

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, March 06, 2019

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairwoman Lodge** called the Senate State Affairs Committee (Committee) to order at 8:04 a.m.

RS 26984 **UNANIMOUS CONSENT REQUEST** from the Transportation Committee regarding a specialty license plate.

Senator Winder stated this request for a specialty license plate is brought by the individuals who oversee the Anne Frank Memorial. The statement on this specialty plate, "Too Great For Hate," is a statement recognizing Idaho as a caring state, one protecting the rights of everyone.

MOTION: **Senator Hill** moved to send **RS 26984** to print. **Senator Buckner-Webb** seconded the motion. The motion carried by **voice vote**.

RS 27031C1 **A JOINT MEMORIAL** to explain the Mountain Home Air Force Base Sustainable Water Supply Project.

Senator Bert Brackett, District 23, stated the purpose of this memorial is to recognize the value of the Mountain Home Air Force Base (Base), and to show support for its long term viability. It also acknowledges the challenge the Base faces with the availability of water due to a declining aquifer. He indicated the Base is one of the state's largest employers, and studies show its annual economic impact to the state is slightly over \$1 billion. **Senator Brackett** advised that the state, in partnership with the U.S. Air Force, is working on a project to provide a sustainable long term water supply from the Snake River.

MOTION: **Senator Anthon** moved to send **RS 27031C1** to print. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

RS 27032 **RELATING TO COMMON LAW** and Idaho's liability insurance law.

Michael Kane, representing the American Property and Casualty Insurance Association, explained that this proposed legislation states that Idaho law controls over out-of- state treatises when it comes to the law of liability insurance. He commented that this legislation is needed because of a new publication by the American Law Institute entitled "Restatement of the Law, Liability Insurance." He stated this new publication speaks to what the law ought to be rather than what the law actually is, and it is being cited by attorneys and courts nationwide. This is extremely concerning for the liability insurance industry.

DISCUSSION: **Senator Anthon** asked if Idaho courts are citing restatements as authority in their decisions. **Mr. Kane** advised this is a practice. He indicated restatements are usually bedrock black letter law and can be relied upon; however, this recent publication speaks to what the law ought to be.

MOTION: **Senator Anthon** moved to send **RS 27032** to print. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

RS 27056 RELATING TO THE HORSE RACING COMMISSION.

Clayton Russel, President of the Idaho Quarter Horse Racing Association (IQHRA), stated that the Idaho State Racing Commission (ISRC) has enough funding to last only through the 2019 race season. IQHRA has been challenged to come up with some additional funding for ISRC. This legislation comes from research of members of the racing industry. It funds ISRC with money received from Advanced Deposit Wagering, and sets forth a formula for distribution of those funds. The legislation also reduces to three years the waiting period required for transfer of a simulcast and/or televised race license into a county that has previously had a live race license. He stated this would allow someone to open up a simulcast site in Ada County if they get all the necessary permissions from the Ada County Commission.

DISCUSSION: **Chairwoman Lodge** asked if other counties would be allowed to open up simulcast sites. **Mr. Russel** indicated they would, provided they transfer a license from one of the current racetracks.

MOTION: **Senator Anthon** moved to send **RS 27056** to print. **Vice Chairman Harris** seconded the motion. The motion carried by **voice vote**.

RS 27026 RELATING TO EXPLODING TARGETS to make Idaho Code on State lands consistent with federal land laws.

Senator Stennett advised that the purpose of this legislation is to make Idaho Code consistent with federal land laws prohibiting exploding targets during the designated fire season, which is from May through November. She commented that the escalation of the use of these devices on state and federal lands has caused catastrophic wildfires that have endangered lives, burned hundreds of thousands of acres, and cost millions of dollars. This legislation would classify the crime as a misdemeanor and gives a judge discretion for sentencing terms and cost recovery for damages. **Senator Stennett** indicated she has consulted with the Idaho Department of Lands, Office of Emergency Management, local sheriffs, law enforcement, and the judiciary in crafting the language for **RS 27026**.

MOTION: **Senator Winder** moved to send **RS 27026** to print. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

RS 27030 RELATING TO ALCOHOL to provide for an exception for movie theaters in a resort city.

Mark Estess, Partner, Eiguren Ellis Public Policy, stated this legislation is intended to address a very specific set of requirements that exist in Idaho Code. It provides that movie theaters located in a resort city have the option of not segregating patrons when they are serving beer or wine on the licensed premises. He indicated Idaho State Police and law enforcement do not see any specific issues with this legislation.

DISCUSSION: **Senator Winder** asked Mr. Estess what the difference between **H 157** and this legislation is. **Mr. Estess** indicated **H 157** deals with the same section of code, but applies only to historic movie theaters.

MOTION: **Senator Stennett** moved to send **RS 27030** to print. **Senator Buckner-Webb** seconded the motion. The motion carried by **voice vote**.

S 1152

RELATING TO UNCLAIMED PROPERTY to exempt patronage capital credits from unclaimed property statutes for certain nonprofit entities distributing electric power, and providing telecommunications and broadband services.

Will Hart, Executive Director, Idaho Consumer-Owned Utilities Association (ICUA), advised that **S 1152**, with changes requested by the Idaho State Treasurer, replaces **S 1132** which was presented last month. As a reminder, he indicated cooperatives that distribute electric power and that provide telecommunications and broadband services to their members in rural Idaho are member-owned and member-managed. Because these cooperatives do not earn profits in the sense that other businesses do, any margins or revenues remaining after all expenses have been paid are returned to the members in the form of patronage capital credits. He stated that current code governing unclaimed patronage capital credits requires reporting and maintaining files on members for years, which is costly and burdensome. **S 1152** allows flexibility on how these unclaimed funds are managed. The bill allows that the nonprofit cooperatives may continue to report to the state under current code, or elect to be exempt from reporting to the state, and allow the bylaws or policies adopted by the members or the board of the cooperatives to determine unclaimed capital credit policy. **Mr. Hart** indicated that under the exemption, if the owner of the unclaimed credit has not been located and funds have not been returned within four years after they have been determined to be unclaimed, the nonprofit may use those funds for the benefit of the general membership, or for the communities it serves (for additional comments, see attachment 1).

DISCUSSION:

In response to questions from the Committee, **Mr. Hart** advised that unclaimed funds currently stay on the books as a line item. A list of unclaimed funds is sent to the Idaho State Treasurer on an annual basis, and this is updated when any funds are claimed. **Mr. Hart** listed the following examples of using unclaimed funds to benefit the membership and the community: lowering rates, extending transmission lines, awarding scholarships for youth to attend leadership rallies at the College of Idaho and upgrading energy efficiency of low income homes. **Mr. Hart** stated that if the exemption is elected the cooperative does not have the option to reduce the four-year time frame to locate an owner of unclaimed capital credits. They would also be required to follow the procedure set forth in the bill for filing the intent to claim the exemption with the Idaho State Treasurer, and set forth the board's policy for handling the unclaimed funds. He further stated that unclaimed funds are not used to attempt to locate the member. **Mr. Hart** indicated that the average unclaimed fund is between \$100 and \$200. He also indicated that if a member shows up several years after funds have been declared unclaimed, and can prove entitlement to unclaimed funds, it is the practice of ICUA to pay the funds. **Mr. Hart** stated that the exemption procedure would apply to unclaimed capital credits after the bill becomes law.

MOTION:

Senator Anthon moved to send **S 1152** to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion.

DISCUSSION:

Senator Anthon stated he may have a conflict of interest pursuant to Senate Rule 39(H) but intended to vote, and spoke in support of the bill. He related experiences where unclaimed funds may be overlooked in estate administration, and it is not cost effective to reopen the estate; therefore, the funds continue to go unclaimed. He expressed thanks to the Idaho State Treasurer for helping to bring this bill forward.

VOICE VOTE:

The motion to send **S 1152** to the floor with a **do pass** recommendation carried by **voice vote**.

S 1153

RELATED TO LOBBYING to modify Sunshine Law definitions and procedures pertaining to Lobbyists and Lobbyist reporting.

Chad Houck, Deputy Secretary of State, advised this proposed legislation would modify existing Sunshine Law definitions and procedures pertaining to lobbyists and lobbyist reporting. Specifically, it clarifies the relationship between lobbyists and their employers or clients, and provides for a clear process for electronic filing of reports, and notification of filing to employers or clients that is consistent with current practice. **Mr. Houck** indicated that it is the collective understanding of those participating in the development of this legislation that this is not perfecting lobbyist registration, but it is improving it. He stated it does stand on its own as a somewhat intermediate measure to lay the groundwork for moving forward. He recognized participants including: Pam Eaton, Jason Kreizenbeck, and Jayson Ronk, representing contract lobbyists, corporate lobbyists and association lobbyists. He also recognized Elizabeth Criner, who represented the entire lobbyist association, and Alex LaBeau, representing the Chamber of Commerce.

Mr. Houck proceeded to review the various features of the bill. To hear the presentation in full, go to: <https://legislature.idaho.gov/sessioninfo/2019/standingcommittees/SSTA/>.

DISCUSSION: **Senator Souza** noted that this legislation exempts from disclosure personal information collected by the Secretary of State for the purpose of allowing individuals to access the statewide electronic filing system, including any notification e-mail addresses submitted as part of a lobbyist's registration. She asked **Mr. Houck** to confirm that this exemption included only contact information, is simply to provide privacy, and that the information we need to see as citizens about the disclosures that are required will still be on the website. **Mr. Houck** indicated that is correct. The data that is on the report will still be public information; what is being excluded is private contact information that is used to create the user account through which the Secretary of State will notify third parties.

Senator Stennett inquired why the reference to "trauma registry" was changed to "time sensitive emergency registry." **Mr. Houck** indicated that was a proofreader's change to make the language consistent with other sections of the code.

Chairwoman Lodge commented that she believes there was a trauma registry some time ago. **Senator Souza** noted that through her work on the Health and Welfare Committee, she is aware that there is a time sensitive emergency registry. It is her understanding that this might contain medical emergency situations, and that information would not be available to the public. **Senator Stennett** also asked why corporations, associations, partnerships, and political parties are referred to as persons. **Mr. Houck** advised that this definition of person has been in statute for a long time and it is also consistent with the federal use of the term within campaign finance and election law.

MOTION: **Vice Chairman Harris** moved to send **S 1153** to the floor with a **do pass** recommendation. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business, **Chairwoman Lodge** adjourned the meeting at 9:00 a.m.

Senator Lodge
Chair

Twyla Melton
Secretary

Assisted by Lois Bencken