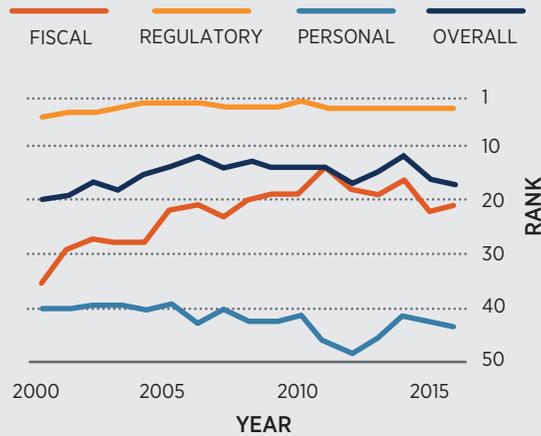


IDAHO

2016 RANK
17th



POLICY RECOMMENDATIONS

- Fiscal:** Comprehensively decentralize power by making it easy for new municipalities to incorporate and secede from existing ones, shifting responsibilities from counties to municipalities, freeing up local property tax-varying power, and reducing state aid to schools so that localities rely on their own tax base. The last move will also allow the state to cut taxes, particularly the general sales tax, which will give localities more tax room.
- Regulatory:** Allow dental hygienists to initiate treatment without a dentist's authorization.
- Personal:** Eliminate or reduce mandatory minimums for nonviolent offenses to reduce the incarceration rate. Allow currently imprisoned offenders to petition for release under the new guidelines.



Population, 2017
1,716,943

Net Migration Rate
13.2%



State Taxes, Percent of Personal Income, FY 2017
6.18%

Local Taxes, Percent of Personal Income, FY 2015
2.78%

Partisan Lean, 2016
R +20.4



Real Per Capita Personal Income, 2016, in 2009 \$
\$38,477

Real Personal Income Growth, CAGR, 2000-15
2.8%

ANALYSIS

Idaho is one of the most economically and socially conservative states in the country. As a result, it is perhaps unsurprising that it is a top-10 state for economic freedom and a bottom-10 state for personal freedom. Nevertheless, the state continues to enjoy substantial immigration, primarily from the less-free West Coast. It is also one of the least cronyist states in the Union.

Idaho's fiscal policy has been improving over time, but it remains a weak spot in certain respects and has suffered some dip from its best performance. State-level tax collections as a share of income have risen to their highest level since 2007, now standing at 6.2 percent. That is above the national average and almost half a percent higher than the 21st-century low enjoyed in 2011. Local taxes, however, are well below the national average, at 2.8 percent of adjusted personal income. Local governments are territorially large: there is only about one effective competing jurisdiction per 400 square miles. Government debt is well below the national average, leading to a number-two ranking in that category. However, government employment is about average.

Idaho does well across the board on regulatory policy, earning its second-place ranking. It is one of the best states for occupational freedom, but since 2009 the state has begun to license more occupations. Nurse practitioner independence is protected, and physician's assistants have full prescribing authority. It is one of the very best states for insurance freedom. There is no certificate-of-need requirement for hospitals or moving

companies, and direct auto sales were legalized in 2013-14. However, Idaho does have a general "sales below cost" law. The state's civil liability system is one of the best, and the state also scores well above average on labor law, with a right-to-work law. Workers' compensation mandates, though, are strict. Despite its huge influx of new residents over the past two decades, Idaho held the line on land-use controls for a long time. But it is middling relative to other states, and we have seen evidence that new building restrictions have started to come into force since 2006. The state has not done much to curb eminent domain abuse. Statewide video franchising was enacted in 2012.

Idaho is among the worst states outside the Deep South on criminal justice policy. Crime-adjusted incarceration rates are more than a standard deviation above the national average, and the drug enforcement rate is high and rising. Victimless crime arrests are better than average, showing that the state's biggest problem is sentencing. The state is also much less free than average for alcohol and gambling. Taxes on spirits are especially high. Tobacco freedom is much higher than average: cigarette taxes are low, and there is no smoking ban for bars. Homeschooling and private schooling are almost unregulated, but the state has no private school choice programs. It has a religious freedom restoration act. Gun rights are much better than average and improved in 2015 when the state passed legislation allowing concealed carry without a permit for residents over 21 years of age. The state does have a weak law on self-defense in public and a stricter-than-federal minimum age to possess firearms.