

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, March 13, 2013

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman McKenzie, Senators Davis, Fulcher, Hill, Winder, Lodge, Siddoway, Stennett and Werk

**ABSENT/
EXCUSED:**

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: **Chairman McKenzie** called the Senate State Affairs Committee (Committee) meeting to order at 8:01 a.m. with a quorum present.

RS 22268C1 A Concurrent Resolution to honor five Idaho servicemen who lost their lives serving in the Afghanistan war over the past year. **Senator Davis** explained that an error in rank designation for one serviceman had been found in the RS, and another error had also been discovered. He said while the discrepancies are minor, the servicemen and their families should be honored with a document that is precise. He said the legislation is being amended and should be ready for the Committee before adjournment. **Chairman McKenzie** approved the delay and addressed the next order of business, which was approval of minutes.

MOTION: **Senator Fulcher** moved to approve the minutes of February 18, 2013. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

MOTION: **Senator Siddoway** moved to approve the minutes of February 25, 2013. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

RS 22264 A unanimous consent request from the Senate Agricultural Affairs Committee relating to the domestic cervidae program. Mr. Stan Boyd, Idaho Elk Breeders Association, was available to answer questions, should there be any.

MOTION: **Senator Davis** moved to print **RS 22264**. **Senator Werk** seconded the motion. The motion carried by **voice vote**.

RS 22203 A Senate Concurrent Resolution to approve rules that impose a fee or charge except for those rules that were rejected. **Dennis Stevenson**, Administrative Rules Coordinator, explained that state agency administrative rules adopted pursuant to the Administrative Procedure Act that impose or change a fee or charge must be affirmatively approved by a concurrent resolution of the legislature in order to become final and effective. **RS 22203** is the Senate Concurrent Resolution that approves the pending fees rules submitted to the germane committees for review during this legislative session. Rather than approve each pending fee rule individually, this is an omnibus concurrent resolution that approves the pending fee rules in a single concurrent resolution and rejects those fee rules that are not approved. He said all pending fees rules submitted for final approval were approved by both houses of the legislature with the exception of three that have been excepted out of the current resolution. The rejected fee rules were: rule making for the Lottery Commission and the Athletic Commission in whole, and part of the organic food rule within the Department of Agriculture.

- MOTION:** **Senator Davis** moved to print **RS 22203**. **Senator Fulcher** seconded the motion. The motion carried by **voice vote**.
- RS 22204** **Mr. Stevenson** explained that statutorily all temporary rules adopted by state agencies in accordance with the Administrative Procedure Act prior to the beginning of this legislative session will expire at the conclusion of the legislative session unless approved by a concurrent resolution of the legislature. He said **RS 22204** is the concurrent resolution approving all the temporary rules that have been adopted pursuant to the Administrative Procedure Act and properly submitted to the germane committees of the legislature by the Administrative Rules Coordinator for review and allows them to remain in full force and effect until the end of the next succeeding legislative session. He said there were only two temporary rules submitted for approval, and both were approved.
- MOTION:** **Senator Werk** moved to print **RS 22204**. **Senator Lodge** seconded the motion. **Senator Davis** noted a difference in this concurrent resolution from those he had seen previously on the same subject. **Mr. Stevenson** explained the minor change. **Chairman McKenzie** called for a vote and the motion carried by **voice vote**.
- HCR 12** A Concurrent Resolution to commemorate the City of Boise's Sesquicentennial Anniversary. **Senator Winder**, co-sponsor of **HCR 12**, presented the legislation, which commemorates Boise's Sesquicentennial (150-year) Anniversary. He said this commemoration would encompass a year long celebration, known officially as Boise 150, and would be centered on the themes of environment, enterprise and community.
- MOTION:** **Senator Werk** moved to send **HCR 12** to the floor with a **do pass** recommendation. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**. **Senator Winder** will carry **HCR 12** on the Senate floor.
- H 220** Relating to horse racing to provide for historical horse racing in certain environments and for the distribution of funds.
- Chairman McKenzie** welcomed Representative Christy Perry for introduction of **H 220**. **Representative Perry** reviewed the legislation, which clarifies in Idaho Code that "Historical Horse Racing," a form of pari-mutuel wagering, is lawful and within the scope of a license that authorizes a live meet licensee to conduct and supervise the use of the pari-mutuel wagering on simulcast and/or televised races. The legislation also sets forth distribution and payment of all sums deposited in any historical horse race pool.
- Representative Perry** recognized the following individuals in attendance who will share their expertise relative to Historical Racing in particular and the racing industry in general: Frank Lamb, Idaho Racing Commission; Mark Buckley, Idaho Horsemen's Benevolent and Protective Association; Ed McNelis, Idaho Horse Council and Equine Industry and 4-H Program; Rick Yzaguirre, Ada County Commissioner; and Jim Grigsby, Treasure Valley Racing.
- Representative Perry** presented a film on horse racing, which illuminated the equine industry in Idaho, especially as it relates to historical racing and the potential for generating significant revenue and jobs.
- CONTINUATION OF RS 22268C1** **Chairman McKenzie** asked that the presentation of **H 220** be briefly interrupted to address **RS 22268C1**, which was now before the Committee.
- MOTION:** **Senator Hill** moved to send **RS 22278C1** to print. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.

CONTINUATION OF H 220 **Representative Perry** asked that the Committee hear testimony from those who had signed up to testify in support of **H 220**; **Chairman McKenzie** recognized Frank Lamb, Idaho Racing Commission.

TESTIMONY: **Mr. Lamb**, testifying in support of **H 220**, reviewed the historical racing and wagering technology via a database of more than 200,000 actual horse races. He also discussed the auditing system and referred to the state of Wyoming where similar legislation was signed into law recently. He said Wyoming's Racing Commission would share information and work with Idaho's counterpart to ensure a strong regulatory presence.

Senator Lodge asked for the definition of racing steward. **Mr. Lamb** explained that a steward monitors licensees to assure rules are not violated. **Senators Siddoway** and **Fulcher** requested and received details about regulatory procedures and the technical aspects of placing bets.

Rick Yzaquirre, Ada County Commissioner, testified in support of **H 220**, expressing optimism that this new aspect of Idaho's struggling racing industry would provide an opportunity to make it successful.

Jim Grigsby, Idaho/Washington Division President of U. S. Bank, testified in support of **H 220**. **Mr. Grigsby** said he represents the ownership group of Treasure Valley Racing LLC, which owns and operates Les Bois Park. He reviewed the history of live horse racing in Boise and the obstacles encountered over the past few years, citing competition from other entertainment sectors. He said the current operating model today cannot be sustained long term without legislative relief; that Idaho owes its communities, horsemen, families and businesses the opportunity to save live horse racing; and that this legislation would offer a means of doing that.

Ed McNelis, representing the Idaho Horse Council and the \$1.2 billion equine industry, spoke in support of **H 220**. He said the legislation includes a provision that would benefit 4-H and youth programs that will reach across Idaho, providing needed support and assistance to the state's youth. He said Idaho has the highest per capita horse population relative to people of anywhere in the world and emphasized that the equine industry does wonderful things for the state's youth and never says 'no.'

Mark Buckley, Idaho Horsemen's Benevolent & Protective Association, testified in support of **H 220** reviewing the costs of breeding and raising race horses relative to return in investment. He emphasized the horse racing industry is suffering everywhere, not just in Idaho, citing competition from other entertainment industries.

Jonathan Krutz testified in opposition to **H 220**, stating historical racing would be similar to playing slot machines. He said there is a goal to try to make slot machines legal in Idaho and he urged the Committee to uphold Idaho's Constitution and stop predatory gambling in Idaho.

Representative Perry recapped her presentation by referring to the Attorney General's opinion letter of February 2, 2012, relative to historical racing, which says, in effect, the Idaho Constitution states pari-mutuel betting on horse racing is not casino gambling and, further, that pari-mutuel betting is allowed "if conducted in conformity with enabling legislation." **Representative Perry** thanked the Committee for hearing the legislation and asked for its support.

MOTION: **Senator Siddoway** moved to send **H 220** to the floor with a **do pass** recommendation. **Senator Lodge** seconded the motion. The motion carried by **voice vote**. **Senator Lodge** will carry **H 220** on the Senate floor.

ADJOURNED: There being no further business to come before the Committee, **Chairman McKenzie** adjourned the meeting at 9:18 a.m.

Senator McKenzie
Chairman

Twyla Melton, Secretary
Assisted by Jeanne' Clayton