

House State Affairs Committee

Minutes
2007



MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 10, 2007

TIME: 10:00 a.m.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Crane

GUESTS: Please see attached guest list.

Chairman Loertscher called the meeting to order at 10:00 a. m. with a quorum present. Roll call was taken. The page, Mr. Mike Jones, from Pocatello, Idaho was introduced to the committee.

Vice Chair Edmunson who would be chairing the subcommittee on rules named the eight members who had been selected to sit on the committee. They are Representatives Ring, Bilbao, Snodgrass, Pasley-Stuart, Crane, Luker, Labrador and King. He asked the four returning representatives to assist the four Freshman on procedures for reviewing administrative rules, in order to be better prepared when the rules are reviewed in the subcommittee. Time and date of the first meeting would be announced as soon as it has been determined.

Chairman Loertscher said that the committee will be meeting daily as more legislation to be considered becomes available to the committee. Committee protocol was discussed.

The Chairman expressed the importance of starting the meetings on time in an effort not to waste anyone's time and in consideration of those who wish to testify and interested parties who may have to travel.

The members were given the opportunity to select their own seat assignments based on seniority.

The Vice Chair announced that there would be a brief subcommittee meeting on the rules review directly following adjournment.

ADJOURN: There being no further business, the meeting was adjourned at 10:22 a.m.

Representative Tom Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 11, 2007

TIME: 10:00 A. M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Luker, Mathews, Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Black, Labrador and Shepherd(2)

GUESTS: Please see attached sign-in sheet.

Chairman Loertscher called the meeting to order at 10:00 A.M. with a quorum present. The first order of business was to review the minutes of Wednesday, January 10, 2007.

MOTION: **Representative Pasley-Stuart** moved to accept the minutes of Wednesday, January 10, 2007 as written. The motion carried by voice vote.

RS16538 **Oliver Chase**, Management Assistant, Idaho Division of Veterans Services introduced **RS 16538**. He explained that this legislation is a proposal to change the State Veterans Cemetery Director position from a classified position to a nonclassified, exempt position. Currently all other administrator positions in the Division are nonclassified exempt employees who serve at the pleasure of the Division Administrator. These include the Office of Veterans Home administrators. Reclassifying the State Veterans Cemetery Director position would place it in line with the other management positions in the Division.

There were no comments from the committee.

MOTION: **Representative Ring** moved to introduce **RS 16538**. The motion was carried by voice vote.

RS16646 **Representative Jaquet** introduced **RS 16646**. She explained that this legislation establishes a day of statewide recognition for Idaho's nonprofit organizations. This would acknowledge the nonprofit sector's proud history of service, innovation, and social change. This legislation would establish January 18, 2007 as "Idaho Nonprofit Day."

Some of the highlights of the bill are that Idaho nonprofit organizations significantly contribute to the economy with expenditures of more than \$1.7 billion in 2004. They have increased by fourteen percent between 2002 and 2004 which is faster than Idaho's population is growing. Idahoans have one of the highest rates of volunteerism in the nation. Some of the nonprofit organizations in the state are the American Cancer Society, Diabetes Association, Heart Association, Womens and Childrens

Alliance, March of Dimes and the Ronald McDonald House to name a few. Representative Jaquet requested that RS 16646 be introduced and placed on the second reading calendar in order for it to be back from the Senate in time for the press conference on the steps of the Capitol January 18, 2007.

There were no comments from the committee.

MOTION:

Representative Edmunson moved to introduce **RS 16646** and send it to the second reading calendar. The motion was carried by voice vote.

Representative Jaquet will sponsor the bill and **Representative Black** will be the co-sponsor.

Dyke Nally, Superintendent, Idaho State Liquor Dispensary introduced **RS 16545** to the committee. He explained that the current law has not been updated since it became law in 1939. The Idaho State Liquor Dispensary is one of a very few agencies whose officers and employees are prohibited from engaging in certain political activities. Idaho Code prohibits any officer or employee of the Dispensary from serving on or being a member of any committee of any political party or actively engaging in or contributing to partisan primary or election campaigns. The Dispensary proposes that Idaho Code 23-213 be repealed to provide Dispensary officers and employees the same rights and privileges as the vast majority of other state officers and employees.

The language in the current statute is more restrictive than the other agencies are held to. The Liquor Dispensary is asking to repeal the law to be consistent with all other state agencies. The law should be changed to be uniform for all Idaho state employees. The agency has 170 classified employees and 160 stores throughout the state as well as employees in the central office and temporary workers who work as little as two hours per week who cannot put up a yard sign. He offered to make available copies of the statute from the Idaho Department of Transportation for their review, which the agency is considering.

Representative Pasley-Stuart commented that she thought any information made available for the committee to review would be helpful in defending the rationale as to why the need to engage in partisan politics. Mr. Nally agreed to provide the statutes from both the Idaho Department of Transportation and the Personnel Commission which he thinks are more consistent and realistic.

Representative Rusche asked that if this bill simply repeals the current statute, are there other sections of code that would be applicable to liquor dispensary employees or would there be another bill forthcoming? Mr. Nally said that this repeal would automatically fall under the guidelines of the Personnel Commission statute.

In response to a question, Mr. Nally said that after conducting some research, the Department of Insurance is one of the more restrictive of the agencies. **Representative Anderson** commented that if the desire is to find consistency with everyone as we move forward then we should fix this problem for everyone.

Representative Pasley-Stuart commented that it sounds like not only does this liquor dispensary issue needs to be fixed, but policies for what is or is not appropriate for all state employees. This needs to be addressed so that there is not a question, given that employees move among different agencies. Mr. Nally agreed and added that the statute for the Personnel Commission epitomizes consistency and could be used as a model as they proceed.

MOTION: **Representative Stevenson** moved to introduce **RS 16545**.

Representative Mathews commented that if there is an awareness that some of the other agency policies need to be fixed, then perhaps taking action on this legislation should be delayed until a review of the other agencies could be conducted. Representative Loertscher suggested that through the hearing process, there would be more information and knowledge that would come to the committee about these policies.

The motion carried on a voice vote.

Representative Edmunson announced that the subcommittee on rules would meet Tuesday, January 16 at 9:00 A.M.

The committee would not meet Friday, January 12 or Monday, January 15.

ADJOURN: The Chairman adjourned the meeting at 10:22 A. M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

**HOUSE STATE AFFAIRS
RULES SUBCOMMITTEE**

DATE: January 16, 2007

TIME: 9:03 A.M.

PLACE: Room 412

MEMBERS: Chairman Edmunson, Representatives Ring, Snodgrass, Bilbao, Crane, Labrador, Luker, Pasley-Stuart, King

**ABSENT/
EXCUSED:** None

GUESTS: Paul Kjellander, Commissioner, Public Utilities Commission, PUC; Joanna Guilfooy, Deputy Attorney General and Tim Mason, Administrator, Division of Public Works; Eugene Baker, Executive Director, Idaho State Racing Commission.

Please see attached sign-in sheet for complete guest list.

The meeting was called to order at 9:03 A.M. **Chairman Edmunson** requested that the rules to be introduced for the Public Utilities Commission and the Department of Administration be moved to the top of the agenda.

**Docket No.
31-1101-0601**

Paul Kjellander, Commissioner, PUC, introduced **Docket 31-1101-0601** noting that this rule is essentially changing a "2" to "7". The Commissions Safety and Accident Reporting Rules occasionally adopt by reference several national safety codes and federal safety regulations. Currently, Rule 101 adopts by reference the 2002 Edition of the National Electrical Safety code (NESC). The Commission is proposing to amend Rule 101 by adopting the 2007 Edition of the NESC.

There were no comments or questions submitted by the committee.

MOTION:

Rep. Snodgrass moved that the subcommittee recommend to the full committee to accept **Docket 31-1101-0601**.

The motion was carried by voice vote.

**Docket No.
38-0406-0601**

Tim Mason, Administrator, Division of Public Works, introduced **Docket 38-0406-0601**. In the 2006 Legislative session, the Legislature authorized the restoration and expansion of the Capitol building. Mr. Mason explained that the rules on prequalification will help ensure that contractors working on the Capitol building will have the required skills and experience for the work. He added that the proposed rules were published in June, 2006 and again in August in the Idaho Administrative Bulletin, and the Public Works Commission did not receive any comments nor requests for a hearing.

A question was asked if these rules parallel our contractor law of

registration passed a year ago. There was a concern with other state buildings, not only the Ada County Court House. The Division has prequalification capability and a decision would be made depending on the project. Every contractor has to be licensed in order to bid on work.

MOTION: **Rep. Ring** moved that the subcommittee recommend to the full committee to accept **Docket 38-0406-0601**.

The motion carried by voice vote.

Docket No. 11-0401-0601 **Eugene Baker, Executive Director, Idaho State Racing Commission**, introduced **Docket 11-0401-0601**. Mr. Baker introduced Jackie Libengood who was involved in most of the writing of the rules. He said that they have had unanimous approval of this rule, including the fans. This rule models that of Oregon and Washington.

A concern was expressed regarding subsection 049.04, *Lacking a Satisfactory Explanation*, that it is a very subjective standard and vulnerable from the standpoint of possible legal implications. Mr. Baker explained that they had a segment of the horse racing industry had put this all together. They have contracted with Minert & Associates to do the testing. If the tests results are positive and the jockey can show documentation for a prescription, etc., the Board would not suspend the licensee.

A question was asked if there was a provision for other types of testing, for example, a false/positive. There are, and the results are confirmed at the laboratory.

Mr. Baker was asked if any other commissions or groups do this kind of mandatory testing. The Commission is the last group to get this done and have patterned this after some of the surrounding states.

A question was asked if there had been a specific problem that had been observed or considered which caused this kind of action to be put into place, adding that drug testing like this can be fairly intrusive. The reason was to protect the integrity of the sport, because wagering is used as the source of revenue and it is a very important issue from the standpoint of the public. Also, the jockey is the one who has had the training and is the one in control of the horse during a race. Mr. Baker commented that his main concern is the running of the race which is why the jockeys are tested directly before a race.

Regarding subsection 044., *Testing*, a question was asked if some types of testing are more invasive than others and is there a choice? The Commission primarily uses the urine test because it has a better value than any of the others. The blood gives a quantitative analysis.

A question was asked if this will apply to other employees. This applies to all licensees.

MOTION: **Rep. Snodgrass** moved that the subcommittee recommend to the full committee to accept **Docket 11-0401-0601**.

The motion was carried by voice vote.

**Docket No.
11-0401-0602**

Mr. Baker introduced **Docket 11-0401-0602**. He explained that this rule change came about because of the prior management of the club. In the past, in order to get passed the requirement for a horseman's group agreement or license, they would form their own group. This rule defines what a new group has to do to be recognized by the racing commission.

A question was asked if this is talking about one group or a number of different groups, for example, recognizing a horsemen's group based on the kind of breed of the horses. Mr. Baker replied that this would not be the case at all.

Referring to subsection 010, *Horsemen's Group*, a question was asked if the 'horsemen's group' is referring to a number of groups or only one group. This is referring to one group, primarily made up of thoroughbred and quarter horse breeders who belong to this group as a horsemen's group and not necessarily a breeders group.

MOTION:

Rep. Bilbao moved that the subcommittee recommend to the full committee to accept **Docket 11-0401-0602**.

The motion was carried by voice vote.

**Docket No.
11-0401-0603**

Mr. Baker introduced **Docket 11-0401-0603**. He explained that sodium bicarbonate is a legal substance which has been used to enhance race horses. The substance is administered to the horse prior to going into the pad to race. This substance turns into carbon dioxide after ingested which in turn neutralizes the lactic acid in the blood stream which can create fatigue. Consequently, this delays the fatigue so that the horse can go further. This rule prevents the use of any bicarbonate-containing or alkalizing substance.

There were no comments or questions from the committee.

MOTION:

Rep. Snodgrass moved that the subcommittee recommend to the full committee to accept **Docket 11-0401-0603** to the full Committee.

The motion was carried by voice vote.

**Docket No.
11-0401-0604**

Mr. Baker introduced **Docket 11-0401-0604**. This rule includes jockey weights on the fair circuits only. With the approval of the trainer and the owner and the board of stewards at the race track, the rider can carry over the weight designated by the commissions of the race. There is a shortage of available jockeys so there is a need to look for local riders who weigh more than those who ride continually.

Answering a question, he explained that the Clerk of Scales will report the correct weight and the announcer will inform the betting public of the correct weights.

MOTION:

Rep. Bilbao moved that the subcommittee recommend to the full Committee to accept **Docket 11-0401-0604**.

The motion was carried by voice vote.

**Docket No.
11-0402-0601**

Mr. Baker introduced **Docket 11-0402-0601**. This rule provides for the Commission to be the custodian of the collection and distribution of simulcast purse monies collected from each simulcast operator in the state. This rule addresses the problem recently experienced where monies could not be accounted for.

MOTION:

Rep. Anne Pasley-Stuart moved that the subcommittee recommend to the full Committee to accept **Docket 11-0402-0601**.

The motion was carried by voice vote.

**Docket No.
11-0402-0602**

Mr. Baker introduced **Docket 11-0402-0602**. This rule deletes duplicate advance deposit wagering distribution language in rules. They found that distribution was inequitable to race track management. This rule allows for 10% of the payments made to the Idaho Racing Commission by simulcasting and wagering to be forwarded directly to the race tracks to be used for increased costs of their operations, which is primarily in workmen's comp costs.

A question was asked regarding the 5% of the distribution currently going to public schools and has that been altered? There is no change to the distribution to the schools. The only change is that the 40% distribution that had been given to the simulcast sites was lowered to 30%, resulting in the 10% distribution referenced above.

In answer to a question, Mr. Baker explained that the distribution language was removed from the rule because it is in the statute. When they made the adjustment to the statute, they deleted it out of the rule because it was no longer correct.

MOTION:

Rep. Ring moved that the subcommittee recommend that the full committee accept **Docket 11-0402-0602**.

The motion was carried by voice vote.

ADJOURN:

The meeting was adjourned at 9:35 a.m.

Representative
Chairman Clete Edmunson

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 17, 2007

TIME: 10:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Black and Labrador

GUESTS: Oliver Chase, Management Assistant, Idaho Division of Veterans Services

Please see attached sign-in sheet for additional guests.

Chairman Loertscher called the meeting to order at 10:30 a.m.

MOTION: **Rep. Ring** moved to approve the minutes of January 11, 2007 with the correction of replacing the name American Cancer Association with American Cancer Society. The motion carried by voice vote.

H001 **Oliver Chase, Management Assistant, Idaho Division of Veterans Services** introduced **H001**. Mr. Chase explained that this bill would change the State Veterans Cemetery Director position from a classified position to a nonclassified, exempt position and brings the position to the same level as all other administrators in the Division who are nonclassified exempt employees.

A question was asked as to what affect this has on the incumbent. The incumbent has the option to change the classification or to remain the same. They are not forced to change.

MOTION: **Rep. Pasley-Stuart** moved to sent **H001** to the floor with a do pass recommendation. The motion carried by voice vote. **Rep. Eskridge** will sponsor the bill.

Subcommittee Report: **Vice Chair Edmunson** addressed the Committee regarding the findings of the Rules Subcommittee.

Docket No. Public Utilities Commission (PUC)
38-0406-0601----- Rules governing prequalification of contractors. This rule provides for the PUC to adopt the 2007 Edition of the National Electrical Safety Code. Currently, the 2002 Edition is referenced.

Docket No. Department of Administration
31-1101-0601----- Rules governing prequalification of contractors. This rule ensures that contractors working on the Capitol building project would be prequalified.

Horse Racing Commission

Docket No.'s

- 11-0401-0601-----** Implement controlled substance and alcohol testing
- 11-0401-0602-----** Define & establish recognized horsemen's groups
- 11-0401-0603-----** Uniform rules for bicarbonate testing
- 11-0401-0604-----** Reporting correct jockey weights
- 11-0402-0601-----** Collection & distribution of simulcast purse monies
- 11-0402-0602-----** Deletes duplicate distribution of receipts language

The Vice Chair explained that the Horse Racing Commission rules were a very good attempt at bringing the Commission up to date and in line with what other states are doing. The rules were also an effort to guarantee that the Idaho State Horse Racing Commission practices were ethical and brought up to stature in order to avoid problems similar to those that had occurred in the past.

MOTION:

Vice Chair Edmunson moved that the full committee accept the following dockets as presented: **Docket No.'s 38-0406-0601, 31-1101-0601, 11-0401-0601, 11-0401-0602, 11-0401-0603, 11-0401-0604, 11-0402-0601, 11-0402-0602.** The motion carried by voice vote.

The Chairman announced that the Committee would meet tomorrow, January 18, 2007 at 10:30 a.m., but will not meet on Friday, January 19.

The Vice Chair announced that there would be a brief meeting following adjournment of the Committee to approve the subcommittee minutes of January 16, 2007.

ADJOURN:

The meeting was adjourned at 10:40 a.m.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 18, 2007

TIME: 10:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Edmunson

GUESTS: Representative Jim Clark
Please see attached sign-in sheet for additional guest list.

The meeting was called to order at 10:30 A.M.

MOTION: The Chairman asked the Committee to review the minutes. **Rep. Ring** moved to approve the minutes of January 17, 2007 as written. The motion carried.

RS 16613 **Rep. Clark** introduced **RS 16613**, which is a bill to amend the Constitution of the State of Idaho to ensure that initiatives embrace one subject. Rep. Clark explained that this legislation came about after this last election cycle when Proposition 2 was on the ballot. Section 1 of Proposition 2 was a carbon copy of H555 which became law in 2006. That section took care of the issue of eminent domain.

Section 2 of the same initiative had another question which was on takings. The language in that section was unclear and caused a lot of confusion for the public. There were many phone calls and questions regarding how to vote on Proposition 2. Many liked the first part but not the second and were seeking advice on how to vote on the initiative.

This bill adds new language, Lines 30, 31, 32, that changes the Constitution so that the initiative on the ballot in future elections will only address one question.

MOTION: **Rep. Mathews** moved to introduce **RS 16613**. The motion was carried.

The Chairman directed the attention of the Committee to the two reports they had been given. One was an annual report from the Idaho State Lottery Commission, the other, a report from the State of Idaho Endowment Fund Investment Board. The Committee was encouraged to review the reports and contact the Chairman if any member desired to have a presentation from either group.

The Chairman announced that the Committee would not meet on Friday, January 19, 2007, and they would be advised of the next meeting as soon as it would be determined.

ADJOURN: The meeting was adjourned at 10:39 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 23, 2007

TIME: 10:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Dyke Nally, Superintendent, Idaho State Liquor Dispensary. Please see attached sign-in sheet for further list of guests.

The **Chairman** called the meeting to order at 10:02 A.M. The minutes were reviewed. **Rep. Shepherd** moved to approve the minutes of January 18, 2007 as written. The motion carried.

H 1 **Dyke Nally**, introduced **H 1**. He explained that the Idaho State Liquor Dispensary is one of a very few agencies whose officers and employees are prohibited from engaging in certain political activities. This bill proposes that Idaho Code be repealed to provide Dispensary officers and employees the same rights and privileges as the vast majority of other state officers and employees. Mr. Nally further explained that the intent of this bill is to allow more consistency with other state employees in terms of their engagement with political activities. This law, which has been instituted since 1939, is much more restrictive for the Dispensary than for any of the other state agencies.

A question was asked regarding the history of this law. Mr. Nally explained that during the days shortly after prohibition, the polling places were held in the local saloons. This is antiquated language from that time. Mr. Nally added that they have several classifications of employees, classified, full-time/part-time, temporary, who cannot be associated with any political activities.

A question was asked regarding what the penalty would be for an officer or employee who would engage in certain political activities. Mr. Nally said that this would supposedly be a misdemeanor. He added that he did not know of any cases where this has been enforced or has been a problem.

MOTION: **Rep. Ring** moved to send **H 1** to the floor with a do pass recommendation.

A question was asked regarding how the decisions are made for running various products through the Dispensary and is there an opportunity for a "quid pro quo" for participation in a formulary. Mr. Nally said that the

products are selected by a committee representing district managers throughout the state. He was not sure as to how this would affect the political issue. Responding to another question, Mr. Nally said that the final decision relating to the products for the stores comes from the advice of the committee, and has been well represented by the people.

The motion carried.

Rep. Pasley-Stuart will sponsor the bill on the floor.

Chairman Loertscher commented that due to this being a quick session, he would encourage any members who have personal bills to bring them before the committee as soon as possible.

ADJOURN: The meeting was adjourned at 10:11 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 24, 2007

TIME: 10:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Rep. Darrell Bolz
Please refer to the Committee sign-in sheet for a list of additional guests.

Chairman Loertscher called the meeting to order at 10:00 A.M. The first order of business was approval of the minutes. **Rep. Ring** moved to approve the minutes of January 23, 2007. The motion carried.

RS 16608C1 **Rep. Bolz** introduced **RS 16608C1**. Rep. Bolz explained that this legislation has four components:

(1) to modify the definition of a "dessert wine", which adds language that references wine that contains more than 16% volume of alcohol but not in excess of 24%. This is language that is included in the Federal Alcohol Administrations Act. Wine products not to exceed 21% volume of alcohol was in the previous language.

(2) to revise provisions relating to the sale of certain products by licensed wineries, providing for wine to be sold by the drink. This basically refers back to Idaho Code 23-1304 that says the county has to give its approval for this to be done.

Each of these first two changes would require county approval.

(3) to allow two or more wineries to use the same location for their retail sales provided that each outlet holds a separate retail wine license or wine by the drink license.

(4) to allow for wine sales at sponsored events.

A question was asked if this applies to wine tasting rooms, or wine bars in a winery, or both. This would be for both.

A question was asked if two wineries were used in the same location and only one had a wine by the drink license, but both had retail wine licenses, would they be covered to sell wine by the drink for both products. They could only do what their particular license dictates.

MOTION: **Rep. Ring** moved to introduce **RS 16608C1**. The motion carried.

RS 16609 **Rep. Bolz** introduced **RS 16609**. The purpose of this legislation is to make two changes to the Idaho Grape Growers and Wine Producers Commission. First it reduces the requirement of two signatures to one on the checking account. There were two reasons for reducing the number of signatures; it is difficult to get two signatures from people who live far apart, and very few banks will set up an account with two signatures included. Secondly, this legislation changes the audit to biennial from annual as recommended by Legislative Audits.

A question was asked if biennial audits are fairly common. It depends on the amount of money that is involved. In this case, the amount is not substantial enough to require an annual audit.

MOTION: **Rep. Ring** moved to introduce **RS 16609**. The motion carried.

The Chairman announced there would be a meeting tomorrow, Thursday, January 25, 2007.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 10:10 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 25, 2007

TIME: 10:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Shepherd(2)

GUESTS: Ron Crane, State Treasurer, Liza Carberry, Investment Manager, Idaho State Treasurer's Office; Larry Callicutt, Director, Idaho Department of Juvenile Corrections

With a quorum present, the first order of business was approval of the minutes. **Rep. Smith** moved to approve the minutes of January 24, 2007. The motion carried.

RS 16659 **Mr. Ron Crane**, State Treasurer, State of Idaho Treasurer's Office, introduced **RS 16659**. This legislation allows the State Treasurer to pay expenses related to the administration of the Idaho Municipal Bond Bank from the State Treasurer's regular appropriation.

The Municipal Bond Bank was created in 2001. The concept came about from having so many small taxing districts in the state. When a taxing district has to issue a bond, an underwriter, financial advisor, bond council and a paying agent have to be hired. Typically the issues of these districts are so small that it does not benefit them to get the bond rated and they are not able to afford the insurance necessary to push the rating up. Consequently, the idea would be to bundle those small districts together and have the state treasurer issue one umbrella bond for the entire package.

MOTION: **Rep. Black** moved to introduce **RS 16659**. The motion carried.

PRESENTATION: **Mr. Larry Callicutt**, Director, Idaho Department of Juvenile Corrections (IDJC), spoke to the Committee. The Department was founded upon the Juvenile Corrections Act of 1995, which is based on the Balanced and Restorative Justice Model. The Department provides services to adjudicated youth and partners with agencies, courts, counties, and others to prevent and reduce juvenile crime. Currently there are 429 juveniles in state custody that are disbursed in three different state institutions and various programs. All three institutions are at total capacity. Mr. Callicutt directed the members to the PowerPoint presentation illustrating an overview of the Department that they had been given (see the attachment). The mission of the Department is to prevent and reduce juvenile crime by partnering with communities.

The last census available taken in 2003 indicated 170,517, 10 to 17 year-olds, who could potentially come into their custody. The recidivism rate is defined by the IDJC as the act of being adjudicated or convicted of a new felony or misdemeanor that is not a status offense or probation violation. The rate of recidivism was 37.3% in 2005 which was a 25% reduction from 50.2% in 2002. Every two years they check the data bases of the counties and prisons to see if any of the juveniles who were once in their system have returned.

A small percent of delinquent juveniles who have been through the court system end up in the care of the IDJC, presently, 429. Approximately 94% of the population are juveniles who are provided services through the communities and counties.

The emerging trends for the juvenile population from 2005 to 2006 for adjudicated sex offenders has dropped from 27% in 2005 to 26 % in 2006. The trend in mental health has increased from 44% to 48%, drug and alcohol rose from 52 to 54%, female offenders rose from 13% to 15%, and the very young offender rose from 4% to 5%.

Mr. Callicutt explained that gang members can be very compliant in a group environment because they have been in a group setting in their communities and are used to that kind of environment. Therefore, they quickly make it through the treatment program and are soon released back into the community. The agency has been looking at specialty kinds of treatment as it relates to gang members in order to keep them from falling back into their peer environment.

The IDJC has a five level guideline system to use in determining the different levels of risk and need. They range from Level 5 which is maximum risk, locked secure settings for high risk juveniles to Level 1, minimum risk, community based/home setting.

The 24-bed sub-acute mental health building project is anticipated to be completed in 2008. This facility targets sub-acute mental health youth who are having problems in their programs. They are assessed, then hopefully stabilized and transition back to the original program they came from. The Mental Health Community Incentive Project is for the purpose of providing mental health services for juvenile offenders in a least restrictive setting. Twenty-eight counties have signed on to access these services.

The Department is involved in active partnerships with some of the following organizations: Board of Juvenile Corrections, Custody Review Board, Idaho Criminal Justice Commission, Interagency Committee for Substance Abuse Prevention & Treatment, Juvenile Justice Magistrate Judges Advisory Team, Idaho Association of Counties, Counties and Courts, Juvenile Justice Children's Mental Health, Idaho Council for Interstate Juvenile Supervision, IJOS Board, Juvenile Justice Training Council

Representative Anderson asked what percentage of the total population is directly or indirectly related to the use of methamphetamine. The response was that methamphetamine is low on the list. Alcohol is still No. 1, Marijuana, No. 2 and methamphetamine, No. 3.

Rep. Smith asked for the definition of what a very young offender is. The response was that a young offender is 12 or younger. Very young would be before the age of 10. Last year there were 144 petitions for youths under the age of 10.

Rep. Rusche commented that we have used the Department of Corrections as our mental health and substance abuse provider in many cases and asked if there has been a break down or gap between the Health and Welfare Department in the area of substance abuse, mental health treatment for children and those that are adjudicated.

Mr. Callicutt said that he views Health and Welfare as a sister agency because they are truly children and family experts. There was somewhat of a separation from the relationship with the Department of Health and Welfare when IDJC was created. Because Health and Welfare may not have the funding or beds necessary, they recommend individuals to go directly into IDJC custody. By default, IDJC has now become a mental health services and drug and alcohol residential services agency in the state. IDJC would like to be able to work collaboratively with Health and Welfare.

Rep. Rusche commented that it is not just in the adjudicated realm or Medicaid realm that juvenile, mental health and psychiatric diagnostic services are needed in our communities. He recommended that perhaps some time in the future they would consider working with Health and Welfare, community medical agencies, and outreach/outpatient diagnostic programs that could be made available to practitioners to help them help families get a diagnosis and get them on the right track before they end up in the system.

Chairman Loertscher commented that once an individual is incarcerated, Medicaid stops. Consequently, one has to be careful how those programs are structured and cross over one another. Mr. Callicutt said that they can be accessed if the individuals are placed in a contract provider program.

Rep. King asked that since the funding for community resource workers had been cut, has there been an increase in juvenile crime. The response was that they have not seen an increase, their numbers have actually decreased.

Rep. Labrador asked how strong the influence of the Boys and Girls Club is and if there is something that can be done to encourage the Department to be involved with this type of program. The response was that any dialogue that could be done to initiate a discussion regarding this is absolutely welcomed.

Rep. Luker asked for a description of some of the contract providers that they use. Mr. Callicutt said some of the programs include, the Idaho Youth Ranch, North West Children's Home in Lewiston, North Idaho Mental Health in Coeur d' Alene. Other providers used are various detention centers and some out of state programs, particularly with mental health developmentally delayed, sex offender boys and also a program in a residential center in Mountain Home for sex offenders for

boys. Mr. Callicutt would provide more detailed information to Rep. Luker regarding the Idaho Department of Corrections Survey that was done in the spring of 2006.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 10:20 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: January 30, 2007

TIME: 10:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please refer to the Committee sign-in sheet and see presenters highlighted below.

Chairman Loertscher called the meeting to order at 10:00 A.M. with a quorum present. The first order of business was approval of the minutes of January 25, 2007. **Rep. Anderson** moved to accept the minutes as written. **The motion carried.**

H 61

Mr. Ron Crane, State Treasurer, Idaho State Treasurers's Office, was recognized to explain **H 61**. The Municipal Bond Bank was created in 2001. The concept is to bundle all of the taxing districts under one umbrella and the State Treasurer can issue one bond over the entire package and get that bond rated by Wall Street which would result in a lower interest rate to the municipality. They would only hire one underwriter, financial advisor, bond council and paying agent for all of the districts, which would be a savings. To date there have been three issues totaling approximately \$38 million. So far, they have not levied fees, but as they grow, they will be able to levy fees and become self-supporting. Technically, the State Treasurer does not have authority to pay expenses related to the Bond Bank out of the Treasurer's appropriations. This legislation would allow for this to occur.

Chairman Loertscher asked what amount the critical mass would have to be before they would be able to recoup fees. Approximately \$100 million.

Rep. Snodgrass asked what the expenses were to date. Since 2001 they have totaled \$20,000.

Rep. King asked how long a period of time it would take to reach the critical mass of \$100 million. Since the Bond Bank was created six years ago, they have only issued \$38 million. They anticipate that as the counties and municipalities become aware of this opportunity to access the Bond Bank, through word of mouth, it will grow. There are no funds available to advertise.

Rep. Rusche asked if urban renewal districts were included. Any taxing

district is included that has the ability to levy taxes. It has to be a voter approved bond.

Rep. Bilbao asked what the time line would be for this bundling process. Their intent is to follow the primary elections in May. Their goal is twice a year, probably January and July. **Rep. Bilbao** asked a question regarding interest rates. They would do their best to acquire a better interest rate by bundling a larger group than by offering a single bond, which typically would result in higher interest.

Rep. Andrus asked if this would include school districts. Mr. Crane said that he was not sure if they could participate but did not see any reason why they could not.

Rep. Luker asked if this was an up front cost or spread out over time. Costs would be incurred at the time of issuance. Rep. Luker asked how reaching the \$100 million mark helps them to cover the cost. The response was, "It is credibility." Currently the taxing districts do not know if this is a good idea. They are anticipating that when the \$100 million is reached, this will give them the credibility with local entities that this is a successful program.

MOTION: **Rep. Snodgrass** moved to send **H 61** to the floor with a do pass recommendation.

Responding to **Rep. King's** question, Mr. Crane said that when they have reached the point where they can levy fees, then the expenses will cease to be paid out of the general fund.

The motion carried. Rep. Labrador will sponsor the bill.

The Committee was set at ease at 10:16 A.M. and brought back to order at 10:24 A.M.

RS 16562 **Rep. Trail** was recognized to explain **RS 16562**. This resolution states the findings of the Legislature that the State of Idaho is committed to principles of human rights and recognizes the unique value of the human character in its great diversity and wealth of variety. Several years ago the Honorable Butch Otter stated in Congress during debates on the Patriot Act his commitment to principles of human rights. Rep. Trail referenced the Ayrian Nation group that had a presence in Idaho, at one time, as an example of human rights violations. Since September 11, 2001, there have been reported cases at the University of Idaho of harassment toward students of Middle Eastern descent. Various student organizations have indicated the importance of the state of Idaho to stand up to our commitment of Human Rights. The Interfaith Community is in support of this legislation as well as On Common Ground.

MOTION: **Rep. Pasley-Stuart** moved to introduce **RS 16562**.

Rep. Labrador asked why the terms, *unwarranted* and *unfavorable* in lines 28 through 32 were not more specific. Because there are other organizations that are racist, the drafter involved in creating the legislation recommended using a more generic reference.

**SUBSTITUTE
MOTION:**

Rep. Snodgrass moved to introduce **RS 16562** and send it directly to the second reading calendar.

Rep. Anderson commented that one is never going to overcome the ignorance of outside perception by a resolution. To change people's opinions about what we are, because of a very small population, is unlikely. However, the intent of the resolution is good and he is in support of the legislation.

The motion carried. Rep. Trail will sponsor.

RS 16744C1

Rep. Rusche was recognized to explain **RS 16744C1**. This bill adds a new section to the Idaho Telephone Solicitation Act, Chapter 10, Title 48 of Idaho Code. This new section would make it illegal to use automatic dialing-announcing devices to produce "robocalls." It states exemptions for schools, governmental activities, employers, and in those situations where a business or personal relationship exists. In addition, it requires clear identification of the sponsor and purpose of the call. This bill is not only in response to political calls, but also to the increase of commercial automated solicitations. The Attorney General's Office and the Office of Consumer Protection reviewed this bill and offered input into its development.

In response to a question from **Rep. Black**, Rep. Rusche explained that there are some systems that hang up if the message phone does not come on and some where the system dials a bunch of calls and has a live person on the phone. This legislation does not affect live person calls. It is a new section specifically for automated calls. Rep. Black asked that for calls that are received, what mechanism is there in place to track the person down and prosecute. There are other sections of the chapter that include the legal remedies the state and individuals can take.

Rep. Labrador asked if part of the intention of this bill was to curtail last minute calls during campaigns. That was part of the intent. However, there are other types of automated calls that people find objectionable.

In response to a question from **Rep. Luker**, Rep. Rusche referred to Idaho Code for some of the remedies and concluded that generally the remedies are the same as under the Consumer Protection Act that exists in state law.

Rep. Edmunson moved to introduce **RS 16744C1**.

Rep. Mathews asked for clarification of one of the exceptions on line 24, item (d) *pursuant to statutory or other legal duties*. There are situations where there may be an amber alert, an escaped convict, or a severe weather alert. Consequently, there are cases when notification is necessary for safety, etc. This would provide an exemption so that local or state government entities could apply if necessary.

Rep. Anderson raised the issue of a school district involved in a bond issue. This seems to be eliminating the people who could possibly be opposed to a bond. The response was that it did and that is why there is a limitation to schools, parents and employees. The reason to put the

school exemptions in is for the necessity of using automated calling to families of children in schools where there are delays due to weather conditions, etc. Employees would need the same information.

The motion carried.

The Chairman announced that there would not be a meeting tomorrow, Wednesday, January 31. There are bills forthcoming and we are waiting to hear from the sponsors.

ADJOURN: The meeting was adjourned at 10:45 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 1, 2007

TIME: 10:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached guest sign-in sheet.

The meeting was called to order at 10:00 A.M. with a quorum present. The first order of business was approval of the minutes. **Rep. Ring** moved to approve the minutes of January 30, 2007 as written. **The motion carried.**

Chairman Loertscher reminded the members and guests that the two RS's before them were for the purpose of introducing the legislation. This was not a hearing on the bills.

RS 16790

Abbie Mace, Fremont County Clerk, was recognized to explain **RS 16790**. She explained that this legislation would provide an option for county commissioners to adopt a vote-by-mail election system in their county that would apply to all primary, general, and special elections. This process would make it more convenient for voters, increase voter turnout, and would result in better informed voters. This would not be mandated throughout the state and would allow the local counties to decide whether to adopt the new process or continue with the same.

Ballot rotation will still be used. Only registered voters will receive a ballot. There will still be same-day registration. Ballots will be mailed 14 to 18 days prior to the election. The voter can personally return their ballot to the Clerk, mail back their ballot, or use a secured drop-off box that will be provided.

Currently the cost to purchase and maintain equipment, such as automark, for accessibility for the handicapped is significant. This new process would not require as many machines due to limiting polling places which, in turn, would lower costs.

Rep. Shepherd asked why school districts were not included. The schools are under a different law. They have no problem if the schools would like to be included.

Rep. Mathews referring to absentee voting, asked if this new proposal

was already being done. Yes, currently voters can vote absentee by mail. However, the voter is required to request the absentee ballot. Every registered voter would receive the ballot through the mail.

Rep. Andrus asked that since they would maintain some polling places on election day, how many will be open, who will make that determination, and what would the cost or savings be. There would be polling places available which would be determined by the elected officials. The number would vary depending on the population; larger areas, three or more, smaller areas, as few as one. There is not a proposal in this legislation for the county to pay for return postage. If the voter chooses from the options to mail in their ballot, the cost of postage is \$0.63.

MOTION:

Rep. Smith moved to introduce **RS 67190**.

Rep. Snodgrass referred to language in the bill where it indicates that the board of commissioners *shall* conduct general elections by mail in lines 18 and 19 and then again in lines 29 and 30. However, line 32 indicates a more permissive language that states that local jurisdictions *may* conduct elections by mail. He asked for clarification for when vote-by-mail would be used or not used.

Ms. Mace deferred to **Mr. Ben Ysursa, Secretary of state**, who responded by saying that the commission in each county will still have the option to adopt by mail, or the Title 34 primary and general election. The county clerks would conduct vote-by-mail in elections they have jurisdiction over, but not in cases where they do not, such as school districts, and other entities, unless they have been contracted by the governing boards of those entities.

Rep. Luker asked for clarification on the word *entirely* in the legislation as it relates to options for polling places. Ms. Mace deferred to Mr. Ysursa who said that it is going to be entirely by mail to all of the registered voters. There will be some exceptions, however. They will provide election day registration and they are required to provide equipment to be accessible by the handicapped. He said that the word *entirely* is possibly too broad of a word to use at this point.

Rep. Anderson asked what becomes of the ballot register when an individual dies. Ms. Mace said that currently, they try to keep their files "clean". Files are purged for persons who are deceased. However, it is possible for someone who is deceased to receive a ballot. In response to another question, Ms. Mace said that a voter has to vote every four years in order to remain registered or their file will be purged. The voter will receive a letter informing them of the action before hand.

Rep. Mathews asked for clarification that the voter registration process would remain the same if this legislation were to be enacted. The voting registration process would not change. Currently Idaho is one of the few states that has same-day registration. This elevates provisional balloting which they do not want. The voter is required to live in the community thirty days prior to voting and must show proof of residence in order to register. Rep. Mathews asked if there is the possibility for a "bottleneck" due to certain areas with large population growth and fewer voting places.

The response was that this could occur, but is not likely.

Ms. Mace deferred to **Mr. Ysursa** who responded to a question from **Rep. Labrador** regarding statistics on voter fraud. Very little, if any fraud occurs and he was not aware of any cases that have occurred and have been prosecuted in recent memory. They have not seen any evidence of voter fraud.

Rep. Snodgrass moved the previous question.

The motion carried.

The motion to introduce RS 16790 carried.

RS 16635

Rep. Rusche was recognized to explain **RS 16635**. He stated that this bill simply removes the size limitation on vote-by-mail and allows the county commissioners to designate any precinct as a vote-by-mail precinct. In addition, it allows the county commissioners to have multiple polling places in the county without requiring one in each precinct. This removes the limitation of 125 registered electors and allows the county commissioners, if they desire, to place polling stations in the counties.

There has been an increase in participation especially in low-profile races, in the off-years, and years when voter turnout is very low. The low-profile races are very important to the political system and whatever could be done to induce increased participation would be very useful. There has been no significant change in party voting and there has been a cost savings. Rep. Rusche commented that RS 16635 is an alternative way to get to the same end.

Chairman Loertscher asked if there were technical issues, not already covered, that would cause some difficulty in adopting this type of a system. This does not cover municipal races, or any other taxing district. It covers the state and county races. It does not cover school districts.

MOTION:

Rep. King moved to introduce **RS 16635**.

The motion carried.

The Chairman announced the Committee would meet Friday, February 2, ten minutes after adjournment of the floor which will be meeting at 8:00 A.M.

ADJOURN:

The meeting was adjourned at 10:48 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 2, 2007

TIME: 8:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Black

GUESTS: Please see presenter highlighted below and attached guest sign-in sheet.

With a quorum present, the meeting was called to order at 8:30 A.M. The first order of business was approval of the minutes. **Rep. King** moved to approve the minutes of February 1, 2007 as written. **The motion carried.**

RS 16816 **Mr. Ron Crane**, State Treasurer, was recognized to explain the legislation. Section 67-1202 was first written into code in 1909. This bill repeals an obsolete section of Idaho Code which relates to the purchase of blank warrants. The State Controller handles this function on behalf of the state.

Chairman Loertscher asked Mr. Crane to give the definition of a warrant. A paycheck from the state of Idaho is a warrant. The reason the state uses a warrant instead of a regular check is because the treasury redeems those warrants with cash. If there is a case of a lost or stolen check, or if there is some other problem with a product or service, the treasurer has the discretion to refuse to pay. The charge is not debited against the bank account until there is approval from the treasurer.

MOTION: **Rep. Snodgrass** moved to introduce **RS 16816**. **The motion carried.**

RS 16818 **Mr. Ron Crane** was recognized to explain the legislation. This bill repeals Idaho Code Title 67, Chapter 37 and 38. Chapter 37 deals with refunding bonds and is superseded by Title 57, Chapter 5, which includes the state as one of the entities that can issue refunding bonds under that chapter. Chapter 38, dealing with replacement bonds, is also outdated. New bonds issued by the state will be in registered, book-entry form, and the plan of financing will have a paying agent provision attached to that specific bond issue.

In response to a question from **Rep. Snodgrass**, Mr. Crane said that advance refunding of bonds is still included in Title 67.

MOTION: **Rep. Snodgrass** moved to introduce **RS 16818**. **The motion carried.**

The Committee will meet Monday, February 5, at 10:00 A.M.

ADJOURN: The meeting was adjourned at 8:38 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 5, 2007

TIME: 10:00 A. M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Stevenson

GUESTS: Please see presenter highlighted below and attached guest sign-in sheet.

The meeting was called to order at 10:00 A.M. The minutes were reviewed. **Rep. Ring** moved to approve the minutes of February 2, 2007. **The motion carried.**

S 1021 **Ted Roper**, Manager, Industrial Indemnity, Department of Administration, was recognized to explain **S 1021**. During the amending of the code in the 2006 session, an incorrect date was written in the bill. This legislation will correct the date from March 31 to March 3 on line 42. This was an oversight.

MOTION: **Rep. Ring** moved to send **S 1021** to the floor with a do pass recommendation. **The motion carried.** **Rep. Ring** will sponsor the bill.

RS 16799 **Rep. Hagedorn** was recognized to explain **RS 16799**. This legislation changes the way the nominee process is conducted in the state of Idaho. Currently there are thirty-five states that have a closed or restricted primary process. This is due to some court decisions that have come down from the Supreme Court since 2001. Currently, the process in Idaho is an open system which means that in the primary, the electorate can vote for any party desired without any affiliation to that party. A closed process means that the electorate states his or her party affiliation, and votes according to that affiliation when it comes time to vote in the primary election.

In 1995 the state of California's closed process was challenged by an initiative to open that process which was passed and then was challenged again. The U.S. Supreme Court ruled that the open process in the state of California was unconstitutional. In reviewing past records since 1931, the indication is that the open primary process has discouraged voter participation. In 1972 the process in Idaho was changed to the open primary system, which is currently used today.

Rep. Labrador, referring to the change to the current system since 1972, asked what the data shows for increased voter turnout. The preliminary data received from the Secretary of State's Office indicates that up

through and including 1972, records indicated about a 50 ½ % average voter turnout in the primary election, ranging from 58% at the high, 45% at the low. Since that time of going to an open system, the numbers have ranged from 41% to 25%. An average of 50% with closed primaries, 32% with open.

MOTION:

Rep. Mathews moved to introduce **RS 16799**.

Rep. Pasley-Stuart commented that if someone registers as an independent but is not eligible to vote in the primary election this could be a barrier to the voters in Idaho who consider themselves independent. She asked if this would discourage them from voting in the primary election. The response was that this has been a big concern. The primary election process is the nomination process for the parties themselves. If an individual elects not to be affiliated with a party this would be acceptable and they would then be fully eligible to vote in the general election once the parties have determined who the candidates would be for that general election.

Rep. Pasley-Stuart commented she was still concerned that they would be discouraged from voting in the primary. They may have a preference or candidate in a particular party and are independent, but they cannot vote. The response was that no changes in the legislation restrict people from voting. If a person wants to affiliate with a party, they can do so even the day of the primary election. However, when they come to vote, they have to elect a party and only vote for the nominees within that party's ballot. Then can also elect to vote independent. All people are eligible to vote in the general election regardless of their party affiliation.

Rep. Hagedorn responded to a question from **Rep. Anderson** regarding independents and libertarians running in the primaries. The libertarian party is a recognized party in the state of Idaho. If the libertarians decided to have a primary, they could select their parties nomination for the general election. Independent is not a recognized party in the state of Idaho, so an independent candidate would only run in the general election, not in the primary.

Rep. Snodgrass, commented that since this idea has been addressed several times in the past, was this something new that has not been presented before. The response was that research has not shown reasons for liking one idea or another and that it was not clear as to whether or not this idea was different from the past. **Rep. Hagedorn** responded to another question from **Rep. Snodgrass** regarding the Supreme Court case decisions for the open process. There were two supreme court decisions, one from the state of Wisconsin and one from California which were in 2001. The California case was brought to the California Supreme Court, then to the Ninth Court of Appeals, then to the U.S. Supreme Court where it was declared to be unconstitutional.

Rep. Hagedorn responded to **Rep. Rusche's** question by saying that primary elections are funded by the state. **Rep. Rusche** commented that often other election processes are at the same time as a primary candidates election process because of consolidated election dates, and it appears that this bill indicates that unless you made the political party,

you would not be given a ballot. The response was that that is not correct. The changes in the bill only pertain to the nomination process for political parties and referred to the bill page 2, beginning with line 23. **Rep. Rusche** referred to page 1, lines 26 and 27, *Electors registered as "independent" shall not be eligible to vote in a primary election.* The response was that that was correct, but noted that paragraph references a political party.

Rep. Edmunson commented that he had a problem with lines 26 and 27 because it would disenfranchise many Idahoans. He said there are a lot of independent people in this state. He feels that labeling independent voters as such would dissuade them from going to the polls. The response was that the numbers show that a closed primary system indicates people seemed to be more involved with the electoral process when people are affiliated with a party. **Rep. Edmunson** asked that of the thirty-five states with closed primaries, how many do not allow independents to vote in the primary election. **Rep. Hagedorn** did not have that number. He estimated that about eight or nine have certain restrictions allowing different variances.

Rep. Ring commented that the only difference here is that instead of declaring in the voting booth, you declare on the ballot. **Mr. Hagedorn** agreed.

**SUBSTITUTE
MOTION:**

Rep. Rusche moved to return **RS 16799** to the sponsor.

**VOTE ON THE
SUBSTITUTE
MOTION:**

A roll call vote was taken on the substitute motion to return **RS 16799** to the sponsor. The motion passed by 9 "AYES" and 8 "NAYS." Representatives Edmunson, Black, Ring, Snodgrass, Shepherd, Smith, Pasley-Stuart, Rusche, and King voted "Aye." Representatives Loertscher, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, and Mathews voted "Nay."

The Chairman announced that the Committee would meet February 6, 2007 at 9:30 A.M.

The meeting was adjourned at 10:40 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 6, 2007

TIME: 9:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached guest sign-in sheet.

The meeting was called to order at 9:30 A.M. The minutes of February 5, 2007 were reviewed. **Rep. Ring** moved to approve the minutes as written. **The motion carried.**

RS 16824 **Rep. Roberts** was recognized to explain **RS 16824**. This legislation would link Idaho's minimum wage, Section 44-1502 Idaho Code, to the current federal minimum wage commencing July 1, 2007. Page 1, lines 11 and 12 adds new language, *"On and after July 1, 2007, the minimum wage shall conform to, and track with, the federal minimum wage."* This legislation leaves in place the tip credit and the provision for new employees.

Rep. Rusche asked if this legislation would cover the categories of jobs where the state wage applies but the federal minimum wage does not. That is correct.

MOTION: **Rep. Edmunson** moved to introduce **RS 16824**. **The motion carried by voice vote.**

RS 16637 **Rep. Pasley-Stuart** was recognized to explain **RS 16637**. The purpose of this legislation is to amend Idaho Minimum Wage Law as follows:

1. Raise the Idaho Minimum wage from the current \$5.15 to \$7.25 per hour, an amount to be adjusted each succeeding year in direct proportion to change the United States Department of Labor's consumer price index for urban wage earners and clerical workers.
2. Phase the 35% allowance for tipped employees to 0% in equal increments over a time period of seven years.
3. Provide that an employer may pay an employee who has not attained eighteen years of age a wage which is not less than \$5.98 an hour (said amount to be indexed as in part (1) during the first thirty consecutive calendar days after such employee is initially employed rather than the current 90 day in the calendar year.

Both the U.S. House of Representatives and the U.S. Senate have approved a minimum wage bill. A subcommittee has been formed to resolve the differences. Both Senators Craig and Crapo have voted to increase the minimum wage.

Rep. Ringo spoke in support of the bill urging the Committee to introduce **RS 16637** so the relative merits of both bills could be heard. One of the biggest differences in this bill is that the minimum wage would be indexed to adjust for inflation. Oregon and Washington index their minimum wage annually; Montana and Nevada passed measures that would raise the minimum wage and annually adjust to offset inflation. This affects the ability of border communities to attract minimum wage-level workers. There has not been an increase in the minimum wage since 1997. It would be more effective to have an objective method in place that would automatically adjust the standard and maintain its value.

There are two major aspects in this bill that are different from the other proposal. The first is the “tip credit” of 35%, which means restaurant owners in Idaho can pay servers \$3.35 per hour expecting customers to provide the difference in tips. Restaurants in Nevada, Washington, Oregon, and Montana are pursuing the practice of paying the full minimum wage to servers and allowing them to keep their tips.

Another aspect is the “training wage,” which Rep. Ringo believes needs to be amended. Jobs at this level do not require a ninety-day training period. The age level for a wage below the minimum during initial employment should be reduced to under 18. With respect to the training wage, they propose an increase of the same percent as the increase of the minimum wage in part (1) of the bill, and indexing accordingly. Twenty-nine states and the District of Columbia have moved ahead in adjusting the minimum wage and there is ample evidence that their economies have not been adversely affected.

Rep. Trail addressed the Committee in support of the legislation by urging the Committee to approve the bill. Many workers seek higher paying jobs in border states that pay a higher minimum wage. This puts the Idaho businessmen at a disadvantage. The wage of the worker must be adjusted to keep up with inflation.

Rep. Mathews asked if they agreed with the minimum wage bill that Congress is proposing, including the tax credit for small business. **Rep. Pasley-Stuart** said they strongly support the proposal and would have included it in this bill if the information would have been available at the time of this draft. In response to a question regarding the \$7.25 figure used, **Rep. Pasley-Stuart** said the amount was agreed upon by the general public and business leaders and it is still under the poverty level of a family of four. **Rep. Mathews** asked how in their view this would impact small businesses in the state. **Rep. Pasley-Stuart** said if there is a hearing on this bill they will illustrate a number of studies that have shown the positive impact that raising the minimum wage has had on the economy. When the minimum wage increased in 1997, there was a positive impact on the economy.

Rep. Anderson asked if this bill wasn't premature because of not

knowing what the final outcome will be from Congress. **Rep. Ringo** reiterated that the Committee had just agreed to introduce one version of the change in the minimum wage. They have another version they feel is a little stronger. However, they have not heard the discussion at the federal level for indexing. **Rep. Anderson** commented that he was concerned about having a whole array of amendments similar to what would happen at the federal level. **Rep. Ringo** responded by saying the changes they are proposing are dynamic and positive, and would make a great difference to the workers in this state.

Rep. Labrador asked what the unemployment rate was in Oregon, Washington, and Idaho. It is 3.3% in Idaho. The figures for the other two states were not readily known. **Rep. Bilbao** asked if they have discussed this with any small business associations or the Farm Bureau. **Rep. Ringo** said through their research, there has not been any empirical evidence that the economy has been hurt or jobs have been lost.

Rep. Andrus asked if whatever Congress decides to do would preempt anything we do as a state. **Rep. Ringo** said the laws in the other twenty-nine states that have enacted minimum wage laws are actually better than what is currently on the books for the federal minimum wage.

In response to a question from **Rep. Crane**, **Rep. Pasley-Stuart** said that the average wage paid to the 632 state employees was \$5.73 per hour.

MOTION:

Rep. Rusche moved to introduce **RS 16637**.

Rep. Andrus said that in view of the fact that the Congress is considering a minimum wage bill and we do not yet know what the result will be, he would make a substitute motion.

SUBSTITUTE MOTION:

Rep. Andrus moved to return **RS 16637** to sponsor.

Rep. Rusche commented that it would be reasonable to expect some delay from both Houses in Congress and the President's involvement as well, in reaching an agreement. It would be harmful for the low-wage workers in Idaho to have to wait for the result and he would not support the substitute motion.

VOTE ON THE SUBSTITUTE MOTION:

A roll call vote was taken and the substitute motion passed by 10 AYES and 8 NAYS. Representatives Loertscher, Edmunson, Stevenson, Black, Snodgrass, Andrus, Bilbao, Crane, Labrador, and Mathews voted Aye. Representatives Ring, Anderson, Luker, Shepherd, Smith, Pasley-Stuart, Rusche, and King voted Nay.

RS 16871

Rep. Nielsen was recognized to present **RS 16871**. This legislation would authorize charitable organizations to market bingo themes on their tickets. **Rep. Nielsen** said that he was representing **Mr. Hal Franck**, who is a member of the National Defense Veterans organization. There has been a discrepancy in the pull-tab operation. Currently, pull-tabs are acquired from the Lottery Commission. This legislation removes language on page 1, item (c), which would allow the veterans to be able to have pull-tabs for bingo and not be obligated to sell the other lottery tickets. They only want to have to deal with bingo. This would allow an increase

in their profits. The proceeds from their operation go to various charitable organizations. The Lottery Commission oversees the Bingo Advisory Board and the bingo operation.

In response to a question from **Rep. Luker**, they would still be obligated to the Lottery Commission for the winnings, but they do not want to be required to sell all of the other tickets. They can purchase tickets that are specific to bingo at a reduced price and make a better profit.

Rep. Stevenson expressed concern that this would allow them to go to the "instant bingo" which has in the past fallen under the Lottery. The bingo operations are supervised by the Bingo Advisory Board and the Lottery Commission has always been the authority over these operations.

In response to a question from **Rep. Rusche**, the change in this legislation does not change the description of what the pull-tab is. It remains part of the bingo operation.

MOTION: **Rep. Black** moved to introduce **RS 16871**. **The motion carried by voice vote.**

ADJOURN: The Chairman announced that the Committee would meet Wednesday, February 7, 2007 at 10:00 A.M.

The meeting was adjourned at 10:15 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 7, 2007

TIME: 10:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Crane

GUESTS: Please see presenter highlighted below and attached guest sign-in sheet.

Vice Chairman Edmunson called the meeting to order at 10:00 A.M. He welcomed the senior government class from New Plymouth High School and their teacher, Joshua White, who were in the audience.

The minutes of February 6, 2007 were reviewed. **Rep. Ring** moved to approve the minutes as written. **The motion carried.**

RS 16895 **Rep. Wills** was recognized to explain **RS 16895**. This legislation is intended to provide for a fee and imposition of a fee for voice over internet protocol (VOIP) communication. It also gives definitions of VOIP systems. It allows the same fees for this type of communication as other 911 fees in the state. The rapid technological changes for wire-line service or any other utilization of emergency communication systems are already in place.

This brings them into compliance with the others who are currently paying the \$1.00 fee. It allows for a fee not to exceed \$1.00 per month per access line and such fee is used exclusively for initiation, enhancement, and governance of a consolidated emergency communication system. Monarch is the name of a company who has been paying the fee since August of 2006.

MOTION: **Rep. King** moved to introduce **RS 16895**.

Rep. Mathews, under House rule, declared a potential conflict of interest due to the fact he is a consultant for a telecommunications company, but would still like to vote with the permission of the Chair. The request was noted by the Chair.

The motion carried.

The committee was put at ease at 10:06 A.M. and brought back to order at 10:09 A.M.

RS 16782 **Rep. Bedke** was detained in another committee for the purpose of being

present for a required vote. **Rep. Stevenson** was recognized to present **RS 16782**. The purpose of this Joint Memorial is in appreciation for the trip that a trade mission, comprised of Representatives Raybould and Bedke, and Senator Robert Geddes, took last year to Taiwan. This is an acknowledgment of how they were received and of Taiwan's achievements in the field of health care.

This is to request the Idaho Congressional Delegation and the U.S. Congress support the participation of Taiwan in the World Health Organization in a meaningful and appropriate way.

MOTION: **Rep. Ring** moved to introduce **RS 16782** and refer it to the second reading calendar. **The motion carried.**

ADJOURN: The Committee will meet Thursday, February 8, 2007 at 9:30 A.M..

The being no further business to come before the Committee, the meeting was adjourned at 10:12 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 8, 2007

TIME: 9:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Stevenson

GUESTS: Please see presenters highlighted below and attached guest sign-in sheet.

The Chairman called the meeting to order at 9:30 A.M. The minutes of February 7, 2007 were reviewed. **Rep. Pasley-Stuart** moved to approve the minutes as written. **The motion carried.**

Presentation: **Ms. Ann Joslin**, Idaho State Librarian, Idaho Commission for Libraries, was recognized to present an Agency overview and final report of the Idaho State Library Task Force. Two handouts were provided: A copy of the slide presentation (attachment 1), and a brochure on the LiLI (Libraries Linking Idaho) program (attachment 2). This past July, the name of the organization changed from the Idaho State Library to the Idaho Commission for Libraries to better reflect what they do. Their 2020 mission is to assist libraries to build the capacity to better serve their clientele. Idaho libraries are the nexus for global information, innovative services, and community. The Commission is focusing on building the capacity of Idaho libraries to achieve this mission. One of their goals is to reach digital natives with library services.

The LiLI program is in the 9th year of offering services providing magazine and newspaper articles and reference sources from publishers. Thanks to the Legislature, a second program called LiLI Unlimited is now offered, which is the statewide web catalog and interlibrary loan service for school, public, and academic libraries. Other services the Commission offers are, Read to Me, Talking Book Service and building the capacity of Idaho libraries to serve digital natives. Digital natives are individuals who have grown up with computers and the Internet.

Ms. Joslin mentioned the statewide document depository program and the importance of bringing access to Idaho public documents into the 21st century. The current depositor system is outdated and inefficient and much of the information state agencies intend to make available to the public is not easily accessible. An extensive task force study was recently completed to find out how Idaho public documents might be more accessible to the public. The task force explored the current status of the depository program from the point of view of both users and producers of

state public records. They concluded that our public documents should be made more readily accessible and made recommendations, which the Commission is pursuing.

Idaho citizens are losing access to state public documents. If the Commission is to successfully pursue the 2020 vision, they will need the help and support of the Legislature as well as cooperation from state agencies.

In response to questions, **Ms. Joslin** said that after a study by Boise State University is completed, they will have a much better idea of how the depository will work in correlation with other agencies. They may have to keep a separate depository to preserve old and outdated digital documents that may otherwise be discarded. Regarding maintaining a hard copy depository, **Ms. Joslin** said that the state historical society and archives has the responsibility for archiving state publications. Whereas, the Commission is responsible for making accessible what is current. The paper copy is still the most reliable way to preserve a document.

The website for Libraries Linking Idaho (LiLI) is www.lili.org. Responding to a question regarding the safeguards in place for children and young adults who may be accessing to LiLI, **Ms. Joslin** said that these are closed licensed data bases with the content already screened. They believe the content is very safe because of the process the material, such as newspaper articles, goes through to get into the data base. The data base is available for anyone to access. In order to access a higher level of service through the website, a library card number would be required.

Rep. Edmunson welcomed the other half of the senior government class and their teacher, Joshua White, from New Plymouth High School. Rep. Edmunson had taught government previously to these students. The first half of the class had been guests in the Committee meeting yesterday.

H 75

Rep. Rusche was recognized to present **H 75**. This bill would restrict the use of an automatic dialing announcing device, "robocall," unless certain conditions were met. Those conditions were: if the person receiving the call had previously agreed to receive the call; or acknowledged to a live person that they wished to receive the message. This does not apply to schools, governmental activities, students, employees or in those situations where a business or personal relationship exist. In addition, it requires clear identification of the sponsor and purpose of the call. This bill would remove the increased frequency of "robocalls" which are especially prominent during campaigns and elections, and also calls that occur from commercial and not-for-profit solicitors. Twenty-three states have or are considering limitations to these calls.

Rep. Bilbao asked how this policy would be enforced. A violation would be enforced under the Telecommunications Solicitation Act and would require a complaint and then action by the Attorney General's office.

Rep. Luker suggested that these types of calls may already be precluded for those who are signed up on the no-call list, and if that is the case, they would already be protected from receiving a "robocall." That was correct, but the current federal no-call list does not exempt charities, not-for-profit organizations, and political calls.

John Eaton, Idaho Association of Realtors, addressed the Committee in opposition to the bill. Their association conducts this type of calling for their political activities. The calls are positive in nature, not negative. The passage of this bill would limit the public from receiving positive information. He believes the objective of the bill is limited to the political aspect.

In response to **Rep. Bilbao's** question regarding the callings percent of effectiveness, **Mr. Eaton** did not have that information. However, they do know that the more times individuals are reached, the higher the chances become that they will get out and vote.

MOTION: **Rep. King** moved to send **H 75** with a do pass recommendation.

Rep. Bilbao commented that he felt this would be an infringement upon our First Amendment rights. **Rep. Labrador** expressed a similar concern. **Rep. Rusche** commented that everyone has the right to speak, but no one has the right to demand that you listen. He believes this restores a right to the individual that might be lost through this technology. **Rep. Pasley-Stuart** expressed concern about the potential for disparaging and negative remarks made from this type of calling. She referred to a pending lawsuit that resulted from remarks that were made during the 2003 campaign. **Rep. Anderson** commented that aside from some of the negative aspects of this type of calling, freedom of speech should still be allowed. **Rep. Andrus** said that he did not want to prevent people from getting their message out to others by making it illegal.

VOTE ON THE MOTION: A roll call vote was taken and the motion failed by a vote of 11 NAYS and 6 AYES. Representatives Loertscher, Edmunson, Black, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews voted Nay. Representatives Ring, Shepherd, Smith, Pasley-Stuart, Rusche and King voted Aye.

The Chairman announced that the Committee would not meet Friday, February 9, 2007. Next week there would be a hearing on the minimum wage. There are other pieces of legislation coming that will be before the Committee as soon as the sponsors are ready.

ADJOURN: The meeting was adjourned at 10:20 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 12, 2007

TIME: 9:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Bilbao and Snodgrass

GUESTS: Please see presenters highlighted below and attached guest sign-in sheet.

With a quorum present the Chairman called the meeting to order at 9:30 A.M. The minutes were reviewed. **Rep. Elaine Smith** moved to approve the minutes of February 8, 2007. **The motion carried.**

RS 17003

Rep. Roberts was recognized to explain **RS 17003**. This bill replaces H 113, which he asked be held in Committee. **RS 17003** provides a change that is reflected in lines 18 and 19 of the bill. In the previous legislation, the tip credit was presented as a percentage. Because of this, as the minimum wage is increased, the other workers, cooks, bus persons, etc., would be paid less. In this legislation, the wage of a tipped employee would be increased on the account of tips actually received by the employee but not in excess of \$3.35 an hour. In the previous bill, the same wage of a tipped employee would be determined by percentages. Basically, the portion of the tip credit has been spelled out in the amount of \$3.35 instead of a percentage.

In response to a question from **Rep. Rusche** regarding the tip credit differential, Rep. Roberts said they do not know exactly what the federal minimum wage is going to be yet. In the federal law, no matter what the amount is, the amount of \$7.25 would have to be guaranteed. In Idaho, we do allow the tip credit to take place. **Rep. Rusche** asked that if it takes two years to determine the federal minimum wage, would this go into effect immediately. That is correct; this is the same percentage as in current law in Idaho. **Rep. King** asked if this still covers the minimum wage for farm workers. Rep. Roberts was not sure but offered to get back with the information. **Chairman Loertscher** commented that he thought the state minimum wage does apply to agriculture.

MOTION: **Rep. Edmunson** moved to introduce **RS 17003**. **Rep. Rusche** requested that the tip credit process be clearly defined at the Committee hearing of the bill. **Rep. Pasley-Stuart** requested the information on the minimum wage for agriculture workers. These requests were noted by Rep. Roberts.

The motion carried.

RS 16993

Rep. Hagedorn was recognized to explain **RS 16993**. This legislation brings some changes that were made based on comments expressed during the print hearing of RS 16799. This new bill amends Idaho's election code to provide for semi-open primary elections. It enables citizen association of their chosen party affiliation for the purpose of participation in the nomination elections for that party. It allows parties the choice of allowing "Independent" electors to participate within their primary nominating process. This amendment also ensures those electors, that choose to be "Independent," can also participate in all non-partisan elections during the primary election period.

This would provide for changes of state agency duties and responsibility to enable elector association. It defines simplified opt out provisions for electors and political parties and cleans up some technical language within the existing code.

In response to a question from **Rep. Rusche**, an individual elector would register for a particular party, whether Libertarian, Democrat, Republican, etc. When an elector selects one of those parties, then that elector would be handed the ballot for that party during the primary. During the general election, there is no change. Everyone is eligible to vote for anyone that is up for election. If an elector decides they do not want to register with any party or want to be considered an Independent, then that person will not be able to participate in the Libertarian, Democratic, or Republican primary unless those parties get together, prior to the primary, and decide they would like those Independents to vote within their process.

Rep. Luker said the way he reads the bill is that any party can decide to open their primary and the other parties have the option to opt in. That is correct. There is a time period when any of the parties can make a decision and then notify the Secretary of State that they want the Independents to vote in the primary.

MOTION:

Rep. Mathews moved to introduce **RS 16993**.

In response to a question from **Rep. King**, Rep. Hagedorn said the administrative rules process will be in charge of identifying the most cost effective and efficient way of going back and gathering party affiliation information of previous voters.

The motion carried. Rep. Elaine Smith was recorded as voting No.

RS 16579

Rep. Harwood was recognized to explain **RS 16579**. The purpose of this legislation was to remove the mandatory provision in H 648a passed in last year's session for churches or organizations established primarily for religious purposes to purchase workman's compensation insurance. This bill would allow these organizations the choice to opt in or out of purchasing state workman's compensation insurance.

Rep. Luker expressed concern that the language is too broad when referring to religious organizations. Traditionally, thrift stores, farms, etc. are types of activities that churches would run, and would be considered types of business activities where people are at risk of injury. Rep.

Harwood referred to page 2, line 18 which states *“for religious purposes,”* commenting that this bill refers to organizations like churches, missions and not thrift stores or farms. **Rep. Luker** said that as religions engage in some of those other activities, he is still concerned that the language is not properly circumscribed to avoid problems in these areas and asked if there were court cases that would provide a clearer definition of “religious purpose.” The response was that this legislation was brought forward as a result of a court case involving a missionary group. The courts ruled in favor of the missionary group to have the option to provide workmen’s compensation.

Rep. Pasley-Stuart asked if he believed people should be protected from work-place injuries on the job. The response was that the churches should have the option of whether they want their pastor to have to pay workmen’s compensation insurance for their employees. In response to another question, the insurance coverage the pastor currently maintains, and the church, would take care of an injury issue. **Rep. Ring** asked if there was a state workmen’s compensation fund separate from private insurance companies. There is a state fund as well as the private sector which competes with the state.

In response to **Rep. Smith’s** question regarding the missionary court case, Rep. Harwood said it was the Idaho Supreme Court that ruled in the case. The **Chairman** added that the Supreme Court is the court of original jurisdiction on workmen’s comp claims. **Rep. Luker** responded that it is by direct appeal. **Rep. King** asked what the cost would be to cover a pastor for workmen’s comp. That would depend on the salary of the pastor. **Chairman Loertscher** commented it would be based on percentage of salary. And the classification of hazard, **Rep. Luker** added. **Rep. King** asked if the reason for the option to opt out was financial. That is part of the reason, however, it is more for the purpose of removing the mandatory obligation on the churches. “It is a double edged sword when you are talking about church and state...separation of church and state.” “If you want separation of church and state, then that is what we should have...”

Rep. Labrador said he had no problem with giving pastors and ministers this option. However, he proposed returning the bill to the sponsor and working with **Rep. Luker** in improving the language. He thinks the language is too broad and includes people who are not pastors. **Rep. Pasley-Stuart** said she would like to have the Attorney General review this. Rep. Harwood was open to working on the bill and providing an opinion from the Attorney General.

MOTION: **Rep. Luker** moved to return **RS 16579** to the sponsor for further work. **The motion carried.**

RS 16984 **Mike Reynoldson**, Micron, was recognized to explain **RS 16984**. Several East Coast states have adopted specific laws which substantially favor software vendors over businesses and individuals. This act is called the Uniform Computer Information Transactions Act. This legislation would provide for the sovereignty of Idaho law that involve Idaho businesses and individuals. Several other states have adopted similar legislation.

MOTION: **Rep. Edmunson** moved to introduce **RS 16984**.

Rep. Luker asked about the language being unduly restrictive in section 1 in talking about "*a choice of laws provision that would result in application of the uniform computer information transactions act,*" and asked if that could be taken out and applied to any contract that has a choice of law provision in it. Mr. Reynoldson deferred to **Mr.**

Weissenberger, also from Micron, who said they do not want to forbid parties from the choice of law provision. They do not want the application in the legislation. It is very slanted in favor of vendors.

The motion carried.

The Chairman announced the Committee would meet at 9:30 A.M. Tuesday, February 13, 2007. The vote by mail bills will be on Wednesday's agenda, the minimum wage bill will be on Thursday.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 10:20 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 13, 2007

TIME: 9:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None.

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

Chairman Loertscher introduced **Marcus Heleker** who will be the Committee's page for the second half of the session. Marcus is from Payette, Idaho.

The minutes were reviewed. Rep. Rusche noted in paragraph 2, page 1, that 35% was not the correct percentage. Rep. Smith moved to approve the minutes as corrected. The motion carried.

RS 16855

Steven Millard, President, Idaho Hospital Association, was recognized to explain the bill. The purpose of this legislation is to create a review process, called "certificate of need," for hospitals and free standing outpatient centers to obtain authorization from the state before building new health facilities, acquiring high cost medical equipment, or expanding licensed acute care inpatient beds or operating room suites. A health planning review board is created by the legislation that has the responsibility to review all applications for a certificate of need and determine whether needs exist in Idaho communities that will be met by the creation of the facility, equipment or beds.

The purpose of certificate of need regulation is to contain health care costs, facilitate smart growth in health facilities and services, prevent unnecessary duplication of healthcare facilities and services and guide the establishment of health facilities and services that will best serve public needs.

The potential maximum impact on the state general fund is \$300,000, which assumes the hiring of four full-time employees with commensurate benefits and office equipment. Because the board has the authority to contract with consultants and other experts and since there may not be enough activity for four full-time employees, it is entirely possible that activity level could allow for contract workers at less than full-time. Additionally, the board will establish an application fee in order to offset the cost of the review activity. The actual fiscal impact may be less than \$300,000.

Some of the questions from the Committee were as follows: Rep. Rusche asked why there was not citizen representation from the state and counties on their board. Response: they felt that the bulk of the representation should come from the business community. Rep. Mathews asked why this was referred to this Committee. Response: This bill was ready to be presented in the Senate Health and Welfare Committee, but Leadership suggested it be brought to the House. By the it reached the House, the deadline had passed. Responding to a question from Chairman Loertscher regarding the accuracy of the fiscal note, Mr. Millard said they believe it is accurate from working with others who have expertise in this area. Rep. King asked if hospitals would be more efficient and cost effective and would this would have a baring on lowering Medicaid costs. Response: It is not designed for making hospitals operate more efficiently, but is designed to determine whether a health facility is needed or if existing services are being duplicated.

Rep. Edmunson commented he has never seen where a centralized state board has done any good for rural Idaho. The more populated areas seem to benefit more. He asked how rural Idaho would be affected. Response: This is a process to review whether or not there is a need in the area.

Rep. Rusche said he had a disclaimer; his wife is a physician and a co-owner of a medical facility. Rep. Bilbao declared Rule 22, explaining he was an active board member of a hospital that belongs to the Idaho Hospital Association and would not be voting on this bill.

MOTION: **Rep. Rusche** moved to introduce **RS 16855**. He said health care planning is an important part of our future. We spend more on health care and less on planning than any other industry. He is not sure that a certificate of need in this way is the best way to accomplish a health planning program.

SUBSTITUTE MOTION: **Rep. Edmunson** moved to return **RS 16855** to the sponsor. He said that this bill is anti-competitive and goes against free market. He does not see a centralized board bureaucracy supporting the interests of rural Idaho. He believes health care planning is important but not in this way.

Rep. Pasley-Stuart said that they need to hear both sides of the argument. Healthcare costs are rising. Rep. Mathews recommended the writers of this legislation meet with leadership of the germane committees this coming summer and work on a better bill.

The motion carried.

RS 16916 **Ron Williams**, Attorney, Idaho Cable Telecommunications Association, was recognized to explain the bill. The Idaho Video Franchising and Competition Act of 2007 establishes a statutory framework for cities and counties to franchise multiple competing video service providers within a franchised area. Under this Act all wireline video service providers are treated the same and cities and counties are prohibited from discriminating in favor of or against any single provider. Similarly, all wireline video service providers are prohibited from discriminating (based primarily on income)

against customers or demographic areas within a franchise area. Class or income non-discrimination is accomplished by providing that all video service providers shall offer video service to 90% of the customer within a franchised area within 5 years of receiving a franchise.

The Act requires that cities or counties must act on a franchise application within 60 days or the franchise is deemed granted. Cities and counties are also prohibited from: (i) requiring more than three public video channels (ii) restricting or prohibiting the transfer of a franchise, or (iii) charging additional or separate fees to occupy public rights of way. The Public Utilities Commission is required to develop a model franchise agreement that is to be used by all cities and counties in granting a franchise. This Act also brings video fee parity between wireline video providers and satellite video providers. This bill institutes a 5% video sales tax to recover lost franchise fee revenues and rebates those revenues to cities and counties, based on population. Franchise fees paid by a wireline video provider to a city or county act as a credit against this video sales tax.

This legislation would return between \$ 2.0 and \$ 3.5 million dollars of video sales tax revenues to cities and counties that have been otherwise lost as customers have switched from cable TV to satellite TV. There would be minimal fiscal impact to the state for administering the video sales tax program and distributing the funds to cities and counties.

Mr. Williams said that the cable companies believe that the local franchise process is a very efficient one. The Cable Telecommunications Association does not see a need for the legislation. They believe that Quest is trying to fix a problem that doesn't exist. He asked that Section 3, Severability be deleted from the bill.

Responding to a question regarding how many homes they offered the service to and how many homes subscribed to that service, Mr. Williams said that they offer services to all homes with fewer than 50% who subscribe to the service. Rep. Luker asked why can't cities impose a franchise tax. Cities do not have a legal nexus in order to tax that service for the reason that satellite does not occupy the rights of way. Rep. Smith said that in areas where local access T.V. stations can only be seen on cable. Could the city work an agreement with the cable companies and the satellite providers so the local access T.V. stations could be seen on cable and satellite. Mr. Williams said that is another example at the federal level of how satellite has some competitive advantages. Having permission from the city and carrying the public channel obligations, there is nothing they can do at the state level to require the satellite programs be carried on those public channels.

MOTION: **Rep. Stevenson** moved to introduce **RS 16916** with the deletion of all of Section 3, Severability.

SUBSTITUTE MOTION: **Rep. Luker** moved to hold **RS 16916** until the Committee had heard the presentation on RS brought by Quest and then vote. The Chair ruled the motion out of order.

Rep. Mathews made a disclaimer that he works for Quest but would still

like to vote. The request was noted by the Chair.

The main motion carried.

RS 16918C1

Bill Roden, Quest Communications, was recognized to explain the bill. This legislation, known as the Idaho Cable and Video Competition Act, provides a simplified mechanism for cable television services to be provided by competitive cable and video service providers.

The legislation is intended to be competitively neutral between providers of cable services and to continue cable service as a reliable source of revenue to cities and counties. At the same time, the legislation simplifies the process for new providers to enter the Idaho cable market, encourages legitimate competition between providers of cable service, and offers the likelihood of lower subscriber rates for such services as a result of increased competition.

Mr. Roden said that this proposal is not intended to be a final product and believes that both sides could benefit by having a subcommittee to review the various issues. There are two basic differences/issues that they have with the opposing bill: (1) the build out requirement; and (2) the tax on satellite services should be a separate issue and not included in the legislation.

MOTION:

Rep. Snodgrass moved to introduce **RS16918C1**. Rep. Mathews made a disclaimer that he is an employee for Quest and commented that he would like to vote on the bill. The request was noted by the Chair.

The motion carried.

The Chairman appointed a subcommittee to review both the Idaho Cable and Quest bills. Vice Chairman Edmunson will chair the subcommittee; Representatives Andrus, Snodgrass, King and Shepherd(2) will serve on the subcommittee.

RS 16996

Rep. Clark was recognized to explain the bill. This bill would change the annual salary of justices of the supreme court, judges of the court of appeals, district judges and attorney magistrate judges beginning July 1, 2007. The annual salaries of the justices and judges would be increased by 5%. The estimated fiscal impact of the increased cost of salary and benefits, which are paid from the general fund, would be \$803,825 for FY2008. He asked for the bill to be printed and referred to the Judiciary and Rules Committee.

MOTION:

Rep. Ring moved to introduce **RS 16996** and refer it to the Judiciary Rules and Administration Committee. **The motion carried.**

RS 17011

Rep. Anderson was recognized to explain the bill. The purpose of this legislation is to provide protection and to clarify the right to privacy during our times of great loss. This legislation provides for the safekeeping of the dignity and reverential nature of any funeral, memorial service, funeral procession, burial ceremony, or viewing of a deceased person.

This legislation also provides for the families of military members who

have lost a loved one to be free from disturbance at their time of great sorrow. Some across our nation have determined themselves to disturb the peace and quiet of funeral processions as a protest against war. This legislation is an attempt to remedy these activities.

Rep. Smith asked if there had been instances of this kind in Idaho. Rep. Anderson said there had not been any that he was aware of. However, he wants to have legislation enacted before there is an incident. Rep. Anderson agreed to a question of Rep. Rusche, referring to Section 1 of the bill, that disturbing the dignity is in addition to disturbing the peace. Answering Rep. Bilbao's question, he explained that this bill does not preclude the American legions or others from firing a 21-gun salute. That is up to the request of the family. Rep. Luker asked if Rep. Anderson had received the 'last word' on the dignity and reverential language from the Attorney General. He had not received a 'last word' but the Attorney General had seen the bill and thought it was acceptable.

MOTION: **Rep. Crane** moved to introduce **RS 17011**. The motion carried.

The Chairman announced the Committee would meet Wednesday, February 14, 2007 at 9:00 A.M.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 10:55 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 14, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

ABS/EXC: None

GUESTS: Please see presenter highlighted below and attached sign-in sheet.

The minutes were reviewed. **Rep. Ring** moved to approve the minutes of February 13, 2007 as written. **The motion carried.**

Chairman Loertscher stated that **HJR 1**, one-subject initiatives, has been requested to be held in Committee by **Rep. Clark**, the sponsor.

RS 17007 **Rep. Clark** was recognized to explain the bill. The purpose of this amendment is to protect manufactured homes and mobile homes from being required to have their roofs rebuilt or a "snow roof" built over them in order to be eligible to receive a setting or building permit if they are to be moved. Additionally, it will prohibit municipalities from enacting a "roof load requirement" that exceeds what the homes were constructed to hold. Rep. Clark asked that the bill be referred to the Local Government Committee.

MOTION: **Rep. Edmunson** moved to introduce **RS 17007** with the recommendation that it be referred to the Local Government Committee. **The motion carried.**

RS 16931C2 **Paul Kjellander**, Commissioner, Public Utilities Commission, was recognized to explain the bill. The RS in its present form does not accurately convey their intent. Additional information has been received since this RS was drafted. Mr. Kjellander requested that new language be adopted that specifies a 5% permanent increase that would not tie them directly to the CEC. He requested that the language be changed within this bill that would reflect the language that is included in the bill for judges salaries, H 193, and bring it back for another print hearing.

MOTION: **Rep. Edmunson** moved to introduce **RS16931C2** with the recommendation that the language would specify a 5% permanent salary increase.

Rep. Stevenson expressed concern over automatic salary increases. They are only requesting a 5% increase this year that would not be permanently tied to the CEC.

**SUBSTITUTE
MOTION:**

Rep. Rusche moved to return **RS16931C2** to the sponsor with the recommendation to change the language that would reflect the request.

The motion was carried.

H 94

Ms. Abbie Mace, Fremont County Clerk, was recognized to present the bill. Vote by mail is a local option which may be done jurisdiction by jurisdiction. Nine counties are currently practicing this voting procedure. Ballots would be mailed to all registered voters. However, some polling locations would be available for those wishing to make a physical appearance at the polls. This would be available to all taxing districts, except school districts, upon approval of their governing boards.

There were questions and discussion by the Committee.

Ms. Mace described for **Rep. Mathews** the voting procedure of an individual from the time they enter the polling place to when they are through voting. In response to Rep. Mathews questions: If there is an unreconcilable difference in the poll book, they do everything possible to figure out why the names do not match; Ms. Mace indicated that Fremont County has not had poll watchers at the polls during the time she has been the clerk; there are restrictions on placing campaign signs near polling places, distance is one factor. In response to **Rep. Andrus's** question regarding the time to register, she said the election registering process would not change. Individuals may still register to vote on the day of the election.

Rep. Labrador referred to written testimony that had been submitted to the Committee by Al Davidson, President, Election Management Solutions, Inc. Mr. Davidson had reported that from their studies, they have found that it is a "given" that voter turnout was improved by vote by mail. Rep. Labrador asked if increase in voter turnout was not a given, would she still support this initiative. She would not change her position. She thinks it is important to provide voters greater ease and convenience in the voting process. (See attachment for letter.)

In response to **Rep. Luker's** question regarding her knowledge of other states using this process, the whole state of Oregon is vote by mail, Washington provides the local option. He expressed concern with the language on page 2, subsection (5) of 34-2603, line 25, "*designated place of deposit*," as being an open ended statement. He asked how she foresees those other places being established in terms of security, people being there, and number of places available. She would receive strict direction on how to proceed from the Secretary of State, **Ben Ysursa**, and deferred the question to him. Mr. Ysursa said that the designation of locations and what kind of security would be very crucial. They would make sure there is transparency and accountability for guaranteeing that the deposit boxes are secure.

Rep. Smith asked how vote by mail would function with absentee voting. The process would not change. An application would still be required for absentee voting with no requirement to submit early. They have a process in place that will distinguish absentee from vote by mail. **Rep. Crane** asked that with the advent of technology, why they had not

selected voting by email, commenting it would be more cost effective and efficient. The technology is not available to them at this time. **Mr. Ysursa** said that the Internet is not a safe and secure avenue to use.

CON

Kelly Buckland, Director, Idaho State Independent Living Council, testified in opposition of the bill. He said that contrary to what has been stated, this would reduce accessibility. He has been working on making voting more accessible to people with disabilities for several years. Through the passage of the Help America Vote Act they acquired automarks to be used at polling places which cost \$6 million. If this bill becomes law, that money will have been wasted. By closing some of the polling places, especially in rural areas, this will reduce options for those with disabilities. Oregon is still struggling with accessibility issue. They would like to work with the counties, etc. to resolve some of these issues.

Rep. Bilbao asked if he had evidence of other states having problems with handicapped accessibility with vote by mail in states other than Oregon. There are a couple of counties in Arizona that have gone to vote by mail. Voter turnout has been increased, but it has decreased accessibility for people with disabilities. **Rep. Rusche** asked how well did automarks work? They worked very well in the primary election, but not as well in the general. He agreed with Rep. Rusche's opinion that the technology to assist the disabled in the polling places could be more efficient.

PRO

Rose Gehring, Idaho County Clerk, said that Idaho County is the largest county in Idaho. This would help those in rural areas who have to drive an hour or more to a polling place. This has also lowered their costs. In the four mail out precincts in Idaho County, the percentages are very good. In the 2006 primary election, they ranged from 68%, 78%, 57% and 42%. In the 2006 general election, the percentages ranged from 84%, 90%, 77% and 71%.

PRO

Lynn Young, AARP Capitol City Task Force, said that they support vote by mail because it will enhance and increase voter turn-out; will allow voters with physical limitations, or no longer able to drive, the ability to vote in the safety and security of their homes; and will provide an alternative for people who, because of their employment, are unable to be at the polling place.

CON

Dean Haagenson, past Representative in the Idaho Legislature, opposes this bill because of the opportunity for fraud, opportunity for stolen mail, and potential for coercion. He read from an editorial by Victor Joecks who wrote that "The 2001 National Commission on Federal Election Reform and the 2005 Commission on Federal Election Reform, both co-chaired by former President Jimmy Carter, each concluded that mail ballots present the best opportunity for fraud.

PRO

Dan English, Kootenai County Clerk, said this is non-partisan. He has faith in the elected officials. Clerks would do everything possible to ensure that those with disabilities are able to vote.

Responding to a question about voter fraud, he has not seen any significant voter fraud in Idaho. Regarding the turnout issue, In the

smaller districts, the voter turnout is significantly higher with vote by mail.

CON

Larry Spencer, Idaho citizen, said this bill is unnecessary and has an element of an unknown risk. The absentee ballot is very important and something that we need. There is an inherent risk of deception. For example, the college student who goes out of state; leaving the parents behind to fill out his/her ballot. He gave other examples of the potential for voter fraud. He is concerned for those voters who may not be informed on the issues and vote anyway because of the convenience of marking a ballot and mailing it back. There is a sense of pride to be an American citizen and go to the polls on election day. Vote by mail takes away the importance of voting and "cheapens" the privilege of voting.

Rep. King expressed that voters may have more of an opportunity to become informed if they choose to search the Internet for information on candidates. Mr. Spencer agreed that this is a favorable option. Rep. King shared that this protects those who have the disadvantage of long drives, especially in rural areas, to polling places, and waiting in long lines. Mr. Spencer responded saying that long lines are a rarity. Voters can elect to go to the court house several days before election day and cast their ballot.

Mr. Spencer is a civic activist and works with both political parties with getting the vote out.

Rep. Mathews asked if this were enacted into law, how he would value the perimeter established around the voting place regarding poll watchers, etc., and asked if he saw this as a breach of keeping that sacred right and leaving the voting in tact. Currently there is sanctity of the polling place. However, there are opportunities for problems, such as the influence of family members voting together in the home, the possibility of activists going door to door to assist in filling out ballots, to name a few.

Keith Allred, President, The Common Interest, a non-partisan, non-profit organization made up of citizens, Republicans, Democrats and Independents, in the state, shared with the Committee some of the underlying information they have gathered on the vote by mail proposal. He is not testifying either pro or con. Regarding the voter turnout question, they reviewed about seven to eight peer review articles from serious researchers. In Oregon, it was indicated that the evidence of voter turnout had diminished, using vote by mail. In high profile, general elections the turnout was not significant. However, in the lower profile and local primary elections turnout had increased. (See attached report from "The Common Interest Brief" for more information on this subject.)

Rep. Labrador, asked him if he would agree that it was a "given" that voter turnout increases with vote by mail. That is not accurate. It is a more complicated question than it appears at first glance.

PRO

Duane Smith, Clerk, Minidoka County, said that regarding the issue of verification of signatures, there are safeguards in place to take care of problems with questionable signatures. He believes the fraud potential would decrease rather than increase.

In conclusion, **Ms. Mace** said that there has been overwhelming support from the counties, commissioners, recorders, and clerks. They believe this is an opportunity for them to increase their ability to serve the people better.

MOTION: **Rep. King** moved to send **H 94** to the floor with a do pass recommendation. She commented that this makes it more accessible and gives voters more time to become informed on the issues. The difficulty of staffing the polls is an issue because of more people working and not being available.

Representatives Edmunson and Stevenson stated they were in support of the motion.

SUBSTITUTE MOTION: **Rep. Andrus** moved to hold **H 94** in Committee. He commented that he appreciates the county clerks for all of their work on this legislation. He thinks it deserves more consideration. He thinks this would decrease the responsibility and the education process of the voters.

Representatives Pasley-Stuart, Snodgrass, Ring and Rusche stated they were in support of the original motion.

Representatives Labrador, Mathews, Anderson and Luker stated they were in support of the substitute motion.

VOTE ON THE SUBSTITUTE MOTION: A roll call vote was taken. The substitute motion failed by a vote of 11 NAYS and 7 AYES. Representatives Edmunson, Stevenson, Black, Ring, Snodgrass, Bilbao, Shepherd, Smith, Pasley-Stuart, Rusche and King voted Nay. Representatives Loertscher, Anderson, Andrus, Crane, Labrador, Luker and Mathews voted Aye.

VOTE ON THE MOTION: A roll call vote was taken. The motion passed by a vote of 11 AYES and 7 NAYS. Representatives Edmunson, Stevenson, Black, Ring, Snodgrass, Bilbao, Shepherd, Smith, Pasley-Stuart, Rusche and King voted Aye. Representatives Loertscher, Anderson, Andrus, Crane, Labrador, Luker and Mathews voted Nay.

Representative Edmunson will sponsor the bill on the floor.

MOTION: **Rep. Rusche** moved to hold **H 95** in Committee. **The motion carried.**

ADJOURN: The Chairman announced the Committee would meet Thursday, February 15, 2007 at 9:00 A.M. The minimum wage bill would be heard.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 15, 2007
- TIME:** 9:00 A.M.
- PLACE:** Room 412
- MEMBERS:** Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King
- ABSENT/
EXCUSED:** Representative Edmunson
- GUESTS:** Please see presenters highlighted below and attached guest sign-in sheet.
- The Chairman called the meeting to order at 9:00 A.M.
- RS 17034** **Rep. Clark** was recognized to present the bill. This amendment would allow governmental entities authorized to impose impact fees the authority to enter into agreements and lawfully distribute such fees to those taxing districts which provide public facilities and are directly affected by new development. This adds language that would include fire districts, water districts, sewer districts, recreational water and sewer districts or irrigation districts to enter into agreements with the counties so that all entities are included when impact fees are imposed. Rep. Clark asked that the bill be referred to the Local Government Committee.
- Rep. Mathews** asked if the fees would be only on the developers and not the buyers. The response was: Kootenai County is taking an aggressive stance on impact fees. The developer doesn't pay the impact fees, they are passed on to the consumer. This bill would include all entities who are involved with public facilities.
- MOTION:** **Rep. Black** moved to introduce **RS 17034** with the recommendation that it be referred to the Local Government Committee. **The motion carried.**
- RS 17033** **John Chatburn**, Deputy Administrator, Division of Animal Industries, Idaho Department of Agriculture, was recognized to present the bill. This legislation would authorize the Department of Agriculture to register animal remedies and charge a fee for registration of those animal remedies or register animal remedy manufacturers and charge a fee of the animal remedy manufacturers. The last time their funds were increased was in 1995. Currently, the primary source of funding is the \$0.22 per brand inspection fee conducted in the state. In the last two years brand inspections have gone down resulting in a decrease in revenue. They are realizing major increases in operating, and personnel and benefit costs. The animal remedy manufacturers want to have a provision for per-product registration and for paying a flat fee.
- Rep. Loertscher** asked if this would include supplements. It includes animal remedies, and includes supplements that would not fall into the

classification of medicated fees. Calf manna would be a supplement required to be registered under this provision; a bulk supplement that is imported to a feed company and is incorporated into a medicated fee would not be required to be registered. Asked if a mineral supplemental would be required, he said potentially, yes.

Rep. Luker said he was skeptical of adding a new level of regulation for the purpose of raising funds and asked if there was another way rather than imposing registration fees. The preference with the animal remedy manufacturers would be that these costs would be covered by state appropriated general funds. The Department thought rather than increasing the branding inspection fees, it would be more appropriate to do something that would provide funds to the dedicated funds to include animals other than livestock. Raising funds would be the primary function of this registration.

Rep. Stevenson asked if the Department currently registers these remedies being discussed. The Department currently licenses imported biologics of which a fee is not charged. The manufacturer would pay the registration fee under this bill. **Rep. Rusche** asked why the branding fees were not sufficient. In response, Mr. Chatburn gave an overview of the process. The Department receives funding from general and dedicated funds and federal cooperative agreements and grants. The dedicated funds are used for disease control in livestock, including cattle, horses, mules and donkeys, or dogs and cats. All domestic animals are included. They regulate all agricultural and domestic animals.

Rep. Andrus asked what the fee increase would be. The fee would be set through the negotiating rule making process and they anticipate the fee to be about \$50 per product. Regarding another question about exemptions from registration on page 2 of the bill, Mr. Chatburn explained that this was patterned after Oregon law and the pesticide registration law. If a product were being manufactured to be sold in Idaho as well as other states, the fee would apply, but not if the product was being exported to another state.

Rep. Luker asked how much money they were trying to raise and if they've put this in their budget request. The Department is hopeful of raising about \$200,000 which would allow for some increased operating money and movement of 2.5 FTE's currently funded through federal funds to dedicated funds.

MOTION:

Rep. Stevenson moved to introduce **RS 17033** with the recommendation that it be referred to the Agriculture Affairs Committee. **Rep. Luker** expressed concern that the statement of purpose does not reflect the intent in the bill.

The motion carried. Representatives Luker and Loertscher voted No.

H 148

Chairman Loertscher said that it has been determined that **H 148**, originally assigned to this Committee, falls within a records category that would be more appropriately addressed in the Agriculture Affairs Committee. The Chairman asked for unanimous consent to refer **H 148** to the Agriculture Affairs Committee. There being no objection, it was so

ordered.

H 184

Rep. Roberts was recognized to present the bill. He referred to an amendment that had been provided to the Committee. The language in the amendment clarifies the language for the tip credit in relation to the minimum wage and also removes the July 1, 2007 effective date. The language on lines 10 through 14 of the amendment states that the wage of a tipped employee received by the employee from the employer, *“shall not be in an amount less than \$3.35 an hour. If the tips received by the employee combined with the direct wages paid by the employer do not at least equal the minimum wage, the employer must make up the difference.”*

The House and Senate are still debating the issue of the tax credit for small businesses, which is the reason for the delay in the passage of the bill. There is a 60-day waiting period once the bill would be enacted. Removing the July 1, 2007 effective date would keep Idaho on track with the federal minimum wage. The federal minimum wage bill before Congress raises the minimum wage to \$5.85 an hour, beginning on the 60th day after its signing. Twelve months later, the wage would increase to \$6.55, and twenty-four months after the 60th day, it would increase to \$7.25 per hour.

Wage standards are decided in the open market; in Idaho we would like to see the open market determine what the wages are. Idaho has a strong congressional delegation. All have served in the Idaho Legislature during their political careers, and the delegation continues to stand up for Idaho's interests.

Rep. Rusche asked if the bill in Congress is not passed, would the Idaho wage commence to the “floor” of the federal minimum wage. That is correct, and is what is currently being done. Rep. Rusche commented that this bill would guarantee that Idaho would never have a wage that is above the “bottom.” That depends on how “bottom” is defined. In Idaho, wages are substantially above the minimum wage; a very small percentage are paid at minimum wage. A strong economy would drive wages up. **Rep. King** inquired about the rate for agriculture wages. The wage for farm workers would be increased.

Rep. Roberts deferred to **Craig Soelberg**, Program Supervisor, Commerce and Labor Department, to respond to questions concerning the bill. **Rep. Labrador** asked if the employer would have to make up the difference if the employee didn't make the minimum wage. It is based on the number of hours worked; the employer has to show that they have earned at least the minimum wage for the hours worked. In answer to **Rep. Snodgrass's** question if they make more than the minimum per hour, it is not based on an hour per hour basis, but on the aggregate and it extends pay period to pay period. The employer must track all hours worked and then determine if the employee has made the minimum wage.

Rep. Rusche asked why some sections of Idaho have such low household incomes as compared to the rest of the country. **Mr. Soelberg** deferred to **Bob Fick**, Communications Manager, Department of Commerce and Labor. It has to do with regional economics. In a follow-up, **Rep. Rusche** asked how the low minimum wage, currently in Idaho, that is becoming part of the low household income compares to the rest of the country. **Chairman**

Loertscher asked if it was fair to say that the health of the overall economy has more to do with the level of wages than the setting of the minimum wage. **Mr. Fick** said that there is no question that supply and demand plays a role.

Rep. Mathews asked how Idaho compares with other states on the cost of living. There is no cost of living estimate or calculation made specifically for Idaho. **Rep. King** asked how much of a “bounce” would the general fund receive when the wage is increased from \$5.15 to \$7.25. Mr. Fick did not have that specific information. There would be some positive affect on the general fund; the more money people have, the more they are going to spend. **Chairman Loertscher** asked if it would be fair to say that the taxes collected from businesses would be less because the cost of labor had gone up as well. Mr. Fick agreed with that analysis.

Rep. Snodgrass asked if as the wages increase, is there a concern that there will be a decrease in employment figures as employers begin to downsize rather than pay the higher rates. Mr. Fick does not think this is a concern for the Department. The biggest concern right now is the availability of qualified labor.

Rep. Roberts commented on the question raised by **Rep. Rusche** about the minimum wage being something that would cause the low wages per capita, in areas in the state of Idaho. Minimum wage is not the issue for those types of wages. The issue is public policy and how it equates to the state of Idaho. Trade policy is a large factor in being able to allow industry to offer job availability.

MOTION: **Rep. Mathews** moved to send **H 184** to general orders with Committee amendments attached.

SUBSTITUTE MOTION: **Rep. Rusche** moved to hold **H 184** in Committee. **Rep. Rusche** said he thinks this is a “no” minimum wage bill. If this bill is passed, there will be no change for low-wage workers and we will have cemented the Idaho minimum wage to the “bottom” required in the country.

VOTE ON THE SUBSTITUTE MOTION: A roll call vote was taken and the substitute motion failed by a vote of 12 NAYS and 4 AYES. Representatives Loertscher, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews and Shepherd voted Nay. Representatives Smith, Pasley-Stuart, Rusche and King voted Aye.

VOTE ON THE MOTION: A roll call vote was taken and the motion passed by a vote of 16 AYES. Representatives Loertscher, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd, Smith, Pasley-Stuart, Rusche and King voted Aye.

There being no further business to come before the Committee, the Chairman announced the Committee would meet Friday, February 16, 2007 at 9:30 A.M.

ADJOURN: The meeting was adjourned at 10:00 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 16, 2007
- TIME:** 9:30 A.M.
- PLACE:** Room 412
- MEMBERS:** Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King
- ABSENT/
EXCUSED:** None
- GUESTS:** Please see presenters highlighted below and attached sign-in sheet.
- The Chairman called the meeting to order at 9:30 A.M. The minutes were reviewed. **Rep. Ring** moved to approve the minutes of February 14, 2007, with the correction of a typographical error on page 1. **The motion carried.**
- H 103** **Ron Crane**, Idaho State Treasurer, was recognized to present the bill. This bill deals with the purchasing of blank warrants. This repeals an obsolete section of Idaho Code 67-1202 and deletes the authority and duty of the state treasurer to purchase warrants.
- MOTION:** **Rep. Smith** moved to send **H 103** to the floor with a do pass recommendation. **The motion carried.** **Rep. Crane** will sponsor the bill on the floor.
- H 104** **Ron Crane**, Idaho State Treasurer, was recognized to present the bill. This bill repeals Idaho Code Title 67 dealing with refunding bonds and is superseded by Title 57, Chapter 5, which includes the state as one of the entities that can issue refunding bonds under that chapter. The provisions of Chapter 38 dealing with replacement bonds is also outdated and unnecessary. New bonds issued by the state will be in registered, book-entry form, and the plan of financing will have a paying agent provision attached to that specific bond issue.
- MOTION:** **Rep. Pasley-Stuart** moved to send **H 104** to the floor with a do pass recommendation. **The motion carried.** **Rep. Mathews** will sponsor the bill.
- H 186** **Mike Reynoldson**, Micron Technology, was recognized to present the bill. Currently, the states of Maryland and Virginia have in place model legislation called the Uniform Computer Information Transaction Act (UCITA) which has to do with software vendors and agreements. This act favors software vendors and agreements. This bill states that software vendors and agreements will be governed by the laws of the state of Idaho instead of UCITA. **Mr. Woody Richards**, representing Property Casualty Insurers Association, was unable to attend the meeting but

wanted the Committee to know of their full support.

Mr. Reynoldson deferred to **Brad Weissenberger** who said this bill would preserve the rights and opportunities of businesses to negotiate meaningful software agreement transactions with vendors. This would provide for the sovereignty of Idaho law with respect to transactions that involve consumers and businesses in this state.

MOTION: **Rep. Crane** moved to send **H 186** to the floor with a do pass recommendation. **The motion carried.** **Rep. Snodgrass** will sponsor the bill on the floor.

S 1062 **Tom Mason**, Idaho Public Works, Department of Administration, was recognized to present the bill. This legislation makes changes to Idaho Code to recognize and accommodate the construction process during the Capitol restoration. This will (1) allow the organizational meetings of the House and Senate in December that are held in the Capitol to be held in a temporary place. (2) If the state treasurer fails to keep money in a vault in the Capitol, the treasurer would be fined and imprisoned. This would allow the treasurer to keep money in a vault in the treasurer's office. (3) This allows for the removal of the historical furniture in the Capitol to be stored in another location.

Rep. Luker had some concern with language in the bill. Section 1, the reference to "any" renovation; Section 2 only references the Capitol renovation; Section 2, the "emergency" language.

MOTION: **Rep. Edmundson** moved to send **S 1062** to the floor with a do pass recommendation. **The motion carried.** **Rep. Edmundson** will sponsor the bill on the floor.

Presentation: **Garret Nancolas**, Mayor of Caldwell and Chairman of the Emergency Communications Commission, was recognized to give the annual report on the Idaho Emergency Communications Commission. Mayor Nancolas introduced to the Committee two Senate pages, Miss Shoni Gorla and Miss Sibylle Gorla, both members of the Caldwell Mayors Youth Advisory Council. He expressed gratitude for their contributions to their community and praised them for their leadership qualities.

Mayor Nancolas touched on some of the highlights in the annual report that had been given to the members (see attachment). Legislation was passed during the 2004 session to create the Idaho Emergency Communications Commission. Some of the main goals of the Commission were to help gather information, to help profile the Public Safety Answering Points (PSAPs) around the state and to help establish an enhanced E911 system throughout the state. The Commission consists of 14 members. Three are members of the Director of the Idaho State Police or designee, Adjutant General or designee, and a representative of the Attorney General's Office. The remaining members are appointed by the Governor. The Commission has conducted several meetings and training sessions throughout the state.

Eddie Goldsmith was introduced. Mr. Goldsmith is their newly hired project manager who has a wealth of information and background. He

acknowledged **Scott Maring**, who has been their technical and administrative support. During the last six months, Mr. Goldsmith visited all 47 PSAPs throughout the state to assess their needs. The needs vary dramatically. They are diverse and the status of each is very different. Mr. Goldsmith developed a list of needs to bring all PSAPs in the state to E911 Phase II compliance.

Today's E911 is primarily voice call by wireline or home based telephones and cell phones with an increasing number of voice calls utilizing Voice over Internet Protocols (VoIP). They will be looking at proposed legislation to standardize how emergency communication fees are collected. They believe that the Commission, in partnership with PSAP owners, will look to develop a strategic plan to improve the effectiveness and reliability of the E911 systems and support technological advances, satisfy federal mandates, and meet customer demand.

Mr. Goldsmith yielded to a question by saying that there is a problem in the northern part of the state with connectivity where they don't even have broadband. He works closely with the telephone and cell phone companies. However, cell phone companies are population based and profit driven and tend not to expand in some of the smaller underlying areas in Idaho. **Mayor Nancolas** said they are working with **Bill Bishop**, the Director of Homeland Security in Idaho, to develop some funding mechanisms that would bring money into certain areas of the state.

Rep. Edmunson referred to the Hells Canyon Complex Dam that is considered one of the main target areas for terrorism in this area and asked if there was anything specific that is being done for the people in Adams County that would enable them to access these emergency communication services. He did not have information with him, but would provide it as soon as possible.

Rep. Crane asked about the concern with the VoIP regarding where the calls are generated from. Some of the local providers are looking at technology to change this problem. **Mr. Goldsmith** said they are working at the national level to resolve this issue.

Mayor Nancolas said that because of lack of money, the smaller areas are the most deficient in manpower and technology to enhance E911. He believes areas in the state should be prioritized by need. They have designed a set of rules for a needs based process. When the money begins coming in, they will access the need first and distribute those funds based on the applications. **Rep. Stevenson** asked about the distribution of funds for personnel. There has been a great effort to clarify how those funds are supposed to be used. This is an issue they have been working on.

The Chairman said the next's week meetings would be starting earlier, since JFAC has completed their hearing process. The next meeting would be Monday, February 19, 2007 beginning at 8:45 A.M.

ADJOURN:

The meeting was adjourned at 10:10 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 19, 2007

TIME: 8:45 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached guest sign-in sheet.

Chairman Loertscher asked for unanimous consent to move the reviewing and approval of the minutes to the end of the meeting. There being no objection, it was so ordered.

RS 17037

Tim Hurst, Chief Deputy, Office of the Secretary of State, was recognized to present the bill. The purpose of the bill is to clean up and clarify various election procedures in the law and deletes sections of the code that have been deemed unconstitutional by the courts. It also changes the city election laws to make them consistent with Title 34. Mr. Hurst presented the members a copy of their proposed change to Section 10. The purpose of the change is to bring more clarity and consistency. The change replaces section 50-211 of Idaho Code with the new section 50-211. Mr. Hurst noted the change on page 5, line 19, (1) striking the language, *Divide the city into*, and adding new language, *Establish a convenient number of* election precincts as provided in section 50-407, Idaho Code;.

Rep. Mathews, referring to the stricken language on page 3, line 34 through 45 of the bill, asked why that language was included in statute in the first place. The response: The language was put there primarily for paper ballots that had to be folded correctly. Today, they have punch cards and optional scan voting that are not folded. Rep. Mathews asked him to characterize the importance of the judge in the polling place. The judges are the ones that run the election and are in charge of what happens at the polling place. They are the chief election official at that polling place.

Rep. Luker asked a question regarding a syntax issue in Section 2, page 2. The intent and practice of the current law provides two conditions for application, whereas the change creates alternative conditions for the method of selecting candidates. For clarification, Rep. Luker suggested adding the word, *or* after the word *primary* on line 30.

Rep. Snodgrass, referring to Section 1, Electioneering at Polls, asked

what the definitive terms were for the 100 feet from the polling place or building and how that is determined. The response: Typically, the number of feet are measured from the entrance of the polling place. Rep. Snodgrass asked about restrictions on vehicles driving through the parking lot near a polling place, displaying large campaign signs. Mr. Hurst said if they are within the restricted area, the poll watchers are instructed to give them a warning. If the warning is not heeded, the sheriff would be called.

Rep. King asked about the absentee ballot process and if it is possible for a person to vote twice on election day by going to the polling place and attempting to vote after having dropped off their absentee ballot. The response was that the county clerk must deliver to the polls the list of absentee ballots to record in the official poll book on election day.

MOTION: **Rep. Rusche** moved to introduce **RS 17037** with the proposed change to Section 10, presented by Mr. Hurst, and the changes noted by Rep. Luker which would change the syntax in Section 2. The change would add the word or after primary on line 30 of page 2.

The motion carried.

Vice Chairman Edmunson assumed the duties of the Chair.

RS 17038C1 **Tim Hurst** was recognized to present the bill. This proposed legislation directs the Secretary of State to print and distribute a voters' pamphlet with arguments in support and in opposition for a proposed constitutional amendment as well as initiatives.

Rep. Black asked what the method of distribution of the pamphlets would be once they are printed. The response was they will be mailed to every household in the state.

MOTION: **Rep. Stevenson** moved to introduce **RS 17038C1**. **The motion carried.**

RS 17039 **Tim Hurst** was recognized to present the bill. This legislation is intended to clarify the ballot for the voters by numbering all ballot measures consecutively, designating them "Proposition One," "Proposition Two," etc.

MOTION: **Rep. Crane** moved to introduce **RS 17039**. **The motion carried.**

RS 17059 **Ron Law**, Executive Administrator, Public Utilities Commission, was recognized to present the bill. The purpose of this legislation is to provide for a 5% increase in the annual salary of each Public Utilities Commissioner effective July 1, 2007. This would increase their present annual salary from \$85,229 to \$89,483.

MOTION: **Rep. Stevenson** moved to introduce **RS 17059**. **The motion carried.**

The minutes of February 15, 2007 were reviewed. Rep. Mathews moved to approve the minutes with corrections on page 1 and 2. The motion carried. The minutes of February 16, 2007 were reviewed. Rep. Ring moved to approve the minutes. The motion carried.

Vice Chairman Edmunson announced the Committee would meet Tuesday, February 20, 2007 at 8:45 A.M.

ADJOURN: The meeting was adjourned at 9:20 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 20, 2007

TIME: 8:45 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Labrador and Smith

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

The meeting was called to order at 8:45 A.M. The minutes of February 19, 2007 were reviewed. Rep. Ring moved to approve the minutes with the correction on the last page.

RS 17042 **Jeff Youtz**, Director Legislative Services, was recognized to present the bill. This legislation will provide the necessary authority to proceed with the Capitol Building renovation and expansion project as approved by the Idaho Capitol Commission. The Capitol Master Plan has been modified to include the restoration of the Capitol Building, the construction of single-story atrium wings at the east and west ends of the Capitol Building, and a reconfiguration of space in the Capitol Building which assigns control of the first floor to the Legislature.

Section 2 of the bill is necessary to provide authority for use of the funds which have already been authorized by HCR 47 in the 2006 Legislative Session. Because the scope of the project has been modified from two-story wings to single-story wings, this change needs to be recognized by legislation and authority given to utilize the funds for the modified Master Plan.

MOTION: **Rep. Mathews** moved to introduce **RS 17042**.

Rep. Andrus asked what the ramifications would be if this were not approved. The response was that they would go back to the "drawing board" and the renovation would be put on hold for another year. The cost is \$10 to \$15 million for every year the project is delayed. In the new compromise plan, the legislative offices that were going to be on the second floor of the wings are now going to be in the "garden area." Rep. Andrus asked if they would be bringing state employees into our own buildings. The response was that is the long term plan. The short term plan would be to use the buildings for the "swing space." The Legislature will be located in the Capitol Annex and the Governor's Office will be in the Borah Building. When they are finished using the buildings for "swing space," they will back-fill those with state agencies. They are currently leasing approximately 900,000 sq. ft. of commercial office space at a cost

of \$13 million per year.

Rep. Stevenson asked what the size of the hearing rooms would be. The smallest hearing rooms will be approximately 30 ft. by 40 ft. and will hold 50 to 80 people. The medium sized rooms will hold 80 to 100 people. The Senate side will have an auditorium size room that will hold approximately 200 people.

The motion carried.

H 121

Rep. Ring was recognized to present the bill. This bill removes the exemption for bowling alleys from the clean indoor air prohibition on smoking in a public place. This bill will have a large affect on the people, especially the youth. Bowling is a lifetime sport that is especially attractive to families. The U.S. Surgeon General has stated that second hand smoke is a significant cause of illness, injury and a shortened life span.

Rep. Ring acknowledged **Senator Hill** as the co-sponsor of the bill. Regarding property rights, Rep. Ring said that the health and safety of people “trump” the issue of property rights and it has many precedents. There are a number of business that have gone smoke free already and their profits have increased. The number of customers have increased and there has been an increase in snack and beverage products sold. Soda sales have gone up while beer sales have gone down resulting in even greater profit because the profit margin in soda is higher than in beer.

Testimony:

The individuals highlighted below testified in support of **H 121**. There was no opposition.

Allie Hill, second grade student, Pepper Ridge Elementary, spoke in favor of the bill. She and her fellow students have learned about not smoking in their health class. She said, “Smoking can make you not run as fast. Bowling is also a sport and you can be a much better bowler if you are not smoking. Plus cigarette smoke can make everyone around it sick, and so even those who are not smoking cannot bowl as well.” Miss Allie showed the members some of her art work which illustrating some of the negative impacts of smoking. Please see the attachment for further testimony from Ms. Hill.

Russ Newcomb, representing the Idaho Medical Association, said the association supports this legislation. The evidence of the connection of cigarette smoking and second hand smoke to cardiovascular and pulmonary disease is extensive and the science is subtle. Today’s businesses are thriving in smoke free environments. We all involuntarily share the air that we breathe which makes this a public issue.

Vice Chairman Edmunson assumed the duties of the Chair.

Kasey Warner, representing the Magic Valley Tobacco Free Coalition (MVTFC), said that smoking is a pathway to drugs and alcohol.

Leya Murphey, MVTFC, said the Surgeon General has said that smoking

increases heart disease.

Brandy Cummings, MVTF, said that the evidence says that businesses are not losing money by being smoke free, the opposite is true.

Carson Howerton, MVTF, said that the Legislature needs to help the bowling alleys become a safe place for families.

Mike Brown, MVTF, is on a bowling team and does not like to have to endure the smoke. Children under 18 who want to bowl are subject to the smoke.

Liz Warner, MVTF, is a member of the high school bowling team. She commented on the smell from smoking and thinks it is rude that people choose to smoke in bowling alleys.

Chairman Loertscher resumed the duties of the Chair.

Barbara Vargason, who is a league bowler, passed around to the members a petition entitled, "Protect our Youth." This petition included 416 signatures from individuals requesting the Legislature vote against allowing smoking in bowling alleys.

Ken Vargason, said that even though smoking is prohibited on Saturdays for the benefit of children, there are still remnants from the smoke. Some of the parents do not want their children to bowl because the only non-smoking day available for practice is Saturdays.

Johnna Dunten, said that bowling alleys are where communities come together for various gatherings and celebrations. "We need to get our children off of the street and into the 'alleys'" (bowling). Many tournaments in the state have chosen to be smoke free. There is a scholarship program for student bowlers. The membership in Boise and Meridian has increased, adding up to approximately 5,000. In the state, there are about 7,000 women bowlers and 8,500 men. She was not sure of the number of youth.

Katie Whittier, American Cancer Society, declared their support.

Adrian Casper, American Heart Association, declared their support.

Merna Oliver, wants to see this enacted so that future generations will not have the health problems from second hand smoke.

Mona Lindeen, President of Bowling Proprietors' Association of Idaho, said that their Association has not taken an official position; but they do not oppose the legislation. She would like to see the name changed from bowling alleys to bowling centers.

Lyn Darrington, representing Regence BlueShield of Idaho, stated that they have always supported non-smoking efforts due to increase costs of insurance premiums related to tobacco caused illness.

Judy Googan, said that she has been a bowler for many years and is a

non-smoker. Because of second hand smoke, she has developed asthma. Other bowlers have said that they will not return to their leagues if this legislation is not enacted.

Rep. Ring in concluding remarks, said that the testimony here today speaks for itself and had no further comments.

MOTION: **Rep. Anderson** moved to send **H 121** to the floor with a do pass recommendation. **The motion carried.**

ADJOURN: The Chairman announced the Committee would meet Wednesday, February 21, 2007 at 9:00 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 21, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

The Chairman called the meeting to order at 9:00 A.M. The minutes of February 20, 2007 were reviewed. Rep. Ring moved to approve the minutes of February 20, 2007. The motion carried.

RS 16620

Randy Tilley, Senior Analyst, Division of Financial Management, was recognized to explain the bill. The legislation devolves the merger of the Departments of Commerce and Labor and reinstitutes separate agencies. This will allow the director of the Department of Commerce more time to focus on recruiting and retention of small business, international trade, and specific issues related to economic development activity. By focusing on commerce related issues entirely, the director will then have more time to work directly with the Governor on the economic development of the State. The director of the Department of Labor can then focus on assuring regulatory compliance with employment security regulations, unemployment insurance, wage and hour compliance, and disability determinations as required by the Social Security Act.

It is estimated that the costs of separating the Departments of Labor and Commerce will be approximately \$150,000. These costs are related to software maintenance agreements and phone system related changes.

Rep. Pasley-Stuart asked if these departments hadn't just been combined a few years ago. The response was that was correct but it was the Governor's opinion that we need to devolve what was done and allow these two entities to focus on their own specific issues. Asked if the fiscal impact would be more than \$150,000 due to increase in personnel costs and some changes in job classification. The response was that in the Governor's revised budget, a .5 FTE has been added for the Director who is currently split between Commerce and Labor. There are ample resources available in personnel; consequently, there would be minimal impact. Job classifications would not be affected.

Rep. Loertscher's asked if this would affect the limitation on the number of departments that are allowed. The response was that when the two agencies were combined, another one was not created to fill in that extra slot. Currently, there are 19 existing agencies of the 20 allowed. The

Department of Environmental Quality was created prior to combining the two agencies.

MOTION: **Rep. King** moved to introduce **RS 16620**. **The motion carried.**

RS 17024 **Rep. Rusche** was recognized to explain the bill. This bill adds a new section to the Telephone Solicitation Act requiring that calls placed by an automatic dialing-announcing device (robocalls) must state at the start of the call the name of the person for whom the call is being made, the purpose of the call and contact information for the caller. This will clarify the purpose of the call in the recipient's mind and lessen confusion.

Rep. Labrador said he has received many negative comments about the language on line 13, "*at the outset of the message*" which refers to the information required to be disclosed at the beginning of the call. He said the person receiving the call should have the opportunity of making the choice of whether or not to listen to the call. The individuals he has talked with would approve this legislation with the exception of this phrase.

MOTION: **Rep. Smith** moved to introduce **RS 17024**.

SUBSTITUTE MOTION: **Rep. Labrador** moved that **RS 17024** be introduced with the deletion of the language on line 13, "*at the outset of the message.*" He explained that if the information is left at the end of the message, the one receiving the call still can lodge a complaint with the caller. Providing the information at the beginning of the call, diminishes its effectiveness.

VOTE ON THE SUBSTITUTE MOTION: On a roll call vote the substitute motion failed by 10 NAYS and 8 AYES. Representatives Ring, Snodgrass, Andrus, Bilbao, Luker, Shepherd, Smith, Pasley-Stuart, Rusche and King voted Nay. Representatives Loertscher, Edmunson, Stevenson, Black, Anderson, Crane, Labrador and Mathews voted Aye.

The main motion carried.

RS 17035 **Rep. Clark** was recognized to present the bill. The purpose of this legislation is to amend the open meeting laws to ensure that the meetings are held in a public place, bring clarity to what is included in the minutes of an executive session, provide an exception to when an executive session may be held and to increase the fines. Rep. Clark highlighted some of the main parts of the bill.

Section 1 has new language that provides a clearer definition of "public place." It excludes a private residence but does not include a site visit. A site visit pertains to an agency, such as, Planning and Zoning, that might meet at the construction site of a home being built. Also in Section 1 is new language that states that the minutes of each executive session shall include the general subject matter and a summary of the proceedings. New language in Section 2 states that a governing body organized under Chapter 20, Title 50, cannot hold an executive session to discuss real property issues. Section 4 states the fine for violating this act would be increased and would be the responsibility of the governing body member and shall not be paid by the public agency. Language in Section 4 changes the comment time from 30 to 90 days, which gives the public

more time for review if there is a problem.

Rep. Loertscher expressed concern that including the content or subject matter in the minutes would pose a risk to the privacy of the individual. Most of the executive sessions, at least in local government, are held over personnel issues. The response was he is trying to make it clear that executive sessions mean something and the actual body of the information should be disclosed.

Rep. Black also expressed concern regarding the written minutes of meetings as well as the real property language. He believes both of these new sections would be harmful to discussions, some of which would involve investment matters.

Rep. Andrus expressed concern, for example, of a school board inadvertently going into executive session thinking they were legal but were not, and requiring the individual school board member to be responsible for the fine imposed. Rep. Stevenson expressed concern, as well, for a school board necessitating going into executive session to discuss buying property they are considering.

Rep. Clark said that this language is referring to governing bodies organized under chapter 20, Title 50 which would be urban renewal districts.

MOTION: **Rep. Bilbao** moved to introduce **RS 17035**. **The motion carried.**

RS 17051 **Rep. Nonini** was recognized to present the bill. This legislation would be referred to the Health and Welfare Committee. This legislation seeks to make clear that it is illegal to coerce or otherwise force a woman or girl into aborting her baby. Research indicates that violence against pregnant women is a serious problem all across the nation. Many women report that they felt coerced into abortion and have suffered grievous and psychological harm in subsequent years. Its intent is to empower all Idaho mothers to choose life for their preborn children by helping to prevent coercion in its most well known forms.

MOTION: **Rep. Mathews** moved to introduce **RS 17051** with the recommendation that it be referred to the Health and Welfare Committee.

Asked by Rep. Pasley-Stuart if an Attorney General's opinion had been received, Rep. Nonini said he has received an opinion which is being reviewed by the attorneys. Rep. Ring asked what protection a pregnant woman would have if threatened, for example, to either get married or be kicked out. The response was there are already laws in statute that are related to extortion. If a pregnant woman were being threatened in this regard, there are other laws that would cover this kind of threat. This kind of threat is not considered abortion coercion.

Rep. Snodgrass asked what the statute of limitations was on criminal proceedings of a wrongful act. Rep. Luker said that it has to look forward from the date that it was enacted. Rep. Labrador said there is a statute of limitations of one year for misdemeanors and five years for felonies.

SUBSTITUTE **Rep. Smith** moved to hold **RS 17051** to a time certain until the

- MOTION:** recommendation from the Attorney General has been made. The Chairman ruled the substitute motion out of order. An RS cannot be held.
- Rep. King expressed concern that there would be coercion on both sides; coercion to have an abortion or not to have one. She felt that subsections d, d, and e under subsection 18-615, *Criminal act to coerce or attempt to coerce a woman to obtain an abortion*, were vague.
- SUBSTITUTE MOTION:** **Rep. King** moved to introduce **RS 17051** with the following changes: Insert on page 1, line14 after the word have, "*or not to have*" an abortion; insert on line 15 after the word has, "*or does not have,*" an abortion.
- The substitute motion failed.**
- The main motion carried.** Representatives Pasley-Stuart, Smith, King and Rusche voted No.
- RS 17053** **Rep. Black** was called upon to present the bill. This concurrent resolution would reject a pending rule of the Division of Building Safety pertaining to Rules of Building Safety. The effect of this resolution, if adopted by both houses, would be to prevent the agency rule from going into effect.
- MOTION:** **Rep. Black** moved to introduce **RS 17053** and send it to the second reading calendar. **The motion carried.**
- The Committee was put at ease at 9:50 A.M. and brought back to order at 9:52 A.M.
- H 123** **Rep. Wills** was recognized to present the bill. This legislation is intended to provide for a fee and imposition of a fee for voice over internet protocol (VOIP) communication. It also gives definitions of VOIP systems. It allows the same fees for this type of communication as other 911 fees in the state. The rapid technological changes for wire-line service or any other utilization of emergency communication systems are already in place. This simply provides for that same fee to be imposed for this type of 911 service. This fee is used for the 911 systems throughout the state. It allows for a fee not to exceed \$1.00 per month per access line and such fee is used exclusively for initiation, enhancement, and governance of a consolidated emergency communication system.
- MOTION:** **Rep. Pasley-Stuart** moved to send **H 123** to the floor with a do pass recommendation. **The motion carried.**
- ADJOURN:** The Chairman announced the Committee would meet Thursday, February 22, 2007 at 9:00 A.M.
- The meeting was adjourned at 9:55 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 22, 2007

TIME: 9:00 A. M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

Chairman Loertscher called the meeting to order at 9:05 A.M. The meeting was delayed due to the subcommittee meeting running a few minutes late.

The Chairman adjusted the order of presentation of the bills because Rep. Eskridge was still meeting in JFAC.

RS 16579C1 **Rep. Harwood** was recognized to present the bill. Rep. Harwood explained that the change in this RS is that a section of code from Title 72, chapter 13, on workman's comp and related laws has been included in RS 16579C1. The purpose of this legislation is to remove the mandatory provision in H 648a passed in last year's session for churches or organizations established primarily for religious purposes which requires them to purchase workman's compensation insurance. This legislation, if past, will allow these organizations the choice for the ministers to opt in or out of purchasing state workman's compensation insurance.

Responding to Rep. Black's question, this revised RS does require workman's compensation insurance coverage for employees, such as the secretary, the custodian and others.

MOTION: **Rep. Black** moved to introduce **RS 16579C1** with the recommendation that it be referred to the Commerce and Human Resources Committee. Rep. Luker said this raises an appropriate policy issue and focuses on the religious versus the regulation issue which needs to be discussed.

The motion carried. Rep. Smith voted No.

RS 16971 **Rep. Anderson** was recognized to present the bill. This legislation is necessary in order to provide an adequate time period for an audit to occur following the end of the fiscal year ending on September 30 of each year. Moving the required date from November 1 to January 1 will allow a reasonable time for an audit of the previous year's activities to be completed in 30 days. By extending the time period to 90 days, significant savings can be realized.

- MOTION:** **Rep. Shepherd** moved to introduce **RS 16971**. **The motion carried.**
- RS 17072** **Rep. Stevenson** was recognized to present the bill. This legislation increases the basic fees to help cover the Idaho Department of Water Resources' (IDWR) costs to review applications for geothermal production and injection wells. The amendment broadens the bonding ability of geothermal developers by allowing a wider range of financial instruments. It also provides greater blanket assurance and flexibility to the department for well abandonment bonds.
- MOTION:** **Rep. Snodgrass** moved to introduce **RS 17072** with the recommendation that it be referred to the Resources and Conservation Committee. **The motion carried.**
- RS 17023** **Rep. Stevenson** presented the bill on behalf of Rep. Eskridge. This legislation allows the Legislative Council to continue an interim committee to study the subject of energy related issues including environmental and economic considerations involved in meeting Idaho's energy needs. The committee would be authorized to meet until November 30, 2008.
- MOTION:** **Rep. Snodgrass** moved to introduce **RS 17023** and send it to the second reading calendar. **The motion carried.**
- The Committee was put at ease at 9:21 A.M. and brought back to order at 9:22 A.M., to give Rep. Eskridge time to arrive from JFAC.
- RS 17075** **Rep. Eskridge** was recognized to present the bill. This legislation requires the Governor to direct that the POW-MIA flag be displayed daily at the State Capitol, Idaho State Veterans' cemeteries and Idaho State Veterans' homes. The legislation allows but not directs that the POW-MIA may be flown at other state or local government buildings.
- Rep. King asked why it is necessary to have this legislated. The response was that we, as a country, have a tendency to forget about these serious situations over time, unless we have some kind of a reminder. We need something more formal than just relying on a voluntary effort.
- MOTION:** **Rep. Rusche** moved to introduce **RS 17075**.
- Rep. Andrus inquired about a fiscal impact for the lighting of the flag. The response was that generally this flag is flown with the American Flag; consequently, it would be part of the display that is already there.
- ADJOURN:** The Chairman announced the Committee would meet Monday, February 26, 2007 at 9:00 A.M.
- The meeting was adjourned at 9:30 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE EDMUNSON SUBCOMMITTEE

DATE: February 22, 2007

TIME: 8:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Edmunson, Representatives Snodgrass, Andrus, Crane, Shepherd, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

Chairman Edmunson welcomed the committee and guests and announced that if more time is needed the meeting will continue Friday, February 23, 2007 at 8:00 A.M.

HB192

Bill Roden representing Qwest Communications was recognized to present HB192, known as the Idaho Cable and Video Competition Act. He said it provides a simplified mechanism for cable television service to be provided by competitive cable and video service providers. He gave out copies of the proposed amendments on HB192 with a comparison chart for the proposed changes and the controls as they are today. He said this bill is intended to be competitively neutral between providers of cable services and to continue cable service as a reliable source of revenue to cities and counties. He said incumbent cable service providers shall be authorized to continue to offer cable or video service within the areas of the provider's franchise and this bill will simplify the process for new providers to enter the Idaho cable market, encourage legitimate competition and offers the likelihood of lower subscriber rate as a result of increased competition.

Rep. Andrus inquired if this legislative would provide coverage to remote areas. Bill Roden stated that access can't be denied to any group because of income, but sometimes, because of distance there is no cable in the area. The companies will not be required to build-out to areas not receiving service now but they want every customer they can get.

Rep. Shepherd asked if it would cost more for service by satellite to rural areas and would it be in a timely manner. Bill Roden said the cost was unknown, but this bill will allow companies to provide cable or an alternative service, but it could take years for some areas to receive service.

Rep. Snodgrass asked if denying service and not being able to receive service are considered the same and if this bill would have a requirement to provide service in all areas. Bill Roden reported that they are not the same and service can't be denied because of the economic status of the area.

Rep. King said the bill refers to the cities or counties franchising entity within the state and asked if it would undo the work the cable companies have done by running second lines in areas now being served. Mr. Roden said the same lines would be used or in some cases new lines may be added to existing poles and they could use a different technology. Rep. King also asked about the fiscal impact, and the set fee in the bill. Mr. Roden stated there is a filing fee of \$110 and renewal fees as well and there is a percentage applied against revenues with a maximum of 5%.

Rep. Andrus asked if this legislation goes state wide, will it have a negative impact to the local economy. Bill Roden said the bill will allow local providers to pay cities or counties the 5% fee. Cable One pays the 5% fee now but direct TV does not, which is a lost revenue.

Rep. Snodgrass expressed concerns that new groups coming into the market will want to service the lucrative areas. Mr. Roden explained that the build-out in the market makes no sense if it is a monopoly and should create competition. Copies of R 192, with the changes marked, were passed out.

Chairman Edmunson announced that time was short and asked those from out of town to testify next so they wouldn't have to return tomorrow.

Correen Stauffer, Area Manager for Time Warner, said she represents the small communities around Mt. Home and has a concern that this will impact those small communities the most. She said they have local requirements that fit their needs now and told of a community of 50 people they service now and will offer service to all the market regardless of location or size. They are not after the big market but want to offer service to everyone.

Rep. Snodgrass asked how equality can be delivered to each community and would it include all the different services (phone, DSL, cable etc). In response, Ms. Stauffer said, by allowing true competition in all areas and offering equal products to all communities, a good situation would be created. Good build-out requirements would bring about a good outcome for everyone.

Rep. King asked, why not have this state franchise legislation, compared to the city-county regulations in place now. Ms. Stauffer said they have a good working relationship with the cities and have provided the build-outs to their subdivisions. She said the process in place now allows competition to come in naturally.

Guy Cherp, Vice President of Operations for COX in Wood River Valley, testified that he is opposed to the bill. He said supporters are after special treatment for a new video product and this bill gives them an advantage. He said consumers benefit from competition when companies offer high quality service and value to their customers. He said their phone service has received good recognition and their company has spent millions of dollars to have a good phone service. He said they would continue to invest and have effective competition.

Rep. Snodgrass asked if their phone service is a resale of Qwest's

service or their own product. Mr. Cherp said they provide their own equipment and have full 911 compliance service.

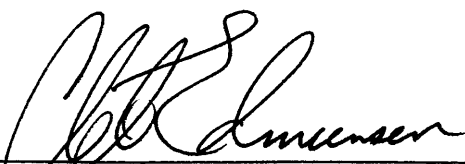
Rep. Crane asked if their service is a VoIP service and did they have a build-out requirement. Mr. Cherp said they have a quality guaranteed service with 911 access and VoIP has no provision for 911 calls. He said their infrastructure lets them complete calls from start to end. There is no build-out requirement at this time.

Rep. King said this bill calls for an audit every three years and asked how often their audits are, and if a company was to go out of business, what would happen to their customers. Mr. Cherp said audits in the Wood River Valley are every year. He said if a company goes out of business the customers would be offered services by another provider.

Russ Young, General Manager for Cable One in Magic Valley said there have been different phone companies that have received a franchise in the cities and counties and have provided service to all areas. He said competition is good for the Magic Valley and it has raised the level of customer service.

ADJOURN:

Chairman Edmunson adjourned the meeting at 8:58 A.M. The committee will meet Friday, February 23, 2007 at 8:00 A.M.



Representative Cleve Edmunson
Chairman



Mary Lou Moon
Ass't Secretary

MINUTES

HOUSE STATE AFFAIRS EDMUNSON SUBCOMMITTEE

DATE: February 23, 2007

TIME: 8:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Edmunson, Representatives, Snodgrass, Andrus, Crane, Shepherd(2) and King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and the attached sign -in sheet.

H 192 **Bill Roden**, representing Quest Communication, said that in reviewing the options and considering the serious opposition from the cities and the cable television people, they have decided it would be better to wait and look at other options, perhaps other than legislative, over the next several months. He asked that **H 192** be held in Committee.

The members encouraged both sides to work together in the interim. They extended their appreciation to both parties for their efforts in trying to be fair in working toward a solution.

Rep. Snodgrass said some form of competition needs to be introduced where we level the playing field for both the new people who want to provide services and those already established. He encouraged them to work toward compromise so that this matter does not come back next year with the same problems and the same issues. **Rep. Andrus** commented that this was very wise for the players to hold the bills and review this over the next few months. **Rep. King** said compromises need to be made in working toward an even playing field with the small companies as well as the bigger ones. **Rep. Shepherd** encouraged both sides to come to a resolution in the interim. She thanked them for their fairness in trying to resolve their issues.

Stephanie Tyler Jackson, representing AT&T, said they have seen this play out in a number of different ways in other states. Ms. Tyler offered to be a resource to the Committee and any of the working groups going forward. It would be beneficial to share what the other states have been doing and discuss the actual service that can be provided over broadband lines.

Ken Harwood, Executive Director, Association of Idaho Cities, said that they are planning to make this issue an area of focus in their annual conference in June of this year. They will be inviting all of the participants and legislators. They will have a forum on this issue and will continue to work toward good policy for the state of Idaho.

Chairman Edmunson said he believes this statewide franchising concept

deserves consideration and further study. Their jobs as legislators are to protect the people first. If this can benefit the people and provide service for them while keeping the cities "whole" and protect the interests of the local areas, then this can move forward. He asked that they seriously work toward some kind of solution.

H 195

Michelle Cameron, General Manager of Cable One and President of the Idaho Cable Association, said that based on Mr. Roden's comments, they would also like to have their bill, **H 195**, held in Committee. They appreciate the comments from AT&T and the different technologies that are available. They are also looking for a level playing field. Competition is good for the state. They would like to work together on a resolution for what is best for Idaho.

Garret Nancolas, Mayor of Caldwell and representing the Association of Idaho Cities, said that as they move forward, the same set of rules needs to apply to both parties. He believes that fairness is the most significant issue here. Whatever is the best for the citizens and making available a good product in the end is what is important.

MOTION:

Rep. Snodgrass moved that the Subcommittee recommend to the full Committee to hold **H 192** in Committee. **The motion carried.**

MOTION:

Rep. Snodgrass moved that the Subcommittee recommend to the full Committee to hold **H 195** in Committee. **The motion carried.**

ADJOURN:

The meeting was adjourned at 8:15 A.M.

Representative Clete Edmunson
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 26, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and the attached sign-in sheet.

The Chairman called the meeting to order at 9:00 A.M. The minutes of February 21 and 22 were reviewed. Rep. Pasley-Stuart moved to approve the minutes of February 22, 2007. The motion carried. Rep. Pasley-Stuart moved to approve the minutes of February 21, 2007. The motion carried.

RS 17100 **Rep. Edmunson** was recognized to present the RS. This resolution would authorize the Legislative Council to establish the Idaho Legislative Interim Committee on Forest Receipts to formulate a long-term solution, which would stabilize payments to Idaho's forest counties, which help support roads and schools, and to provide projects that enhance forest ecosystem health and provide employment opportunities, and to improve cooperative relationships among those who use and care about the National Forest System Lands. Any necessary legislator travel would be paid from the existing legislative appropriation to the Senate and House of Representatives. Funding for staff support and expenses would be provided from the existing appropriation to the Legislative Council for the Legislative Services Offices. Rep. Edmunson said that this situation is very serious and we are facing grave consequences in our counties and schools if we do not act now.

MOTION: **Rep. Shepherd** moved to introduce **RS 17100** and send it to the second reading calendar. **The motion carried.**

RS 17109 **Rep. Edmunson** was recognized to explain this RS. This resolution would authorize the Legislative Council to establish the Idaho Legislative Interim Committee on Utilization of Woody Biomass which will be set up to investigate the feasibility of making large amounts of woody biomass available to be processed into value added products and develop incentives for this to occur on state, federal and private forest lands thus reducing the risk of catastrophic fire events, while improving forest health. If this resolution is adopted by the Legislature and Legislative Council continues the committee, any necessary legislator travel and per diem expense would be paid from the existing legislative appropriation to the Senate and the House of Representatives. Funding for staff support and

expenses would be provided from the existing appropriation to the Legislative Council for the Legislative Services Office. Rep. Edmunson said this would create many small business opportunities for those small towns.

MOTION: **Rep. Mathews** moved to introduce **RS 17109** and to send it to the second reading calendar. **The motion carried.**

RS 17121 **Rep. Edmunson** was recognized to present the RS. This is a joint memorial urging all western states and Congress to unify in their efforts to work toward the development of a combined state and federal, bipartisan, long term solution that addresses sustainable management of federal forest lands to stabilize payments to forest counties throughout the western United States, which help support roads and schools, and to provide projects that enhance forest ecosystem health and provide employment opportunities and to improve cooperative relationships among those who use and care about our public lands. Rep. Edmunson said that we need to become united in our efforts. Each state will receive a copy of this memorial and will be asked for their opinions on any long-term solutions. Something needs to be done so that our schools are no longer suffering.

MOTION: **Rep. Stevenson** moved to introduce **RS 17121** and send it to the second reading calendar. **The motion carried.**

RS 17068 **Tim Hurst**, Chief Deputy, Secretary of State, was recognized to present the RS. This proposed legislation makes the procedures to be followed in the creation of a community college more consistent with procedures followed in creating other taxing districts in the state. It ensures that the signatures on the formation petition are qualified electors by requiring that they be checked by the county clerk. It also requires that the election be conducted by the county clerk under Title 34, Idaho Code.

MOTION: **Rep. Stevenson** moved to introduce **RS 17068**. **The motion carried.**

RS 17097 **Rep. Rusche** was recognized to present the RS. This bill extends the duration of the Health Quality Planning Commission appointments for an additional year. Due to multiple changes in executive and department leadership over the last year, there was delay in naming the commissioners and starting the work of the commission. It also pushes back the date for the final report, while continuing to require interim reports to the legislative healthcare task force. Rep. Rusche requested the RS be sent to the second reading calendar.

MOTION: **Rep. Ring** moved to introduce **RS 17097** and send it to the second reading calendar. **The motion carried.**

H 185 **Rep. Hagedorn** was recognized to present the bill. This legislation amends Idaho's election code to provide for semi-open primary elections. It enables citizen association of their chosen party affiliation for the purpose of participation in the nomination elections for that party. It allows parties the choice of allowing "Independent" electors to participate within their primary nominating process. This amendment also ensures those electors, that choose to be "Independent", can also participate in all

non-partisan elections during the primary election period.

Rep. Hagedorn has collected vast amounts of data. In 1971, the laws changed in Idaho from a semi-closed to an open primary system. In two years, voter participation dropped from 58% to about 32%. The number of voters has continued to remain between 150,000 to 200,000 in Idaho. National data shows a 4% greater participation in closed/semi-closed primaries over open primaries held between 1966 and 2006. He said there is no guarantee this increase will occur in Idaho, but history shows that there would be a higher participation rate if some changes were made. He thinks that by virtue of this debate, the attention level of people voting in the primaries will be raised. There are those individuals who believe that they have two choices every two years to vote; they can either vote in the spring or the fall. They think both elections are the same election process. Rep. Hagedorn said that "Tomfoolery," or "strategic cross-voting" in primary elections, dilutes voting efforts and is an allowable activity under the current title code/process.

Rep. Hagedorn deferred to Rep. Labrador to explain the results of a couple of Supreme Court case decisions. Rep. Labrador cited a case in California and one in Virginia as recent as 2006. These two cases summarize the state of the law. As a result of these two cases, the Supreme Court has indicated that the freedom of association of political parties preempts everything else. Rep. Labrador stated that the freedom of association is the most important right of a free society. In the numerous cases that address this issue, all conclude that the parties should decide what their rules are. In the Virginia case, a republican district wanted to hold a closed primary, the Virginia State Board of Elections said, "No." The Supreme Court ruled that the state could not tell the party how to run their party. There is a difference in Idaho's current law and these two cases. However, the rulings have all been consistent, that it is the party that decides how the primary should be run. There is the potential for a lawsuit in this state.

Rep. Hagedorn said this bill would not resolve the voter participation problem. We have low voter turn out in our primaries. We are hoping we may bring the Democratic Party more into the primary process, especially in the Presidential races. This bill would not end the "Tomfoolery," but would significantly limit those practices.

Rep. Smith asked why, from the data that had been gathered, voter participation would be increased in semi-closed primaries. Rep. Hagedorn said that, philosophically, when he is a member of a specific interest, or group, he is more likely to be involved in the process of developing the platform of that particular organization. Rep. Smith asked if he thought that the Republican Party in Idaho would allow independents to vote in the primary if we had a semi-closed primary. The response was that he believes any party would be foolish not to allow independents to vote in their system. However, the parties would have to make that decision. Rep. Labrador commented that the Republican Party wants the Independents to vote and would, consequently, allow that. The key is that it is the party that decides, and not the state.

Rep. Labrador clarified for Rep. Rusche that he had implied that the freedom of association preempts the right to select a better candidate, not

the right to vote. Rep. Pasley-Stuart asked why the tax payers should be expected to pick up what is a partisan process. The response was that this bill does not address that, and if we need to look at that issue to clarify the cost, we can do that. Rep. Pasley-Stuart said she has had an overwhelming number of negative comments from constituents. The question asked is why would you disenfranchise Independents and why should we have to pay for a partisan election. The response was that the data is clear that they are not disenfranchising. Everyone has the choice to choose their party. If they want to be involved in the distillation process of the party primary they have that choice. They can still come in on election day and change their party because of same-day voter registration. Many believe that this is a closed-primary bill, but it is not.

Rep. Labrador commented that the Democratic Party is the only one in Idaho that holds a closed primary. The National Democratic Party will not allow a primary election in the state as long as we have the current open-primary system. Regarding the cost issue, Rep. Labrador said that the state does have an interest in ensuring that the process is open and fair. Rep. King asked what the cost would be. The cost of administration would be determined by the administrative rules process. Rep. King asked if one could sign up as an independent and then also change their party affiliation each time they vote in the primary. The response was that in the short term, yes. The key is that when you sign up for a certain party, you are legally affiliating yourself with that particular party. This will not close the door to "tomfoolery" completely, but he believes this will keep people more honest. It is a benefit to all parties.

Ben Yursa, Secretary of State, is opposed to the bill. Referring to the Supreme Court decision previously mentioned, he said that no Supreme Court decision has tossed out an open-primary. He does not believe this will increase voter turnout. He said the bill lacks detail and the mechanism for carrying this out and handling the 700,000 registered voters. This is a major policy change, with a significant fiscal impact, and should not be implemented by administrative rule.

In response to Rep. Labrador's question, Mr. Yursa said that he is not in favor of a closed or semi-closed primary.

Keith Allred, representing The Common Interest, said that they believe this bill has the potential to affect a fundamental principle of government by the people. The bill also has the potential to influence how well our system of government fulfills its core design that our elected officials represent and be responsive to the interests and views of the citizens in their jurisdictions. Research shows that party members engage in more strategic cross over voting, while Independents tend to vote for who they want to win. Because modified closed primaries prohibit the cross over voting by partisans that tends to be strategic, while allowing the voting by Independents which tend to be genuine, modified closed primaries produce candidates which are more representative of their districts. Strategic cross-over voting is a big enough problem that open primaries produce winners who are measurably less representative than modified closed primaries which eliminate much of this manipulative voting.

The Common Interest agrees that it is important to eliminate the strategic cross-over of rival partisans, but they disagree with the idea of parties

having the discretion to allow or prohibit Independents from voting in primaries. This gives parties the choice to make our system significantly worse or better, depending on what they choose. They believe that is too fundamental a decision to leave to the parties. He urged the members to vote for the bill, but with amendments that would guarantee that Independents can vote in the primary of their choice. (See attached testimony.)

Mitch Campbell, stated he is an Independent and is opposed to this bill. He said that maybe part of the reason there is low voter turn-out is due to people not voting because they do not like either candidate and they have to vote for the best of the worst. He said he was not clear on why this bill would be different or better than the current practice. Independents are second behind the Republican Party. They have no party, but they do influence elections. The main objection, he and fellow Independents have to this bill, is that it limits access by requiring that person must declare one party or another.

Lee Flinn, Director of Conservation Voters for Idaho, is opposed to the bill. She said that voting should give citizens the freedom to choose their elected officials, and should not be based upon allegiance to any political party. From a recent BSU poll, 1/3 of voters identify as Independent. This has the potential for thousands of Idaho citizens to be denied the opportunity to vote in the primary election. The bill does state that each political party will decide whether to allow Independents to vote in the primary. However, if one or both major parties deny Independents, that will leave a lot of voters out in the cold. Section 34-404 in the bill states that if an elector fails or refuses to select a party designation, the county clerk will enter the voter as an Independent. For those who do not respond by returning a party registration card, out of forgetfulness or disagreement, there could be thousands of voters designated as Independents without their knowledge.

Due to the House Session beginning, the Chairman announced that the hearing on H 185 would resume the next day, Tuesday, February 27, 2007.

ADJOURN:

The Chairman announced the Committee would meet Tuesday, February 27, 2007 at 8:30 A.M. The meeting was adjourned at 10:55 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 27, 2007

TIME: 8:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

The Chairman called the meeting to order at 8:30 A.M.

RS 17070

Brad Foltman, Department of Financial Management, was recognized to present the RS. Mr. Foltman was speaking on behalf of Keith Johnson, Director of the Department of Administration, who had been called out of town. This legislation would devolve the Department of Administration. The reason this legislation is being proposed by the Governor is due to the citizens of Idaho expressing dissatisfaction with the Department of Administration. Since the beginning of the Department, several more functions have been added over time. Mr. Foltman provided a handout which illustrates the current structure of the Department and shows where specific functions would be relocated. (See attachment.)

It transfers the microwave services/public safety communications function and federal surplus function to the Military Division. It places the responsibility for the records center with the Idaho State Historical Society. It transfers network and telephone services along with the Information Technology and Resource Management Council (ITRMC) to the Division of Financial Management. The Treasurer's Office would oversee the bond payment program. The design/construction aspect of the Division of Public Works transfers to the Division of Building Safety including the Capitol Commission, the Permanent Building Fund Advisory Council, and the Governor's Housing Committee. This legislation also creates a Division of General Services in the Executive Office of the Governor.

The General Services Division includes an Insurance bureau to oversee the Industrial Special Indemnity Fund, Risk Management and Group Insurance functions; an Administrative Rules bureau to oversee publishing of agency rules; a Purchasing bureau to oversee statewide purchasing; and a Facility Services bureau to be responsible for Capitol Mall maintenance, statewide leasing and grounds keeping. This devolvement does not eliminate any functions, but rather changes where they are located organizationally and the means by which oversight of the function is provided.

Mr. Foltman said that this proposal does not eliminate existing functions. It changes where they will be performed. This will provide for the work to be conducted more smoothly, with better coordination, and with better decision making. Rep. Mathews asked for an estimate of positions that would be reduced. The response was that they will contract for 13 and eliminate approximately 22.6 positions.

MOTION: **Rep. Pasley Stuart** moved to introduce **RS 17070**.

In response to a question from Rep. Crane, Mr. Foltman said that the facilities services and postal services have been brought back in.

The motion carried.

RS 17095 The RS was put on hold, awaiting the arrival of the sponsor.

RS 17110 **Rep. Nielsen** was recognized to present the RS. This House Concurrent Resolution states the findings of the Legislature and urges the citizens of the state of Idaho to take precautionary measures, particularly during winter months, to avoid carbon monoxide poisoning and to install carbon monoxide alarms in their homes and places of business.

Several members voiced concern that this HCR would not accomplish anything. Rep. Nielsen said that the intent would be for educational purposes and the information would be available through the newspapers and the Internet. He concurred that there was the distinct possibility that one or more lives could be saved due to the information provided by this legislation. Rep. Snodgrass said that because of the significant cost involved for processing legislation like this and others, he would be opposed to the bill if it is not going to accomplish anything.

MOTION: **Rep. King** moved to return **RS 17110** to the sponsor. **The motion carried.**

H 185 **Chairman Loertscher** explained that the sponsors are working on the language and are not ready to continue discussion on the bill at this time.

MOTION: **Rep. Stevenson** moved that **H 185** be held to a time certain at the discretion of the Chair. **The motion carried.**

H 192 and H 195 **Rep. Edmunson** was recognized to explain the status of the bills. This was an emotional issue with many competitors in the field. There is the prospect of statewide fees coming in the near future. Rep. Edmunson advised the members to talk with their constituents in the interim about this potential so that if this issue comes back next year, the members will be prepared for deliberations.

MOTION: **Rep. Edmunson** moved to hold **H 192** and **H 195** in Committee at the recommendation of the subcommittee. **The motion carried.**

H 101 **Jeremy Pisca**, Idaho Building Contractors Association, was recognized to explain the bill. In 2005, the Idaho Legislature enacted the Idaho Contractor Registration Act, which created a statewide registration

program that took affect January 1, 2006. The registration program itself has only been in existence one year and has approximately 19,000 registered contractors. There was such a long period of inaction in Idaho that local jurisdictions started creating local licencing programs. The three Idaho cities with local licensing programs are Idaho Falls, Chubbuck and Pocatello. This legislation will grandfather these three cities and allow them to continue their programs. This legislation will prevent further piece-meal licensing of construction contractors. This would simply restrict local control only with regard to the registration and licensure of contractors.

The Idaho Association of Building Officials (IDABO), which is a private trade association, is in opposition to this legislation. The model ordinance they have drafted is illegal. Mr. Pisca would like to work with them and has communicated by letter that their model has illegal implications. The statewide registration fee is \$35. IDABO charges \$200 to license and a \$100 application fee, which goes back into the private trade association.

Rep. Bilbao commented that it is difficult for contractors in his district who build homes in various cities to have to register with every city. At Rep. Mathews request for clarification, Mr. Pisca explained that IDABO's ordinance is illegal because it is unconstitutional for a city to pass off its police, legislative and regulatory powers to a private entity regardless of who comprises that private entity.

MOTION: **Rep. Anderson** moved to introduce **H 101**.

PRO **Ron Whitney**, Whitney Homes, said that as an industry, they are not against more stringent regulation. "We need to 'shore up' this bill." Any agency could go into a city and administer a licensure plan. What would happen to the 19,000 who have already registered with the state.

Rep. Rusche asked, of the existing contractor laws, are there protections that the statewide system does not offer. Mr. Pisca yielded. The main difference between a local licensing and a statewide licensing program is that the local licensing tends to require performance bonding. Consequently, you would need to purchase a bond in order to practice in those districts. The Legislature had specifically said that they would not pass anything that includes bonding regulation because it is expensive for the smaller contractor. Another component of local licensing is the requirement to take educational classes.

PRO **Robert Pilote**, Pyramid Construction, said that each municipality could adopt different guidelines from each area creating a "hodgepodge" of requirements for each contractor. This needs to be kept at the state level.

Rep. Ring asked Mr. Pisca if any of the cities have adopted the IDABO ordinances yet. The response was that the city of Ammon has looked at the Idaho Falls model and chose not to adopt it because of the unconstitutional implications. Idaho Falls passed the ordinance which is now on their books. Mr. Pisca has sent a letter stating that the ordinance is unconstitutional and there could be a lawsuit.

CON **David Kerrick**, Attorney, representing IDABO, said the act of 2005 contained a section for reciprocal registration. H 101 seeks to repeal that.

It states that no cities or counties can regulate building, with the exception of grandfathering in those cities that are already operating under the program. There has not been a problem at this point. Idaho Falls has had their program for ten years. IDABO would like the cities and counties to be able to operate a system at their local level. IDABO is a non-profit association and the monies go to the training programs where a level of experience is required. He provided an amendment to the members. The amendment suggests requiring reciprocity between the cities and counties with the state program and then between themselves.

PRO **Jeff Wade**, Precision Builders, said that checks and balances that are currently in place are necessary and they can only be there if the licensure program is supported at the state level.

PRO **Miguel Legarreta**, Idaho building Contractors Association, said that the statewide system creates a central place/point of contact. He is concerned about the state of checks and balances in a system of local licensing. There is a safety issue that still needs to be addressed. There is not a lot of communication between cities and counties. He said that the act that is in place is fair and works for the small business as well as the larger ones.

CON **Dennis Davis**, Building Official, City of Nampa, said that the choice should be up to the local citizens. Idaho Falls came to them and felt that this system would provide reciprocity among jurisdictions and some measure of protection.

Rep. Snodgrass asked, in lieu of a having a patchwork of jurisdictional boundaries and requirements for contractors, why not work within the state wide process to strengthen it if it needs to be. The response was that he doesn't think it is politically possible to accomplish this in Idaho. Rep. Snodgrass asked about the self-serving nature of the IDABO proposal regarding fees being put directly back into the organization. He also expressed concern that this doesn't preclude other organizations from coming with different proposals that may or may not have reciprocity. The response was that the monies go back for education and training for contractors. The contractor licencing board is made up of contractors and building officials who specify what training is necessary. The fee was patterned after the program in Idaho Falls.

Rep. Anderson asked if IDABO is a not-for-profit and a private organization, are their meetings advertized publically. The response was that the voting members of the association are employed by a government entity. Rep. Mathews asked Mr. Davis to respond to the implication that the language of the IDABO ordinance was illegal and unconstitutional. The response was that Mr. Pisca was correct. Idaho Falls agreed with Mr. Pisca and has since modified their ordinance. They agreed that the cities and counties cannot assign their police powers to another entity. In response to Rep. Luker's question, the city council has not taken any action on this.

PRO

John Eaton, Association of Realtors, said that it was their intent to provide more local jurisdiction for those cities that already had programs. This bill would be in place for the rest of the state. He does not think it is appropriate to put building officials in charge of the industry. One of the problems that they see is that under the current law, a contractor can build and live in a home for up to one year without having to be registered in the state. The ordinance would not allow that. Even if there is reciprocity, you still have to pay every jurisdiction some type of minimal fee and still have to meet the educational requirements.

In response to a question from Rep. Mathews, the program proposed by IDABO, in Mr. Eaton's opinion, would be unconstitutional.

Dan Hunter, Building Official, Canyon County, said that this bill takes away the right of the cities and counties to make legislation.

In response to a question from Rep. Snodgrass, should we allow everything to be left to the local authority. Mr. Hunter said he would leave it up to the local entities to make that decision.

Chairman Loertscher asked, if this issue of too many layers of licensure during the passage of the original legislation, wasn't a stumbling block in the discussions at that time. Mr. Pisca said that was correct and it was part of the discussion at that time. Both the Association of Cities and Counties supported the bill in 2005. Chairman Loertscher asked why the three cities were not grandfathered in at that time, which would have made this legislation unnecessary. Mr. Pisca agreed that should have been done. The intent at the time was to stop further expansion

Chairman Loertscher asked that If this is legislation is a good idea then why not abolish all ordinances from this point on. Mr. Pisca said that this is a unique situation and a problem with the building contractors.

Rep. Anderson declared Rule 38. He has been a contractor in the past, but is not currently registered. He stated he was in support of the motion.

VOTE ON THE MOTION:

On a roll call vote, the motion passed with 1 NAY and 17 AYES. Representative Loertscher voted Nay.

Rep. Snodgrass will sponsor the bill.

ADJOURN:

The Chairman announced that the next meeting would be Wednesday, February 28, 2007 at 8:30 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: February 28, 2007

TIME: 8:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see highlighted presenters below and attached sign-in sheet.

The Chairman called the meeting to order at 8:30 A.M. The minutes of February 26, 2007 were reviewed. Rep. Ring moved to approve the minutes. The motion carried.

RS 16877 **Lisa Carberry**, Investment Manager, Idaho State Treasury, explained that this legislation amends Chapter 87, Title 67 of the Idaho Code by proposing the creation of an Idaho Bond Bank fund in the state treasury. They have never received a service fee from the municipalities for providing the bonding service for them. However, the Treasurer is receiving more and more interest from the municipalities and they intend to start charging a fee which would be deposited back into the fund for operating expenses.

MOTION **Rep. Pasley-Stuart** moved to introduce **RS 16877**. **The motion carried.**

RS 17095 **Rep. Bock** explained that this legislation began after discussions with the prosecutor in Lewiston who felt that there was a need to have some restricted licensure for individuals in drug courts. This legislation would give drug court judges, including DUI court judges, authority to grant driving privileges to an offender in good standing who is participating in a drug court program. The offender must, however, drive a vehicle equipped with a functioning ignition interlock system. The offender would only be eligible for restricted driving privileges after he/she has served a period of an absolute 60-day drivers license suspension. The 60-day drivers license suspension is a federal requirement. There are five sections that have been amended.

Rep. Labrador expressed concern that drug courts are typically for felony charges and not driving related violations. The response was that this issue had been raised because of the frustration of judges for their lack of ability to issue restricted licenses and their ability to provide rehabilitation and treatment. This legislation was not intended to address first time offenders, but those who have offended more than once. This doesn't change the scheme that we would otherwise have within the DUI system. Rep. Ring commented that interlock systems work for alcohol, but there are no interlock systems that would detect substance abuse, like

methamphetamines. The response was that the only term available to use in code is “drug court.” Legislative Services prohibited them from using the term “alcohol” in this area or they would have. This statute does not address drug related offenses, only those that are alcohol related.

MOTION: **Rep. King** moved to introduce **RS 17095**. **The motion carried.**

RS 17105 **Rep. Mathews** explained that this legislation would make insurance policies more transparent to the lay person. This legislation amends Title 41, Section 2502 of the Idaho code to require personal lines automobile insurers to make certain disclosures relating to underinsured motorist coverage and to clarify violation and penalties for unlawful non-disclosure. Rep. Mathews asked that the RS would be referred to the Business Committee. There is a subtle difference from underinsured and uninsured motorist policies.

Rep. Luker asked why this doesn't include all vendors rather than only personal line insurers. **Woody Richardson**, Property Casualty Insurance, yielded to the question by explaining that their focus was more on individuals because they thought they needed more protection, as opposed to commercial lines.

MOTION: **Rep. Rusche** moved to introduce **RS 17105** with the recommendation that it be referred to the Business Committee. **The motion carried.**

RS 17126 **Mr. Bill Ringert**, a member of the Idaho Grape Growers and Wine Producers Commission, explained that the definition of “dessert wines” had been deleted from this RS. The definition had been a concern addressed in their original legislation. Another concern was expressed by the Alcohol and Beverage Control Bureau with the lack of control in the notification process which has to do with the authority to sell and serve wine at a sponsored event. This language has been revised in Section 3 to require that a 7-day notice be sent by electronic mail to the Bureau with copies to either the Chief of Police if the event would take place in the cities and the sheriff, if in the counties.

This legislation has three provisions: (1) revises provisions relating to the sale of certain products by licensed wineries; (2) allows two or more wineries to use the same location for their retail sales; (3) allows for wine sales at sponsored events.

Rep. Loertscher asked, referring to Section 3, if only wineries can serve or sell wine products at sponsored events. The response was that was correct, wineries can sell only their products.

MOTION: **Rep. Ring** moved to introduce **RS 17126**. **The motion carried.**

RS 17129 **Bill Roden**, representing the Idaho Beer and Wine Association, said that the concept of this legislation had been discussed with the Idaho State Police and the Governor's Office, and there has been no objection and no comments have been received. He had also discussed this with the current Bureau Chief of the Alcohol and Beverage Control Bureau (ABC) and Lieutenant Clement indicated he had some concerns. There have been a number of court cases in which the ability of the state to control

the sale, consumption and use of beverages is seriously being challenged.

The proposed legislation has two primary purposes: (1) To clearly state that it is the legislative intent that legislation enacted by the state of Idaho, both civil and penal, relating to the sale, distribution, transportation and use of beer, wine and alcoholic beverages into and within the state of Idaho are essential to reflect and preserve core societal and economic values that are of major importance to the citizens of Idaho. Further, in order to preserve the authority and responsibility of the state under the 21st Amendment of the Constitution of the United States, and section 26, Article III, of the Idaho's Constitution, it is the intent of the legislature that such measures be stringently and adequately enforced by the state.

(2) To further reinforce the foregoing legislative intent and to emphasize and reinforce the state's responsibilities relating to the regulation and control of alcohol beverages within the state, the legislation creates a Division of Alcohol Beverage Regulation and Control within Idaho State Police, provides for the appointment of the Division Administrator by the Director, with the approval of the Governor, and clearly articulates the primary duties of the Division, in addition to such further delegation of duties as may be deemed necessary by the Director of the Idaho State Police.

One of the responsibilities, outlined in this legislation, is to assist sheriffs, police and other law enforcement officers upon their request. However, the primary duty of the Division is to enforce the licensing provisions and the business regulation provisions of the code. There has been a lack of education of licensees as to the content of the alcohol beverage laws and licensees are seeking that information. In addition, there is no alcohol beverage instruction in the post academy. This legislation would provide that educational information.

Mr. Roden concluded by saying that there is a perceived need in the entire industry for a heightened awareness of the alcohol beverage control in the state and this legislation would make this issue more transparent.

Rep. Snodgrass said that last year an ad hoc group made up of licensed beverage association people and hotel and restaurateurs met. One of the issues they agreed on was they wanted more regulation, administration, and education for the enforcement of licenses rather than a more penal/criminal behavior type of enforcement through ABC.

Rep. Rusche asked if this would preclude the activity that ABC currently operates which involves under aged individuals who are trained to go into retail establishments and observe if retailers are properly checking I.D.'s. Mr. Roden believes this legislation would improve the ability of local units of government to carry out their responsibility in this matter. There is nothing in this legislation that would change that responsibility. If the local units of Government want the assistance of the Department, this legislation authorizes that to happen.

Basically, the penal laws of the state are at the local level and always have been. The primary function of ABC should be licensure,

enforcement of the business regulations, and administering license suspension, etc. for people who are violating the law. They need to continue these practices. However, the functions need to be more transparent and more centralized.

MOTION: **Rep. Pasley Stuart** moved to introduce **RS 17129**. **The motion carried.**

H 207 **Tim Hurst**, Chief Deputy, Secretary of State, explained that this legislation directs the Secretary of State to print and distribute a voters' pamphlet with arguments in support and in opposition for a proposed constitutional amendment as well as initiatives. Mr. Hurst said that they believe this is a more effective way to reach the people so that they can make a more informed choice.

MOTION: **Rep. Mathews** moved to send **H 207** to the floor with a do pass recommendation. **The motion carried.** Rep. Mathews will carry the bill on the floor.

H 214 **Tim Hurst** explained that the purpose of this legislation is to clean up and clarify various election procedures in the law. It also changes the city election laws to make them consistent with Title 34. Mr. Hurst referred to various sections of the bill with the changes. Among some of the changes highlighted were in Section 1, changing the distance that electioneering can take place from the polling place, from 300 feet to 100 feet. In Section 2, any candidate can be placed on the ballot after filing a declaration accompanied by a \$1,000 filing fee and filed no later than 15 days before the primary. Section 4 and 13 removes the requirement of the name and address of the person delivering a ballot for someone else. Section 5 requires that the clerk deliver to the polls a list of absentee ballots received to record in the poll book.

Justin Ruen, Association of Cities, yielded to a question from Rep. Smith regarding the rationale for choosing 5,000 as the threshold for campaign finance reporting. Their thinking was that once you get below a certain population threshold, the amount spent on election campaigns drops precipitously and you're generally relying on name recognition. Another concern was that of imposing a significant administrative burden on candidates in cities where it is already difficult to find candidates to serve in public office.

Rep. Anderson expressed concern over changing the distance that electioneering is allowed to 100 feet from the polling place. The response was that the intent is not to disallow electioneering, but to provide access for voters without that kind of interference.

MOTION: **Rep. Rusche** moved to send **H 214** to the floor with a do pass recommendation. **The motion carried.** Rep. Rusche will carry the bill on the floor.

The Chairman announced the Committee would meet Thursday, March 1, 2007 at 8:30 A.M.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 10:10 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 1, 2007

TIME: 8:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see highlighted presenters below and attached sign-in sheet.

RS 17040 **Rep. LeFavour** explained that the purpose of this legislation is to provide discretion to judges in sentencing substance abuse related crimes. This legislation removes mandatory minimum sentences from two substance abuse related sections of Idaho code and focuses on treatment and programming to more effectively rehabilitate offenders and reduce recidivism. This also seeks to establish clear paths to parole for non-violent substance abuse related crimes according to progress toward treatment goals and completion of programming mandates.

Rep. Bilbao referred to page 2, fines in connection with marijuana use, and asked how successful are we at collecting the fines. The response was that paying the fines can be very challenging to the person. This legislation increases the maximum fine. However, the RS includes language that prevents the fine from being increased. Asked if any of this money collected was used for treatment, the response was that a portion of the monies are used.

Rep. LaFavour highlighted sections of the legislation, that describe crimes that would be deemed "substance abuse related crime," followed by alternative types of treatment plans. One of the more common types of treatment courses in Idaho are the therapeutic community programs. These programs involve intense therapy and course study, usually continuing for three months. Offenders would be granted parole upon successful completion of their individual treatment plan prescribed by the courts. This legislation would allow the courts to have the ability to have the final say, if the offender completes their treatment.

Rep. Rusche asked if the corrections and the courts had been involved in the design of this legislation. The response was this has been crafted with the intent of meeting the needs that have been expressed to the Judiciary and Rules Committee by the Department of Corrections. Rep. Mathews asked, regarding trafficking, about the punishment as part of that structure of accountability for the crimes in addition to treatment. The response was that the judges will be making the determinations as they currently do. Another component in this legislation is restitution to victims.

Rep. Luker commented that this is a good working product, but suggested presenting this draft to the Department of Corrections and Judiciary in the interim for their input, for the purpose of moving toward the best product possible. The response was that the intent was to get this RS introduced, publicized, and have a hearing in Judiciary and Rules and address some of these issues.

Rep. Labrador expressed two concerns: (1) the approach in the legislation in deleting the mandatory sentencing language; he suggested removing the mandatory sentence language completely. (2) the language at the end of page 5 and top of page 6, referring to offenders who would be granted parole "*unless compelling reason can be demonstrated by the commission for pardons and parole.*" This is a higher standard than the parole board currently uses, which is a fairly informal process and there doesn't have to be a compelling reason. This could render a lawsuit with the Idaho Department of Corrections. Rep. Labrador would like to know their thoughts on this issue.

MOTION: **Rep. Rusche** moved to introduce **RS 17140.**

Rep. Ring commented that dealing with a casual addict and one who is bringing in large quantities of methamphetamine are two very different situations. The recovery period for methamphetamine use takes at least 18 to 24 months for any chance of survival. Giving someone with a two-year addiction a 30-day treatment program is a waste of money. He doesn't believe this legislation is addressing the real need. However, he thinks it has potential. Rep. Labrador said that it is necessary to have this discussion, and providing a hearing on the bill would be a good way for that to happen.

The motion carried.

H 218 **Jeff Youtz**, Director, Legislative Services, said that the Capitol Commission met yesterday, February 28, 2007 and approved the revisions to the original proposal of the Capitol restoration and wings expansion that had been worked out with the Governor and legislative leadership. The compromise changed the wings expansion from two-stories to one.

Section 1 endorses the framework of the compromise and gives the sole authority for decision making to the Capitol Commission about the master plan. Section 2 allows them to spend money on the restoration and construction of the wings from the proceeds of the bonds authorized last year. The savings from the wings construction, cannot be used without the Legislature supporting and authorizing the revision to the master plan to allow those monies to be spent. Section 3 would amend Idaho code to now provide control of the first floor of the Capitol building to the Legislature.

A handout had been distributed to the members that displayed colored pictures of the Capitol Commission Master Plan, which Mr. Youtz guided them through. The handout also addresses the number of hearing rooms in both the Senate and House wings. The cost comparison as a result of going to single story wings is approximately \$12.9 million, but after "spent"

costs of \$1.9 million, the savings will net to \$11.0 million (see attached Master Plan).

Rep. Rusche asked about the costs resulting from the delay in construction. The response was that the \$1.9 million in "spent" costs was for the engineering and design of the original plan that cannot be recovered. Mid-November is the target date for moving back into the Capitol building. Everyone is scheduled to move out in April. Rep. Mathews asked about protections to the state in the event there were cost overruns. The response was that the money raised cannot be exceeded without legislative approval. The contractors have indicated they can accomplish the work by the target date.

In response to Rep. Crane's question regarding the cost to build under ground, Mr. Youtz said the cost is approximately \$550 per sq. ft. and building above ground, maintaining the current design and function, would have cost almost \$750 per sq. ft. Mr. Crane replied that the cost of constructing a new building above ground would be approximately \$200 per sq. ft.

MOTION: **Rep. Pasley-Stuart** moved to send **H 218** to the floor with a do pass recommendation.

Pro Tem Geddes, commented, partly in response to Rep. Mathew's question, that the best thing the Legislature can do to minimize the cost and stay on schedule is to move out of the building and preserve the initial design as the project is completed. He believes the Legislature will sine die some time between March 16 and 23, 2007.

Rep. Crane commented that he is opposed to this bill and believes that this is fiscally irresponsible when a building could be built at a much lower cost. He does not think that this is in the best interest of the general public.

The motion carried. Representatives Loertscher and Crane voted No.

H 114 **Rep. Nielsen**, explained that he was representing **Hal Franck**, President of the Idaho Charitable Gaming Association, who was not present. The goal of this bill was to help bingo establishments become more profitable; their proceeds are given to charitable organizations. Non profit organizations, licensed by the Idaho Lottery, conducting bingo/raffle fundraising for charitable purposes are not faring well financially. In particular, are veterans organizations who financially support the state veterans home.

One of the problems has been that the Bingo Advisory Board, which is under the supervision of the Idaho lottery, has not met their responsibilities of meeting three times a year, which is required by law. They did not meet this past year and only held one meeting in 2005. Another problem is that the Association would like to purchase their own pull-tab raffle tickets that are designated for bingo. They believe their profits would be increased from 5% to 15%. They have not been provided the assistance they need from the Bingo Advisory Board. Rep. Nielsen explained that his purpose in sponsoring this legislation has been to

assist constituents in his district who have asked for help.

Rep. Luker asked how instant bingo facilitates the social aspect of this venue and why the exception. The response was that this exception is to draw attention to their problem and allow them to increase their profits for charitable purposes. Rep. Stevenson expressed concern that this expands bingo in such a way that it becomes more a part of the lottery in the bingo “parlor.”

Jeff Anderson, Director, Idaho Lottery, explained that he is the new Director of the Idaho Lottery. He agreed that the Advisory Board has not been living up to their responsibilities. He stated that there are new members on the Board who have been informed that they have the responsibility to meet three times a year. One of the elements they will be encouraging is to share “best practices” from successful bingo operators to all others. He said that one of the problems of deleting the “instant bingo” language, is that the lottery would lose control for the distribution of gambling products that are currently monitored and making sure they are dealing with reputable vendors. There were other areas of conflict that he highlighted in the bill. There would be the potential for a fiscal impact of approximately \$110,000.

Rep. Nielsen concluded by saying that his position has not been an adversarial one on this matter. He believes that some of the goals have already been accomplished, one being the improvement in the function of the Bingo Advisory Board.

MOTION: **Rep. Edmunson** moved to hold **H 114** in Committee. **The motion carried.**

H 223 **Rep. Rusche** explained that **H 223** adds a new section to the Telephone Solicitation Act requiring that calls placed by an automatic dialing-announcing device (robocalls) must state at the start of the call the name of the person for whom the call is being made, the purpose of the call and contact information for the caller. This will clarify the purpose of the call in the recipient’s mind and lessen confusion.

MOTION: **Rep. Smith** moved to send **H 223** to the floor with a do pass recommendation. Rep. Snodgrass commented that it is a matter of courtesy and said, “Anybody who is going to go out and make those calls should have the fortitude and the integrity to let people know who is making the calls.” Transparency is something that is needed

VOTE ON THE MOTION: On a roll call vote, **the motion carried** by 15 AYES and 2 NAYS. Representatives Edmunson, Stevenson, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Shepherd, Smith, Pasley-Stuart, Rusche and King voting Aye. Representatives Loertscher and Mathews voting Nay. Rep. Rusche will carry the bill on the floor.

H 237 **Tim Hurst**, Chief Deputy, Secretary of State, explained that the purpose of the legislation would be to make the procedures to be followed in the creation of a community college more consistent with procedures followed in creating other taxing districts in the state. It ensures that the signatures on the formation petition are qualified electors by requiring that they be

checked by the county clerk. It also requires that the election be conducted by the county clerk under Title 34, Idaho Code. Elections would have to be held on one of the four consolidated dates which are in February, May, August and November.

MOTION: **Rep. Snodgrass** moved to send **H 237** to the floor with a do pass recommendation. **The motion carried.** Rep. Labrador will carry the bill on the floor.

The Chairman announced the Committee would meet Friday, March 2, 2007 at 8:30 A.M.

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 10:15 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 2, 2007

TIME: 8:30 a.m.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None.

GUESTS: Ryan Armbruster, Attorney, representing the cities of Idaho Falls and Jerome; Diana Richman, Republican Women; Russell Westerberg, Lobbyist, Capitol City Development Corporation
See sign-in sheet for other guests.

Chairman Loertscher called the meeting to order at 8:31 a.m.

A motion was made by Rep. King to approve the minutes of February 27, 2007 as written. The motion carried.

Chairman Loertscher, by point of personal privilege, introduced former **Rep. Diana S. Richmond**, here today representing Republican Women.

H 224: **Rep. Jim Clark** presented H 224 proposing to amend the open meeting laws to ensure that the meetings are held in a public place, bring clarity to what is included in the minutes of an executive session, provide an exception to when an executive session may be held, and to increase fines.

Rep. Clark reviewed proposed line-item changes and additions to current statute. He said H 224 is not only intended to address a local issue in northern Idaho, because the issue of holding public meetings in residences is state-wide. Not providing adequate public notice is also a state-wide issue. Proposed changes to public meeting minute requirements add substance. The change on page 2, lines 40-43 pertain exclusively to urban renewal development entities, which are almost exclusively in the business of real property transactions. Since most of their business activity involves real property transactions, H 224 requires that deliberations concerning the acquisition of any interest in real property not be transacted in executive session. **Rep. Clark** said when price negotiations are the specific topic of discussion, those negotiations could be held in executive session—but those executive sessions should be limited. The proposal to require legal counsel where litigation is pending or probable adds validity to the need for an executive session. It is proposed to increase fines from \$150 to \$1,000 for a first violation, and from \$300 to \$2,000 for each subsequent violation; and to make fines attribute to an individual, and not an agency. It is proposed to extend the time line to bring suit after a violation or alleged violation of public

meeting law to 90 days, where it has been 30 days. This change gives the public more time for input.

The language in H 224 has been reviewed, but not written, by the Attorney General's office staff. **Rep. Clark** said he has been following open meeting law for three years before bringing this legislation which is intended to "tighten up the law."

Rep. Labrador said there is a bill in the Senate that also considers open meetings (S 1085). He asked how the two bills compared. **Rep. Clark** said he also co-sponsored the Senate bill. In some respects the bills are similar. The two largest differences are that H 224 amends section 67-2345 to provide an exception as to when an executive session may be held by an urban renewal development entity; and allows for an increase in fines assessed, making fines attribute to an individual and not a corporate entity.

Rep. Mathews asked if, in Rep. Clark's opinion, discussing the locations for properties being considered for acquisition would be a subject requiring executive session. **Rep. Clark** said he wasn't "too concerned about locations." His concern was committees "always going into executive session to talk about property transactions when property transactions (comprise) 99% of what they do."

Rep. Rusche said he was concerned about finding an individual responsible for a violation, and not the corporate entity. He said it was possible to knowingly participate in a meeting without knowingly violating the public meeting act. He asked for comments on the language on page 3, lines 18-25. **Rep. Clark** asked for the question to be restated. **Rep. Rusche** said a fine could be assessed on an individual participating in a meeting that later proves to be in violation of the act through mechanical aspects, such as the content of minutes. Attributing the fine to the individual and not the corporate entity seems problematic. **Rep. Clark** asked if it was the actual language that was being questioned, or the intent. **Rep. Rusche** asked if the intent was to make the individual liable where there was a failure under the act. **Rep. Clark** said yes.

Rep. Luker, referring to page 1, asked for clarification as to whether a site visit was to be considered a public place. **Rep. Clark** said a site visit, such as a site visit on a building site, was not considered to be a public meeting.

Rep. Shepherd said the City of Huetter, Idaho has been conducting City Council meetings in the Mayor's home for decades. She asked if that would be considered a public place, or where the meeting could be held. (Exhibit 1) **Rep. Clark** said meetings could be held in a city hall or a county building. He wasn't sure about the Mayor's home as a permitted location. If the meeting was held in the Mayor's office, with posted public notice, that would meet the requirements. **Rep. Shepherd** again said meetings were posted as being held in the Mayor's home and asked if that would meet the proposed requirements. **Rep. Clark** yielded to **William VonTagen**, Deputy Attorney General, who said as he reads H224, private residences are excluded. If that is now the practice in Huetter, a different accommodation would have to be made.

Rep. Anderson asked if other governmental bodies would be affected by this restriction. **Rep. Clark** said it only pertained to urban development districts, which are quasi-governmental agencies without

elected officials.

Rep. Anderson asked if there were any other governmental agencies that would share this restriction. **Rep. Clark** said “not under this section; it is very narrow.”

Rep. Andrus said his only experience with executive session has been with school board members. Many times it wasn't clearly delineated why an executive session was called. He asked if a meeting went into executive session, and shouldn't have, why an innocent committee member should be subject to a \$1000 fine, for the first violation, or a \$2000 fine subsequently. **Rep. Andrus** said “it scares me.” **Rep. Clark** said “it should scare you.” The purpose for going into executive session should be stated up-front so there is no question in anyone's mind.

Rep. Stevenson asked if Title 67 is the open meeting law. **Rep. Clark** said correct. **Rep. Stevenson**, referring to page 2 line 24, said it was being proposed that minutes of each executive session include the general subject matter and a summary of the proceedings. He said, in his experience, if an executive session is court ordered, no minutes are kept and discussion outside the meeting isn't allowed by order of the court. **Rep. Clark** said an exemption “is probably carved out” in the open meeting law if the court actually orders members not to talk. He said there are many exemptions in the open meeting law, which is some of the problem with it

CON

Russell Westerberg, Lobbyist, Capitol City Development Corporation (CCDC), rose in opposition to H 224. CCDC objects to the amendments on page 2, lines 41-43 proposing that a governing body organized under chapter 20, title 50, Idaho Code, shall not hold an executive session to conduct deliberations concerning the acquisition of any interest in real property. That language would have grave consequences to continuing the urban renewal mission as it is not in harmony with acquiring property in Boise or attracting capital to transform that property—which is a large part of what CCDC does. It would have the immediate effect of increasing the price of acquisition properties, which would eventually be paid for in taxpayer dollars. There are privacy issues that come into question. It would also be counterproductive to the negotiation of an arms-length transaction between a willing seller and a willing buyer. To require those sessions to be open to the public violates private property ownership and creates a defacto real estate transaction disclosure that has been regularly rejected by the legislature.

Mr. Westerberg asked why only urban renewal development entities were subject to conduct meetings of this sort in open session. He noted many other agencies also acquire properties from time-to-time— including among others: housing authorities, irrigation districts, highway districts, cities and counties. Because of the crippling effect the proposed legislation would have on CCDC's ability to continue to add value to downtown Boise, Mr. Westerberg asked that H 224 be held in Committee.

CON

Ryan Armbruster, Attorney, representing the cities of Idaho Falls and Jerome, rose in opposition to H 224 saying urban renewal entities have been subject to open meeting law since 2002, and now comply with that law. He agrees with Mr. Westerberg's testimony. He said similar authority is granted to other agencies throughout the state, and there is

no rational reason to exclude urban renewal development entities. In Jerome and Idaho Falls, property acquisition is not a primary focus, but does occur from time-to-time. When it does, some degree of privacy is required. After a transaction is completed, the report is brought back to the agency board for formal approval in open meeting.

Mr. Armbruster said there was no opposition to the proposed definition about the location of public meeting. There is opposition to the proposed change regarding minutes of public meetings because it "creates more confusion than clarification."

Mr. Armbruster said S 1085 better addresses meeting minutes, and has been developed with input from a number of public entities and the Attorney General's office. He expressed concern about the increase in fines allowed to be assessed, and the idea of assessing fines on individuals. Assessing fines on individuals will make it more difficult to find people willing to serve on committees. S 1085 has language superior to H 244 regarding the presence of legal counsel in executive session meetings.

Written Testimony submitted for the record:

1. Ben Wolfinger, Coeur d'Alene, ID, wrote in opposition to H 224. (Exhibit 1)
2. Former Rep. Gary Ingram, Coeur d'Alene, ID, wrote in support of H 224. (Exhibit 2)
3. Anthony R. Berns representing the Lake City Development Corporation (LCDC) Board of Commissioners, Coeur d'Alene, ID, wrote in opposition to H 224. (Exhibit 3)

H 224:

Rep. Clark, in closing remarks, said most objections seemed to be to language on page 2, lines 40-43. He is willing to amend H 224 by removing that language.

Rep. Smith said she feels H 224 expands executive session minute requirements, and seems to defeat the need for privacy in executive sessions relative to real estate, labor negotiations and personnel matters. She said executive sessions can't be held as this bill stipulates. With regard to real estate, H 224 defeats the larger purpose of the urban renewal authority.

A motion was made by **Rep. Smith** to **hold H 224 in Committee.**

The motion carried.

RS 17120:

Rep. John A. Stevenson presented RS 17120 proposing to recommend approval of funding to the Idaho Water Resource Board (IWRB) for technical studies, facilitation services and interim measures as described in the Eastern Snake Comprehensive Aquifer Management Plan Framework (CAMP). CAMP, authorized by SCR 135 in the 2nd Regular Session of the 58th Idaho Legislature, recommends funding \$850,000 to continue the planning process toward the end of resolving the surface/groundwater rights conflict in Idaho. **Rep. Stevenson** asked the Committee's consideration to send RS 17120 to the second reading calendar if approved.

Rep. Smith asked how it was determined that \$850,000 was required.

Rep. Stevenson said the CAMP report requested that appropriation, to be divided into two parts: 1) to continue with plan development, and 2) for engineering studies. Rep. Bilbao asked if any of the allocation would be used to buy out water rights. Rep. Stevenson said not this appropriation. This is a one-time appropriation that will fund activities that will take about 16 months to complete.

Rep. Luker asked if the appropriation would be needed regardless of the outcome of the water case now before the Idaho Supreme Court. Rep. Stevenson said it has nothing to do with the outcome of that decision. This legislation is to develop a plan to manage the Eastern Snake Plain Aquifer (ESPA). A resolution was passed this session to continue the natural resources interim committee. The interim committee will consider other aquifers in the state relative to the issues now facing the ESPA. This is something that should have been done twenty years ago.

MOTION: A motion was made by **Rep. Pasley-Stuart** to introduce **RS 17120** and send to second reading.

Rep. Anderson noted an error in the fiscal note, which will be corrected: The phrase "to the General Fund" will be changed to read "from the General Fund."

SUBSTITUTE MOTION: A **substitute motion** was made by **Rep. Pasley-Stuart** to introduce **RS17120** and send to second reading, changing the SOP fiscal note to read "from the General Fund" where it now reads "to the General Fund."

The substitute motion carried.

RS 17142: **Rep. Wendy Jaquet** presented RS 17142 proposing to amend Idaho Code Section 23-044 to include a new exception to restrictions on entering into or remaining on a licensed premise. A minor under nineteen will be allowed to enter and/or remain only to perform work as an employee or a contractor, and only when accompanied by a parent or guardian. RS 17142 does not allow loitering in areas of the premise where alcohol is consumed or sold.

Rep. Jaquet said the legislation is specifically meant to allow a young Boise performer to perform at the Comedy Club. Although the legislation is specific to eleven year old comedian, **Trevor Hattabaugh**, it will allow other young, talented performers to participate in these venues. Trevor Hattabaugh has submitted written testimony; as have his parents, **Yvonne Sandmire** and **Cary Hattabaugh**; and **Pat Mac**, General Manager of the Funny Bone Comedy Club (Exhibits 4, 5 and 6). It is in the Comedy Club that Mr. Hattabaugh tries out his material, and where opportunities to perform in other venues are generated. He states that he feels discriminated against for not being able to perform because of his age; that he has chosen this profession; and that it has led him into the pursuits of writing and performing which has had a positive effect on his life.

Rep. Jaquet anecdotally told of her son who had similarly been unable to perform when young, and wasn't able to launch his performing career until his mid-twenties. Depriving young people of an ability to market themselves deprives them of performance opportunities. A parent or guardian is required to accompany the minor on site while the young person performs. Guidance in rulemaking will require the definition of

“guardian” and “family.” **Rep. Jaquet** said “all children find their way in different ways.”

Chairman Loertscher asked if smoking is allowed currently in bars. **Rep. Jaquet** said yes, in bars. It was just exempted from bowling alleys this session. **Chairman Loertscher** questioned the appropriateness of allowing children where there was smoking and drinking. **Rep. Jaquet** said performers didn’t have long exposure; more concern might be directed toward people working in the bar.

Rep. King asked if there were other venues Mr. Hattabaugh could perform besides bars. **Rep. Jaquet** said written testimony indicates that most of his referral work has come from being seen at the Comedy Club, including corporate and charity events. If the objection has to do with exposure to smoke, there are bars that choose to not allow smoking.

Rep. Mathews asked if any videotape marketing effort had been made. A video would provide a way to be seen without performing in the bar. **Rep. Jaquet** said Mr. Hattabaugh had a 12 minute DVD.

MOTION: A motion was made by **Rep. Pasley-Stuart** to introduce **RS 17142** and send to the committee of the Chairman’s choice.

The motion carried 11:8 by a show of hands.

H 252: **Bill Ringert**, Commissioner, Idaho Grape Growers and Wine Producers Commission, presented H 252 proposing to revise provisions relating to the sale of certain products by licensed wineries; allowing two or more wineries to use the same location for retail sales; and allowing wine sales at sponsored events.

H 252 will impact tourism aspects of Idaho’s economy, which producers are working with state agencies to promote. Currently law provides for a distributor’s license when a winery license is issued. The distributor’s license allows product sale to wholesalers, wine shops, restaurants, grocery stores, and other retailers. These practices are not affected by H 252. The changes being made are to license procedures relative to the sale of the wineries’ own products. H 252 is not designed to apply to wine retail shops.

Mr. Ringert reviewed the proposed amendments. When new people come into the industry, they often aren’t sure what their license allows them to do. There is clarification in the retail provision that a wineries license allows by-the-drink sales for the licensed premises; and allows sales at functions and events identified in Idaho Code Section 23-1338.

Two or more wineries may use the same location for their respective retail wine outlets provided each outlet holds a separate retail wine license or wine-by-the-drink license.

Section 23-1338 adds a new section to Code authorizing a licensed winery to serve or sell any wine product of the winery at events of seven days duration or less sponsored by any group, organization, person or political subdivision. The new code section stipulates procedures and requirements related to these activities. Of note, certain exclusions apply relating to persons qualifying as an event sponsor.

An emergency clause allows for the act to be in full force after passage and approval.

Rep. Mathews asked about the need for an emergency clause. **Mr. Ringert** said emergency clauses often have a “lot of latitude.” Nothing in H252 represents a catastrophic emergency.

MOTION: A **motion** was made by **Rep. Bilbao** to send **H 252** to the floor with a do pass recommendation.

The motion carried. Rep. Smith will carry **H 252** on the floor.

Chairman Loertscher told members that the Committee will meet Monday, March 5th. He is waiting to hear whether H 185 will proceed.

ADJOURN: The meeting adjourned at 9:32 a.m.

Representative Thomas Loertscher
Chairman

Mona L. Spaulding
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 5, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

The minutes of February 28 and March 1, 2007 were reviewed. Rep. Bilbao moved to approve the minutes of February 28, 2007. The motion carried. Rep. Ring moved to approve the minutes of March 1, 2007. The motion carried.

H 253 **Ron Crane**, Idaho State Treasurer, explained that H 253 proposes the creation of an Idaho Bond Bank fund in the state treasury. Administrative fees and service charges would be collected and deposited to the fund. The Treasurer anticipates that within one year, the critical mass will reach approximately 100 million at which time they would start charging fees.

MOTION: **Rep. Ring** moved to send **H 253** to the floor with a do pass recommendation. **The motion carried.** Rep. Ring will carry the bill on the floor.

Vice Chairman Edmunson assumed the duties of the Chair.

H 256 **Bill Roden**, Idaho Beer and Wine Association, said this bill makes a slight adjustment to the Department of the Idaho State Police (ISP). In considering the various concerns surrounding the drafting of this bill, Mr. Roden's viewpoint is that the function should remain the same and this was a good step to give visibility to the alcohol beverage control functions of the Department and ensure that locally, at some point, there is adequate funding. In order to preserve the state authority under the 21st Amendment of the U. S. Constitution, and section 26, Article III, of Idaho's Constitution, the intent of the Legislature is that such measures in this proposal be stringently and adequately enforced by the state.

Current law provides that ISP shall be composed of such divisions as may be established by law and the Director shall appoint, subject to approval by the Governor, an administrator of each division within the Department of State Police. This legislation proposes to establish the Division of Alcohol Beverage and Control within ISP. Mr. Roden outlined, in section 67-2903B of the bill, some of the primary duties and responsibilities of the Division. In addition, there would be duties delegated, as deemed

necessary, by the Director of the Department. One of those duties is providing educational instruction and training to the post academy that would be dedicated to alcohol and beverage control. Section 67-2903C refers to a special account designated as the "Alcohol Beverage Regulation and Control Account," which will receive deposits of license fees and other charges collected by the Division. All funds are subject to legislative appropriation, and funds in the account in excess of appropriations, will be transferred to the General Account. In section 23-1309A (f), page 4, there is a reference to the licenses that will "*be deemed to have consented to the jurisdiction of the alcohol beverage regulation and control division of the Idaho state police.*" The regulation and language more adequately describes the name of the division that they have created.

Rep. Mathews asked if the language regulation and was included in the bill for clarification purposes only and not an expansion of powers. Mr. Roden said that was correct. It was added by Legislative Services to make the terms conform to what is in the first part of the bill. Mr. Roden added that there have been no adverse comments from the Governor's Office nor from any of the other licensing groups. Rep. Black asked if by creating a new division, would there be a transfer of employees, and would this result in an increase in the number of employees. The bureau chief, in essence, would become an administrator. A different position would be created, but not necessarily requiring both a bureau chief and an administrator.

In response to Rep. Luker's question, Mr. Roden explained that the bureau chief of Alcohol Beverage and Control (ABC) had expressed concern because if he remains in that position and becomes the administrator of that position, he would serve at the pleasure of the Director and the Governor. Consequently, his position would not be guaranteed.

Jenny Grunke, Deputy Attorney General, representing ISP, explained that the agency takes no position on this bill. However, they are concerned that there has been no provision for additional FTE's. Currently an ISP commissioned officer serves as the chief of enforcement for ABC and is an exempt employee. There is no guarantee he/she would be appointed by the Director with the Governor's approval to serve as the administrator for the new division. Consequently, one FTE should be included in the fiscal note.

Additionally, section 67-2903B contains other directives that will incur additional expense. The spending authority for the fund created will not be in place prior to the enactment of this bill and that additional expense should be noted. They would request that the Committee review whether the legislative intent language of the bill be in Title 23 rather than Title 67. Also, should Chapter 6, Title 23 be included in subsection 5, of new Idaho code 67-2903B.

Rep. Snodgrass said that currently there is a significant shortage of manpower for the administration of licenses, etc. Concerns expressed by the interested groups has been that currently there is a lot of time spent on the policing part rather than the administration part of the licensing.

One of the purposes of this legislation is to address a more administrative function for the licensing issues. He asked if Ms. Grunke thought this would be an appropriate action. She replied that she would have to consider the definition of administrative versus policing. She commented that she doesn't know if processing licensing and violations, that are reported, are really much different. Rep. Snodgrass asked if this legislation would significantly impact the current process. The response was that she does not think this bill will change the process and sees it as a first step in solving some of the overwhelming problems with the short staff.

There were some concerns expressed by the Committee regarding whether the intent language of the bill should be in Title 23, rather than Title 67 as noted by Ms. Grunke.

Jerry Deckard, representing the Wine Institute, expressed concern over including the discussions regarding word regulation added in the language. Mr. Deckard would like more opportunity to review how this bill relates constitutionally and asked that the Committee hold the bill.

Pam Eaton, President, Idaho Retailers Association and Idaho Lodging and Restaurant Association, said that she has been involved in the discussions this past summer and both associations are in favor of the bill.

Denise Rogers, Executive Director, Idaho Licensed Beverage Association, said the association has also been part of the ad hoc meetings and they support this bill and asked the Committee to pass the legislation.

Mr. Roden, in concluding remarks responded to the discussion of whether the intent language should be in Title 23 or Title 67. Legislative Services felt that because this bill did not change any of the substantive laws relating to alcohol beverage regulation or control and was clearly an administrative change in the Department, that it more appropriately belonged in those sections of the code dealing with the overall Department of the Idaho State Police. He also stated that they agree that the director or administrator needs to be involved with the penal law enforcement under chapter 6 of Title 23. He urged the Committee to pass the bill.

Rep. Labrador asked about the additional FTE as brought out in Ms. Grunke's testimony. Mr. Roden said that this bill does not mandate any additional personnel.

Rep. Luker asked why this bill is necessary, if the function is already being done under the Bureau. Mr. Roden said the concern with the agency has been that there has been a lack of consistency and enforcement, and unwillingness to look at the business regulatory issues between retailers, manufacturers, etc. Mr. Roden said that it would not change any of the substantive law, but would give heightened visibility to alcohol beverage control so the agency would have a statutory role. Rep. Luker said that it seems that the real issue is who is in charge and does not understand how this change is going to make a difference. Mr. Roden

said that having the Governor involved would give the agency the added help that it needs.

Rep. Snodgrass asked Mr. Roden to explain some of the educational provisions provided in the bill. This legislation addresses that the Department should provide education relating to substantive laws and rules and enforcement of those laws and rules to the post academy. Several of the private entities that he represents have given money to the Department to conduct seminars throughout the state and will continue to do so. Some of the training materials are primarily focused on the problem of under aged drinking.

MOTION: **Rep. Snodgrass** moved to send **H 256** to the floor with a do pass recommendation. **The motion carried.** Rep. Snodgrass will carry the bill on the floor.

Chairman Loertscher announced that the Committee would meet Tuesday, March 6, 2007 at 9:00 A.M.

ADJOURN: There being no further business to come before the Committee, the Vice Chair adjourned the meeting at 9:50 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 6, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

Chairman Loertscher called the meeting to order at 9:02 A.M.

Rep. Ring moved to approve the minutes of March 5, 2007 as written. The motion carried.

S 1030a **Woody Richards**, representing Surplus Line Association, presented **S 1030a**, the purpose of which clarifies that records of policies owned by private persons, endorsements and affidavits and any records that discuss policies, endorsements and affidavits that may be required to be filed with or by a surplus line association shall be exempt from disclosure under the Public Records Act.

Mr. Richards noted that in response to concerns expressed by the news media, the language in S 1030 has been amended to continue to allow access to policies owned by public agencies. The news media does not object to this amended legislation.

MOTION: **Rep. Ring** moved to send **S 1030a** as amended to the floor with a do pass recommendation. **The motion carried.** **Rep. Black** will carry the bill on the floor.

S 1064 **Mike Nugent**, Division Manager, Legislative Services Office (LSO), explained that the purpose of this bill is to make various codifier corrections to the Idaho Code. During the course of a legislative session, multiple amendments to a single code section, chapter or title are frequently passed. Occasionally, these multiple amendments result in conflicting numbering of sections or subsections. In some instances, separate sections of code contain citations to sections or subsections which contain conflicting numbering due to multiple amendments. Conflicting citation numbering is identified at the time session laws, for any given year, are incorporated into the existing code.

Sections or subsections containing conflicting numbering are redesignated by the codifier. Redesignated code citations are set forth in brackets following citations as set forth in session laws. The bracketed

citation remains in the code until the affected section undergoes a future amendment and then a correction to the citation number is made. This method of indicating codifier corrections is often confusing to the reader. Rather than waiting for future amendments to the various affected sections, this bill compiles those code sections affected in the legislative sessions prior to 2007 that contain conflicting numbering so that the designations may be corrected.

Rep. Rusche asked how all of these problem areas are found. **Mr. Nugent** said that there is an Idaho Code Commission comprised of three attorneys whose purpose is to compile conflicts. They will put code sections together, combine duplicate amendments, or assign section numbers. LSO usually receives a letter from the commission pertaining to those areas that need to be addressed. Also the proofreaders in LSO have a system of checking the code with the base.

MOTION: **Rep. Edmunson** moved to send **S 1064** to the floor with a do pass recommendation. **The motion carried.** **Rep. Andrus** will carry the bill on the floor.

Rep. Snodgrass, by a point of personal privilege, introduced Drew LaCombe who was a page for Senator Craig last fall and RoAnne de Weerd, daughter of the Mayor of Meridian, who is the President of the Mayor's Youth Advisory Council in Meridian. Drew serves as the Treasurer of the council.

MOTION: **Rep. Snodgrass** moved to approve the minutes of the Edmunson Subcommittee February 22, 2007 and February 23, 2007 as written. The motion carried.

ADJOURN: The meeting was adjourned at 9:24 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 7, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Snodgrass and Crane

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

Chairman Loertscher called the meeting to order at 9:00 A.M.

The first order of business was approval of the minutes. Rep. Rusche moved to approve the minutes of March 6, 2007 as written. The motion carried.

Chairman Loertscher introduced and welcomed a group of students and one of their teachers, Lincoln Miller, from Jefferson Montessori School, a private school near Rigby, Idaho.

Vice Chairman Edmunson assumed the duties of the Chair.

RS 17157C1

Chairman Loertscher presented the **RS 17157C1** to the Committee. The Chairman explained that one of the problems facing our state is managing of our aquifers, not only in the Eastern Snake Plain Aquifer (ESPA), but with regard to the entire state. There is a situation in the Treasure Valley, where potential problems are "looming" in regard to the aquifer. This RS would make it possible to manage and monitor those problems statewide. This legislation will provide an opportunity for some work to be done in an interim committee this summer. Some of the discussion would address alternatives for financing management of this aquifer issue statewide over an extended period of time. The Chairman requested that it be introduced and referred to the Resources and Conservation Committee.

Rep. Bilbao referenced the \$557,000 fiscal impact for FY2008, and asked if this will be an ongoing requirement for funding. The Chairman said that if this becomes law, there would be a one-time appropriation while the interim committee does their work. Rep. Ring asked about the \$1,200,000 amount that would be adjusted each year. The Chairman said that it was his understanding that was the estimate the Department had projected they would need over the extended period of time. We are dealing with more than one aquifer. Consequently, the cost incurred would have to be reviewed for the benefit of the whole state.

MOTION:

Rep. Mathews moved to introduce **RS 17157C1** and refer it to the Resources and Conservation Committee.

Rep. Stevenson said that their intention was to have a hearing on this some time next week if it becomes a bill. The most important thing is to begin discussions in an interim committee. The Treasure Valley is in the same position as Eastern Idaho was in 1978. Since that time they have been dealing with the ESPA issues. Rep. Stevenson said that if something isn't done now, the same discussions will be taking place here about the Treasure Valley aquifer. He said that one of the positive things that came out of the judge's ruling this week was that the responsibility of the Department of Water Resources to manage the water was left in-tact.

The motion carried.

Chairman Loertscher resumed the duties of the Chair.

S 1019

Dale Higer, Chairman of the Idaho Commission on Uniform State Laws, said that this bill has been modeled after legislation drafted after the National Uniform Law Conference. The Idaho Entity Transactions Act will allow conversion of one kind of business organization to another, or the merger of two or more business organizations into one organization. Mr. Higer said that the Idaho State Bar supported this legislation by 83%. **Mr. Higer** introduced **Winston Beard**, Attorney, Idaho State Bar.

Mr. Beard said this legislation simplifies the law. He gave the members a handout entitled "META -- the Model Entity Transaction Act" (see attached handout). He explained what META is. META covers mergers, interest exchanges, conversions, and domestications. He talked about the current state of the law. META will enable all entities, domestic, and foreign, to participate in mergers, share exchanges, conversions, and domestications, and to do so under a common set of procedural rules. He gave examples under current law and explained that when a corporation wants to domesticate in another state --that is, change its state of incorporation-- it usually requires creating a new entity and then going through a merger. Under META that will be done in one simple transaction.

Mr. Beard explained the organization of META and safeguards. Regarding safeguards, META does not change the substantive law. It just authorizes entities to make changes by creating a plan and filing one document with the secretary of state. He explained how META confirms existing substantive law, whereby Section 103 of the law does not authorize any act prohibited by another Idaho law and does not prohibit any act now authorized by another law. He addressed exceptions by explaining that META have conferred with the Departments of Finance and Insurance and banking entities. Because those agencies have their own regulations dealing with mergers and conversions, they requested that their regulated entities be exempt from META.

Mr. Beard concluded by saying that this is appropriate for Idaho because it does make the procedures simpler and less costly. It enables businesses to accomplish transactions more efficiently. He asked that the

Committee approve META as it has been presented and be adopted with an effective date of July 1, 2007.

In response to a question from **Rep. Labrador** regarding entities, other than banks, being able to take advantage of the afore mentioned exemption. The response was that this has been made uniformly applicable to all entities unless they are specifically exempted. Rather than having two sets of rules and two procedures, they thought it would better and more simplified to have one set of provisions.

MOTION: **Rep. Bilbao** moved to send **S 1019** to the floor with a do pass recommendation.

Rep. Luker commented that he has had an opportunity to review this legislation, as a member of the Idaho State Bar and believes this is a good bill.

The motion carried. **Rep. Luker** will carry the bill on the floor.

S 1098 **Rep. Black** introduced **Larry Johnson**, Investment Manager, Endowment Fund Investment Board, to explain the legislation. Mr. Johnson said that this bill simply brings statute in line with the Idaho constitution. There are two types of unclaimed property; (1) estates for which there are no known heirs; (2) unclaimed/abandoned shares and dividends paid by Idaho corporations. These assets would provide an ongoing legacy of income to Idaho schools. About ten years ago that direction was lost in statute. This legislation gives the tax authority to send those two types of properties back to the permanent endowment fund. Currently, as required by statute, the State Tax Commission is distributing these funds to the General Fund.

Ted Spangler, Idaho State Tax Commission, said that this is a bill that brings the statute back into uniformity with the constitution.

Rep. Rusche, referring to Section 4, disposition of unclaimed assets, asked why the 1,827 days time frame was chosen as the amount of time given for a person to claim such property. The purpose is to allow time for the state to hold assets in the event errors are discovered. That language has been part of the uniform probate code and was longstanding statutory language.

Rep. Labrador asked about the reference to "separate legislation" as noted on the back page of the fiscal impact. Mr. Johnson said that these are separate pieces of legislation. For one, this would get them back in line with the constitution going forward; the other, it would address what level of redress needs to be done to address passed errors.

In answer to a question from **Rep. Rusche**, **Mr. Johnson** said that the permanent endowment funds can never be spent.

MOTION: **Rep. Rusche** moved to send **S 1098** to the floor with a do pass recommendation. The motion carried. **Rep. Black** will carry the bill on the floor.

ADJOURN:

The Chairman announced the Committee would meet the next day, Thursday, March 8, 2007. There being no further business to come before the Committee, the Chairman adjourned the meeting at 9:33 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 8, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Crane and Smith(30)

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

Chairman Loertscher called the meeting to order at 9:00 A. M. The Chairman introduced and welcomed students, teachers and parents from Jefferson Montessori School from Rigby, Idaho, who were guests.

The first order of business was approval of the minutes of March 2 and 7, 2007. Rep. Pasley-Stuart moved to approve the minutes of March 2, 2007 as written. The motion carried. Rep. King moved to approve the minutes of March 7, 2007 as written. The motion carried.

SJM 106

Rep. JoAn Wood said this memorial is for the purpose of asking representatives of the Federal Government, the Congressional delegation and the President to renew the Craig Wyden bill. This would be a tremendous impact on the state not to have those dollars. This reauthorization is necessary to help rural counties with the timber industry that is already struggling. Rep. Wood referred to language in the bill on page 1, lines 23 through 25, "*Whereas, certain counties of Idaho are hamstrung in their ability to collect property taxes by a supermajority of federal land ownership within their boundaries.*" "Rep. Wood remarked, there is only "5% private ground in Lemhi County; 5% private ground in Custer County." Trying to get school taxes from those areas is extremely difficult. She noted that Senator Craig has recently introduced legislation to reauthorize the bill.

Senator Goedde said the reason the co-sponsors are chairman and co-chairman of the Transportation and Education Committees in both Houses is because of the affect this funding shortfall has on roads and schools. One school district says that the Craig Wyden money represents 9% of their budget. Several highway districts have said that Craig Wyden money represents one-half of the amount budgeted for road maintenance. Senator Goedde said this bill is timely, given Senator Craig's bill that has recently been introduced. A copy of the presentation to the Senate by Senator Craig of his proposal was given to the members (Attachment 1).

Rep. Shepherd said that the county in her district will lose \$4.3 million. The county people are concerned about the roads and the schools. She

asked Senator Goedde if Senator Craig had authorized a bill for one year. The response was that Senator Craig was proposing a bill with a one year extension.

MOTION: **Rep. Pasley-Stuart** moved to send **SJM 106** to the floor with a do pass recommendation. **The motion carried. Representatives JoAn Wood, Nonini and Shepherd(2)** will carry the bill on the floor.

SJM 105 **Rep. Stevenson** said the purpose of this Senate Joint Memorial is to request the President to extend the benefits of free trade by directing the United States Trade representative to negotiate a free trade agreement between the United States and Taiwan. Idaho has had a sister-state relationship with the Province of Taiwan since 1984 that has included educational and cultural exchanges as well as significant trade relations. Robert C.M. Chen, Director General of the Taipei Economic and Cultural Office in Seattle, has a master's degree in public administration from Idaho State University. Taiwanese students, especially those headed for the diplomatic corps, have studied at Idaho State for several years.

Eddie Yen has served as director of the Idaho State Trade Office in Taipei since it opened in 1990 and has played a major role in elevating Taiwan to one of Idaho's top 10 trading partners. Idaho sales to Taiwan have exceeded \$100 million annually since 1999, and have averaged more than \$275 million a year for the past three years. Like most Asian nations, the top Taiwanese purchase is computer chips, but the small nation also buys paper products, machinery, food, optics, pharmaceutical products and, last year, \$900,000 in beauty products like lipstick and eye makeup and nearly \$26,000 in inflatable rafts.

MOTION: **Rep. King** moved to send **SJM 105** to the floor with a do pass recommendation. **The motion carried.**

S 1085 **Senator Kelly** said this bill has been in negotiations for several months. The open meetings act was adopted in 1974 as a series of sunshine laws. One of the issues from the very beginning has been circumstances under which entities are allowed to go into executive session. A couple of years after the legislation was originally enacted, there was a section added for litigation where you could go into executive session and talk about legal issues. Language on page 2, line 10 through 16, that was awkwardly worded and difficult to interpret, has been stricken. New language has been added on lines 12 through 16 that provides more clarity. One of the significant changes was striking the words "*a general public awareness*" and adding the word "*imminently*" which means a perception of something that is really about to happen. Consternation with government agencies throughout Idaho regarding executive sessions was expressed. Open meetings operate under the basic premise that the meetings will be open to the public. However, there are circumstances under which these meetings need to have confidentiality, specifically when there are legal discussions.

Those groups who support this legislation are the Association of Counties, Association of Cities, The Press Club, The School Board Association, Associated Daily and the Idaho Counties Risk Management Program. All of the interested groups met this past fall and looked at language used in

all fifty states to see if there was a better way. The change specifically directs that when a group goes into session for the purpose of communicating with legal counsel, the counsel must be present either in person or electronically, by phone, etc.

Subsection (j), page 2, lines 22 through 27 adds a new reason for going into executive session. It directly relates to risk management insurance. The agencies need to have the ability to speak with their risk manager and talk confidentially. Language on page 1, lines 22 through 28 indicate the standards for taking minutes in executive session. Detailed minutes are not required. However the minutes need to reflect the reason for going into executive session. No decisions can be made in executive session. They must be made with the public involved. Senator Kelly thinks this is a positive step in the right direction in assisting local governments on the issues of open meeting laws.

Rep. Mathews asked Senator Kelly to respond to the concern expressed in discussions of a previous bill regarding real estate negotiations with reference to location, land acquisition and price. Senator Kelly said that on page 2, line 3 and 4 there is an exception that allows these bodies to go into executive session to acquire real property. She added that this wasn't the focus of the discussions when crafting the bill.

Mike Kane, Attorney, representing Idaho Counties Risk Management Program, said his client is extremely supportive of the bill. Lawyers talking with their clients want to do so in private. Lawyers recognize that there has to be a certain level of openness. Trying to decide when there is public awareness on an issue is very difficult for a lawyer to do and often unreasonable.

Kelci Karl-Robinson, Idaho Association of Counties stated that on behalf of the Association, she thanked Senator Kelly for bringing this forward and clarifying the law. They support the bill.

Justin Ruen, Association of Idaho Cities, also thanked Senator Kelly for allowing them to participate in the drafting of the bill. They also support the bill.

Allan Derr, representing the Idaho Press Club, and the Idaho Newspaper Association said the Press Club and Idaho Newspaper support this bill. Mr. Derr made a letter available to the members from **Mr. Kevin Richert**, Vice President of the Press Club who wrote testimony in support of the bill (Attachment 2).

MOTION:

Rep. Edmunson moved to send **S 1085** to the floor with a do pass recommendation. **The motion carried.**

Rep. Stevenson recognized written testimony from Gary Ingram, former Idaho State Representative, who was in opposition to the bill, copies of which had been given to the members. Rep. Stevenson requested that it be entered into the record (Attachment 3).

ADJOURN:

The Chairman announced that there would not be a meeting Friday, March 9, 2007. The next meeting will be a joint session Monday, March 12, 2007 at 8:00 A.M. in the Gold Room for a presentation by Lieutenant General Bruce A. Wright. The Committee will resume their meeting in Room 412 upon adjournment of the joint session to hear further bills.

The meeting was adjourned at 9: 31 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: Monday, March 12, 2007

TIME: 8:00 A.M.

PLACE: Gold Room

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

The joint meeting of the Senate and House State Affairs Committees, chaired by **Senator Curt McKenzie** and **Representative Tom Loertscher** was called to order at 8:00 A.M. by Senator Curt McKenzie. **Major General Lawrence Lafrenz**, Adjutant General of the Idaho National Guard, was recognized to introduce **Lieutenant General Bruce A. Wright**, the guest speaker.

INTRODUCTION: **Major General LaFrenz** said he was happy to be here with Lieutenant General Bruce A. Wright who is the Commander, U.S. Forces Japan, and Commander, 5th Air Force, Yokota Air Base, Japan. In these two command positions, he is the senior U.S. Military representative in Japan and commander of U.S. Air Force units in Japan. He has 50,000 military personnel under his command. **General LaFrenz** said he was happy to present Lieutenant General Bruce A. Wright, who would be addressing the subject of the Importance of the U.S. Military in the Pacific Rim.
(See a more complete biography, Attachment #1)

PRESENTATION: **Lieutenant General Bruce A. Wright** said it had been 38 years since he lived in Idaho and he always enjoys coming back. He said he still receives the weekly Buhl Herald newspaper and the longer he is away the better he understands what the fight of the U.S. military is all about. "Freedom, what a gift and blessing freedom is." He discussed the Asia-Pacific region that has territorial disputes and large militaries with advanced capabilities. He said their actions are unpredictable.

The U.S.-Japan Alliance has served as the foundation for the regional peace and stability since 1950. Japan's strategic location and forward-basing of U.S. forces are critical to deterrence and maintaining peace and stability in the region. He expressed his concern about the future and the reality of the threat that comes from North Korea. He said the world can change quickly, as seen in the events in the last few years. He confirmed the commitment the U.S. has to protect the countries in the Asia-Pacific region and the war on terrorism.

In the past, the U.S. relied on the oceans and distances for safety and protection. However, today, a missile launched from North Korea can reach the Pacific Coast in 30 minutes. We must rely on the power of free people, good governments and alliances like the U.S.-Japan

Security Alliance to help improve conditions.

Asia-Pacific is potentially a volatile region, with strategic sea lanes, unpredictable resources, economic competitions and a threat to the well-being of the people. The nuclear testing in North Korea, is a source of danger, not only from attack but from the sale of nuclear weapons to other countries. China spends three times more on their military than the U.S. spends. Defense spending has decreased in the U.S. by approximately 60% while expenditures on entitlement programs have increased by approximately 60%. China has also developed aircraft that is further advanced than some of the aircraft in the U.S. China needs to be watched very carefully.

The mission of the U.S. Forces in Japan (USFJ) is to support our presence, ensure bilateral defense with the Government of Japan, promote stability and deter aggression. Japan is a peace keeper and protector of the ocean trade routes. If deterrence fails to defend aggression toward Japan, the USFJ will conduct and support combat operations in the region to defend Japan. Asia is a threat with their large armies and the shift in the balance of power, making it an area that necessitates watching. The focus in the Middle East is to protect our interest in the area.

Lieutenant General Wright acknowledged the help from the men and women in the National Guard and Air Force Units in Idaho and said because they are strong, well equipped and well trained, they have the potential to keep the “bad guys” out. Building strong alliances around the world will help build friendships.

Lieutenant General Wright answered questions about North Korea and China. He concluded by saying it had been an honor for him to be there and thanked each committee member for their service and leadership.

See additional handouts:

Attachment #2 - U.S.-Japan Security Alliance

Attachment #3 - Idaho Exports to the Pacific Rim

ADJOURN:

Senator McKenzie announced the Senate State Affairs Committee would remain in the Gold Room to resume their meeting; the House State Affairs Committee would resume their meeting in Room 412.

The meeting was adjourned at 9:00 A.M.

Representative Thomas Loertscher
Chairman

Mary Lou Moon
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 12, 2007

TIME: Upon Adjournment of Joint Session - Gold Room

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Anderson

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

The Chairman called the meeting to order at 9:06 A.M. The first order of business was approval of the minutes. Rep. Ring made a motion to approve the minutes of March 8, 2007 with the correction of recording Rep. Smith as absent/excused. The motion carried.

Vice Chairman Edmunson assumed the duties of the Chair.

RS 17167 **Bob Wells**, Policy Advisor, Office of the Governor, said this legislation transfers the microwave services/public safety communications function from the Department of Administration to the Military Division. This move would provide enhanced services and coordination for emergency operations and logistics that are already being developed through federal channels with the Idaho Military. Language has been added on page 3, lines 31 through 33 that places the whole piece under one umbrella, making it more manageable.

Rep. Rusche said there have been questions voiced about the equipment interoperability standards and the choice of whether to buy one standard over another and asked if this bill would affect those decisions. Mr. Wells said the technology is there to allow for flexibility within the system. This will not delay or impede, but will help the progression of the system.

MOTION: **Rep. Snodgrass** moved to introduce **RS 17167** and send it to the second reading calendar. **The motion carried.**

S 1102 **Robert Aldridge**, Trust and Estate Professionals of Idaho, Inc., said that the S 1102 as well as S 1103 and S 1170, also before the Committee, came out of a common background. Due to Medicaid law changes brought about by the Deficit Reduction Act of February 6, 2006, the states were required to make new rules regarding Medicaid. After a series of meetings with stakeholders and Medicaid, they agreed that statutory changes, by removing language, were necessary to allow the negotiated rule making to take place.

S 1102 and S 1170 both address the Long Term Care Partnership Act.

This type of policy, if issued, gives certain advantages in terms of “asset disregard,” both for eligibility and for estate recovery. This would reduce the amount Medicaid would pay in the long run. In S 1102, line 25, inappropriate language has been removed and language added that brings the bill into compliance with the federal statute. In S 1170, similar language was removed on page 1, line 20, and new language added on page 2, lines 24 through 32 within the Notice Requirement section. This change would require that an insurer provide its consumer with an “asset disregard notice.” S 1102 is contained in S 1170, however, S 1170 contains the additional insurance language. In order to be able to proceed with the negotiated rule making, S 1102 must be passed, before S 1170. Mr. Aldridge requested that if the bills go to the floor with a do pass, that S 1102 be voted on first.

Rep. Luker asked if there was evidence to show that this is working. The response was that there are already policies that are approved and ready to go. They are just waiting on the statutory changes. All of the parties involved in negotiated rule making are in agreement that this is a very good program.

MOTION: **Rep. Snodgrass** moved to send **S 1102** to the floor with a do pass recommendation. **The motion carried.**

S 1170 **Robert Aldridge** noted that this bill covers the removal of language in the statute. He introduced **Steve Tobiason** to explain the rest of the bill.

Steve Tobiason, representing Americas Health Insurance Plans, said that Idaho will be the first state in the country to qualify to sell these policies. The rest of the country is watching, knowing that Idaho is going to be the template for this program. The notice requirement part of the bill has been reviewed by the Department of Insurance and has their approval. The notice would explain the benefits of the policy and provide information about the different types of policies. As Idaho’s population base continues to age, it is vital to ensure the long-term care needs of Idahoans. This bill helps provide notice to citizens, conforms to federal regulations, and provides a mechanism for Idahoans to help conserve resources for long-term asset and health care planning.

Rep. Rusche asked him to explain who the partnership represents. Mr. Tobiason said the partners are the federal government, state government, the industry and the consumer.

Chairman Loertscher resumed the duties of the Chair.

Rep. King asked about consumers who currently have a long-term policy and if they would have to convert to a partnership and will the cost be less. Mr. Tobiason said that the policies have to be purchased after the effective date of this action. Some of the details have not been worked out with the Department. Rep. Black asked if there will be any difference in the underwriting requirements or acceptability of new participants in the long-term care policy. Rep. Black said that, currently, the requirements are stringent and many consumers are restricted due to existing health conditions. Mr. Tobiason said that he did not have a firm answer. The desire in the industry is to sell these policies. The national association is

working closely with the local companies on these issues.

MOTION: **Rep. Snodgrass** moved to send **S 1170** to the floor with a do pass recommendation, with the request that **S 1170** be placed on the calendar before **S 1102**. **The motion carried.** **Rep. Black** and **Rep. Rusche** will carry the bill on the floor.

S 1103 **Robert Aldridge** explained that this bill concerns the purchase of annuities for Medicaid planning, and in particular, purchases by married persons of such policies. Qualified Medicaid annuities are often used in many states to provide income for the non-institutionalized spouse after the institutionalized spouse qualifies for Medicaid.

MOTION: **Rep. Snodgrass** moved to send **S 1103** to the floor with a do pass recommendation. **The motion carried.** **Rep. Shepherd(2)** will carry the bill on the floor.

S 1175 **Bill Walker**, Director, Department of Health and Welfare, said that this legislation increases the honorarium provided to members of the Idaho Board of Health and Welfare. The honorarium would be increased from \$50 per day to \$100. Mr. Walker explained that the board is meeting more frequently and their responsibilities have increased. Also, some of the members have to pay for a replacement in their professions while they attend the meetings. This cost to the members can far outweigh the honorarium that is received.

In response to a question from Rep. Pasley-Stuart regarding other board members' compensation, Mr. Walker said that members on the board of the Department of Transportation receive \$75 per day and Park and Recreation, \$50 per day. Rep. Luker asked for clarification of language on page 1, lines 42 through 44, specifically times when the board meeting would not be official. Mr. Walker explained that there are times when special board meetings are necessary. It might be necessary to require special study times, given the agenda items, prior to the board meeting.

Rep. Rusche, referring to the fiscal note which totals \$6,300.00, asked if that was a realistic amount when you consider the potential of spending unlimited prep time prior to a meeting. Mr. Walker said that the amount is an honest assessment of the maximum impact from the change that this bill would make. Historically, not all board members attend all meetings. Consequently, those individuals would not need compensation for their study time or meeting attendance.

Rep. Luker asked how the board members would record their time. The response was they would have to give an indication of what had taken place. Rep. Andrus asked if it was normal for board members and commissioners of other agencies to receive payment for their services. Rep. Loertscher yielded by saying that most members of boards receive an honorarium for serving. Rep. Snodgrass asked if there had been a problem in the past with board members not being aware or well enough informed to be able to adequately address some of the issues at the meetings. The response was that the answer lies with the expanded responsibilities the board took on last year. In taking on these new responsibilities, the board has set up a subcommittee process to address

issues pertaining to Medicaid, Behavioral Health, Division of Welfare and Family Services, Budget, and Public Health. Consequently, it has taken time and effort to develop expertise in these areas.

MOTION: **Rep. Snodgrass** moved to send **S 1175** to the floor with a do pass recommendation.

Rep. Luker expressed concern that if we open the door in this instance, there will be others following with the same requests. Rep. Andrus said he would be voting against the motion. He referred to the example given earlier of members sacrificing lost income and time in order to attend the meetings. He commented that serving on a board or a commission is a sacrifice; however, it does benefit the industry and profession of the member who is serving. Rep. Stevenson said he would be voting in opposition not because he doesn't believe they are entitled to the \$100. However, he is not aware of any other commissions that are compensated unless they are attending the official meeting. Rep. Stevenson said he does not have a "comfort level" on study time outside of the official board meeting. Rep. Crane said he would be voting no and believes a 100% increase is a little "steep," noting that other boards are spending \$75 per day.

SUBSTITUTE MOTION: **Rep. Luker** moved to send **S 1175** to General Orders, striking the language on page 1, lines 42 and 43 and page 2, line 1. **The substitute motion carried.** **Rep. Rusche** will second the motion.

S 1047 **Steve Millard**, explained that this legislation would remove the January 1, 2008 sunset clause provision from trauma registry establishment law in chapter 20, title 57, Idaho code. The Idaho Medical Association brought the bill to the Legislature in 2002 to create the trauma registry for the purpose of collecting data that would be required to be reported by hospitals. The trauma surgeons thought it important to collect and assess data to determine how the system is working, and to make improvements if necessary. The law went into effect January, 1, 2003 and expires January 1, 2008. A lot of work went into creating the trauma registry.

The trauma registry has been in a pilot stage in the interim making sure the infrastructure was there and the data collection system was working properly. The length of time to get a trauma registry up and running was underestimated and the pilot will be completed as of September 30, 2008 which means the law expires three months later and all this expense and effort will be for naught. Mr. Millard provided copies of the annual report to the Idaho Legislature entitled, "Injury in Idaho Trauma Registry Pilot Project" (see attached report).

Rep. Labrador asked where the funding was coming from. Mr. Millard said from grants to the EMS Bureau. Rep. Smith asked what would become of the program if this bill were not passed. Mr. Millard said that there are 13,000 to 14,000 cases that have been included in the registry. That information would be lost and unuseable.

MOTION: **Rep. Rusche** moved to send **S 1047** to the floor with a do pass recommendation. **The motion carried.** **Rep. Rusche** will carry the bill on

the floor. **Rep Rusche** commented that this kind of data acquisition is essential and will help provide improvement in the quality of services around the issue of trauma to Idaho citizens.

ADJOURN:

The Chairman announced the Committee would meet Tuesday, March 13, 2007 at 8:30 A.M. There being no further business to come before the Committee, the meeting was adjourned at 9:58 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 13, 2007

TIME: 8:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached guest sign-in sheet.

S 1173 **Senator Brad Little** presented this bill to the Committee. The purpose of this legislation is to provide for an investment vehicle for funds of a permanent nature to provide that costs of investments may be deducted from the proceeds, to provide that certain audit expenses be paid from earnings reserve funds; to correct technical language in the legislation as referenced, and to provide for the appointment of a custodian for fund assets. This also provides an emergency clause for the immediate use of funds in the event of an emergency.

Senator Little explained that this has been brought to the forefront because of the \$1 million gift from the Nature Conservancy that wants to pay for the maintenance costs of Ritter Island. There are some caveats to accomplishing this.

Rep. Luker asked Senator Little to clarify what this bill will accomplish. Senator Little referred to language in lines 34 through 38 that says that the investment board may with approval of the land board invest other funds that are exempt from section 67-1210, which directs the funds to go to the treasury. Page 2, line 22 and 23, refers to language that says the expense of such audit shall be paid from earnings reserve funds, and not from taxpayer monies.

MOTION **Rep. Bilbao** moved to send **S 1173** to the floor with a do pass recommendation. **The motion carried.** **Rep. Bilbao** will carry the bill on the floor.

S 1172 **Rep. Raybould** explained that this bill would require English to be the official state language. He stressed that "English only" is not the thesis of the bill. This bill is to create English as the official language of the state of Idaho, its counties, cities and other subdivisions to do business in English and to print their printed materials in the English language. Rep. Raybould highlighted various parts of the bill that provides for the following:

1. English is the sole language of government subject to exceptions.
2. To provide that specified action shall be in English subject to exceptions.
3. To prohibit use of state funds for specified activities.
4. To provide for the return of specified funds to the state general fund.
5. To provide duties of state agencies, and the State Controller.
6. To provide the State Board of Education rulemaking authority governing the use of foreign languages in public schools.
7. To provide for recognition of enumerated rights in the Constitution of the United States and the Constitution of the State of Idaho.
8. Provide for severability.

In addition, this bill encourages the State Board of Education to promote non-English speaking children and adults to read, write, and understand English as quickly as possible; and initiate formal and informal programs in English as a second language; encourage non-English speaking parents to become more proficient in English. Rep. Raybould said that this is a wonderful way to bring people together instead of separating them out within their own distinct language speaking abilities, whether Spanish, German, Chinese, etc.

In the last census taken in the U.S., there were 320 separate languages spoken. Idaho has 82 separate languages; Ada County lists 46 separate languages. It is incumbent upon us that one language be used in recording minutes, deeds and documents in terms that all can understand. This bill does not prohibit anyone from speaking or doing business in any language they choose.

Rep. Pasley-Stuart inquired about the comment that this bill would bring or pull people together. Rep. Raybould explained that it is through the education system and requesting that the State Department of Education assist in the administrative rules process for the schools. Superintendent Luna is in agreement that our educational system is the arena where we can come together and understand each other. We need to become one citizenry and not separated out because of a language barrier. Answering another question, Rep. Raybould said that other states have reported that official documents have been recorded in other languages. This bill would prevent that from happening in our state.

CON

Hannah Saona, Legislative Counsel, ACLU, said that this legislation is not necessary. S 1172 does nothing to increase resources to promote English learning. English language education should be made widely available and affordable to everyone. Legislation like S 1172 is inconsistent with the Equal Protection Clause of the 14th Amendment. There is nothing in this bill that allows for the use of other languages in courtroom settings. The ability of people on trial to follow and comprehend the proceedings would be severely jeopardized. This bill unfairly penalizes lawful, documented immigrants and visitors who have newly arrived in Idaho and may not have had time to perfect their English skills (see attachment for complete written testimony).

Rep. King asked if she thought this could be used to discriminate against employees who want to get a job or advance in their careers. The response said that it could. Rep. Luker asked about her concerns

regarding the impact this would be on judicial proceedings, noting that subsection 4 (a) specifically exempts out those situations governed by constitutional rights and judicial proceedings and already addresses the judicial concerns. Ms. Saona said that Utah also has the same language as subsection 4 (a), but also has an additional section that specifically addresses judicial proceedings. She does not see the same protections included in this bill. In response to Rep. Luker's inquiry that a court translator translating into English was not sufficient. Ms. Saona believes there could be potential problems.

Rep. Mathews asked her to comment on public health and safety needs addressed in the bill. She said there was a fair exception in this bill for public health and safety; social welfare could be affected. There are only a few exceptions and they are not specific. Rep. Mathews asked why she has concerns the bill doesn't address diversity, given the references to schools, libraries and tourism, economic development, etc. in the bill. Ms. Saona agreed that the bill does address those items. However, her concern is that it does not "celebrate" diversity. She doesn't think there is a good reason for removing documents in other languages. Rep. Mathews commented that he believes Idaho already celebrates diversity. This is a bill of functionality and an attempt to build a more perfect union in helping people to come together. Ms. Saona believes that this will take away tools that are already in place to assist people to learn English when they first arrive.

Rep. Rusche expressed concern about the law enforcement or public health and safety needs referenced in the bill, but also the private health needs, such as the womens' infant and childrens programs, nutritional instructions and other individual needs, and asked if that would be impacted by this law. The response was she did not believe this would affect the private sector already conducting services. In response to a question from Rep. Andrus, Ms. Saona said that she agreed that learning the language of the country would be in the best interests of the people coming into the country.

Rep. Bilbao shared a personal story of his grandparents, who were immigrants. When they arrived in this country, they got off of the boat in New York and bought a newspaper and learned English on their own. They did not go to the federal government and ask for help. He believes people should take the initiative to learn English when they come to the United States. Ms. Saona agreed with Rep. Bilbao's comments. However, she does not think we should be taking anything away that is already being provided.

CON

Adriane Wright, Legislative Advocate, Catholic Charities, said that this bill may prevent the publication of government materials, such as a ballot from being printed in any language other than English. This would give the message that some people are not welcome to participate in the political process. This legislation may lead some businesses or community members to discriminate against those who are foreign language speaking (see attachment for complete written testimony).

CON

Rosio Gonzalez, Executive Director, Catholic Charities of Idaho, said that this bill does not bring people in. We are sending a message that is anti-

immigrant. From working with immigrants over the last 15 years, it is clear that they want to learn English, but it doesn't happen overnight. If we truly want to promote the access of English, then your time, money and talents are better spent creating programs that are accessible and available to these families (see attachment for complete written testimony).

Brett DeLange, Deputy Attorney General, said that the Attorney General's Office does not take a position on this bill. The Attorney General's Office has received grants to be used in translating many consumer protection materials into Spanish. Among some of the booklets that have been translated are Landlord and Tenant Guidelines, Identify Theft, Idaho Consumer Protection Manual, Internet Safety and others. This bill would not prohibit these translations. The Attorney General's Office provides materials that address internet safety for our children, financial safety and economic development.

Rep. Luker asked if the Attorney General's Office has reviewed this legislation with regard to the impact on judicial or quasi-judicial proceedings. Mr. DeLange said a letter had been written and deferred to **Mitch Toryanski**, Deputy Attorney General, for more specific information. Mr. Toryanski said that specific question was not addressed in that letter but as noted previously, the exemptions to the, English as the official language of the Government, are broad enough, that it is their position that it would certainly encompass that. The 14th Amendment has a guarantee of due process so when a defendant is in court he has the right to be heard and the right to examine the proceedings and there is an exemption for the U.S. Constitution in this bill.

In responding to a question from Rep. Rusche, Mr. DeLange said he did not believe this bill would prohibit them from making materials available in Spanish. With regard to other entities currently not providing similar materials, such as Agriculture and Labor, Mr. DeLange said he was not sure what other entities are doing. The process is not totally clear cut. They feel it is better to inform the Committee of what the Attorney General's Office is currently doing and understand the intent of the Legislature with respect to the bill and how these materials are being used.

Rep. Luker asked Mr. DeLange if there was some change that would make him feel more comfortable than what they are doing currently. The response was that he believes that if the minutes reflect any anticipated challenges down the road, that would be helpful to the Attorney General's Office.

Rep. Labrador asked Rep. Raybould if there was any intent to exclude these documents. Rep. Raybould said absolutely not. The Attorney General has the opportunity to print materials that are for the safety and health and welfare of the people of the state. During this next summer, and through negotiated rule making, agencies can incorporate into their rules what they want to do. Regarding other agencies, for example Agriculture and safety in farming, etc., Rep. Raybould said that if it comes to public safety, that would be excluded, in order for information to be available in another language.

Rep. Raybould clarified that a document between a landlord and tenant is

a private document and can be in another language. This bill only covers official documents. For example, a real estate document pertaining to the sale of a house, recorded with the county, would be required to be in English. This bill specifically excludes private negotiations. For clarification, Rep. Snodgrass asked if this would prohibit an agency from providing materials in a foreign language. Rep. Raybould said that would depend if the agency required them. He assumed that the official documents would be in English and those documents that are subordinate to them, probably would not be.

Rep. Mathews asked about the feasibility of translating documents into several languages, given that Idaho has approximately 82 separate spoken languages. Rep. Raybould explained that this is the thrust of this legislation, to confine the business of the state into one language and let those who are participating in transactions such as insurance and real estate, etc. provide translations in a foreign language .

In response to a question from Rep. Luker, Mr. Toryanski said that they evaluated the bill and then considered the broad exemptions, strictly from a legal standpoint; would it pass constitutional muster. Because of the exemptions, it appeared that this bill was constitutional.

- CON** **Sherri Wood**, President of the Idaho Education Association, said that parents want their children to speak English. She believes this bill will prohibit parents from being actively involved in their children's education. "How do you communicate about bond elections, charter schools..."
- CON** **Alicia Clement**, Idaho Community Action Network, said this is a bad policy. We behind in math and science. This does not encourage all children to be leaders and to learn the English language.
- CON** **Maria Mabbutt**, Executive Director, Idaho Hispanic Caucus, said she is concerned about language on page 1, lines 24 through 28.
- CON** **Roger Sherman**, Program Director, United Vision for Idaho, said he believes the bill is divisive.
- PRO** **Rick Helsley**, Idaho American Legion, said that the American Legion stands by the premise of having English as the official language of Idaho.

In concluding remarks, **Rep. Raybould** said that most of the testimony had gotten away from the subject of the bill. This legislation does not make diversity an issue. The intent is to bring people together by establishing one direction that the people of this state should be heading and that is to be of one group, even though many different languages can be spoken. The issue of court room interpreters is covered in the bill. Regarding employees' rights, employees have every right to do what their employer expects them to do. Advertising in a foreign language is not included and is not an issue in this bill. We are not taking any tools away in order to bring people together. If specific church or educational groups want to offer English courses, this bill does not prohibit that, but encourages it. This is not an "English only" bill. It is the official language that we do business in, in our government. The Attorney General's Office is a law enforcement agency that is specifically covered under section 4,

(b). They are allowed to do what is necessary as far as their law enforcement agency is concerned. This bill includes and recommends foreign language in education and tells the State Board of Education to promulgate rules that encourage education for students and their parents.

MOTION: **Rep. Andrus** moved to send **S 1172** to the floor with a do pass recommendation.

SUBSTITUTE MOTION: **Rep. Rusche** moved to hold **S 1172** in Committee. He expressed concern with the language on page 1, lines 24 through 27, "*all transactions, proceedings, meetings or publications issued...*" He is concerned that all of the various communications done on behalf of issues of personal health, workplace, financial information, etc. will not be allowed. This bill will have long-term consequences.

Representative King said she would be voting for the substitute motion. Representatives Stevenson, Snodgrass and Labrador said they would be voting for the main motion.

VOTE ON THE SUBSTITUTE MOTION: On a roll call vote, the substitute motion failed by 13 NAYS and 5 AYES. Representatives Loertscher, Edmunson, Stevenson, Black, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews and Shepherd voted Nay. Representatives Ring, Smith, Pasley-Stuart, Rusche and King voted Aye.

VOTE ON THE MOTION: On a roll call vote the motion passed by 13 AYES and 5 NAYS. Representatives Loertscher, Edmunson, Stevenson, Black, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews and Shepherd voted Aye. Representatives Ring, Smith, Pasley-Stuart, Rusche and King voted Nay.

ADJOURN: There being no further business to come before the Committee the meeting was adjourned at 10:05 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 15, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representative Andrus

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

The Chairman called the meeting to order at 9:00 A.M. The first order of business was approval of the minutes. Rep. Pasley-Stuart moved to approve the minutes of March 13, 2007 as written. The motion carried.

S 1157a

Senator McGee said this bill requires that people show identification before receiving state benefits. Legal immigrants play an integral and welcome role in our country's growth and development. The key word is "legal." In the last 15 years, "illegal immigration" has become an increasing problem that puts enormous financial pressure on states all over the nation, including Idaho. Of the estimated 12 million illegal immigrants in this country, the Pew Hispanic Center estimates that two-thirds have been in the United States for 10 years or less; 40%, 4.4 million people, have been in this country for less than 5 years. Our systems of welfare, education, law enforcement, health care, and employment benefits are being stretched not only to provide help for tax-paying citizens, but also to absorb the demands of people who have broken the law to enter the country, and then break the law again by accessing support programs to which they have no legal entitlement.

The federal government has had little success in stopping the flood of illegal immigrants into this country. But once illegal immigrants have broken the law and entered the country, the states, not the federal government, must pay for benefits like welfare, education, health care, and law enforcement. This federal failure to solve the illegal immigration problem thus has imposed a de facto "unfunded federal mandate" on states. It's time for states to address the illegal immigration problem on their own level. Last year, 30 states passed some 57 laws to crack down on illegal immigrants, according to the National Conference of State Legislatures. That flurry of legislation reflects states' mounting frustration with federal inaction. Idaho has begun taking action to protect the education, health care, employment and legal systems that are paid for by and designed to help our citizens, not illegal immigrants. Last December, then-Governor Jim Risch issued an executive order directing state agencies to provide services only to people who are lawfully entitled to work in Idaho. Senate Bill 1157 will write that same requirement into state law. This bill has the Governor's endorsement.

Illegal aliens are receiving taxpayer-supported benefits in Idaho, and taxpayers should not be saddled with any of those costs. The Center for Immigration Studies reports that California has estimated their cost of providing services to illegal immigrants recently approached \$3 billion during a single fiscal year. The federal government requires states to provide services like education and emergency medical care, regardless of residency questions, and Idaho will continue to meet those needs. But there is no federal requirement that states must let illegal immigrants take advantage of other services, such as employment benefits, welfare, and routine health care.

This legislative proposal builds on the federal standard known as "Systematic Alien Verification for Entitlements" (SAVE). The SAVE program gives local/state governments and businesses the tools to verify that applicants are lawfully present in the United States before granting a variety of tax-supported benefits. If people can show proof of legal residency such as an Idaho driver's license, a U.S. military ID, a passport, or a valid Social Security number, they can access the services they need. Idaho must do what we can to address the illegal immigrant problem on our own state level. Otherwise, the drain on taxpayer resources and services will simply continue to increase, eroding our ability to provide those services to people who are legally entitled to receive them. The immigration policy in this country is dysfunctional and broken.

Rep. Rusche asked if there was an assessment of a cost savings versus the cost of implementing the SAVE program in the other 30 states. He had received an estimate from a Colorado legislative services organization indicating a financial loss. Senator McGee said that not all 30 states passed the same law. They have used Colorado as their baseline model and, as it evolved, have amended where necessary. They have worked closely with the Department of Health and Welfare, making changes based on some of the drawbacks from legislation in other states. In response to another question, Senator McGee said that this bill does not exclude anyone from receiving emergency care, which is also federal law.

David Hensley, Legal Counsel to the Governor, yielded to a question from Rep. Rusche regarding federal programs, such as health clinics and public health departments that are required to take people in non-emergency cases. **Mr. Hensley** said that this bill tries to exempt some of the areas like emergency care, food assistance, dependent children under 18, etc. In addition, it also tries to prevent the burden from falling on our agencies in terms of verifying those who are here illegally and attempting to receive benefits.

Rep. Edmunson asked for a "ball park" figure of what the state of Idaho spends annually. The response was that it would be very difficult to determine. Studies from California indicate there are \$3 billion going to this category every year in that state. He does not have a definite answer for this state.

Rep. Labrador disclosed, for the record, that he is an immigration lawyer. He said that federal law already exists as well as a state mandate, consequently, he does not think this bill is necessary. The policy of the

state of Idaho should indicate that we will not give tax payer benefits to people here illegally. The response was that this is not merely a repetition of federal law, but goes beyond what is already in the law. Senator McGee read the definition of “federal public benefit” and “local public benefit” from the Idaho code at Rep. Luker’s request. In response to a question, Senator McGee said this bill does not affect workman’s compensation.

Rep. Labrador asked for clarity of what the SAVE program is and asked why state agencies could not take advantage of that program. Senator McGee answered the second part of the question by saying that agencies are implementing the SAVE program right now on many of their benefits. Benefits that are not being implemented, would be required by this bill.

Senator McGee deferred to **Richard Armstrong**, the Director of the Department of Health and Welfare, to define the SAVE program. Mr. Armstrong said that in the past when processing applications, a social security number or an I.D. number was required. When the federal law became effective July 1, 2006, the certification was still required from the applicant, but they went a step further and verified the validity of the number through the Social Security Administration. The number was also verified through the SAVE program. Currently, this does not have much impact on the Department because they are already implementing that protocol.

Rep. Labrador asked why this law is necessary if it is already being done. Mr. Armstrong said that, currently, the heating assistance and insulation program is contracted out with the community action agencies. They are conducting the application process but not the verification process to determine citizenship. This bill would open up that software process to allow for verification. Mr. Armstrong said that this could possibly be taken care of under former Governor Risch’s executive order. Senator McGee said that there are many state agencies that are affected. They are using the Department of Health and Welfare as only one example.

In response to a question from **Rep. Pasley-Stuart** regarding applying for unemployment insurance, **Senator McGee** said that this law requires more than just the social security number. In order to receive public benefits, you have to have other forms of I.D. This goes beyond what is currently being done in the state. **Mr. Hensley** yielded to a question to explain in more detail the kinds of I.D. that would be required. Regarding unemployment insurance, currently the Department of Commerce requires a name, a social security number and date of birth. That required information is verified with cross checking with the Department of Motor Vehicles to be sure all three of the components match. If they do, the benefit is provided.

Mr. Hensley responded to questions from **Rep. Labrador**. Former Governor Risch’s executive order requires the agencies to make sure, as they explore the processes they employ, that they are providing services and benefits to those who are here legally. However, the executive order does not go to the length of the specificity that is in this bill for actually verifying and implementing the mandate that was established under the executive order. SAVE is one component to look at individuals who are

here legally and track their resident status. This law looks at other benefits that go beyond the issue of residency. SAVE is one tool to verify legal residency. This bill lays out other tools to verify legal status.

CON

Adrian Wright, Legislative Advocate Intern, Catholic Charities of Idaho and the Roman Catholic Diocese of Boise, said that S 1157 fails to address the problems embedded in our federal immigration system and does so at the peril of Idaho's families and children. Families, fearing deportation or other punishment after accessing necessary services will avoid services, even if they qualify. Reduced access to preventative healthcare for children and emergency care for adults creates an unnecessarily high risk to public health by introducing an increased chance for the rapid spread of diseases and increase in the number of preventable fatalities. The costliness of implementing this legislation has been demonstrated by Colorado's public benefits law, which has cost taxpayers \$2 million in the first six months. (See attached for complete written testimony.)

CON

Irene Ross, a first generation immigrant, said, "This is a discriminatory law as stated, motivated by racism." This law targets certain population groups. The undocumented workers provide economic benefits for the entire state and they will never see the benefits they are entitled to. They also pay taxes. This would close the resort of Sun Valley. This law will discriminate and will create a black market for substandard care. Those individuals will end up in emergency rooms which will increase taxes. Doctors will conclude that early intervention is always better.

PRO

Dan Chadwick, Executive Director of Idaho Association of Counties, said this has been a long standing concern for counties who are responsible for all indigent care. If a person is legal or illegal, counties pay for health care. Medicaid is only responsible for emergency medical care. Senate Bill 1157 will make the counties responsible only for emergency health care issues that would qualify and keeps their exemptions in place. If a person is a legal resident, the county is obligated to pay. The cost savings to the counties could range anywhere from \$500,000 to \$1.5 million to counties on an annual basis.

Responding to **Rep. Rusche's** question, **Mr. Chadwick** said that counties are paying approximately \$14 to \$20 million annually for indigent healthcare. Answering a question regarding non-emergency care in governmental supported hospitals and clinics, Mr. Chadwick said that if it is a public benefit, such as indigent healthcare, it would fall within the restrictions of this particular legislation. If the care provided by a hospital is considered a public benefit provided by the governmental entity, it would also fall within the restrictions of this legislation. If it is paid for other than governmental funds, there is a possibility that care would still be provided.

Rep. King asked who would be responsible for paying for an individual who spends 30 or more days in an emergency hospital with a serious injury or illness and then dies. **Mr. Chadwick** said the counties could pay for it now under existing law if they are a resident of the county and an indigent. If they are not a resident, the county is not responsible. However, qualifying for residency only takes 30 days. Rep. King asked

about seniors, for example, who cannot locate certain documents and how much of a burden would that be on counties. Counties already have the responsibility to go through an investigative process to see if the individual qualifies.

Rep. Bilbao asked **Mr. Chadwick** if he thought that the majority of hospitals in Idaho write off, as charity care, any services that are provided to undocumented workers. The response was that they probably write off a substantial amount of charity care provided to undocumented workers.

CON **Marty Durand**, Executive Director, Idaho Womens' Network, said that these requirements could result in denial of critical benefits. For example, individuals who have a mental illness and may not have a driver's license, or a passport or are unable to locate a birth certificate. Women in domestic violence shelters and people in transition will have great difficulty providing proof of documents. This affects those most who are the most vulnerable.

CON **Karen McWilliams**, Idaho Community Action Network (ICAN), said this bill creates more barriers for U.S. citizens and legal immigrants. She shared a personal story of the difficulty her sister had in obtaining an Idaho Identification card because her birth certificate was recorded in Kansas and neither of them has a driver's license. (See attached for complete written testimony.)

CON **Hannah Saona**, Legislative Counsel, ACLU, said that S 1157 is based on the assumption that undocumented immigrants are applying for benefits, which is costing the state money. Undocumented immigrants generally do not go near such benefits out of fear of contact with the government. This bill will affect legal immigrants who are eligible for benefits. It may lead to discrimination against legal immigrants and citizens who may look or sound foreign. The SAVE program is not updated as frequently as necessary and contains inaccurate information. Because of this, many individuals may be denied benefits they are qualified for. The cost of enforcement in Colorado has reached more than \$2 million in less than a year.

CON **Leo Morales**, ICAN, said that this would hurt U. S. citizens. He said the cost to implement the program in Colorado should be taken into consideration. After six months, there were unintended costs. This does not change the eligibility, it just changes the process.

CON **Alicia Clements**, ICAN, said this bill doesn't change anything. "It's a waste of money."

CON **Sam Byrd**, Director, Center for Community and Justice, expressed concern for how much this would cost. There is a provision that prohibits discrimination, but in fact, discrimination does occur. The clinic in Caldwell receives the support from the state fund, and he wonders what will happen to that state fund. They are concerned about denying benefits to those who are here legally. For example, children born in this country and become citizens automatically; what will happen to their parents.

In concluding remarks, **Senator McGee** said that 30 states have passed

57 laws on this subject. There has been discussion about the misgivings of the Colorado law. This is not the Colorado law. He said they have gone to great lengths to make sure problems that have occurred in that law have been corrected in this one. This bill is talking about taxpayer paid state benefits. It does not apply to people under the age of 18, consequently, children will not be hurt. Prenatal and postnatal care is covered. The implication that this bill was motivated by racism is offensive. This bill is about responsibility to the Idaho tax payer. None of the many Agriculture groups that have met on the subject are opposed to this. There is a provision in this bill that takes care of individuals who are here legally but without proper documentation such as a birth certificate. The policy of Idaho needs to stand on the premise that people who want to receive tax payer benefits show that they are here legally.

Rep. Labrador, regarding an issue of constitutional challenge, asked if an opinion from the Attorney General's Office had been received. Senator McGee said that they have worked with two of the Attorney General deputies on this bill who have read it thoroughly and no one has raised any "red flags" about the constitutionality.

MOTION: **Rep. Edmunson** moved to send **S 1157** to the floor with a do pass recommendation.

Rep. King commented that this is an unnecessary bill and it will increase the costs to the counties due to the increase in the number of people who will ask for more vital statistics. It will disenfranchise seniors, the mentally ill, and domestic violence cases. The legal citizens will be the most affected. Rep. King also expressed concern that the SAVE program has inaccuracies. **Rep. Stevenson** said that having served as a county commissioner, he believes this gives the counties an opportunity to ask questions that have not been able to be asked before. **Rep. Labrador** agreed that people who are illegal should not be receiving benefits. He is concerned that the cost of this program has not been identified. He believes it could cost more than it saves. **Rep. Edmunson** referred to the Governor's comments about individual responsibility. If we all want state benefits, we have the responsibility to possess the proper documentation, such as a driver's license, etc. "As guardians of the state fund, I think this would be a good policy." **Rep. Rusche** believes this legislation would be fiscally unwise. Colorado had to add 80 FTE's and he has similar concerns for our state.

VOTE ON THE MOTION: On a roll call vote the motion passed by 12 AYES and 5 NAYS. Representatives Loertscher, Edmunson, Stevenson, Black, Ring, Snodgrass, Anderson, Bilbao, Crane, Luker Mathews, Shepherd voted Aye. Representatives Labrador, Smith, Pasley-Stuart, Rusche and King voted Nay.

ADJOURN: The Chairman announced that notification of the next Committee meeting would be forthcoming. The meeting was adjourned at 10:18 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 16, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Snodgrass, Andrus, Labrador and Smith

GUESTS: **Paige Parker**, Senior Legal Analyst, Legislative Services Office. Mr. Parker said that the Legislature must approve temporary rules by adoption of a concurrent resolution approving the rule if the temporary rule is to remain in effect beyond the end of the current legislative session. All of the germane committees have reviewed the rules and have approved all of the rules with the exception of five from the Division of Human Resources and Personnel Commission. If SCR 120 does not pass, then all of the temporary rules will die at the end of the session. If this bill is passed, the temporary rules will stay in effect until next year.

MOTION: **Rep. Ring** moved to send **SCR 120** to the floor with a do pass recommendation. **The motion carried.** **Rep. Anderson** will sponsor the bill on the floor.

ADJOURN: The Chairman adjourned the meeting at 8:09 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 19, 2007

TIME: 9:00 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** Representatives Edmunson and Anderson

GUESTS: Mark Lockwood, Chairman, Dodie Coillier, Program Manager, Statewide Interoperability Executive Council

The Chairman called the meeting to order at 9:00 A.M. The minutes of March 13, 15 and 16, 2007 were reviewed. Rep. Ring made a motion to approve the minutes of March 16, 2007 as written. The motion carried. Rep. Pasley-Stuart made a motion to approve the minutes of March 15, 2007 as written. The motion carried. Rep. Ring made a motion to approve the minutes of March 13, 2007 as written. The motion carried.

Presentation: **Statewide Interoperability Executive Council (SIEC) Annual Report**
Mark Lockwood, Chairman, provided two handouts and a 31-minute DVD video.

Attachment #1 - Statewide Interoperability Executive Council Annual Report

Attachment #2 - Master Site Statistics, February 1, 2007 to February 27, 2007

Attachment #3 - DVD video - Failure to Communicate, Solutions, Getting There, Technical Information

Mr. Lockwood gave an overview of the SIEC annual report. The Council was created after the tragedies experienced on September 11, 2001. Idaho made a positive decision to protect the lives of the public safety first responders in service to Idaho citizens, and provide them the communications capability they deserved. Legislation to create the Council was passed during the 2006 Legislature. The SIEC is responsible for developing a statewide plan and developing and adopting standards for local and private public safety wireless radio interoperable communications. They will recommend guidelines and standards of operation and promote coordination and cooperation among local, state, federal and tribal public safety agencies.

The SIEC is working with the Bureau of Homeland Security and its federal partners to research and obtain all available funding opportunities for interoperable communications. Idaho's vision for use of the 700MHz spectrum has positioned the state to be a major competitor for the funding

opportunity of the \$1 billion dollar appropriation for users in the 700MHz spectrum.

The SIEC shares best practices of other states. They will provide recommendations to the Governor and the Legislature, when appropriate, on issues of safety of wireless radio communications and in accordance with homeland security presidential directives. The SIEC will continue to serve the Governor and the Legislature of their knowledge base developed over the past three years, and will provide the expertise needed to continue the development and maintenance of a statewide emergency communications system for first responders. They will serve as a conduit for the future allocation of federal grant funds to support the delivery of public safety wireless radio interoperable communications systems directed towards local government and private entities. The SIEC will continue to make available information and access to all sources of funding to further interoperable communications for local and tribal governments across the state. The Council will work in coordination and cooperation with the Idaho Emergency Communications Commission and the Information Technology Resource Management Council.

The Council operates on an annual budget of approximately \$276,000 granted to the SIEC by the Idaho Bureau of Homeland Security. Dodie Collier is the Project Manager and Sandra Harris, the Administrative Assistant.

This system will provide the connectivity for city, county, tribal, state and federal emergency services with the ability to communicate in real time and on demand, and in catastrophe times. The SIEC is working to mitigate the impact that will occur to Idaho's system and users of the Federal Communications Commission mandates, over the next six years, regarding changes in public safety radio communications. To date, approximately \$15 million dollars of local and federal monies have been used to increase interoperable communication capabilities across Idaho. Some of the resources have come from Homeland Security Grant Program funds through the Idaho Bureau of Homeland Security. In addition, the Idaho Bureau of Homeland Security has invested \$2.5 million dollars in a master site controller that will allow a full complement of services and the highest level of interoperability within and among the public safety agencies across the state.

The vision of the SIEC is to create and utilize a "communications backbone" through the utilization of the State of Idaho microwave and fiber systems, thus providing a system to tie all regional systems together and allow responders to communicate regardless of location. This system would also tie Idaho's communications with its neighbor states and Canadian neighbor to improvement mitigation, preparedness, response and recovery capabilities for all hazards.

Rep. Black assumed the duties of the Chair.

Rep. Rusche asked him to explain the difference between the 700MHz frequency and other classes of frequencies that might be used and asked about the North/South interconnection communication barrier across the Salmon River. The response was that currently, throughout the state, they operate between a 150MHz or at a 450MHz band in analog format.

The 750MHz provides the ability to send a lot more data and has more carrying capacity than the 450MHz. Concerning the backbone and connectivity from the north end to the south end of the state, Idaho is one of the few states that has a microwave backbone in place that is utilized daily by public television, Department of Education, Department of Transportation and the Idaho State Police. There are sections that need to be upgraded. Their plan includes making it more robust and redundant and bringing the system forward to a digital format.

In response to a question regarding the infrastructure among other telecommunication systems between northern and southern counties in Idaho and surrounding states, Mr. Lockwood said they have been working on developing coordination, cooperation and collaboration in all areas so that all aspects and disciplines of public safety can work together. Rep. Stevenson asked about the development standard of equipment in the 700MHz spectrum. The response was that the 700MHz is somewhat new. More vendors and distributors are developing various aspects. There has been 800MHz materials and equipment in place for years. Master controllers have been purchased recently. No one will be left out. If certain areas choose to operate in the VHF or UHF spectrums, the means of connection will be provided. However, full functionality may not be provided, but they will be able to communicate.

Rep. Shepherd asked about some of the remote areas in her district of North Idaho, particularly Lookout Pass, which borders between Idaho and Montana. The response was that Montana is planning to upgrade some of those areas. Mr. Lockwood said that they would be most willing to assist in that area in facilitating interaction between the parties involved. Rep. Labrador asked about 911 fees paying for this program in Eagle. Mr. Lockwood said that 911 involves telephone interconnect which is different from wireless. They are going to depend on regional boards expressing their needs and working together jointly in putting together the maintenance and operation portions of this system. Rep. Bilbao asked about the satellite opportunities in some of the areas. The response was that they will have those assets on the ground some time in the future. Rep. Mathews asked about the 700MHz radio communication as it relates to national security. The response was that they have the ability to encrypt and protect those communications, if necessary.

The Chairman resumed the duties of the Chair.

ADJOURN:

The Chairman announced that the Committee would have at least one more meeting, the date and time to be determined.

The meeting was adjourned at 9:34 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O’Kief
Secretary

MINUTES

HOUSE STATE AFFAIRS COMMITTEE

DATE: March 21, 2007

TIME: 8:30 A.M.

PLACE: Room 412

MEMBERS: Chairman Loertscher, Vice Chairman Edmunson, Representatives Stevenson, Black, Ring, Snodgrass, Anderson, Andrus, Bilbao, Crane, Labrador, Luker, Mathews, Shepherd(2), Smith(30), Pasley-Stuart, Rusche, King

**ABSENT/
EXCUSED:** None

GUESTS: Please see presenters highlighted below and attached sign-in sheet.

The Chairman called the meeting to order at 8:30 A.M. The minutes were reviewed. Rep. Stevenson made a motion to approve the minutes of March 19, 2007 as written. The motion carried.

S 1202 **Larry Johnson**, Manager of Investments, Endowment Fund Investment Board, said that this bill will allow for more efficient scheduling of both Board of Examiners and Land Board meetings. Currently, the Board of Examiners is required by statute to meet on the second Tuesday of the month. Also, four of the five Land Board members are involved in Board of Examiners' meetings, so the two boards always hold their regular meetings one after the other, on that second Tuesday. Senate Bill 1202, gives the Board of Examiners authority to change that date to better accommodate the scheduling needs of those who support the Land Board. The Land Board, the Board of Examiners, the Endowment Fund Investment Board and the Department of Lands do not see any downside to this legislation. Mr. Johnson asked for the approval of the Committee because it will allow them to schedule their work more efficiently.

Rep. Labrador asked if this would allow the board to meet more often than once a month if they desired. The response was they typically meet once a month. The second Tuesday makes it difficult to have all of the month-end reporting finished in time to be reviewed. Rep. Luker asked if the meetings were published. The response was that both the Land Board and Board of Examiners have web sites that announce the meetings far in advance.

MOTION: **Rep. Pasley-Stuart** moved to send **S 1202** to the floor with a do pass recommendation. **The motion carried.** **Rep. Pasley-Stuart** will sponsor the bill on the floor.

SCR 121 **Senator Goedde** said this concurrent resolution would reject two subsections of a pending rule of the Public Health Districts (PHD) pertaining to Rules of the Panhandle Health District 1. The change the PHD had proposed was changing the methodology for calculating subsurface sewage flow from private residences from a bedroom based

method to a square footage based system. Since looking into the matter, it has been determined this would have a very negative impact on property owners throughout the five northern counties. A letter from PHD was given to the members stating that PHD has no objection to accepting the content of this resolution. The letter also states that it is their intention to review the rules with the interested parties over the interim and return next session with a rule that both PHD and stakeholders will support. Senator Goedde had also received a letter from the Coeur d' Alene Lakeshore Property Owner's Association, of over 1,200 members, indicating that they concur with this resolution. Please see the following attachments:

Attachment #1 - Panhandle Health District letter dated March 19, 2007
Attachment #2 - Cd'A Lakeshore Property Owner's Association letter dated March 16, 2007

Rep. Rusche asked what has occurred with the condition of the water that prompted PHD to change the rule. The response was that there are many reasons for trying to improve the water. One source of contaminant is due to the natural occurrence of heavy metals in the Silver Valley, even prior to mining. There are areas around the lakes that still drain into perforated tanks. The blame does not lie with the current systems that were designed and installed under the current rule.

In response to a question from Rep. Smith, Senator Goedde said that the change from four subsections to two subsections, the corrected number, was not picked up on the Statement of Purpose as it should have been. Senator Goedde stated that his intent is to have the Statement of Purpose corrected. Rep. Smith asked why this change wasn't caught earlier when all of the various public meetings were held. Rep. Goedde said that he did not think that anyone realized the implication of sizing the drain field four times what it would be sized under the current rule, not only because of the cost factor, but the amount of land it would require as well.

Answering Rep. Shepherd's question as to how these meetings were advertized. The response was that the PHD did not go through negotiated rule making which would have been preferable to the public meetings that were held. Rep. Rusche asked if this was directed toward new construction or existing dwellings. Senator Goedde said that there was not a grandfather clause included in this legislation and any changes, for example, remodels would be affected if the square footage was increased by 10%.

Steve West, President, CENTRA Consulting, Inc., provided a packet for the members which included his 4-page testimony plus spreadsheets dealing with flow calculations and other technical aspects. Mr. West stated that the pending rule contains serious flaws and would result in significant adverse impacts to property owners and building contractors in the five northern counties. As proposed, the rule changes the manner in which subsurface sewage flow is calculated which would result in extraordinary increases in the requirements for septic tank and drain field sizing. Mr. West proceeded to note the high points of his testimony. He said that SCR 121 will allow the opportunity through the interim for some meaningful discussion with stakeholders and the health district to see if there is a better way to address this concern and to determine whether or

not there is a concern. (Please see attached for complete written testimony and packet.)

In response to a question from Rep. Anderson, Mr. West said that this rule does not include a grandfather clause. Lots sold with septic approval under the existing rules could create problems. Rep. Shepherd said that she sees this as affecting the small home owner more than the seasonal "trophy" home owner. She asked how can grandfather rights not be included, in this case. The response was that he did not know for sure, but said that this resolution removes the change of calculating waste water flow from bedrooms to square footage of "habitable space" and leaves intact the rule that is currently being utilized. He also said that it is important to hold the professional engineers and architects accountable and they are obligated to make sure that the systems are designed appropriately. Rep. Shepherd expressed concern for established residents who live too close to the water, or river or lake and under the new rules, asked what would be required of them. The response was that the PHD would probably make that determination. He believed that where there is a 10% increase in habitable space, then the system would have to meet the requirements of the new rule, unless there was a waiver granted or some other accommodation.

Answering a question from Rep. Bilbao, Mr. West said that the PHD has proposed a standard that is more stringent than what DEQ and the other health districts would require, which is part of the reason for considering this resolution. Rep. King asked if the calculations based on various types of soil, i.e., bedrock versus sand soil, etc. would have an impact. The response was that would be one of the factors considered. Rep. Smith said that she had understood that the PHD based these proposed revisions on information provided by the state's technical guidance committee and asked who oversees that committee. The response was that committee was administered by DEQ. It was determined that the need for change was not technically justified. Since that committee, new technologies and engineering solutions have been developed which have been included in this rule.

MOTION: **Rep. Mathews** moved to send **SCR 121** to the floor with a do pass recommendation. **The motion carried.** **Rep. Smith** inquired about having the Statement of Purpose changed to reflect two subsections rather than four, which had been noted previously by Senator Goedde. This Chairman said that the correction would be made. **Representatives Pasley-Stuart and King** requested to be recorded as voting No. **Rep. Anderson** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the Committee, the Chairman adjourned the meeting at 9:24 A.M.

Representative Thomas Loertscher
Chairman

Jennifer O'Kief
Secretary