



BRAD LITTLE
GOVERNOR

April 8, 2026

The Honorable Phil McGrane
Secretary of State
Idaho Statehouse
Hand Delivered

Dear Mr. Secretary,

I hereby advise you that I have returned without my approval, disapproved, and vetoed the following House bill, to wit:

HOUSE BILL 975

within the time prescribed by law, the same having arrived in the Office of the Governor at the hour of 5:44 p.m. on April 2, 2026.

This bill conflicts with Idaho's time-tested and established fiscal framework in Idaho Code. Section 57-814 Idaho Code limits the allowable balance in the Budget Stabilization Fund to 15% of total General Fund receipts for the fiscal year and requires the State Controller to transfer excess funds in the Budget Stabilization Fund back to the General Fund, ensuring that funds remain available for broader and unforeseen state priorities as they arise. This bill overrides that framework. Put plainly, the Legislature can change Idaho Code if it wants to retain funds in the account beyond the statutorily established cap.

Idaho's total reserve funds equal 24% of General Fund revenues – one of the highest reserve funds in the nation. With revenue projections uncertain, maintaining flexibility in the General Fund is a responsible management of Idahoans' tax dollars. Importantly, if revenues in FY 2027 exceed expectations, the Legislature can still make deliberate, transparent decisions to transfer additional funds into the Budget Stabilization Fund. This approach balances fiscal discipline with flexibility, rather than prematurely restricting available resources.

Finally, locking excess funds in reserve limits our ability to respond to emerging needs, sustain core services, and respond to economic shifts. I am particularly concerned about our ability to pay for the upcoming fire season after the Legislature rejected my and the Land Board's calls for prefunding the Fire Suppression Fund on an ongoing basis. Even though the

Legislature added some additional one-time funds to the account this year, it is very likely we will not have enough money in the Fire Suppression Fund to pay for this fire season, especially after such a warm and dry winter. My veto of this bill makes additional funds available to pay for what we expect will be an expensive and challenging fire season.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brad Little", written in a cursive style.

Brad Little
Governor of Idaho