



BRAD LITTLE
GOVERNOR

May 12, 2021

The Honorable Scott Bedke
Speaker of the House
House of Representatives
Statehouse Mail

Dear Mr. Speaker,

I hereby advise you that I have signed on May 12, 2021, and am transmitting to the Secretary of State the following House Bill, to wit:

HOUSE BILL 389

Within the time prescribed by law, the same having arrived in the Office of the Governor at the hour of 10:35 a.m. on May 6, 2021.

I support the bill sponsors' intent to provide overdue and much-needed property tax relief for Idahoans, and they should be applauded for their attempt to curb unsustainable increases in property taxes due, in large part, to the rapid surge in home prices.

However, I do have significant concerns with the process leading up to the passage of House Bill 389 as well as its practical implications.

I am supportive of the increase in the homeowner's exemption from \$100,000 to \$125,000, but the near-exponential increases in home valuations mean the exemption will only slow the property tax increases for many Idahoans and not provide long-term relief. I am also supportive of updating the circuit breaker credit to ensure that our veterans, elderly, and lower-income populations can afford to stay in their homes, but I fear these changes may have unintended consequences for some individuals and families.


I have always subscribed to the adage that our taxes need to be fair, simple, competitive, and predictable. When considered against these pillars of tax policy, House Bill 389 falls short. The bill is an aggregate of complex and nuanced changes to Idaho's property tax code, and I am

troubled that this was introduced in the waning days of the longest legislative session in Idaho history.

I am signing House Bill 389 because it provides some relief to Idaho taxpayers. However, I fear the long-term consequences may outweigh this temporary reprieve. I believe we can do more to address this growing problem, and I believe we can do so in a way that is not only more transparent, but also more closely aligns with my goal of fair, simple, competitive, and predictable taxes.

I have already spoken with the bill drafters, and we are jointly committed to working with cities, counties, and other stakeholders to fix the problems within the bill and develop a sustainable, long-term solution.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brad Little", with a stylized flourish at the end.

Brad Little
Governor of Idaho