerate broadband deployment with a regulatory shot clock

In today's rapidly evolving economic landscape, access to high-speed internet is critical for small businesses and educational opportunities. Broadband expansion refers to efforts aimed at increasing the availability and accessibility of high-speed broadband internet services in areas where they are currently limited or unavailable. It involves extending the reach of broadband infrastructure to more communities, homes, and businesses. Broadband expansion is critical for several reasons:

- **Digital accessibility:** It ensures more people have access to the internet, bridging the digital divide. Without broadband access, individuals and communities can be left behind in terms of education, employment, healthcare, and civic engagement.

- Economic development: Broadband expansion is seen as a driver of economic growth. It enables businesses to reach broader markets, facilitates remote work, and attracts investments in underserved regions.
- Education: Broadband access is crucial for remote learning and education choice options. According to the Federal Communications Commission, "Nearly 17 million school children lack internet access at home."
- Healthcare: Telehealth and remote healthcare services rely on broadband access. Expanding broadband can improve healthcare access, especially in rural and remote areas.
- Government services: Many government services and information are now provided online. Broadband expansion ensures citizens can access government services efficiently.

How a shot clock can help accelerate broadband expansion

A regulatory shot clock for broadband proposes a simple yet impactful mechanism: if local governments fail to act on telecommunications facility siting applications within a reasonable period, the application is automatically approved. This requirement sets a hard deadline for local governments and agencies to review and approve wireless telecommunications siting applications, effectively eliminating bureaucratic delays that have historically slowed down infrastructure development.

By ensuring that applications are either approved or denied within a defined time frame, it fosters an environment where the private sector can move quickly to deploy the necessary infrastructure to provide high-speed internet to underserved areas. Additionally, by providing a clear and enforceable timeline, telecommunications companies will have the confidence to invest in broadband expansion projects without fear of prolonged delays or shifting local regulations.

This clarity benefits the companies, residents, and businesses that rely on these services to remain competitive in a digital economy. By eliminating unnecessary regulatory barriers, this policy enables market forces to work, allowing private companies to deploy broadband infrastructure where needed most. This will ultimately reduce costs for

consumers and businesses, increase competition among internet service providers (ISPs), and improve service quality.

As broadband access becomes a critical enabler of economic growth, education, and healthcare, we must take steps to allow private businesses to drive the necessary investments to make this a reality. The benefits of broadband expansion go far beyond internet access. Increased broadband access allows businesses to expand into new markets, promotes innovation, and enhances productivity.

With substantial federal funds allocated for broadband expansion, policymakers have the opportunity to implement solutions that are both efficient and market friendly. In the long term, the private sector, armed with clear rules and less regulatory interference, will be able to deliver the connectivity that the region needs to compete in the modern economy.

A shot clock requirement is a prime example of how a market-driven approach can create tangible benefits for consumers, businesses, and communities alike. As we move forward, we must continue to focus on solutions that promote economic freedom and innovation. The shot clock requirement is not just about faster internet; it's about fostering an environment where businesses can grow, communities can thrive, and the free market can drive the development of the critical infrastructure our state and region need.

7.5 Be wary of constitutionally suspect content filter policies

Deciding when to let your child jump into that tech world is not easy. No matter how many rules your family may have, it is still natural to worry about what your children will find, or who they'll talk to, online. It has been more than a quarter century since Congress passed a law to protect kids online. In 1998, less than half the country was even connected to the internet, and those who were likely used AOL. There was no Facebook. There was no social media.

More than half of teenagers say it would be difficult to give up their social media time, according to Pew Research polling. Half of parents are worried about what their child is being exposed to online. Social media and the internet are very much mobile. It would be nearly impossible for companies to create 50 different oversight mechanisms to comply with every state's preference. And even if they did, teens and

families move fluidly across state lines. A patchwork of laws would mean they are inconsistently protected.

Censorship regimes were attempted before at the federal level in 1996 and struck down by the U.S. Supreme Court as unconstitutional.¹⁵⁹ There is no reason to believe that this time would be any different. Ensuring our children are safe online is of critical importance. No sane person denies this. But an important question for every American to ask themselves is: Have I made my child safer by weakening their constitutional rights and empowering the government to be my co-parent? The answer is clearly not.

Tech companies have introduced various ideas to help with the effort as well. But it should be noted that filters, blockers, and screen time monitors already exist and don't come with draconian government mandates. States like Florida are implementing digital literacy and safety into school curricula.¹⁶⁰

Improving outcomes for children and keeping them safe online requires work that is worth doing.¹⁶¹ But it is important that the efforts lawmakers undertake lead us to our desired outcomes. Passing a bill that will inevitably be struck down as violating the First Amendment won't make a single child safer. Instead, policymakers need to do the hard work of finding policy solutions that place the family, not the government, at the center of a child's upbringing, and give them safety tools they can use free of government coercion or censorship.

Meanwhile, Congress needs to work with tech providers to create a standard for the national marketplace to ensure uniform protection for kids' online health and safety.

Protection can start at the app store

One idea put forward by Meta – the parent company of Facebook – is to require parental consent for teens under 16 at the app store level. What does this mean? Essentially, parents would have to approve any download of an app other than general items such as search or email.

¹⁵⁹ "Reno v. ACLU," Columbia University, June 26, 1997, available at <https://globalfreedomofexpression.columbia.edu/cases/reno-v-aclu-2/>

¹⁶⁰ "HB 379 – 2023," Florida Legislature, available at <https://www.flsenate.gov/Session/Bill/2023/379/BillText/er/PDF>

¹⁶¹ "The Parental Guide to Digital Media Safety Resources," by Sebastian Griffin, Mountain States Policy Center, June 2025, available at https://33a3495a-a3f0-4137-8e52-15ed055dd371.filesusr.com/ugd/f1dfe7_5317762e8c824534b07a1ac174544a8a.pdf

Age verification would be completed at the app store level – which would ensure kids are placed in the appropriate app experience. All apps would need to be treated consistently.

Another proposal would require ad targeting standards that would limit the personalization of ads to those under 16 to age and location only. This means advertisers and videos that may be questionable could not be targeted to kids under 16. These are common sense proposals that recognize the complexity of the issue. There will likely be many more on the way. Policymakers can protect kids online while not stifling innovation and advancement in the coming years. A patchwork of laws is messy. One national standard that puts parents, not the government, in the driver's seat would be best.

7.6 Support the Right to Compute

In 2025, Montana Governor Greg Gianforte signed America's first law that protects the right to use computing power, such as blockchain nodes, distributed storage, and AI modeling on private property unimpeded by government overreach.¹⁶² Other states should do the same to support innovation, property rights, and economic freedom.

At its heart, the Right to Compute protects everyone from excessive local ordinances and regulations aimed at curbing how anyone, individual or business, uses their personal computers, servers, or other hardware on their own property. There is a clear and bright line: as long as you're not harming others or abusing the public infrastructure, the government has no business in how you utilize your computing power. The Montana law specifies that any restrictions on the use of computational resources must be "demonstrably necessary and narrowly tailored to fulfill a compelling state interest in public health or safety."

By limiting governmental restrictions, a Right to Compute law prevents excessive local ordinances that could hinder the use of personal computational resources. Additionally, it protects against regulations that might target specific computing activities, such as cryptocurrency mining, under the "mask" of environmental or zoning concerns. AI, blockchains, and decentralized networks are more than just tech fads; they're the basis of the incoming technological revolution.

¹⁶² "Montana Governor Signs Right to Compute Act into Law," CBS 42, April 21, 2025, available at <https://www.cbs42.com/business/press-releases/ein-presswire/805168690/montana-governor-signs-right-to-compute-act-into-law/>

8.1 Minimize the regulatory burden imposed on farmers



Agriculture is a pivotal industry to the Mountain States, contributing billions of dollars annually. Jobs and businesses depend on the success of farmers and ranchers, but challenges are increasing for the region's agribusinesses. Inflation is challenging farmers nationally, and regulatory pressure is

increasing as politicians push for more restrictive laws.

To help facilitate a favorable climate for farmers to excel, policymakers should embrace free market agricultural policies. This focus would move the legislative needle toward more farm independence and improved food self-reliance. As more farms thrive by relying on ingenuity and grit to move products to markets, individuals can more easily meet food needs with affordable and secure food.

Agriculture relies on many limited resources, including water, land, minerals/oil, and labor. The limitations of these resources exist naturally and yet man-made limitations, in the form of regulations, add to the difficulty of procuring a sufficient supply of inputs.

Regulations tighten the supply of all inputs needed for agriculture, naturally limited resources or otherwise (i.e., technology, trade, research, marketing, transportation, and financial). Increasing regulatory burdens on agriculturalists will consolidate domestic farming operations and agricultural businesses, endangering an accessible and affordable food supply.

Resource availability and restrictions

Policies affecting agriculture at the federal, state, and local levels should seek to remove restrictions on these resources. Agricultural regulations often affect the availability and accessibility of resources. For example, policy efforts to increase agricultural water supply make more available for use. Other regulations can affect accessibility to existing water, such as clean water legislation and salmon protections.

Historically, government efforts have placed great emphasis on increasing the availability of resources to agriculture. Dam construction, land allotments, and research funding propelled American agriculture to its current standing. Free market policy encourages government funding, research and infrastructure, and public/private partnerships in projects. In recent years, agriculture's ability to develop resources and continue using existing resources has often been opposed by special interests and bureaucracy. Some positions even advocate for the removal of available resources, including the Snake River dams.

Policies should allow for the advancement of free markets first, spurring development and use of these resources by private sources and/or private/public partnerships, in a fair balance with conservation and economic needs. Recent efforts to change farm policies have tightened accessibility.

Environmental regulations, diverting land to national protection, and limiting well and oil drilling are all examples of preventing access to resources. Regulatory positions need to carefully assess the benefit of resources to farmers and the food supply against the costs often alleged by special interest groups. Some protection of resources captures externalities and is worth the resource limitations because the benefit to the communities outweighs the costs to agriculture and food supply. However, many regulations move far beyond scientific criteria, preventing access to resources because of the interests of a few, at the cost of a food supply that feeds many.

Regulations interfering with the ability to farm must consider the actual cost and impact on farmers, farmworkers, and communities. Regulations favoring one individual's story over a community's experience are damaging to agricultural businesses, rural families, and towns.

8.2 Protect agricultural water uses and the development of water storage

Clean water is essential, but unnecessary and unscientific restrictions on water use need to be removed. Farmers should have the ability to access water and help fund additional water expansion projects via usage fees. States need to respectfully balance water for agricultural use and reasonable fish recovery efforts. Across the western states, the use it or lose it water laws discourage water conservation. States need to encourage water conservation and not unduly punish farmers for adopting efficient technologies and conserving water resources. Individual farmers and canal companies would benefit from legislation that encourages conservation, without losing their existing water rights.¹⁶³

The prior appropriation doctrine, the idea that first in time is first in right rules the water law, but what happens when this water starts disappearing? The fairness of making the most junior rights disappear before senior rights adopt any conservation strategy is not only selfish but also poor environmentalism. Instead, state-level policies should look at adopting groundwater conservation easements to protect aquifers.

State-level policies can change to create a market-based tool that would incentivize water users to voluntarily stop pumping from groundwater resources in exchange for direct payments or tax benefits. These are permanent, voluntary, and specific to the land parcels, and they can serve as a tool to recover depleting aquifers in the Mountain States.

8.3 Balance land development and property rights with the necessity of land for food production

Property rights must be protected. However, tax exemptions on agricultural land should account for changes in use, encouraging farmers to slow the development of agricultural land for housing purposes. Local and state policies already influence the decision through property taxes. Using the existing exemptions to encourage farmers to protect agricultural land is a free market method of protecting farm ground.

¹⁶³ “Western water strategy shifting from ‘use it or lose it,’ to ‘waste not, want not,’” The Hill, June 2018, available at <https://thehill.com/opinion/energy-environment/392341-western-water-strategy-shifting-from-use-it-or-lose-it-to-waste>

Where once thousands of acres of farmland sprawled, housing developments are covering the landscape and decreasing farming in many regions. Most regions give property tax exemptions to agricultural land, and local communities can use property tax incentives to discourage urban sprawl and encourage farmland preservation. A policy in this directive should carefully weigh strategies.

Transfer of Development Rights (TDRs) is another policy option for balancing housing supply and agricultural land protection. TDRs are local policy tools available to counties, allowing density to remain concentrated around population centers and compensating farmers for their land's development rights. TDRs can be adopted by local governments, allowing a market to be created for the right to develop ground. This policy would alleviate the housing shortage and protect agricultural land at the same time. TDRs are designed differently across the nation, but some key requirements would include:

- Specific development goals and designated areas of sending and receiving TDRs.
- TDRs should be restricted to housing development.
- Formalize inter-jurisdictional agreements between counties and municipalities for the handling of TDRs.
- Create a market for development rights with open and transparent historical pricing but avoid government-run TDR banks.
- Limit government regulation of TDRs.

8.4 Agricultural labor needs to be accessible

A study by Texas A&M found that when farmers can't hire workers, expect to see a continued rise in inflation, increasing food prices, and more empty shelves at the grocery store.¹⁶⁴ That study sets aside immigration as a much larger federal issue and focuses on state efforts impacting the ag workforce. Fewer regulations, lower taxation, and avoiding agricultural overtime mandates will help farmers and ag

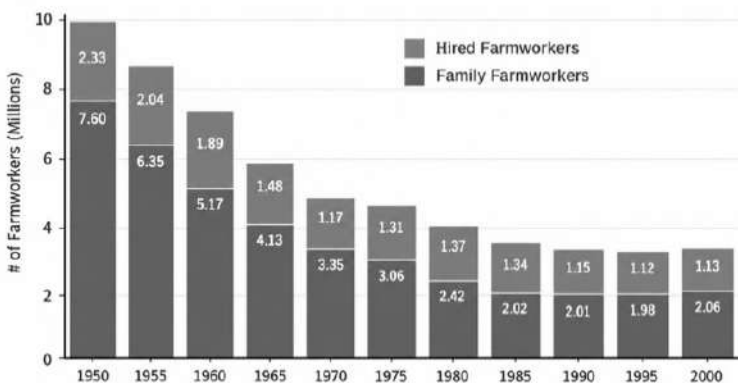
¹⁶⁴ "The Link Between Consumer Prices, Labor Costs, and Immigration in the U.S.: Bivariate Associations," Texas A&M University, available at <https://www.tamui.edu/coas/documents/tamui-abic.pdf>

businesses find and keep these valuable employees, which makes harvest successful.

The shortage of agricultural labor is nothing new. Pre- and post-pandemic, farms struggled to find willing workers. From 1950 to 2000, hired farmworkers declined by 52% and family farmworkers declined by 73%.¹⁶⁵ The stressful and strenuous nature of the job, volatility of commodity prices, high start-up costs, and immigration all contribute to fewer farmworkers. State efforts can also negatively impact the employment environment, as in the case of Washington.

Washington far outranks Montana, Idaho, Utah, and Wyoming in their number of agricultural workers. Unfortunately for Washington farmers, their state burdens them with more complications. Washington state requires multiple layers of regulation to hire H-2A workers, wastes tax dollars to hire uninterested local workers, and recently removed the agricultural overtime exemption. From 2002 to 2017, Washington saw the 2nd highest loss of agricultural employers in the nation, a 23% decrease.

Family & Hired Farmworkers on U.S. Farms



Source: U.S. Department of Agriculture, Economic Research Service.

Oregon, following Washington's lead, has enacted challenging agriculture labor legislation. The result urged some farms along the border to jump ship and move packing houses to the more friendly state of Idaho. Or even more sadly, small family farms gave up, and the ground has been taken over by larger corporations that can more

¹⁶⁵ "The U.S. Farm Labor Shortage," AG AMERICA, February 26, 2020, available at <https://agamerica.com/blog/the-impact-of-the-farm-labor-shortage/>

efficiently handle the staffing complexities. From 2002-2017, Oregon experienced a 6% loss in operations hiring workers, while Idaho increased its farm operations by 3%.

H-2A (temporary visa) workers are vital to farms

Excessive state restrictions on the H-2A program need to be stopped due to the damage to an already complex and frustrating system. Bureaucratic delays in paperwork, excessive housing and work environment requirements, unrealistic efforts to encourage the employment of domestic workers, prevent and postpone H-2A workers from working and receiving a good income to take back home.

Agriculture labor needs will always be seasonal, and laws should favor workers that adapt and thrive in this seasonality. Laws that complicate the ability to pay workers based on performance (i.e., piece-rate pay) or that prevent workers from earning a year's income in a 6-9 month season (i.e., agricultural overtime) hurt farmworkers and farmers. Agriculture's long-existing overtime exemption has been removed in California, Washington, Oregon, and other states. The implementation of this policy is quickly eroding the ability of workers to earn a year's income within the 6-9 month growing season and for farms to meet the seasonal labor demands of farming.

8.5 Taxes should not unfairly favor or punish farmers

Farmers should be treated equally with other businesses. Taxes need to respect how agri-businesses are organized and not unduly burden farming organizations. The federal government's so-called 'Death Tax' can destroy farming operations. When someone dies without effective estate planning, the federal government will claim up to 40 percent of the value of the taxable estate. For farmers, who are land rich but cash poor, the liquid assets needed to cover the taxable value are insufficient. Farms are then sold to pay the debt. Legislators have increased the exemption amount in recent years and are working on making this fix more permanent. States without death taxes should avoid them, and those with them should repeal them.

8.6 Protect the ability of small farms to thrive

Farm numbers across the United States are dwindling, and our region is no exception.

This decrease in farming operations is seen despite the highest net farm income recorded during this same period. The loss of farms isn't driven by only one issue. Regulations, input costs, trade disruptions, aging operators, and agricultural land development are all pushing out farms. The smallest farms are experiencing the greatest challenges. Some farms have risen to the occasion and grown to survive the market variance. However, there are still many farms ending operations.

Having many producers involved in food production insulates end consumers from supply disruptions. One producer will likely experience operational challenges throughout the growing season, be it weather, trade, policy, or labor challenges. If only a few producers are present in the market, supply disruptions are inevitable. However, if many producers, both small and large, are actively engaged in the industry, it insulates the end consumer from supply disruptions, because it is unlikely many producers will face the same production challenges. Farms need to become resilient to market fluctuations like the one experienced in 2023.

U.S. Farm Income To Fall Sharply In 2023

U.S. Net Farm Income and Net Cash Income, Actual and Projected, 2000 to 2023 Forecast, Billion Dollars (Nominal)



Source: Senate Ag GOP Analysis, USDA ERS August 2023 Farm Sector Income Forecast.

Net farm income is based on the year the production occurred. Net cash income is based on the year in which farm sales of crop or livestock products occur.

Efforts should be made to ease the burdens of remaining in the agricultural industry for small producers, like decreasing regulatory burdens, encouraging agricultural land to remain in production at reasonable rental rates, improving labor supply restrictions, and encouraging trade agreements benefiting agricultural products. Before policies are adopted, it is worth questioning what the result will be for small producers, because those are the operations least likely to survive.

8.7 Reform veterinary licensing

Many agricultural states are facing a shortage of veterinarians. With an average veterinary student loan debt of \$185,486 (veterinary college only) and the average starting salary in the U.S. is \$125,416 for an independent private practitioner, the math for the profession is tricky.¹⁶⁶ The cost of veterinary care indicates that a shortage exists when the price of veterinary care has risen over 60 percent in the past decade and outpaced inflation and health care costs. In the last two decades, this cost has increased 149 percent, largely driven by corporate acquisition of many veterinary practices.¹⁶⁷

For large animal practices, the price increase is the least worrying when large animal veterinarians are difficult to find and critical to conduct business. Large animal owners need veterinarians to fill out paperwork and conduct exams to move livestock across state borders, assist in documenting reproductive records, and vaccinate large numbers of animals with market-required vaccines. Only about 10% of students want to work with large animals, and the existing veterinarians are aging out.

Veterinary medicine needs mid-level practitioners to meet the growing needs of pet owners and agriculture. Colorado voters recognized this in November and passed Proposition 129 with 52.3% in favor, which establishes a career pathway for a ‘Veterinary Professional Associate.’ The new Veterinary PA will “provide quality, routine medical care, more pets can be treated – reducing the burden on existing veterinary staff and allowing veterinarians to focus on more complex diagnostics and procedures.”¹⁶⁸

Livestock producers also need technicians certified in large animal skills that can function independently of the rare, large animal veterinarian. Some advocates of training laymen for routine veterinary tasks believe ultrasound technicians will succeed or fail in their work quality just like hoof trimmers and others providing services to dairies and ranches.¹⁶⁹ Certifications should also be allowed for vaccinations

¹⁶⁶ “Veterinary starting salaries rise in 2023, educational debt holds steady,” AVMA, November 1, 2023, available at <https://www.avma.org/news/veterinary-starting-salaries-rise-2023-educational-debt-holds-steady>

¹⁶⁷ “Veterinary Practices are Increasingly Corporately Owned, and Pets Owners Pay the Price,” Observer, March 19, 2023, available at <https://observer.com/2023/03/veterinary-practices-are-increasingly-corporately-owned-and-pets-owners-pay-the-price/>

¹⁶⁸ “Victory for People, Pets and Vets – Colorado Passes Prop 129!,” ASPCA, November 8, 2024, available at <https://www.aspc.org/news/victory-people-pets-and-vets-colorado-passes-prop-129>

¹⁶⁹ “Who can legally preg check cows in your state?,” Progressive Dairy, August 29, 2012, available at <https://www.agproud.com/articles/19323-who-can-legally-preg-check-cows-in-your-state>

and bloodwork, just like pharmacy techs and phlebotomists exist in human medicine.

Policymakers need to recognize the monopoly veterinary medicine has on large animal services and begin opening the door to laymen who are willing to learn and become certified so they can meet the demand of large animal owners, leaving time for large animal veterinarians to address the high-qualification, complex needs.

9.1 Protect the numerous benefits of the Snake River dams

It has been fifty years since the four dams on the Lower Snake River were completed. Originally built to provide transportation, they now provide reliable and affordable baseload power for the region. And for virtually all of those 50 years, those who want to destroy the dams have predicted they would cause the extinction of Snake River salmon. In the late 1990s, anti-dam activists purchased an ad in the New York Times predicting that unless the dams were destroyed, “wild Snake River Spring Chinook salmon ... will be extinct by 2017.”¹⁷⁰

In the late 1990s, that prediction seemed plausible. Salmon populations had declined dramatically. In 1995, just 1,105 Spring Chinook passed the Lower Granite Dam, the farthest upstream of the four. Thirty years later, returns are much larger. Population improvements have been slow, but positive. However, some still claim that salmon extinction is right around the corner. In 2021, environmental activists wrote that if the dams weren’t removed, Spring Chinook would be “nearly extinct” in 2025, adding for dramatic flair, “that’s not hyperbole.”¹⁷¹ Instead, recent returns of Spring Chinook at the Lower Granite Dam were almost twice as large as when the prediction was made.

In an era of electrification and increased power demand, it makes no sense to remove a clean, renewable power source. Hydropower is an important source of reliable and clean energy for everyone in the Northwest. The Lower Snake River Dams are critical to the infrastructure of the region, providing not only power benefits but also reductions in flood risk, crop irrigation, barging, and much more. Unlike intermittent wind and solar power, the Snake River dams provide more than 1,000 average megawatts of reliable baseload, carbon-free energy that can be turned on at any moment. That’s enough energy for over 800,000 average U.S. homes.

¹⁷⁰ “50 years with the Lower Snake River Dams is worth celebrating,” by Todd Myers, Tri-City Herald, August 13, 2025, available at <https://www.tri-cityherald.com/opinion/opn-columns-blogs/article311679496.html>

¹⁷¹ “Sen. Murray and Gov. Inslee must keep their promise to save wild salmon,” Spokesman Review, June 6, 2021, available at <https://www.spokesman.com/stories/2021/jun/06/collin-omara-and-alyssa-macy-sen-murray-and-gov-in/>

Removing the Snake River dams would have serious negative regional impacts

The federal government undertook a multi-year public process in 2020 to produce a comprehensive review of the issues surrounding the Snake River dams and possible breaching. Here are some of the findings from that study:¹⁷²

- “[Dam breaching] would not meet the objective to Provide a Reliable and Economic Power Supply . . . The lower Snake River projects provide more than 2,000 MW of sustained peaking capabilities during the winter, and a quarter of the federal power system’s current reserves holding capability. The dams play an important role in maintaining reliability in the production of power used to supply load in the Pacific Northwest. Their flexibility and dispatchability are valuable components of the CRS. [Dam breaching] would more than double the region’s risk of power shortages...”
- “The costs of an expanded zero-carbon resource portfolio designed to replace the full capability of the four lower Snake River dams would be significant: up to twice the \$400 million assumed to maintain regional reliability. Additional variables such as resource financing uncertainties and the uncertainty in the cost and availability of demand response add to this rate sensitivity. If Bonneville had to replace the four lower Snake River projects’ full capability with zero-carbon resources, the rate pressure could be up to 50% on wholesale power rates.”
- “The lower Snake River shallow draft navigation channel would no longer be available, eliminating commercial navigation to multiple port facilities on the lower Snake River... As a result, the cost to transport goods to market would increase.”
- “Under this scenario, increases in vehicular accident rates, highway traffic and congestion would occur. In addition, additional wear and tear on roadways could result in additional road repair costs of up to \$10 million annually.”

¹⁷² “Executive Summary - Columbia River System Operations Environmental Impact Statement,” U.S. Army Corps of Engineers, Bureau of Reclamation and Bonneville Power Administration, available at <https://usace.contentdm.oclc.org/utils/getfile/collection/p16021coll7/id/14957>

- “Farmers could also experience increased production costs associated with higher transportation costs for upriver movements (i.e., fertilizer, crops). There would be additional demands on existing road and rail infrastructure as well as at barging facilities near the Tri-Cities, Washington, increasing traffic and air pollution.”
- “Adverse regional economic effects would occur as the jobs and income provided by the four primary commercial navigation ports would be curtailed, including the Port of Lewiston, the Port of Clarkston, the Port of Whitman County (Wilma, Almota, Central Ferry), and the Port of Garfield.”
- “Despite the major benefits to fish expected from [dam breaching], this alternative was not identified as the Preferred Alternative due to the adverse impacts to other resources such as transportation, power reliability and affordability, and greenhouse gas emissions.”

Baseload power is needed to counter the unreliability of intermittent power sources like wind and solar

Among the many benefits of the Snake River dams is the reliable baseload power provided. This is critical when the energy system is stressed during periods of extreme cold or heat. The 2023 Winter was a great case study for the reliability problem of intermittent green sources like wind and solar that are being pushed nationwide. Consider the following examples from Montana and Washington.

In Montana, Northwestern Energy spokesperson Jo Dee Black commented, “Wind and solar generation could not produce much if any, power during the extreme cold.”¹⁷³ In Washington, Grant County PUD stated, “frigid temperatures throughout Grant County and the Pacific Northwest pushed energy use to record levels, strained many regional electric grids, and put a heavy draw on our region’s capacity to generate electricity.”¹⁷⁴

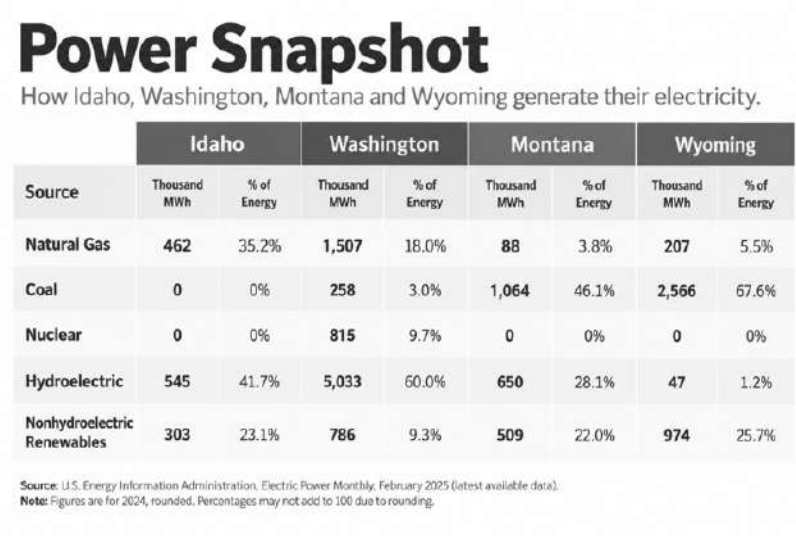
The same problem occurs during periods of extreme heat. Wind and solar intermittent energy sources are not reliable. Wind specifically

¹⁷³ “Cold snap fuels Montana’s coal power debate,” Montana Freepress, January 22, 2024, available at <https://montanafreepress.org/2024/01/22/cold-snap-fuels-montanas-coal-power-debate/>

¹⁷⁴ “Arctic blast flashes warning signal for regional grid stability and reliance on intermittent power sources,” Mountain States Policy Center, January 24, 2024, available at <https://www.mountainstatespolicy.org/post/cold-snap-flashes-warning-signal-for-regional-grid-stability-and-reliance-on-intermittent-power-sour>

disappears when there are extremely high or low temperatures. This is why it is critical to have reliable baseload power sources to pick up the slack when energy demand is high to avoid blackouts.

Diversification efforts of the power grid are a worthy goal if they don’t come at the expense of reliable baseload power. When families try to stay warm during an arctic blast or try to stay cool during extreme heat, policymakers need to make sure the power is reliably and economically available for them.



As states navigate the complexities of the energy transition, sustainability, and affordability, they must be wary of using intermittent sources to replace reliable baseload power such as the energy and other economic benefits provided by the Snake River dams.

9.2 Work to restore more state control over federal land

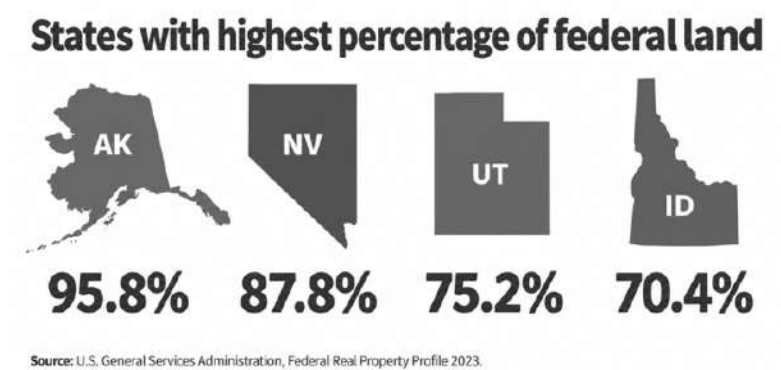
Federal land is defined as land that is owned by the United States federal government. The Property Clause in Article 4, Section 3 of the United States Constitution gives the federal government the right to manage and purchase land and regulate the activities that take place on that land. The federal government owns approximately 640 million acres of federal land, which comprises about 28% of the 2.27 billion total acres of land in the United States.

The original, intended purpose of government-managed federal land is the “protection of forests and preservation of water flows while

permitting some local timber use.” Presently, all federal land is managed by five government agencies:

- (1) The Bureau of Land Management;
- (2) The Forest Service;
- (3) The Fish and Wildlife Service;
- (4) The National Park Service; and
- (5) The Department of Defense.

The federal government’s land management has faced sometimes intense criticism from the public. Some argue federal management is ineffective, some say too much land is owned by the federal government, and some contend the land has economic benefits and should be returned to private citizens or state control.



Adverse impacts on states from federal control of land

Another common criticism of the federal government’s landownership is that federal land is often managed ineffectively. The Bureau of Land Management has set a series of land-health standards which measure biological conditions on federal lands such as soil health, water quality, and the protection of endangered species. These standards must be maintained for the use of these federal lands to be sustainable.

However, the Public Employees for Environmental Responsibility (PEER) conducted a study on 21,000 allotments of federal land across several states and found that many assessed allotments failed to meet the Bureau of Land Management’s health standards. These mismanaged areas were most commonly found in cold desert ecoregions, and researchers there observed extreme temperature swings and a lack of moisture. PEER determined that the primary cause

of this damage was livestock grazing on federal land. This sharp decline in land health is detrimental to the plants and animals that live within these territories and demonstrates a distinct failure on the part of the federal government to effectively manage and protect this land.

Improved economic outlook by moving federal land to state control

Finally, critics of federal land management argue that transferring ownership of federal land to the states would result in significant financial benefits. In states such as Idaho, where agriculture is a major industry and where the federal government owns two-thirds of the total land, concerns are raised about the large amounts of revenue that Idahoans lose, even though the federal government attempts to mitigate these potential losses through measures such as Payments in Lieu of Taxes (PILTs).

The Property and Environment Research Center (PERC) looked at the financial returns produced by federally owned land, as well as state-owned land in four western states, and found that these four states earned an average revenue of \$14.51 for every dollar spent on state land management. This is in sharp contrast to the average of 73 cents earned for each dollar spent on federal land management – a whopping 95% lower. The study also compared the management of timber, grazing, minerals, and recreation by both state and federal governments and determined that state management of these industries can produce significantly higher revenue than the current system of federal management, which would greatly assist local economies.

There is significant evidence to suggest that states would benefit if the federal government transferred some of this land to local control. State policymakers should work on efforts to make this happen.

9.3 Demand higher federal PILT reimbursements

One way the federal government attempts to mitigate potential losses in economic activity for states with large amounts of federal land is by compensating them with Payments in Lieu of Taxes, or “PILT.” Since federal land is owned by the government and cannot be taxed, PILTs are a way that the federal government attempts to aid citizens living near federal land by giving each county a payment which is calculated based on the number of acres owned by the federal government and the county’s population. The PILT approach is not necessarily the most

effective because it does not take into consideration the amount of federal land in each county when determining how much to pay.

Because several counties with the highest amount of federal land are also rural and have lower populations, the amount they received in PILT does not reflect the amount of untaxable federal land within their borders. This system leaves rural counties struggling to provide public goods and services since they are unable to tax such a large portion of their territory, and the federal government fails to assist them in bridging that gap.

9.4 Support prescribed burns to help manage forests

When the summer heat intensifies each year, peak fire season hits the western states hard. Consider the fact that Oregon (4), Idaho (5), Montana (9), and Washington (10) suffered more acres burned than most of the United States in 2022, all ranking in the top ten states of acreage burned in 2020 to 2022 (rank refers to 2022). Utah (21) and Wyoming (22) trailed slightly behind. Despite the ongoing fire danger and consequences, prescribed burns are used sparingly on federal lands in the mountain states.

Prescribed burning is underutilized in our region because the federal government owns the majority of public lands. Tribal and state agencies in the mountain states are increasing funding for prescribed burns, but the area managed by these authorities is much smaller compared to federal lands. For example, 61.6% of Idaho's land is owned by the federal government, and only 8.8% is owned by the state.

The federal government's foot-dragging on prescribed burning keeps the mountain states from many positive benefits.¹⁷⁵ Historically, Native American tribes worked with nature to encourage fires where they were needed, managing fuel loads and deterring extreme fire behavior. However, a century of fire suppression tactics has increased the fuel load and, combined with hotter and drier weather, has created the extreme fire seasons the Mountain States experience annually.

Despite this, tribes have been able to work within their smaller government systems to adopt prescribed burning practices, and the results have returned high-risk forests to healthier, historically correct

¹⁷⁵ "We're Not Doing Enough Prescribed Fire in the Western United States to Mitigate Wildfire Risk," MDPI, May 29, 2019, available at <https://www.mdpi.com/2571-6255/2/2/30/html>

states. But for federal-owned lands, the battle is more cumbersome. Overwhelmed by red tape, lacking generational knowledge of prescribed burns, and inundated with complaints of smoke inhalation and fire risk, federal lands still pursue mostly a fire suppression strategy. Fire resource budgets are almost entirely dedicated to suppressing fires no matter location or cause, and prescribed fires are rarely budgeted.

Federal lands in our region have a long way to go before they catch up on the long list of unhealthy forests. Millions of acres need to be treated, but only thousands of acres are treated annually. It will take years of prescribed burns and harvesting to restore the western lands.

Important policies to improve forest health

Federal officials need to act now to adopt prescribed fire practices on a scale that can provide an actual solution to the growing pressure of unhealthy forests and excessive fuel loads. Policies that would improve the use of prescribed fires include:¹⁷⁶

- Encouraging federal land agencies to request federal funding for sufficient fuel reduction projects and dedicating state-level funding;
- Ensure the EPA's Clean Air Act rule will not hinder the use of prescribed burns;
- Easing the permitting process so burn permits can be issued quickly;
- Offer prescribed burn manager certification; and
- Adopt a right-to-burn act, allowing private landowners to burn on their own land.

Unlike wildfire, new policies are difficult to move uphill, but prescribed burning is worth the push. Regional legislators have submitted multiple policies to remediate the western landscape, but progress has been sparse. The iconic forests of the mountain states need healthy, well-managed fire to thrive. Prescribed burning needs rapid and significant adoption to be beneficial to the mountain states' scenic region.

¹⁷⁶ "2021 National Prescribed Fire Use Survey Report," National Association of State Foresters, available at https://www.prescribedfire.net/pdf/2021-National-Rx-Fire-Use-Report_FINAL.pdf

9.5 Avoid plastic bag bans and other trendy policies that have little environmental benefit

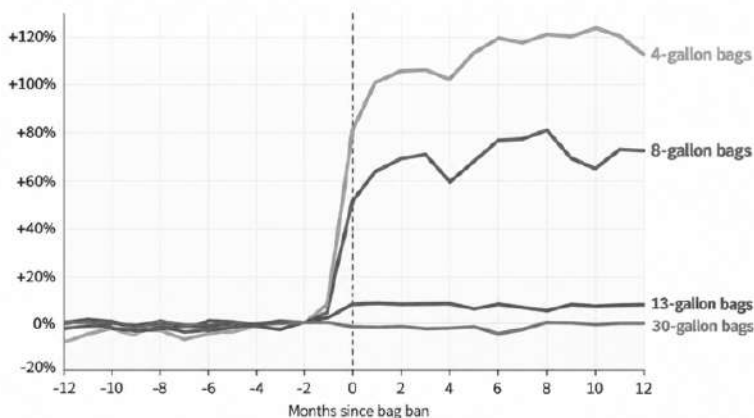
A trend. A fad. Feel-good legislation. Call plastic bag bans whatever you want, just don't call them effective environmental policy. Dozens of cities and states across the nation have either adopted or are considering adopting bans on plastics.

The question is whether banning plastic bags makes sense and can help the environment. The answer is likely no. In fact, much of the research shows plastic bags can be one of the most environmentally friendly options. There are numerous reasons for this. First, plastic bags are reusable. Think about how many times you've reused a plastic bag to take a lunch to work, to clean up after your dog, or to fill a trash container in your bathroom.

Without those bags available, consumers look for alternatives and end up buying more plastic bags. The School of Forestry and Natural Resources at the University of Georgia released a study concluding: "The study found California communities with bag policies saw sales of 4-gallon trash bags increase by 55% to 75%, and sales of 8-gallon trash bags increase 87% to 110%."

Trash bag sales jumped after grocery bans

University of Georgia – School of Forestry and Natural Resources study



Source: University of Georgia – School of Forestry and Natural Resources study.

Second, the plastic bag alternatives are not much better. The United Kingdom's Environment Agency released a report in 2011 that highlighted the carbon impact of paper, reusable plastic, and cotton bags is higher than single-use plastic bags. In fact, scientists said you'd need to reuse a cotton bag more than 130 times to have an impact on the environment. Danish researchers had similar findings. Third, there are sanitation concerns. Most people who carry around reusable, cloth bags do not necessarily take care to make sure the bag is clean.

Some may keep the bag in their backseat or the trunk of their vehicle. Others might only wash the bag once a month. The concern about sanitation was especially great during the COVID-19 pandemic, when a number of states that had adopted bans decided to hold off because of hygiene concerns. So, while plastic bag bans may make policymakers feel good, the research shows they are a very ineffective way to protect the environment and can actually do more harm than good. These bans should be avoided.

9.6 Support efforts to expand nuclear power

Keeping the lights on in America is already a challenge with an aging energy infrastructure, and advancements in technology like Artificial Intelligence will need a stable power source to perform.

An analysis completed for the National Electrical Manufacturers Association by PA Consulting anticipates a 300% growth in data center energy consumption over the next 10 years.¹⁷⁷ These centers are largely being built for the computational needs of Artificial Intelligence. These data centers have been proposed in states across the nation, including in our region. One consideration, however, is what is going to power them, and the overall expected increase in energy grid demand in America's future.

As noted by the Trump administration's America's AI Action Plan: "The United States must develop a comprehensive strategy to enhance and expand the power grid designed not just to weather these challenges, but to ensure the grid's continued strength and capacity for future growth."¹⁷⁸

¹⁷⁷ "A Reliable Grid for an Electric Future," PA Consulting prepared for NEMA, January 2025, available at https://www.makeitelectric.org/wp-content/uploads/Documents/News_Blogs/grid-reliability-study-nema-deck.pdf

¹⁷⁸ "White House Unveils America's AI Action Plan," White House, July 23, 2025, available at <https://www.whitehouse.gov/releases/2025/07/white-house-unveils-americas-ai-action-plan/>

Some suggest that renewable power sources like wind and solar should fill the energy needs of the future. But solar and wind provide intermittent and unreliable power. As great as the intent is, they don't provide baseload energy and don't hold up well under extreme weather events. There are numerous cases of grid outages barely holding on due to storms disrupting wind and solar. As we know, the wind isn't always blowing, and the sun isn't always shining.

A reliable power solution instead will be nuclear energy. Nuclear is currently in 30 countries, with many others currently considering it. Nuclear powers roughly 19% of America's grid today.¹⁷⁹ Nuclear power has made so many leaps and bounds in the last 20 years of development that it's almost unrecognizable. Specifically, consider the development of small modular reactors, or SMRs.¹⁸⁰

The cost of traditional nuclear power has historically been expensive. But these smaller SMRs could be more cost-effective. A traditional operation needs to be completely built on-site. These new SMRs can be created off-site and delivered on-site to be assembled, which takes far less time and is more efficient. Fuel needs can also pile on the costs, and SMRs have developed concerns concerning their fuel needs. It's estimated that they need to be refueled every three to seven years, compared to a traditional plant that needs refueling every year or two. These fine details in nuclear innovation prove its ability to adapt.

Permitting reforms are needed to streamline the advancement of nuclear energy. Showing the need for regional cooperation; Idaho, Utah, and Wyoming in 2025 signed an agreement acknowledging their commitment to collaborate to develop nuclear infrastructure and energy policies.¹⁸¹

U.S. energy demand is expected to rise by about 3.5% each year through 2040. There is already severe stress on our aging energy infrastructure, even before accounting for the power-hungry needs of new technologies. According to McKinsey's GEP power model and many U.S. grid operators, the country could experience shortages of

¹⁷⁹ "Nuclear Energy Generation by State," Choose Energy, June 2, 2026, available at <https://www.chooseenergy.com/data-center/nuclear-generation-by-state/>

¹⁸⁰ "What are Small Modular Reactors (SMRs)?," IAEA, September 13, 2023, available at <https://www.iaea.org/newscenter/news/what-are-small-modular-reactors-smrs>

¹⁸¹ "Governors of Utah, Idaho, and Wyoming sign tri-state agreement to strengthen regional energy collaboration," Utah Governor, April 30, 2025, available at <https://governor.utah.gov/press/news-release-governors-of-utah-idaho-and-wyoming-sign-tri-state-agreement-to-strengthen-regional-energy-collaboration/>

dispatchable power during peak summer demand hours by 2030.¹⁸² Policymakers need to address this issue now, as energy infrastructure takes time and planning to build. We don't want to reach 2040 and be scrambling for energy solutions.

Nuclear energy could help meet these power needs, and our region is well-positioned to take the lead. Policymakers should facilitate this opportunity by refining the energy regulatory and permitting system and attracting nuclear investors to help make this dependable and stable power development for our country a reality.

9.7 Treat wildfire prevention efforts as a core function

Wildfire has become one of the defining challenges facing the Mountain West. It is no longer a seasonal inconvenience, but a recurring public safety threat and growing fiscal burden. Yet despite the increasing scale and cost of wildfire, governments continue to spend far more on suppression than on prevention. The current system is built largely around response. Prevention measures such as forest thinning, prescribed burns, fuels reduction projects, and infrastructure hardening receive far less attention than suppression measures, even though they can reduce the severity and cost of future fires.

At the same time, state officials have increasingly recognized the importance of prevention. For example, during Montana's 2026 Fire Season Briefing, Governor Greg Gianforte highlighted the state's 20-year Shared Stewardship Agreement with the U.S. Forest Service, a first-of-its-kind partnership designed to dramatically increase the pace and scale of active forest management across Montana's federal forests.¹⁸³ Through tools such as the Good Neighbor Authority, states and the Forest Service can coordinate forest thinning, fuels reduction, timber harvests, and restoration projects intended to reduce wildfire risk before fires ignite.¹⁸⁴

These efforts demonstrate that states have begun shifting more attention toward prevention. However, overall spending priorities remain heavily tilted toward suppression. Even with expanded mitigation programs and new collaborative forest management

¹⁸² "Powering a new era of US energy demand," McKinsey & Company, April 29, 2025, available at <https://www.mckinsey.com/industries/public-sector/our-insights/powering-a-new-era-of-us-energy-demand>

¹⁸³ "Governor Gianforte Receives 2026 Fire Season Briefing," Montana Governor, June 2, 2026, available at <https://news.mt.gov/Governors-Office/Governor-Gianforte-Receives-2026-Fire-Season-Briefing>

¹⁸⁴ "Good Neighbor Authority," Montana Department of Natural Resources and Conservation, available at <https://dnrc.mt.gov/Forestry/Forest-Management/good-neighbor-authority>

initiatives, prevention funding still represents only a fraction of the resources reserved for wildfire response. This does not mean suppression funding is unnecessary. Large fires require extensive resources, including aircraft, firefighters, equipment, emergency logistics, and recovery efforts. When communities are threatened, rapid response is essential. The issue is not that states spend too much on suppression; it is that prevention remains underfunded relative to the scale of the risk they face.

The fiscal implications are significant. Wildfire costs do not increase gradually. Once a fire escapes initial containment, expenses can escalate rapidly as suppression efforts expand and structures, infrastructure, and communities come under threat. Prevention functions as a form of risk management, reducing fuel loads and limiting the conditions that drive catastrophic fire behavior. From a budgetary perspective, every successful mitigation project has the potential to avoid much larger suppression costs in the future.

Federal prevention efforts have faced additional challenges beyond funding alone. In 2025, the U.S. Forest Service eliminated approximately 3,400 positions, roughly 10 percent of the agency's workforce.¹⁸⁵ Although frontline firefighters were largely exempt from the cuts, many affected employees worked in timber management, fuels reduction, watershed restoration, environmental planning, and other programs that support long-term wildfire prevention.

Critics argued that the workforce reductions could slow forest-thinning projects, prescribed burns, and other mitigation efforts designed to reduce wildfire risk before fires ignite. According to a 2026 analysis, the U.S. Forest Service treated 35 percent fewer acres for wildfire risk reduction in 2025 than in 2024, highlighting concerns that reductions in agency capacity could undermine efforts to address hazardous fuel loads before fires ignite.¹⁸⁶ Because the federal government manages a large percentage of the land in our region, reductions in federal land management capacity can have significant consequences for the state's ability to address the conditions that contribute to catastrophic wildfires.

¹⁸⁵ "Forest Service fires 3,400 people after 'deferred resignation' deadline passes," Politico, February 13, 2025, available at https://www.politico.com/news/2025/02/13/forest-services-fires-3400-employees-00204213?utm_source

¹⁸⁶ "New analysis finds U.S. Forest Service treated 35% fewer acres for wildfire risk in 2025," Center for Western Priorities, May 26, 2026, available at <https://westernpriorities.org/2026/05/new-analysis-finds-u-s-forest-service-treated-35-fewer-acres-for-wildfire-risk-in-2025/>

As more homes, businesses, and infrastructure are built in the wildland-urban interface, the financial and public safety consequences of large wildfires become even greater, making prevention investments increasingly important for protecting both lives and taxpayer resources. Wildfire prevention should be viewed less as a discretionary environmental program and more as a core function for state investments. The cost of underinvesting in fire prevention will likely be measured not only in dollars, but also in lost forests, damaged communities, and growing pressure on state finances.

10.1 Three keys to responsible transportation spending

Transportation systems are the backbone of a strong local economy, allowing people and goods to move efficiently and effectively. At its core, transportation infrastructure is no different than any other type of public or private goods and is subject to the law of supply and demand. In

the case of traffic congestion, the demand for road travel exceeds the supply of roads or capacity, the result of which leads to lost time, lost fuel, and excess pollutants emitted into the atmosphere.

Traffic congestion may also lead to capping growth and access while limiting labor markets. In essence, the number of available jobs, available workforce, and accessible services is limited by both distance and time. The more traffic congestion, the fewer opportunities to participate in the economy.

Freedom of mobility allows the public to travel wherever and how they choose with no - or minimal - restrictions. In recent decades, many public officials have waged campaigns to "discourage" certain modes, like cars, by implementing regressive tolling schemes, limiting parking, taking travel lanes away from drivers, and increasing traffic congestion to push people to other modes of transport or eliminate trips.

Responsible transportation spending will be guided by following these three keys: 1) Spend resources based on demand; 2) Users pay, users benefit; and 3) Establish performance measures.



Spend resources based on demand

Transportation spending should be guided by current and future demand instead of ideological visions. Politicians and transportation officials often want to spend limited tax and fee dollars based on how the public should travel instead of how the public chooses to travel. According to the U.S. Bureau of Transportation Statistics, transit trips represent about 1.5% of all person-trips in the United States.¹⁸⁷ Yet the Congressional Budget Office estimates that in 2023, about \$249 billion was spent on highways, \$95 billion on mass transit, and \$4 billion on rail.¹⁸⁸ This means that while transit is just 1.5% of all trips, it received 27% of surface transportation spending.

This imbalance leads to an underperforming road and highway system that the vast majority of U.S. travelers use. As state and federal lawmakers decide how scarce transportation dollars are used, tying spending to demand maximizes benefits to those who actually use the system.

Users pay, users benefit

The highway system is largely funded by user fees, though in recent years transportation and politicians have dedicated sales tax revenues to the highway fund. User fees are collected by the federal, state, and local governments to maintain, preserve, and expand the road and highway system. Using Idaho as an example, taxes and fees include the \$0.32 cents per gallon state fuel tax, the \$0.184 cents per gallon federal fuel tax, and license fees.

The public transportation system in the Treasure Valley is, in part, funded by user fees, but the vast majority is paid by general taxation or deficit spending. In 2019, it cost Valley Regional Transit \$8.99 to take one bus passenger on one trip, yet fares on average only covered \$0.69 per trip.

By 2023, the costs ballooned further to \$14.68 per trip with fares still covering \$0.69 per trip. That results in taxpayers covering \$13.99 per bus passenger trip, or just over 95% of the operating costs. On the

¹⁸⁷ "Table 2-4 Annual Person-Trips and Person-Miles Traveled by Mode," Bureau of Transportation Statistics, accessed 7/15/2026, at <https://data.bts.gov/stories/s/Chapter-2-Passenger-Travel/3t3v-vpmv/>

¹⁸⁸ "Public Spending on Transportation and Water Infrastructure, 1956 to 2023," Congressional Budget Office, February 2025, at <https://www.cbo.gov/publication/60874>

capital side, local and federal taxpayers pay the entire 100% of new buses and maintenance facilities.

Due to the projected shortfall at public transportation agencies around Idaho, COMPASS officials have begun to analyze new “revenue streams,” none of which involve users of the public transportation system paying more. Instead, they look to other options, including a higher sales tax or a vehicle-miles traveled fee, paid by drivers, which could be used to funnel money to other, less popular modes.



This same story is playing out across the Mountain States. Some argue that public transportation indirectly provides benefits to drivers by keeping cars off the road, leaving more space for everyone else. Yet road maintenance, preservation, and expansion provide a real, direct benefit to drivers instead of a theoretical, indirect benefit like transit.

Establish performance measures

As our region continues to grow, more pressure will continue to be put on the transportation network. It is important to establish performance measures for Interstates, state highways, local roads, or local public transportation, both in spending and ridership.

Looking to Washington state, official transportation policy goals once included things such as “delay on state highways should be significantly reduced and be no worse than the national mean,” and “delay per driver should be significantly reduced and be no worse than

the national mean.” Yet after stripping that policy goal from law, traffic congestion has continued to grow.

Other examples of policies that improve road and highway performance include maintaining a strong level of service standards and requiring that road projects maximize real-person throughput. Performance measures tied to revenue and spending can also benefit users. For example, if a passenger or commuter rail system is considered, it should be less costly and carry more riders than buses or a bus rapid transit line.

Some performance measures that can improve travel times, reliability, and public transit include:

Road	Reduce traffic delay and maintain competitiveness versus peer Metro areas
Road	Maintain strong Level of Service standards for highways, arterials and city streets and intersections
Road	Maintain and increase actual person-throughput levels on roads and highways, not theoretical; increases traveler and economic benefits
Transit	Maintain minimum ridership per route, prioritize cuts and reinvestment
Transit	Match mode spending to mode performance
Transit	Keep costs per platform hour under national average and peer agencies
Transit	Implement minimum farebox recovery standards of 25%
Project selection	Ensure fair and adequate alternatives are studied with prioritization to most benefit/cost (and cost per rider, cost per user) over reasonable period
Project selection	Ensure projects selected are among the highest benefit-cost among potential projects using fair and accurate assumptions

By following these three key principles, policymakers will not only benefit travelers but also freight movers and suppliers. Agricultural regions like ours benefit immensely when goods and services can flow and strengthen regional economies over our competition.

10.2 Reform transit options in Idaho's largest county

Idaho's Treasure Valley is often cited as one of the best places to live in the United States. As a result, the region is experiencing significant growth far surpassing past projections and estimates. For example, COMPASS, the Boise Metro Area's Metropolitan Planning Organization, previously projected population in Ada and Canyon Counties would reach 825,000 by 2030. Yet official Census numbers from last year already measure population within the two counties at 821,264, with more businesses and people moving to Idaho every day.

As a result, traffic congestion and delays have increased substantially. Between 2019 and 2026, traffic delays increased on I-84 Eastbound into downtown increased 83% during the 8:00AM rush hour, while delays during the evening rush hour heading Westbound surged 182%.¹⁸⁹

Yet despite the added travel demand from rapid population and employment growth, public transit demand has plummeted. In 2019, Valley Regional Transit (VRT), the region's transit agency, registered 1.26 million passenger trips on its buses. Yet by 2025, the agency counted just 956,000 bus passengers, a -24% decrease.¹⁹⁰

Even with fewer customers, however, costs for transit have increased, resulting in a higher cost to carry a passenger on VRT buses. Between 2019 and 2023, the latest full year of financial data available, costs to operate VRT buses jumped from \$10.9 million to \$14.5 million, a 33% increase, leading to an unsustainable financial future.

As a result of runaway costs and lower bus ridership, some cities in the Treasure Valley have opted out of VRT services. Nampa significantly lowered its commitment to VRT services, providing just \$283,000 of VRT's funding request of \$860,000 in 2026.¹⁹¹

In short, public transportation operations as they are currently offered in the Treasure Valley are unsustainable and are likely to collapse unless drastic reforms are enacted. Reform options could include:

¹⁸⁹ INRIX analysis of I-84 between Meridian and Downtown Boise, April 2019 vs April 2026, Tuesdays-Thursdays. 2019 TTI EB: 1.36, WB: 1.65; 2026 TTI EB: 1.66, WB: 2.83.

¹⁹⁰ "July 2026 Monthly Ridership, Time Series" National Transit Database, transit.dot.gov, accessed Sept 1, 2026, at www.transit.dot.gov/ntd/ntd-data

¹⁹¹ "Nampa City Council restores partial funding for Valley Regional Transit," *Idahonews.com*, August 18, 2026, available at idahonews.com/news/local/nampa-city-council-restores-partial-funding-for-valley-regional-transit

- *Tie funding to performance* – Cost per bus platform hour and cost per passenger trip are similar to or below peer agencies. For example, the Spokane Transit Authority in Spokane, Washington spent \$9.70 to carry one passenger on an STA bus in 2023, while VRT’s cost per passenger was \$14.68 that same year, 51% more than Spokane’s cost. Reducing costs would then free up money to provide more service and reach more customers.
- *Right-size the Fleet and Services* - VRT services are designed to serve the public. A better focus might be to include more Park and Rides for commuters and smaller vehicles for maximizing vanpooling, services which better fit the suburban nature of the Treasure Valley.
- *Keep Labor Costs Low* – Vehicle Operations are about 50% of VRT’s operating expenses, of which labor is typically the primary cost driver. Working with unions and workers to lower the cost of operations would free up money to be able to provide more service where it is needed.
- *Keep Administration Costs Low* – Administration represents about 35% of VRT’s operating expenses according to the National Transit Database. In comparison, Spokane’s transit agency currently spends 20% of expenses on administration. Reducing administrative overhead would help bring VRT’s finances back into sustainability and keep service on the road.
- *Improve Cost Recovery* – In 2023, bus riders paid approximately \$680,000 of the \$14,523,000 to operate the buses, less than five percent. This places an overwhelming burden on taxpayers to cover the other \$13.8 million to fund the bus system, who may or may not be willing to support an underutilized system. It’s not uncommon for transit agencies to target 20%-25% farebox recovery covered by users of the system in terms of fares. Increasing the farebox recovery rate to 25% would save taxpayers nearly \$3 million per year that officials could use to reinvest in the transit system without raising taxes.

A strong transit system in Idaho’s Treasure Valley would go a long way to improving mobility, but as it sits today, the program is in desperate need of an overhaul. From skyrocketing costs to low productivity, officials

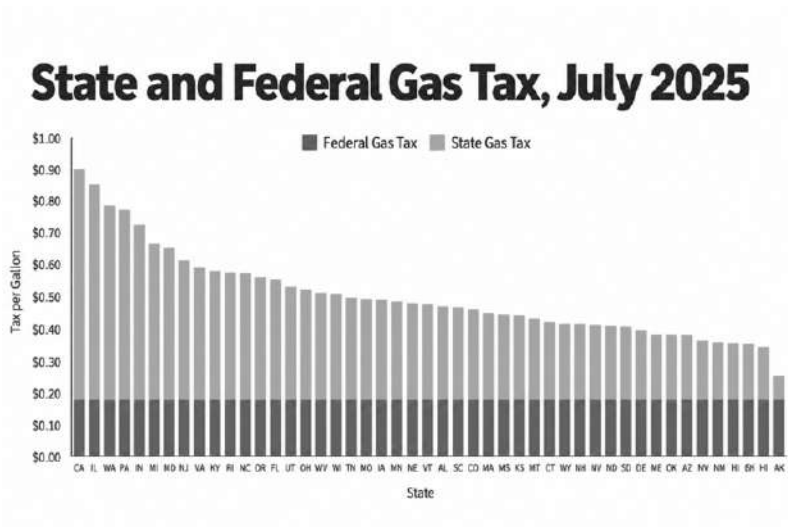
should continue to reform the agency to better meet demand for riders of the system.

10.3 Adopt Truth in Labeling for gas taxes

Gas prices are inflated by government taxes and fees. Do consumers in the Mountain States really know what they are paying when they fill up at the gas station? The answer is likely no. That’s because gasoline is one of the few products we purchase where taxes and fees are built into the price. This means there is no transparency about the true financial burden placed on consumers. The fix to this lack of transparency is what has been called “truth-in-labeling.”

The cost of gasoline and taxes

Gas prices are difficult to predict. Most of the cost of a gallon of gas comes from the price of crude oil, which can fluctuate wildly. There are several components to the cost of a gallon of gas. The U.S. Department of Transportation says gas taxes make up about 19% of the overall cost of a gallon – but this will vary depending on the state and the current price.¹⁹² For example, if the gas price is high, the gas tax percentage will be low. Likewise, if the gas price is low, the gas tax percentage could be much higher.



¹⁹² “Motor Fuel Data,” U.S. Department of Transportation, available at <https://www.fhwa.dot.gov/policyinformation/motorfueldata.cfm>

Gas taxes vary by state, but the Mountain States do charge more than average. In Idaho, the state gas tax is 32 cents per gallon.¹⁹³ It was last increased in 2015. In Montana, the state gas tax costs consumers 34 cents per gallon. And in Washington, the state tax exceeds 59-cents per gallon. Washington has also implemented a carbon tax and low-carbon fuel standard that has increased the price of gas by approximately \$0.52 per gallon. Wyoming's gas tax is at \$0.24 per gallon.

The state-by-state tax burden does not include the federal gas tax of 18.4 cents per gallon. Overall, Idaho, Montana and Washington all have gas taxes that rank in the top 20 states. When taken together, a large portion of the overall cost of a gallon of gas goes toward taxes, which are mostly used to fund roads, bridges and a state's transportation system. However, when policymakers adopt gas tax hikes, there is no accountability built into the system. The cost is hidden in the price.

This is unusual when purchasing almost any product. After all, the price of a loaf of bread at the grocery store does not have the sales tax built in. Neither does the purchase of a bottle of water. Most consumers can see the tax burden they face on their receipts. If they don't like the cost or don't think it's being used properly, they can talk to their elected official. But with gas taxes, consumers are left in the dark.

Truth in Labeling examples from Washington and other states

In 2017, Washington state passed a budget proviso providing temporary fuel tax transparency.¹⁹⁴ This measure briefly required the Washington state Department of Agriculture to produce a sticker that would be placed on every gas pump near the weights and measures certification. The sticker informed drivers of their state and federal tax burden. In Ohio, government workers began placing stickers on gas pumps in 2019, as part of a deal to increase the gas tax.¹⁹⁵

In Utah, prior to the newer law in which gas tax fluctuates by fuel prices, the state provided the exact tax rate at the pump for consumers. With the new law, however, Utah officials are only required to post the gas tax amount on the Tax Commission website.

¹⁹³ Idaho figure does not include one cent per gallon transfer fee.

¹⁹⁴ "Know your Washington state gas tax: Stickers arriving at the pump," Seattle Times, November 21, 2017, available at <https://www.seattletimes.com/seattle-news/transportation/whats-your-gas-tax-stickers-coming-soon-to-the-pump/>

¹⁹⁵ "Gas tax stickers finally being added to pumps," The Columbus Dispatch, February 11, 2020, available at <https://www.dispatch.com/story/news/politics/2020/02/11/gas-tax-stickers-finally-being/1727809007/>

 WASHINGTON FUEL TAX RATES <small>ACR FORM 819-2456 (10/9/15)</small>			
Tax rates effective: July 1, 2016	State Tax	Federal Tax	Total Tax
Gasoline	49.4¢ PER GALLON	18.4¢ PER GALLON	67.8¢ PER GALLON
Diesel	49.4¢ PER GALLON	24.4¢ PER GALLON	73.8¢ PER GALLON
State taxes apply to motor vehicle and special fuels defined in RCW 82.38			

In most states, gas taxes are used to fund road construction projects. While not necessarily eager to pay more, taxpayers will typically support government funding that they know is transparent and will be wisely used. Unfortunately, gasoline taxes are not transparent. Because they are built into the cost of the product, citizens have no idea how much they are really paying, and where it is going. Inevitably, it makes it difficult for citizens to grasp the amount of funds available for transportation, and where they are being spent. In an age of surging gas prices, a “truth-in-labeling” policy is a reform worth pursuing.

10.4 Safeguards needed before considering a mileage tax



Three reasons to be skeptical of mileage taxes

Another tax on drivers isn't the solution. Here's why.



For more than a decade, states like Washington, Oregon, and Utah have moved forward with pilot programs to tax VMT, vehicle-miles traveled, or the amount people drive (another term used for this type is a RUC – a Road Usage Charge). Presumably, this would require either GPS monitoring, tracking and reporting, or some kind of

odometer reading. Boosters argue it is a fair way to pay for roads. Yet some lobbying groups and lawmakers want to use highway dollars for mass transit. Transit lobbyists like the Transportation Choices Coalition in Washington state say it wants an “Equitable Road Usage Charge” that is a “progressive user fee that could be used for multimodal transportation.”¹⁹⁶

While a VMT tax has the potential to replace a fuel tax responsibly, policymakers should focus on the following areas to ensure taxpayers are protected should they desire a mileage tax:

- Taxpayers should not pay a fuel tax and a mileage tax concurrently, even with a refund mechanism;
- A mileage tax should be a direct replacement of the gas tax, which means it is deposited into each state’s respective trust fund to be used for highway purposes only. A tax that is diverted to other purposes is not a replacement of the fuel tax;
- Ensure strict protection on GPS tracking or eschew GPS tracking altogether;
- Costs to administer the program should be on par with current fuel tax collection costs; and
- Taxes should not vary by time of day, road choice, or distance.

It has been nearly a century since the first gas tax was imposed on the traveling public, and for 100 years it has been used to benefit the traveling public, with constitutional protections to realize those benefits.¹⁹⁷ Any exploration of a mileage-based fee, new tax on fuel, or special taxes and fees paid by drivers should be spent to directly improve personal and business travel on the state road network instead of indirectly through other modes like transit.

¹⁹⁶ “The Future Takes Transportation: Why an Equitable Road Usage Charge is Key to Our Transportation Future,” Transportation Choices, March 21, 2024, available at <https://transportationchoices.org/the-future-takes-transportation-why-an-equitable-road-usage-charge-is-key-to-our-transportation-future/>

¹⁹⁷ “Transportation taxes and spending throughout the Mountain States,” by Bob Pishue, Mountain States Policy Center, July 2025, available at https://33a3495a-a3f0-4137-8e52-15ed055dd371.filesusr.com/ugd/f1dfe7_5bf42737a2964beab36e7dc4f2c627b7.pdf

10.5 Repeal the automatic yearly gas tax increase in Washington

Washington state already has one of the highest gas taxes in the nation. Under a law adopted in 2025, the state's gas tax will automatically increase each year by two percent, and this does not require the public or elected officials to vote on the annual tax increase. Supporters of the annual tax increase argued that indexing the fuel tax to inflation will not only allow state agencies to keep up with their own rising costs but also *prevent* tax increases in the future to fund the highway system. This is a ridiculous claim. An inflation-based increase to a tax is an annual automatic tax increase without the normal accountability of a legislative or public vote.

Yet it's likely that – even after adjusting for inflation – public officials will continue using inflation as an argument to raise taxes even higher than the yearly automatic increase. Sound Transit, for example, has tax sources that not only adjust with inflation but also population growth. Sales tax collections at the agency rise as prices rise; for example, a \$100 purchase would result in \$1.20 going to the agency, and if the price of that item rises to \$110, it would result in \$1.32 going to the agency. In addition, the Motor Vehicle Excise Tax that Sound Transit imposes rises as vehicle prices rise, since it is based on an exaggerated MSRP value.

Despite tax sources that already include inflation, public officials continually argue that new tax revenues are needed *due to* inflation. But the reality is that construction costs by state and local agencies typically *exceed inflation*, requiring more tax increases to cover their rising spending.

Road needs in Washington are staggering and in need of attention. The state was poorly ranked by the Reason Foundation, a nonprofit think tank that has reported on road and highway conditions for more than 20 years. The Reason Foundation found that Washington state's highways rank 48th in the country, with the state ranking poorly in spending (disbursements) and pavement quality.¹⁹⁸

The silver lining is that the Evergreen State's gas tax is protected by the 18th Amendment to the Constitution, which dedicates gas taxes to

¹⁹⁸ "Washington's Highway System Ranks 48th in the Nation in Overall Cost-Effectiveness and Condition," Reason Foundation, March 19, 2026, available at <https://reason.org/highway-report/29th-annual-highway-report/washington/>

highways. However, public officials may choose to take some non-dedicated highway revenues and divert them to other purposes as more dedicated funds roll in. By automatically increasing gas taxes each year, Washington policymakers are ensuring voters will pay even more without the normal public accountability or public debate for a tax increase. This yearly automatic gas tax increase without a public or legislative vote should be repealed.

10.6 Avoid “road diets”

A 2025 law adopted in Idaho preserves mobility for most travelers in the state by eliminating “road diets” on highways and arterial roads, thereby preserving much-needed capacity to accommodate the state’s rapid growth.¹⁹⁹ The goal is to improve mobility by reducing or eliminating the controversial practice of taking away general travel lanes for other modes on high-volume streets. It also requires that cycle lanes only be improved as a secondary or tertiary priority, rather than a primary justification for a project. The Idaho law does create exceptions for bike facilities in need of safety improvements and repairs. Residential and city streets are not affected.

Like other states in the region, Idaho has continued to see an influx of new residents, businesses and commercial facilities – with growth rates far above the national average – leading to more traffic congestion, less productivity and wasted fuel. By preventing “road diets,” Idaho is working to preserve and maintain road capacity on high-volume roads to accommodate that growth, while ensuring other modes can be considered and included in project delivery. This is a great example that other states should follow.

10.7 Allow rideshare innovations to flourish

Reducing the burden on ridesharing is key to ensuring freedom of mobility for the traveling public. A study by the National Bureau of Economic Research examined the heavy regulations imposed on ridesharing in Seattle in 2024, including minimum wage requirements.²⁰⁰ They found regulations resulted in 20% fewer rides and no increase in monthly earnings for drivers. The authors also found that “drivers continued working without earning more while incurring

¹⁹⁹ Senate Bill 1144 - Repeals and adds to existing law to establish provisions regarding laying out of highways,” Idaho Legislature, 2025, available at <https://legislature.idaho.gov/sessioninfo/2025/legislation/S1144/>

²⁰⁰ “Impact of Minimum Pay Rules on Gig Delivery Workers,” The Digest, March 2026, National Bureau of Economic Research, at <https://www.nber.org/sites/default/files/2026-03/mar26.pdf>

additional vehicle costs during idle periods.”

In addition, cities, counties, and states in the Mountain States should seek to make autonomous taxis more prevalent. Research by The Brookings Institution shows a significant reduction in all types of crashes with automated vehicles versus human drivers, reasoning that more automation will reduce accidents and fatalities, saying the “overall human toll on the roads is likely to drop significantly.”²⁰¹

²⁰¹ “How autonomous vehicles could change cities,” Brookings Institution, May 20, 2025, available at <https://www.brookings.edu/articles/how-autonomous-vehicles-could-change-cities/>

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ABOUT THE AUTHORS



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Chris Cargill is the founder, president and CEO of Mountain States Policy Center. He has more than 20 years of experience in communications and public policy, including a decade in television news and 13 years at a state-based think tank before founding MSPC in 2022. A Gonzaga University graduate, his work has appeared in newspapers across the Mountain West and nationally in RealClearPolicy.



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