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Overview – What to Look For in the 2023 Legislative Session

2022 Election Cycle Changes the Map but not the Balance of Power in Idaho

General Elections / Legislative Update



Statewide Races – Federal & Constitutional Offices: At the top of the ticket, general elections in Idaho followed historical norms – a statewide GOP sweep of all Congressional and Statewide offices and most of these races were determined in May, following some hotly contested GOP primaries. Governor Little and the rest cruised to easy victory, all with more than 60% majorities. The candidate with the widest margin at 72% was the newest and the youngest: Phil McGrane had already prevailed in a hotly contested three-way primary for Secretary of State, and won Tuesday with 416,439 votes. Governor Little had the lowest level of support with 356,490 votes, and a margin of 60%. Attorney General candidate Raul Labrador received 365,061 votes (62%), despite a last ditch effort to defeat the former Congressman, which included many well-known former Republican officials.

Legislative Races: The Idaho legislature will experience historic turnover while retaining its GOP supermajority in both houses – which is not to say that the Republican caucus in House or Senate will walk in lockstep – far from it. While once-in-a-decade redistricting shook up the legislative district map, the balance of power did not change a bit. In the Senate, Republicans still hold 28 seats and Democrats hold 7. In the House, Republicans retain 58 seats, with 12 for the Democrats. Now that’s remarkable given all the new legislative districts, and the many retirements and primary election defeats. The balance of power is the same, but with a mix of new players. Only 60 sitting legislators will return to the building in 2023, and the turnover exceeds 50% because some of these will be new to the body they join in January, having switched from the House to the Senate.

2023 Session – Predictably unpredictable: Don’t be fooled by these numbers. The 2023 Idaho legislature is more likely than not to be one of the more unpredictable (perhaps even chaotic?) sessions we have seen in years. Republicans in the Senate are likely to be more right-leaning, perhaps foretelling a shift in leadership. Leadership in the House is certain to change, as Speaker Bedke will now move from his 3rd floor corner office behind the House chambers to the Lt.

Governor’s on the second floor of the Statehouse. His successors will bring different personalities, but their political leanings will be consistent with the recent past, and will no doubt bring them a new challenge: a wild and unruly GOP caucus. The Democrat caucus, still small, has an opportunity to link arms with more moderate Republicans on some issues. Time will tell if either jumps at that opportunity.

Ballot Initiative - Should the Legislature be able to call themselves into session? Voters say “Yes”

SJR102, the ballot initiative to allow the legislature to call themselves in to session under certain conditions, passed 52% to 48%. This was surprising given the organized and well-funded effort to defeat the measure, driven by the state’s largest business organization, IACI. Former Governor Butch Otter was an outspoken, and oft interviewed, opponent, but neither he nor IACI managed to stop the measure. This outcome was unexpected. Conventional wisdom predicted voters would vote “NO” on something they didn’t fully understand or care about. This may be a reflection of rural Idaho’s lingering discontent with the pandemic emergency measures of the past three years. Apparently, that COVID hangover hasn’t fully worn off, even though Brad Little prevailed with a 60.51% vote of support on November 8th.

Idaho’s Fiscal Future – The Economic Outlook Slows

After three solid years of back to back to back economic growth, historic budget surpluses and a deluge of federal funds, Idaho’s revenue stream has finally slowed. It was probably inevitable, as the first several months of the new fiscal year brought in revenues that lagged predictions. If the trend continues, legislators will be more cautious about spending money as they look to the future and the economic stability of state coffers. Unlike the federal government, the Idaho constitution requires a balanced budget.

The slowdown comes after three straight years of Idaho’s revenue exceeding projections, and the additional huge tranche of federal money that landed in Idaho’s coffers throughout the pandemic. Idaho is well positioned to face a possible downturn in the economy, as the state has squirreled away several piggy banks in the form of reserve accounts, and these are all flush as we look to perhaps a new trajectory for a more austere financial outlook.



Industry Issues for 2023

Our priority issues for 2023:

The Lay of the Land for 2023: As an industry, we've had our share of battles in the past few years. We hope for a quieter session in 2023 where, for a change, we can play defense rather than offense: Hold the Line on Consumer Protection, keep an eye out for new regulations, taxes and the unintended consequences of all the good ideas that new legislators bring to the Statehouse. We hope to let these fresh new folks settle into their new jobs, get the lay of the land, and help make government work effectively for the citizens of the Great State of Idaho.

The Best Defense... Our priority for 2023 is to keep our heads down, develop relationships with newly elected officials, and continue to provide information on how the industry works. We are blessed in Idaho with a citizen legislature, and for the most part, these folks come to Boise with the best of intentions. They don't get paid all that much, they leave their day jobs, and they bring their own experience and background to their decision-making. They are faced with the complicated workings of government and how their ideas can be implemented. It's our job provide the information they need to make good decisions. It's your job, as a representative of our industry, to be part of the process.

Bringing Value Inside the Process: As we roll into a new year, IPM&CSA is well positioned to protect and defend our industry in the 2023 legislative session. As always, we will be on guard for new taxes and regulations. And we are always on the watch for transportation and fuel-related legislation. Proposals that provide tax and market incentives to enhance the use of E-Vehicles, renewable fuels and alternative energy are gaining ground across the country, and we can expect them to appear in Idaho. Our deep red state isn't immune to the climate change debate, and we should be prepared to explain and defend the value of liquid petroleum fuels in the energy marketplace.

Here are some things we will be watching for:

Office of Energy and Mineral Resources:

- Idaho Strategic Energy Alliance, *Alternative Fuels Task Force Report*
- Idaho State NEVI Plan – *2022 State of Idaho Electric Vehicle Infrastructure Baseline Plan*

Successful PAC Events

Help IPM&CSA

Support Like-Minded Candidates

IPM&CSA PAC Supports Our Allies at the Statehouse:

IPM&CSA commits time and resources to legislative and statewide races and supports elected officials who share our philosophy of government policy and regulations. In the past 20 years, the Idaho PAC has contributed \$202,550 to candidates! Most importantly - Idaho marketers continue to build relationships



with key legislators and government officials to ensure that our industry is represented in the development of Idaho laws and regulations. *The 2021 legislative session proved the value of personal relationships with lawmakers as we were able to pass legislation to update and clarify the Idaho Consumer Protection Act.*

As always, thanks to our members, vendors and friends who support our IPM&CSA PAC golf tournaments that make these contributions possible! Also, a huge "Thank You" to our member companies who donate countless hours to making these events a success!

By the Numbers – IPM&CSA Political Contributions

In the 2022 Election Cycle:

- ✓ \$14,750 to 38 candidates / May Primary Election
- ✓ \$8,300 to 29 candidates / November General Election
- ✓ \$24,050 Total 2022 Contributions

In the past two decades:

- ✓ \$202,550 to candidates
- ✓ \$356,501 raised in PAC Golf events

Upcoming Events – Mark your Calendar:

Idaho Member meeting in Las Vegas:

Tuesday, February 21, 2023– Time 4pm/location TBA

Come get an update on the 2023 legislative session and weigh in on issues impacting our industry. Stand by for details on time and place.

Keep an Eye out for our 2023 PAC Golf schedule:

- Ridgecrest Golf Course, Nampa – Late April
- Magic Valley – June/July
- Teton Valley – August/September

Get Your Room Reserved Early:

August 2-4, 2023,

IPM&CSA Convention and Trade Show,
Sun Valley Resort, Sun Valley, Idaho

Hold the date for a family vacation in the beautiful Wood River Valley and join us at the Sun Valley Resort for the 2023 IPM&CSA Convention and Trade Show, August 2-4, 2023. Bring friends and family and stay awhile. Get your reservations now, because summer is the high season and our room block sells out early. Make Reservations with Sun Valley Resort - ask for the IPM&CSA room block. For more information and to register for the convention, go to www.wpma.com/idaho/convention.

Check This Out

-Idaho Website Has Photos,
Registration, and News!

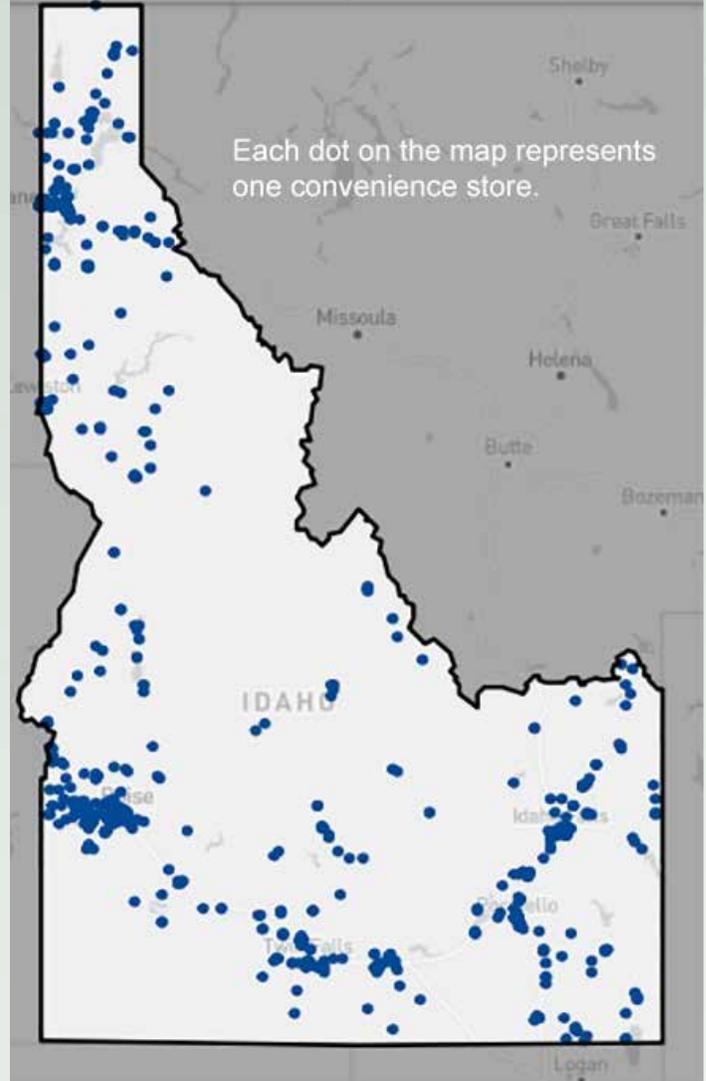
Check out the Idaho section of the WPMA Website. Register for events, find critical industry information, and see your favorite photos from IPM&CSA events. Visit the updated Idaho page and let us know what you think and how we can improve the information we provide.

<http://www.wpma.com/idaho>

By the Numbers:
The Latest on
C-Store
Stats in Idaho

**NACS 2021 State Report for Idaho
Offers C-Store Industry Snapshot:**

NACS provides accurate and interesting statistics for Idaho C-Stores which illustrate just how important we are to the Idaho economy! Here's how the numbers lay out based on the NACS State of the Industry Report of 2021 Data; Nielsen TDLinX Store Count (December 31, 2021)



	Average Per Store	Idaho
Total Stores:	1	796
Stores Selling Gas:	1	627
Total Employees:	16	12,816
Transactions per Day:	1,010	803,960
Total Sales:	\$4,767,406	\$3,794,855,176
Merchandise:	\$1,550,710	\$1,234,365,160
Food:	\$ 321,096	\$ 255,592,416
Fuel:	\$3,667,664	\$2,919,460,544
Gallons of Fuel:	1,209,482	\$ 962,747,672
Gallons of Diesel:	238,800	\$ 190,084,800
Credit Card Fees Paid:	\$ 91,200	\$ 72,595,200
Utilities Expenses:	\$ 38,700	\$ 30,805,200
Labor Expenses:	\$ 397,903	\$ 316,730,788
Taxes Collected:	\$ 1,074,136	\$ 855,011,954



Idaho Petroleum Marketers & C-Store Association
CONVENTION
AUGUST 2-4, 2023