

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Friday, February 11, 2022

TIME: 9:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Crane, Vice Chairman Armstrong, Representatives Palmer, Barbieri, Holtzclaw, Monks, Scott, Andrus, Young, Furniss, Hanks, Skaug, Gannon, Mathias

**ABSENT/
EXCUSED:** Vice Chairman Armstrong

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of the session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Crane called the meeting to order at 9:00 a.m.

RS 29016C1: **Rep. Monks** presented **RS 29016C1** which seeks to extend Idaho's participation in the multi-state lottery game Powerball as well as including participation by Australia and the United Kingdom. Powerball has been in Idaho for several decades and this legislation would allow continued participation. Rep. Monks stated he was not an advocate of gambling but of fair business practices. He supported the continuation of Powerball due to the fact the lottery would still exist in Idaho without it but the remaining entity would have a monopoly on lottery commissions.

MOTION: **Rep. Palmer** made a motion to introduce **RS 29016C1**.

Discussion on the motion was held. Committee members expressed concern at the idea of state sponsored gambling or state funds being used to advertise gambling. It was clarified the House is able to stipulate what would and would not be allowed by Powerball, or lottery advertising in general by the Idaho Lottery Commission, via floor discussion and vote. The issue of creating legislation that ultimately procured an international business deal was mentioned as being at odds with the core values of "the state minding state business" held by the Majority party.

Rep. Monks stated Powerball was already an international game as Idaho's participation has been contracted alongside Canada. Idaho's continued participation would be a contract with the Multi-State Lottery Commission, not foreign countries. In response to additional committee questions, Rep. Monks said the delay last year in enacting the legislation was due to labor contract disputes between the Powerball vendors. The legislation stalled while those issues were pending but Idaho does have to make a decision at this time to continue participation or opt out of allowing Powerball to remain in Idaho.

**VOTE ON
MOTION:** **Chairman Crane** called for a vote on the motion to introduce **RS 29016C1**. **Motion carried by voice vote.**

H 522: **Rep. Nate** presented **H 522** which would allow the State Treasurer of Idaho to utilize gold and silver as an additional method of investment. The State Treasurer is responsible for keeping funds afloat and faces the same challenges held by individuals in adjusting for inflation and accommodating financial needs accordingly. The funds the State Treasury has have decreased in face value and could pose a risk to guaranteed funds for citizens when dealing with federal obligations. By allowing the State Treasurer to invest in gold and silver and maintain physical stores of precious metals, inflation risk can be mitigated. In response to committee questions, Rep. Nate said Idaho would not be the first state to invest in or maintain gold and silver. Additionally, Ohio and Texas allow retirement funds to be invested in gold and silver.

Bob Coleman spoke in support of **H 522**. He is a registered investment advisor who runs one of the largest private precious metal depositories in the United States located in Nampa, ID. He stated gold and silver are widely used for investments and it's a competitive area of investment as well. From a long term perspective, he believes it would be beneficial for Idaho to have the option to utilize gold and silver in their State Treasury. In response to committee questions about the costs associated with building and maintaining storage to house precious metals, he said the proceeds from gold investments have consistently outweighed the costs of storage and show an average of 30% return.

MOTION: **Rep. Hanks** made a motion to send **H 522** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nate** will sponsor the bill on the floor.

H 512: **Rep. Scott** presented **H 512** which is designed to limit repeat bond elections in aggressive taxing districts. By limiting a bond to only run every 11 months, the same bond cannot be presented over and over during the year. When a community is in need of something that will cost them money, the people asking for the money need to construct these requests carefully and with due diligence.

Those speaking in opposition to **H 512** were **Quinn Perry**, Deputy Director for the Idaho School Board and Idaho Board of School Administrators; **Craig Woods**, Superintendent of Emmett School District, **Alicia Abbot**, representing the Idaho 97; **Jeff Dillon**, Superintendent of Wilder School District; and **Aaron Johnson**, representing the Idaho construction industry and general contractors in the Idaho Falls area. They were of the opinion that **H 512** would severely impede the ability of communities throughout Idaho to obtain the funds needed to adequately address the state's booming population, especially in public schools. During the 11 month wait, the dramatic inflation being experienced across the United States could render communities helpless in their ability to fund not only the costs of the project proposed in the bond but the increase of costs incurred during the wait. It might well prove impossible to get any project done on budget or in a timely manner.

Those speaking in support of **H 512** were **Michael Law**, citizen; **Halli Stone**, citizen; and **Brian Stutzman**, citizen. They were of the opinion that many people are struggling to shoulder the costs of not only paying for the funds generated by a bond but also paying the cost for the bond election as well. When a district runs a bond election over and over, it feels like they're just trying to wear people down to get it passed even when an area doesn't want what is being proposed. They feel no one would be hurt by imposing a wait period except the people trying to take advantage of others.

Chairman Crane put the committee at ease at 9:49 a.m. due to technical issues with the remote testimony equipment.

Chairman Crane resumed the meeting at 9:56 a.m.

Rep. Scott returned for committee questions. She stated the estimated cost of running a bond election vote is fifteen (15) dollars per ballot which means bond elections could cost a community \$5,000 or \$30,000 or more. It's common practice across the United States for bond elections to have time frame limitations. A waiting period of 11 months means taxpayer dollars won't be wasted on careless bonds. She clarified the bill would not prevent non-related bonds from running as needed, just that the same bond could not be run over and over. She also clarified the bill is not targeting schools, but aggressive taxing districts. If schools are meeting that criteria then additional work is needed to address the needs of the schools separately from this legislation.

MOTION: **Rep. Hanks** made a motion to send **H 512** to the floor with a **DO PASS** recommendation.

Committee members discussed the motion. Committee members voiced concern about the ability of local governments being restricted from addressing issues in a timely manner or staying on budget for these issues. The requirements of a super majority approval, or two-thirds majority, to pass a bond vote makes it unique from other types of votes. When a mere single digit percentage variance can dictate the outcome, it's not unreasonable to think 11 months would be far too long to address and correct the community concerns needed to get the bond passed. This is especially true in Idaho where voter turnout for any election is consistently an extremely low percentage of the population.

ROLL CALL VOTE: **Rep. Scott** requested a roll call vote. **Motion carried by a vote of 10 AYE, 3 NAY, 1 ABSENT/EXCUSED.** Voting in favor of the motion: **Reps. Crane, Palmer, Barbieri, Holtzclaw, Monks, Scott, Andrus, Young, Hanks, and Skaug.** Voting in opposition to the motion: **Reps. Furniss, Gannon, and Mathias.** **Rep. Armstrong was absent/excused.** **Rep. Scott** will sponsor the bill on the floor.

H 566: **Rep. Monks** presented **H 566** which would allow equitable use of public areas for all recognized political parties wanting to have an event that is in accordance with the function of the location. These events have taken place on occasion as it was assumed they were allowed to do so but it would be prudent to get permissions in writing.

MOTION: **Rep. Palmer** made a motion to send **H 566** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Monks** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:32 a.m.

Representative Crane
Chair

Rebecca Fisk
Secretary