

# House State Affairs Committee

Minutes  
2009



## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** January 14, 2009

**TIME:** 9:30 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** None

Chairman Loertscher called the meeting to order at 9:30 AM. A silent role was taken. He welcomed the committee and thanked them for being present. He mentioned that motions are always in order in this committee, unless it would be out of order by the Mason's rules. He talked about the importance of calling the meetings to order on time. In such cases where Chairman Loertscher is unable to be present at the appointed meeting hour, Vice Chairman Anderson would be able to start our meetings. He reminded the committee that our mission is to represent the public. He said any member of the public who attends our meetings as a guest and wants to testify will be given the opportunity to do so.

One of the reports before us this session is the State Endowment Investment Report. Chairman Loertscher asked that the committee review the information presented so that questions could be asked, especially in light of current economic conditions.

Chairman Loertscher indicated that we had many rules to review this session. He assigned Rep. Anderson the duty of supervising their review by subcommittees. Chairman Loertscher then introduced Vice Chairman Eric Anderson.

Vice Chairman Eric Anderson extended a welcome to all committee members. He introduced the two subcommittee co-chairs and the members who had been selected to sit on the subcommittees. The first subcommittee, co-chaired by Representatives Luker and Labrador would deal with all racing commission rules. Members would include Representatives Stevenson, Mathews, Palmer, Stuart and King.

Representative Crane would chair the second subcommittee dealing with all non-racing commission rules. Members of the second subcommittee include Representatives Andrus, Bilbao, Kren, Simpson, Shepherd, Smith, and Higgins. Representative Anderson will float between the two committees to assist as needed.

Representative Anderson said that because the public may not be aware of items in the pending rules, we will need to give public notice of our subcommittee agendas for any scheduled meetings to invite participation. He advised going through all the rules at the first subcommittee meeting. As the rules are reviewed if anyone feels a need for more information the appropriate agency should be invited to explain the issue.

Representative Black advised that it would be a wise thing to call any agencies ahead of time and inquire if there are any controversial rules so that we would have advance knowledge of any upcoming issues. Representative Anderson agreed. He said the committees would have a discussion after their initial rules meetings to consider that option.

Chairman Loertscher indicated that if there is a lot of discussion about rules and the subcommittee cannot come to a conclusion, the full committee will decide. If there is legislation to consider this week, we'll take the time to work thru that as rapidly as we can throughout the session.

Chairman Loertscher introduced the new Committee Secretary, Marsha Walker, and Page, Lee Gray. He also welcomed new members Palmer, Simpson and Higgins. He announced that we would not have a scheduled meeting for the remainder of this week and possibly Monday.

Representative Anderson commented that the rules are due back to the Speaker by Feb 5 with full committee approval and requested that the subcommittees expedite their meetings.

Subcommittee Chairman, Representative Crane, called a meeting of his subcommittee for 10:00 AM this Friday, January 16, regarding IDAPA rules 31 & 40.

Subcommittee Co-Chair, Representative Luker called for a meeting at 9:00 AM, Monday, January 19, regarding temporary rules.

**ADJOURN:** As there was no other business, the meeting adjourned at 9:50 AM .

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE Crane Subcommittee

**DATE:** January 16, 2009

**TIME:** 10:00 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Crane, Andrus, Bilbao Simpson, Smith, Shepherd, Higgins, Kren

**ABSENT/  
EXCUSED:** Representative Andrus

**GUESTS:** Sign in sheet attached to original minutes on file in the Committee Office until the end of the 2009 legislative session, after which it will be retained in the Legislative Library.

Subcommittee Chairman Crane called the meeting to order at 10:00 AM. He stated that the purpose of our meetings is to review and hear agency presentations regarding pending rules. He also stated that if anyone had any concerns about the pending rules to please advise the committee. If there are no concerns or objections, then the committee will make a recommendation to pass the rules. Chairman Crane introduced Jim Kempton, President of the Idaho Public Utilities Commission.

**DOCKET;  
31-0101-0801** Jim Kempton, President of the Idaho Public Utilities Commission introduced himself to the committee, as well as, Ron Law, Executive Administrator of the Idaho Public Utilities Commission, and Don Howell, the Attorney General of the Commission. He then summarized items in docket # 31-0101-0801 for the committee.

Among the more prominent revisions, the proposed rule:

- Increases the use of electronic filing relating to discovery-related documents and to documents that require the Commission's immediate action.
  - Revises provisions relating to information, including financial information, required in applications for new competitive local exchange carries.
  - Re-orders two customer notice rules previously found elsewhere in rule. These include rules governing notices to customers of proposed rate changes and rules requiring a utility to provide to the public a summary of its positions and testimony filed in cases under consideration.
  - Provides that an applicant may file reply comments in modified procedure.
  - Other changes include a reduction in the time to answer discovery requests, from twenty-eight to twenty-one days.
  - Specifically describes two types of formal hearings conducted by the Commission—technical hearings and customer hearings.
- Other changes in the proposed rule are largely technical and housekeeping in nature, e.g., correcting citations, cross-references, etc.

The main purpose of the rule changes is increased efficiency, cost savings, and streamlining certain processes within the agency to eliminate redundancies.

**MOTION:** Representative Bilbao moved to send Docket 31-0101-0801 to the full committee. The motion carried by voice vote.

**DOCKET:  
31-7103-0801** Mr. Kempton said that all the rules changes in this docket pertain to changes in the law, pertinent to an update in the applicable codes.

In response to questions from the committee, Mr. Kemper informed the committee that there had been no negative comments from the public. Also, that it is the responsibility of both the State and Federal governments to inspect the rail lines carrying hazardous materials. ,

Ron Law, Executive Administrator of the Public Utilities Commission, added that the commission has two inspectors who inspect the actual cars to make sure they are placarded correctly in the event of an accident, and that these inspections are usually performed in rail yards, including but not limited to rail yards on the border with Canada, in Pocatello, Nampa and Montpelier, and other places that may have hazmat. Mr. Law stated that there were about 100 items of non-compliance, also called deficiencies during the last year. These are things that need to be corrected, but are not major violations. He also stated that there were about a dozen violations in the last year.

**MOTION:** Representative Smith voted to send Docket 31-7103-0801 to the full committee. The motion carried by voice vote.

**DOCKET:  
40-0101-0801** Michael Faison, Executive Director of the Idaho Commission on the Arts, introduced Docket 40-0101-0801 to the subcommittee. He explained that the Art's Commission is Idaho's principal cultural agency and is charged to make arts programs available to all Idahoans. He explained that the reason for the rules change is to implement the programs and services that support the newly adopted Long Range Plan of the Idaho Commission on the Arts. These rules will increase access to public resources by reducing the paperwork to apply for grants from the Commission and make the funds more reliable. To increase accountability, grant review will be based on past performance instead of future plans. To streamline the new processes, the Commission engaged in a year-long process that included public input and the assistance of public policy faculty at Boise State University. A series of focus questions for citizen feedback was created and a series of 12 regional planning meetings was held in 12 cities across the state, as well as online. As a result of this input, three previous grant programs have been folded into one, thus reducing paperwork and effort for both applicant and agency. A new program provides matching grants to support public programs in the arts for Idahoans. By folding these programs together, the value of the resources is increased without increasing their cost.

In response to committee questions regarding if there had been a larger request for funds this past year than in previous years due to the current economic climate, Mr. Faison explained that in the Quick Funds matching contribution plan, the eligibility level has been raised from the \$1000 level

to the \$1500 level and that the match is a one-third match. One of our dollars to three of theirs.

**MOTION:** Representative Smith moved to send Docket 40-0101-0801 to the full committee. The motion was carried by voice vote.

Chairman Crane instructed the subcommittee members that our next item of business would be rules pertaining to the State Lottery. He said that there may be some controversy on the subject and requested that everyone review the information and be prepared to at our next meeting.

**ADJOURN:** As there was no further business the meeting adjourned at 10:45 AM.

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Representative Brent Crane  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE Luker-Labrador subcommittee

**DATE:** January 19, 2009

**TIME:** 9:00 A.M.

**PLACE:** Room 145

**MEMBERS:** Co-Chairman Rep. Luker, Co-Chairman Rep. Labrador, Representatives Stevenson, Mathews, Palmer, Pasley-Stuart, King

**ABSENT/  
EXCUSED:** Representative Stevenson

**GUESTS:** Dennis Jackson, Exec. Director, State Racing Commission;  
Sam Stephenson, President, Horseman's Benevolent Protective Association;  
John Chatburn, retired member Idaho State Racing Commission

**Representative Luker** called the meeting to order at 9:00 A.M. He stated that we are here to review the temporary rules rewrite of the Racing Commission and noted that **Dennis Jackson, Exec. Director of the Racing Commission**, would fill us in on the specifics as we go through the rules. He also stated that we would defer voting on the first two dockets until the end of the meeting as they are repealing current chapters. He then introduced **John Chatburn, retired member of the Idaho State Racing Commission**.

**Mr. Chatburn** gave a brief overview of the reasoning behind the temporary rules. He explained that the commission brought in temporary fee rules because the fees were not set as a separate rule. The rule book was basically comprised of a 95 page rule with some conflicts. The commission wanted to break the rules out into separate chapters, and make a few revisions so that the rules would be more understandable to the race track operators, horse owners, trainers and others closely involved in racing. Last Spring, the commission held numerous rules workshops and invited all segments of the racing industry to attend, with good participation. All segments of the racing industry were represented; from small to large tracks, owners, trainers, etc. What we see before us is the result of that effort. Public hearings were held last week. There was no outstanding opposition to the rules.

**Representative Labrador** inquired as to the process - specifically regarding the Nampa Civic Center meeting - he asked whether anyone who showed up had any comments. **Mr. Chatburn** replied that in the meetings held last week on January 12<sup>th</sup> and 13<sup>th</sup>, there was extremely low attendance. He advised the committee that notices of the meeting had been posted by the administrator of rules in the normal manner, in addition, they have been posted on the Racing Commission's website since late November and also announced at the two most recent regular commission meetings. He also shared that there had been some substantive changes to the rules. The Commission's goal was to bring

them into conformity with the Association of Racing Commissioners International. There are some differences due to the fact that their rules are written as a model for the larger venues like Santa Anita and Churchill Downs as opposed to state racing in Idaho. For instance the model rules talk about horse ambulances and human ambulances for attendees. At our county fair meets we may have a quick response unit as opposed to an ambulance standing by. All race tracks have vehicles for removing injured horses, but they may not be exactly the same as what is used at Santa Anita or Churchill Downs.

It was the goal of the Commission to have all definitions pertaining to one rule in one place for ease of use, and to make definitions between chapters consistent.

**DOCKET #:  
11-0404-0902**

**Mr. Jackson** presented **11-0404-0902**, Rules Governing Disciplinary Hearings and Appeals to the committee. He explained that the main reasoning behind the changes was the rule was outdated, poorly written, and badly organized. No substantive changes were made beyond what the statutes allow for. The new rule gives a better definition as to the appeals process when there is a hearing for suspension of license. Mr. Jackson confirmed that the two rules being repealed are being replaced with two new rules.

**Sam Stevenson**, from the **Horseman's Benevolent Protection Association**, introduced himself. He stated that he participated in the workshop, that it was well-attended and legal counsel was present. He reiterated that there were some items in the old rules that needed to be updated or did not apply to racing in Idaho, and that they followed the model of the larger Association of Racing International.

**MOTION:**

**Rep. Labrador** moved to send **11-0404-0902** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET #:  
11-0405-0901**

The rules governing advanced deposit wagering were presented by **Mr. Jackson**. These rules cover setting up an account with a licensed operator to make wagers via telephone. The account must be funded with cash before wagers can be accepted, which is already allowed. This rule has more detail as to disputes. In reply to a question from the committee whether or not this expanded the ability for the public to make wagers. Mr. Jackson replied that no expansion was made in the rule, that in fact, it was slightly more restrictive than the previous version.

**MOTION:**

Representative Pasley-Stuart moved to send **Docket # 11-0405-0901** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET #:  
11-0406-0901**

**Mr. Jackson** presented **Docket # 11-0406-0901**, Rules Governing Racing Officials to the committee. He explained that racing officials are the stewards, observers, the starter, paddock officials, veterinary officials and everyone else whose job it is to officiate at each race to insure that the race is conducted in accordance with the Commission's rules. This chapter deals with specific rules for each of these positions.



**Mr. Jackson** also explained that there is no specific criteria as to who is experienced and knowledgeable according to the official qualifications page, except for Stewards and Veterinary Officials. Stewards must be accredited with the International Association. The Racing Commission has the authority to determine who is qualified to be an official. Background checks and references are examined thoroughly. New officials are required to meet with seasoned officials so that staff has the ability to evaluate the person applying for a particular license.

**MOTION:** **Representative King** made a motion to send **Docket 11-0406-0901** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET #:**  
**11-0407-0901** **Mr. Jackson** presented **Docket 11-0407-0901** to the committee. This rule applies to rules governing racing associations and association fee rules. Racing associations are the entities that operate the racing meets in Idaho. This rules covers what one must do to be a racing operator in the state of Idaho. It covers the application process as well as all requirements.

**MOTION:** **Representative King** made a motion to send **Docket 11-0407-0901** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET #:**  
**11-0408-0901** **Mr. Jackson** presented **Docket 11-0408-0901**, Rules Governing Pari-Mutual Wagering, to the committee. The rule governs the type of wagers that may be made in Idaho on a race, as well as the details of how a payoff is to be calculated for win, place, show; and for exotic bets; those bets that may couple two or more horses in some type of combination. It also outlines the rules pertaining to a dead heat, and other standard racing scenarios.

**MOTION:** **Representative Pasley-Stuart** made a motion to send **Docket 11-0408-0901** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET #:**  
**11-0410-0901** **Mr. Jackson** presented **Docket 11-0410-0901**, Rules Governing Live Horse Races, to the committee. He explained that this is probably the most extensive and used rule. These are the rules used by Stewards to determine if a race was run according to the rules. For instance, it describes the rules of how a race will be run, how to enter a horse in a race, the process to follow should you choose to withdraw a horse, how a horse may be scratched, what a jockey must do during race.

There was a lot of discussion and interchange on this rule by the Commission, and in the end the Commission developed a rule that is applicable and acceptable to everyone involved.

**MOTION:** **Rep. Pasley-Stuart** moved to adopt **Docket 11-0410-0901** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET #:  
11-0409-0901**

**Mr. Jackson** presented **Docket 11-0409-0901**, Rules Governing Claiming Races to the committee. He explained that the claiming of a horse is ingrained in horse racing. It is a process by which horses move through the industry. In a claimed race a fee may be stated for any particular horse. If you are an owner or are licensed as a representative for an owner you may purchase a horse for the particular fee - or claim. This rule covers the complete process of claiming a horse, as well as situations that might arise in that claiming process.

**MOTION:**

**Rep. Pasley-Stuart** moved to send **Docket 11-0409-0901** to the full committee with a do pass recommendation. **The motion carried on voice vote.**

**DOCKET #:  
11-0411-0901**

**Mr. Jackson** presented **Docket 11-0411-0901**, Rules Governing Equine Veterinary Practices to the committee. This rule governs equine veterinary practices. It is written to protect the integrity of the race, the public, and for the protection of the animals.

It covers what types of veterinary practices may occur on the racing grounds to the animals, what types of drugs may be administered by the commission veterinarian, when they may be administered, and what are acceptable levels of approved drugs. It also describes testing on the animals. Purses are held up until the testing is complete. An owner can be fined or suspended if a test comes back with certain drugs in the animals system. The veterinarian is present to observe the horses, and has the right at any time to scratch an animal. If the commission veterinarian senses that something is wrong with a horse, then the veterinarian has the right to order a drug test. The Idaho State Racing Commission's rule is more restrictive than many states. There have been some instances of a horse being drugged to influence the outcome of the race. There have been several occasions when horses tested over the limit and in those instances fines were imposed or suspensions made to the owner or trainer.

**MOTION:**

**Representative Labrador** moved to send **Docket 11-0411-0901** to full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET #:  
11-0414-0901**

**Mr. Jackson** presented **Docket 11-0414-0901**, Rules Governing Owners, Trainers, Authorized Agents, Jockeys, Apprentice Jockeys, and Jockey Agents. These are the people that have a very active part in a race. An authorized agent is authorized by an owner to act in his stead. The Commission believes these people need rules as to what they can and cannot do. For instance, how a jockey is licensed and accredited, the definitions of jockey and apprentice jockey. These rules are specifically designed for these positions. In addition, the rule conforms more closely with the Association of Racing Commissions International rules.

**MOTION:** **Representative King** made a motion to send **Docket 11-0414-0901** to the full committee with a do pass recommendation. The motion carried by voice vote.

**DOCKET #:**  
**11-0415-0901** **Mr. Jackson** presented **Docket 11-0415-0901**, Rules Governing Controlled Substance and Alcohol Testing of Licensees, Employees and Applicants to the committee. This rule has to do with everyone who is licensed to work on the racing grounds. This rule defines the procedures to follow if there is a positive drug test for any of the people involved in racing. Testing is performed according to the rules that govern the racing commission. In response to committee questions, Mr. Jackson stated that drug testing is performed by a lab authorized by the State of Idaho. If there is reason to believe that a member needs to be tested, the lab comes to the race track for testing.

**MOTION:** **Representative Mathews** moved to send **Docket 11-0415-0901** to the full committee with a do pass recommendation. The motion carried by voice vote.

**DOCKET #:**  
**11-0401-0901** **Mr. Jackson** presented **Docket 11-0401-0901**, Chapter Repeal to the committee. He stated that this rule is being replaced by all the above rules previously discussed.

**MOTION:** **Representative Labrador** moved to send **Docket 11-0401-0901** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**DOCKET#:**  
**11-0404-0901** **Mr. Jackson** explained that this rule outlines disciplinary hearings and is being replaced by the new rules discussed today.

**MOTION:** **Representative King** moved to send **Docket 11-0404-0901** to the full committee with a do pass recommendation. **The motion carried by voice vote.**

**Representative Luker** informed the committee that the next subcommittee meeting would be held upon adjournment of the next meeting of the main committee on Wednesday, January 21<sup>st</sup>.

**ADJOURN:** With no further business, Subcommittee Co-Chairman, Rep. Lynn Luker adjourned the meeting at 10:02 A.M.

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Representative Lynn Luker  
Co-Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** January 20, 2009

**TIME:** 9:30 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Representative Smith, Representative Pasley-Stuart

**GUESTS:** Bill Farnsworth, Dept. of Administration; Melissa Vandenberg, Attorney General's Office; Larry Maneely, Idaho State Liquor Dispensary

**Chairman Loertscher** called the meeting to order at 9:30 A.M. A silent roll was taken.

**MOTION:** **Rep. Luker** moved to approve the minutes as written from the January 14, 2009, State Affairs committee meeting. **The motion carried by voice vote.**

**RS 18232** **Mr. Larry Maneely**, Dept. Supervisor from the Idaho State Liquor Dispensary, presented **RS 18232** to the committee. He stated that the main purpose of this RS was to change the title of the chief executive officer of the Idaho State Liquor Dispensary from "Superintendent" to "Director" due to the fact that "superintendent" is an antiquated title and no other equivalent position has this title in any of the eighteen control states in the nation. Further, the use of the word "Dispensary" in the name of the agency is also antiquated. This legislation would change the title of the agency from the Idaho State Liquor Dispensary to the Idaho State Liquor Division to be more consistent with other divisions within the Executive Office of the Governor.

In answer to committee questions he also stated that there would be limited costs for one-time changes to business cards, stationary, and publications that contain the old title references. Current stocks of those supplies would be depleted before new ones would be ordered. In response to questions from the committee, Mr. MaNeely indicated that the Idaho State Liquor Dispensary is not a part of the Idaho State Police. Responding to a question from Representative Shepherd on page 18 the reference to Junior and Community Colleges is an adjunct section in this legislation, noting that "Junior" has been changed to "Community" in all references to colleges in this section.

**MOTION:** **Representative King** moved to introduce **RS 18232**, with all references to Junior College being changed to Community College.

**Representative Labrador** had concerns relating back to the references to Junior College District and Community College District and suggested that it would be better to remove all references to Community Colleges and that this section be referred back to the amendment of the other statutes that it applies to.

**SUBSTITUTE MOTION:** **Representative Luker** moved to return **RS 18232** to sponsor for corrections, noting the committee would consider it at a later time. **A voice vote was taken and the substitute motion to return to sponsor carried.**

**Representative Loertscher** indicated we would be skipping the next two items on the agenda and rescheduling them for another time. Due to the holiday we were unable to contact the sponsors for presentation.

**RS 18228:** **Bill Farnsworth** presented **RS 18228** to the full committee. This relates to State of Idaho and online services. It gives the agencies with online services, the option to charge fees such as bank fee charges, and not have the overhead of paying those fees themselves. He further explained that the fees are set by statute. These fees relate to bank card fees and a convenience fee charged by the third party that administers that service. The fees are overseen by the technical council and the Department and no additional fees can be added.

Responding to questions from the committee Mr. Farnsworth said that not all credit card fees are the same, but the average runs about 2% depending on the card you use. He also clarified that the fee charged may vary from agency to agency, but that most have adopted a flat fee, which is easier from an administrative point of view. He also reiterated that this bill only allows for the passing along of a fee. It does not determine what the fee will be.

Mr. Farnsworth continued that there is a large amount of licensing handled online. Most of the applications relate to transportation, paying taxes online, state licensing for corporations, and real estate. There are 65 to 70 individual services that can be handled online. Many are business related licensing charges. The cost to the state to process payments is \$7.00 per piece of paper vs. \$1.75 for an online payment.

Representative Crane asked why the savings weren't used for the additional online processing charges. Mr. Farnsworth explained that this bill only allows the department to pass along the additional processing fees charged by the third party administrator. The fees are already being paid by the agency. A third party runs all the hardware and soft ware for processing of these online transactions. They do recover their costs on a per transaction basis. It's less than the credit card fees of 50 to 75 cents per transaction.

**MOTION:** **Representative Crane** moved to return **RS 18228** to sponsor. He stated that he views this as a tax on the citizens of Idaho passed on as increased efficiency. He feels it is unwise to head down that path. **The motion carried on voice vote.**

**ADJOURN:** As there was no further business the meeting was adjourned at 10:10 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** January 21, 2009

**TIME:** 9:00 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Representative Darrell Bolz, Melissa Vandenberg, Deputy Attorney General, Dept of Administration; Cynthia Ness, Employee Benefits Mgr. Dept. Of Admin.; Bill Burns, DOP, Dept. Of Admin.; Linda Miller, Leasing Mgr. Dept of Admin.; Sarah Wine, Reporter, AP

Chairman Loertscher called the meeting to order at 9:00 A.M. A silent roll was taken.

**RS 18418** **Representative Darrell Bolz** presented **RS 18418** to the committee. This legislation deals with the rejection of salary increases under Article III, Section 23, which permits the rejection of salary increases by the legislature. This legislation rejects in their entirety, the increases fixed by the Citizen's Committee on Legislative Compensation for the two year period commencing Dec. 1, 2008 are rejected in their entirety for the full two-year term.

**MOTION:** **Representative Labrador** moved to introduce **RS 18418** and send to the second reading calendar. Representative Pasley-Stuart called for a roll-call vote.

**ROLL CALL  
VOTE:** The roll call vote was unanimous to introduce **RS 18418** and send to the second reading calendar. Representatives Loertscher, Anderson, Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd, Smith, Pasley-Stuart, King, and Higgins, voted in the affirmative.

Vice Chairman Anderson conducted the rest of the meeting.

**RS 18178** **Melissa Vandenberg**, Dept. of Admin. presented **RS 18178** to the committee. This legislation repeals a section of Idaho Code that was not deleted or moved when public works' code sections were moved to Chapter 57, Title 67 under the Dept. Of Administration, relating to the inventory of real property owned or leased by the State in Boise. This section was somehow overlooked when the public works code sections were moved 29 years ago.

**MOTION:** **Representative Stevenson** moved to introduce **RS 18178**.  
**The motion carried by voice vote.**

**RS 18176** **Melissa Vandenberg**, Dept. of Administration presented **RS 18176** to the committee. This legislation repeals sections of the Idaho Code that were not deleted or moved when group insurance's code sections were moved to chapter 57, title 67 under the Dept. Of Administration.

**MOTION:** **Representative Kren** moved to introduce **RS 18176**. **The motion carried by voice vote.**

**RS 18226** **Melissa Vandenberg** presented **RS 18226** to the committee. This legislation makes changes to state law regarding what government entitles the Director of the Department of Administration can extend, by contract, group insurance coverage. This legislation specifically clarifies that the Director of the Department of Administration can provide group insurance coverage, by contract, to public colleges, universities and community colleges. This legislation makes a technical correction to terminology.

**MOTION;** **Representative Labrador** moved to introduce **RS 18226**. **The motion carried by voice vote.**

**Vice Chairman Anderson** announced our next meeting for 9:00 A.M., Thursday, January 22.

**ADJOURN:** As there was no further business the meeting adjourned at 9:20 A.M.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary



## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE Luker-Labrador subcommittee

**DATE:** January 21, 2009

**TIME:** Upon adjournment of main committee meeting

**PLACE:** Room 145

**MEMBERS:** Co-Chairman, Representative Lynn Luker; Co-Chairman, Representative Raul Labrador; Representatives Stevenson, Mathews, Palmer, Pasley-Stuart, King

**ABSENT/  
EXCUSED:** None

**GUESTS:** Dennis Jackson, Executive Director, Idaho State Racing Commission

Chairman Labrador called the meeting to order at 10:05 A.M. A silent role was taken.

Chairman Labrador indicated we would skip 11-0413-0801 and 11-0402-0801 for the moment as they have to do with a repeal, and move to 11-0402-0802, the first rule governing simulcasting. Chairman Labrador introduced Mr. Dennis Jackson, Executive Director of the Idaho State Racing Commission.

**DOCKET #:  
11-0402-0802** Mr. Jackson presented 11-0402-0802 to the subcommittee. The rewrite of this chapter provides for a clear and concise chapter on Simulcast Rules. This rule conforms more closely with the Association of Racing commissioners International model rules in a plain English format. The old rules in Chapter 2 also contained the Advanced Deposit Wagering section and because that section is unique they wanted to separate that out from the Simulcast section. Chapter 2 was rewritten exactly as it had been, minus the section on Advanced Deposit Wagering.

In reply to committee questions Mr. Jackson clarified that all of the fees as noted on Page 11, were in the old rules and in the statute. No changes were made to this section. Also, this rewrite does not change the ability to do simulcast wagering. It simply removes the sections on Advanced Deposit Wagering. The general benefit of simulcast racing to the State of Idaho is the income, as well as the benefit to the horse racing industry. Citizens of Idaho are the owners and veterinarians.

**MOTION:** Representative Luker moved to send 11-0402-0802 to the full committee with a do pass recommendation. A voice vote was taken. The motion carried.

**DOCKET#:  
11-0403-0801**

Dennis Jackson presented 11-0403-0801 to the subcommittee. This temporary rule was approved by the legislature last January. The Commission had been charging fees associated with licensing if you are owner, but there was nothing in the rule regarding an amount. So this is a temporary rule, back today, as a pending rule with one major change. No where was animal cruelty addressed. The Racing Commission has to protect the betting public and has a responsibility to protect the animals. They have inserted a section which says you are subject to a suspension and fine if you are found to have violated Title 25, Chapter 35 of the Idaho Code "Cruelty to Animal" while on the grounds of a racing association. In answer to committee questions Mr. Jackson said that the stewards will be the sole judges of whether or not a violation has occurred on racing association grounds. All decisions are have to be approved by two stewards and are subject to the approval of the commission

Mr. Jackson also called the attention of the committee to Pg. 28, Item 12. This reason for this small change is the many young people who would like to be owners of animals and be able to enter them in a race. The existing rule prohibited young people from owning an animal for the purposes of entering it in a race. They needed a rule to allow them to own horses but prevent them from being in areas of race track that might be hazardous to them. An assumption of liability form is signed so that when they are in the back areas of the race track someone is responsible for them. The paddock near the starting gate is closely monitored and they are clearly not wanted in that area, or in the wagering area. However, they are allowed in the grandstand.

**MOTION:**

Representative King moved to send 11-0403-0801 to the full committee with a do pass recommendation. A voice vote was taken. The motion carried.

**DOCKET#:  
11-0413-0801**

Dennis Jackson presented 11-0413-0801 to the subcommittee. This pending rule has to do with the three commissioners as appointed by the Governor, and what they do in their day to day business.

**MOTION:**

Representative Luker moved to recommend approval of 11-0413-0801. A voice vote was taken. The motion carried

**DOCKET #:  
11-0402-0801**

Mr. Jackson presented 11-0402-0801 to the subcommittee. This legislation is a chapter repeal and was put in place by the legislature some years ago. The fees in this chapter will be rewritten into the new chapter with no changes to the fees.

**MOTION:**

Representative Luker moved to recommend approval of 11-0402-0801. A voice vote was taken. The motion carried.

**ADJOURN:**

As there was no further business the meeting adjourned at 10:30 am.

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Representative Raul Labrador  
Co-Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** January 22, 2009

**TIME:** 9:00 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Representatives Eric Anderson, Max Black, Brent Crane

**GUESTS:** Jim Adams, Idaho Division of Veteran's Services; Dennis Jackson, Executive Director, Idaho Racing Commission; Julie Weaver, Deputy Attorney General, Idaho Attorney General; Sarah D. Wine, Reporter, AP; Larry Johnson, Mgr. of Investments, EEIP; Colby Cameron, Sullivan & Rebege

Chairman Loertscher called the meeting to order at 9:00 A.M. having a quorum present. A silent role was taken.

**RS 18247C1** Dennis Jackson, Executive Director of the Idaho Racing Commission, presented RS 18247C1 to the full committee. This legislation would allow for certain funds pertaining to the racing commission and held in the State Treasury to accrue interest on behalf of the racing commission.

It was recently brought to the attention of the racing commission that the statute that allows simulcast wagering makes provisions for a percentage of the handle (the amount of money wagered) be maintained by the racing commission for the benefit of several associations within the racing commission. The interest on some of those accounts is going into the general fund, instead of to the groups to which the statute requires that the money be held for. One of the groups is the Idaho Bred Horseman's Assoc. All of the funds accrue interest, but not all of the interest is going into the fund for which it was intended. Some of it is being used by the State Treasurer.

This legislation allows for the money in the simulcast purse fund, and the advance deposit wagering fund to accrue interest on behalf of the fund.

In answer to committee questions, Mr. Jackson stated that besides Les Bois race track, simulcast wagering also occurs at Emmet, Rupert, Jerome, Blackfoot, Burley, Malad, Idaho Falls, and Pocatello.

Representative Luker wanted to clarify that interest that accrues on the simulcast fund is paid to the racing commission, by statute, also that the other racing funds do accrue interest, but that money goes into the general fund at this time and is not remitted back to the Racing

Commission. Mr. Jackson confirmed that statement.

In answer to committee questions, Mr. Jackson also confirmed that there is nothing in the statute that says the money should be for the benefit of the general fund.

**MOTION:** Representative Mathews moved to introduce RS 18247C1

**SUBSTITUTE MOTION:** Representative Pasley-Stuart moved to return RS 18247C1 to the sponsor. She indicated that anything that takes funds out of the general fund right now in this time of financial crises is improper.

Representative Labrador shared the same concerns and said that if the State was not violating the law by keeping the money, then he would also disagree with taking money from the general fund.

**VOTE ON SUBSTITUTE MOTION:** A voice vote was taken. The motion failed. RS 18247C1 shall be introduced. The record will show that Representative Pasley-Stuart was not in favor of this legislation.

**RS 18277** Jim Adams, Idaho Division of Veteran's Services, presented RS 18277 to the full committee. This legislation creates gold star license plates for family members of military service members killed while in combat, as a show of gratitude for their sacrifice.

There are approximately 250 to 300 Idahoans that this would apply to. The specialty plate fees would be waived for the immediate family members, but they would still pay the regular licensing fees. Also, for any other family member that was not a father, mother or spouse, that wanted a Gold Star Plate, they would be available, but the specialty fee would not be waived. The family member would have to pay the specialty fee as well as the regular license fee.

Representative Luker asked about disputes regarding who would be eligible.

Mr. Adams replied that he didn't feel there would be an issue with disputes. The determination of who is eligible would be made by the Div of Veterans Services. They have access to millions of records including Form DD 1300 which is the notification of death sent to the family upon the death of a member of the military, as well as the death certificate.

Representative Pasley Stuart applauded the goal of what this represents, but is concerned about the \$4,000 fiscal impact at this time of financial crisis.

**MOTION:** Representative Luker moved to return RS 18277 to sponsor.

Representative Labrador said that while he is favor of honoring our military, is concerned by the fiscal impact of \$4,000 at this time of financial crisis.

Julie Weaver from the Attorney General's office stated that the \$4,000 is the initial set up cost by the Dept of Transportation. \$26.00 of the plate fee will go to vets assistance fund.

Mr. Adams added that other family members purchasing the specialty plates should be enough to offset the cost of the plate.

Representative Stuart noted that if that information could be added to the fiscal impact statement, most committee members would be inclined to vote yes.

**SUBSTITUTE  
MOTION:**

Representative Stevenson moved to introduce RS 18277. A voice vote was taken. The motion carried.

**RS 18254**

Jim Adams, Idaho Division of Veteran's Services, presented RS 18254 to the full committee. Idaho Code 65-202 was amended in 2002 to provide that veteran's home administrators are non-classified exempt employees and serve at the pleasure of the Administrator of the Division of Veteran's Services. Erroneously, Idaho Code 56-1004 continues to provide that veterans home administrators serve at the pleasure of the Director of the Dept. Of Health and Welfare. This legislation will correct this error in Section 56-1004

**MOTION:**

Representative Smith moved to introduce RS 18254. A voice vote was taken. The motion carried.

**RS 18205**

Larry Johnson, EFIB, presented RS 18205 to the committee. This legislation modifies the statute specifying compensation of Endowment Fund Investment Board members to make it consistent with other Idaho boards. From time to time, Board members are asked by the Board to serve on committees and interagency task forces, or to perform other official Board duties outside of Board meetings. Currently, Board members cannot be paid for outside duties. No other board has this limitation. This legislation will enable Board members to be compensated for official duties outside of regular Board meetings, which will make the pay structure for the EFIB members consistent with other Board members in the State.

**MOTION:**

Representative Pasley-Stuart moved to introduce RS 18205. A voice vote was taken. The motion carried.

**RS 18446**

Chairman Loertscher asked permission to discuss RS 18446. There was no objection. Representative Marc Gibbs presented RS 18446 to the committee. The purpose of this proclamation is to commend James Williams for his accomplishment at the American Farm Bureau Federation's Young Farmer and Rancher Discussion Meet competition. This proclamation is to honor a young farmer from their district. The gentleman in question is an outstanding young man and won the state competition. The only issue is timing. The farm bureau meets in Boise next week, and he would like to have the proclamation through the process by that time. Representative Simpson added that it was a tremendous experience talking with the young farmers and entrepreneurs at the FFA luncheon earlier in the week.

**MOTION:**

Representative Smith moved to introduce RS 18446 and send it directly to the second reading calendar. A voice vote was taken. The motion carried.

Chairman Loertscher indicated our next meeting would be on Monday, January 26, at 9:30 A.M.

**ADJOURN:**

As there was no further business, the meeting adjourned at 9:55 A.M.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** January 27, 2009

**TIME:** 9:30 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** J.M. Dyke Nally, Superintendent, Idaho State Liquor Dispensary; Larry MaNelly, Deputy Superintendent, Idaho State Liquor Dispensary; Tim Davis, DAG, Idaho State Liquor Dispensary

**Chairman Loertscher** called the meeting to order 9:30 A.M. A silent role was taken.

**MOTION:** **Representative Pasley-Stuart** moved to approve the minutes as written from the January 20, 2009 State Affairs Committee meeting. **The motion carried by voice vote.**

**MOTION:** **Representative Pasley-Stuart** moved to approve the minutes as written from the January 21, 2009 State Affairs Committee meeting. **The motion carried by voice vote.**

**RS 18232C1** **J.M. "Dyke" Nally, Superintendent, Idaho State Liquor Dispensary,** presented **RS 18232C1** to the committee. Since 1939, the chief executive officer of the Idaho State Liquor Dispensary (ISLD) has had the title of Superintendent of the Idaho State Liquor Dispensary. This is an antiquated title and no other equivalent position has this title in any of the eighteen control states in the nation. This legislation would change the title of the chief executive officer for the Idaho State Liquor Dispensary from Superintendent to Director. Further, the use of the word Dispensary in the name of the agency is also antiquated. This legislation would change the title of the agency from the Idaho State Liquor Dispensary to the Idaho State Liquor Division to be more consistent with other divisions within the Executive Office of the Governor.

In answer to committee questions Mr. Nally said that the vehicles used by the ISLD do not have identifying information on them and so would not be needing new signs. They would need one new sign due to the name change, but it needs to be replaced anyway.

**MOTION:** **Representative King** moved to introduce **RS 18232C1**. **A voice vote was taken. The motion carried.**

**Chairman Loertscher** advised the committee that we would be meeting January 28, at 9:30 A.M.

**ADJOURN:** As there was no further business, the meeting adjourned at 9:40 A.M.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary



## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** January 28, 2009

**TIME:** 9:30 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Representative Max Black

**GUESTS:** Roger Hales, Attorney, Bureau of Occupational Licenses;  
Tana Cory, Bureau Chief

Chairman Loertscher called the meeting to order at 9:30 A.M. with a quorum present. A silent roll was taken.

**MOTION:** Representative Luker moved to approve the minutes from the Luker-Labrador subcommittee meeting of January 19. The motion carried by voice vote.

**RS 18231C1** Roger Hale, Attorney for the Bureau of Occupational Licenses, presented a general overview of RS 18231C1 to the full committee. The State Athletic Commission is amending sections of the code that have to do with boxing, martial arts and wrestling to generalize the references to combatants, unarmed combat and events. These changes standardize the combatants and events under the Commission's authority. This legislation clarifies sanctioning for amateurs and professionals and allows the Commission to immediately revoke sanction permits for cause. It also requires an annual review and renewal for amateur sanction authorities. In addition, time between boxing contests is clarified, and it allows for other forms of financial security in lieu of a bond. It includes requirements for amateur organizations to receive a promotional distribution from the commission, and deletes references to additional rounds, glove weight and participant weight.

In reply to committee questions Mr. Hale indicated that the revocation of any sanctioning permit would fall under the provisional act with specific provisions on putting together a hearing before hand, but that if there was a significant issue immediate action can be taken if needed, and provide the hearing process after the fact.

**MOTION:** Representative Smith moved to introduce RS 18231C1. A voice vote was taken. The motion carried.

Chairman Loertscher advised that the proper motion when sending an RS to print is to "introduce" the RS. He announced that the full committee would have a large agenda tomorrow and would convene at 9:00 am. He also announced that the Crane subcommittee would be meeting at 8:15 am tomorrow morning and reviewing State Lottery rules.

**ADJOURN:** As there was no further business the committee adjourned at 9:40 am.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** January 29, 2009

**TIME:** 9:00 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Representative Black

**GUESTS:** Representative Fred Wood, Representative Dennis Lake, Dr. Jack Zarybnisky, Wendy Widman, Management Assistant, Health & Welfare Department; Jennifer Hannah, Human Resources Specialist, Health & Welfare Department; Melissa Vandenberg, Deputy Attorney General, Department of Administration; Colby Cameron, Sullivan & Rebege; Martin Bilbao, Sullivan & Rebege; Linda Miller, Department of Administration; **Donna Yule, Idaho Public Employees Association -**

Chairman Loertscher called the meeting to order at 9:04 am. A silent role was taken. He stated that we would be addressing the last item on the agenda first.

**SCR 101:** **Representative Fred Wood** introduced **SCR 101**. He stated that this legislation was in celebration of Idaho hosting the Special Olympics World Winter games. That it is a celebration of equality and a celebration of recognizing certain individuals that are truly great Americans. Dr. Jack Zarybnisky is one of those individuals. He obtained his optometric education in Seattle. He received his Open Eyes education in China and Mexico and has been Chairman of the program for the last ten years.. Representative Lake introduced Dr. Jack Zarybisky.

**Mr. Zarybisky** presented information about the Opening Eyes program to the committee. He explained that he one of four directors fo the healthy athletes program in Idaho, involving the 2009 Special Olympics W inter World Games. The Healthy Athlete Program is designed to improve athletes' health and fitness to enhance their ability to train and compete in Special Olympics. At Healthy Athletes' events, Special Olympic athletes receive a variety of health screenings and services. The Healthy Athletes initiative will use volunteer health professionals from Idaho and around the world to provide these much needed health services. Of the 2100 athletes expected to attend the 2009 Winter World Games they expect to be screening at least 80% of them. Opening Eyes has invited eye doctors from several countries to learn techniques to help work with the individuals with intellectual disabilities from their own country. This year they will be training Idaho optometrists and foreign doctors on a relative new device called the retinal optomap. Also new this year, the Special Olympics is creating an electronic personal health log for athletes. This log will allow athlete's health data to be stored in one place, empowering athletes to view and manage their own health data. The log can be taken to different doctors and it will be easier for athletes, guardians and doctors to track athletes' health information over time. The games will have a large impact on the state of Idaho. Thee are over 20,000 family members coming with special needs folks to the games. Also, 606 full time positions have created in Idaho during these games.

**MOTION:** **Representative Stevenson** moved to send **SCR 101** to the floor with a do pass recommendation. A voice vote was taken. The motion carried.

**RS 18235C2** **Representative Dennis Lake** presented **RS 18235C2** to the committee. This is very similar to a bill that the Senate proposed last year, with slight revisions. This committee chose to hold that bill as they did not feel it had been vetted enough in the community. The committee felt it needed further exposure before moving forward. That has happened. There have been 33 meetings at 15 locations. Retirees have attended the meetings and heard what was said and asked questions. They realized this was something that was needed. This legislation makes changes to state law regarding eligibility and management of health insurance for active employees and retirees of state service. It clarifies that the Dept. of Administration will establish an advisory committee from all three branches of government. This legislation requires the director of the Dept. Of Administration to develop a plan, or plans that include active employees and retirees and their dependents and provides that retirees will be pooled with active employees for rating purposes. This legislation changes the eligibility for access to and defines the state's contribution to any state-sponsored health insurance plan for retirees and their dependents.

The bill reduces the annual cost by over \$5,000,000.00  
Section 3 declare this an emergency to ensure the law takes effect immediately. Passage of this legislation will slow the growth of the State's GASB liability and will eventually begin reducing that liability. It is anticipated that if such changes are not made, the State of Idaho's liability will climb to over \$800 million by 2016.

**MOTION:** **Representative Black** moved to introduce **RS 18235C2**. A voice vote was

taken. The motion carried.

**HB0014**                    **Melissa Vandenberg**, Deputy Attorney General, Department of Administration presented **HB0014** to the committee. This legislation amends section 67-5767 of the Idaho Code. There are two key amendments to this legislation. Subsection 1 adds “public college” and “community college” to the statute that allows the director of the department of administration to contract with outside entities to extend group insurance when they cannot find affordable group insurance; and in Paragraph 2 the words “governments entities” are being stricken. Subsection 2 provides a definition but uses the wrong term. Representative Luker noticed that on line 14 the word “other” should be inserted between the words “or” and “political”.

**MOTION:**                    **Representative Pasley-Stuart** moved to send **HB0014** to general orders with an amendment attached to insert the word “other” on line 14 between “or” and “political”. **Representative Stevenson** seconded the motion. A voice vote was taken. The motion carried.

**HB0013**                    **Melissa Vandenberg**, presented **HB0013** to the committee. This legislation repeals Sections 52-1205 and 52-1212 of the Idaho Code that were not moved or deleted when the group insurance’s code sections were moved to chapter 57 title 67 under the Department of Administration. These are the only two remaining titles in this chapter. All the others have already been removed or repealed. These two were inadvertently missed.

**MOTION:**                    **Representative Luker** moved to send **HB0013** to the floor with a do pass recommendation. A voice vote was taken. The motion carried. **Representative Palmer** will sponsor the bill on the floor.

**HB0015**                    **Melissa Vandenberg**, presented **HB0015** to the committee. This legislation repeals section 67-3206 of the Idaho Code that was not deleted or moved when public works code sections were moved to chapter 57, title 67, under the Department of Administration. This statute required that all real property owned and leased throughout the state be inventoried. Statutes 67-5708A and 67-5708A have replaced this section.

**MOTION:**                    **Representative Pasley-Stuart** moved to send **HB0015** to the floor with a do pass recommendation. A voice vote was taken. The motion passed. **Representative Higgins** will sponsor the bill on the floor.

**Chairman Loertscher** said that the committee would convene again on Monday, February 2 at 9:30 am.

**ADJOURN:**                    As there was no further business the meeting adjourned at 9:40 am.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

MINUTES

**HOUSE STATE AFFAIRS COMMITTEE**  
**Crane subcommittee**

**DATE:** January 29, 2009

**TIME:** 8:15 AM

**PLACE:** Room 145

**MEMBERS:** Chairman Crane, Representatives Andrus, Bilbao, Simpson, Smith, Shepherd, Higgins, Kren

**ABSENT/  
EXCUSED:** None

**GUESTS:** Jeff Anderson, Director, Idaho State Lottery; Russell Westerberg, Westerberg & Associates; Becky Schroeder, Deputy Administrator, Idaho State Lottery; David Werkman, Idaho State Lottery; Jeremy Chou, Lobbyist, Intralot; Joie McGarvin, Lobbyist, Westerberg & Assoc.

Chairman Crane called the meeting to order at 8:25 AM. A silent role was taken.

**MOTION:** **Representative Bilbao** moved to approve the minutes from the January 16 Crane subcommittee meeting. A voice vote was taken. The motion carried.

**DOCKET#:** **52-0102-0801** **Jeff Anderson**, Lottery Director, Idaho State Lottery, presented **52-0102-0801** to the subcommittee. He stated that the proposed rule changes are necessary housekeeping measures to correctly reflect statutory amendments to Sections 67-7702 and 67-7709 of the Idaho Code, effective July 1, 2008. They are necessary to clarify and set forth charitable gaming reporting requirements to ensure accountability of charitable organizations and nonprofit organization bingo and raffle operations. The rule changes clarify language to assure that the organizations that participate in charitable gaming are legitimate charitable or nonprofit organizations and that the profits from these games are used for charitable purposes. They also limit the ability of a "for profit" business to use a legitimate charity for personal gain. There are three categories for the changes. The first is necessary housekeeping remedies recommended by the Idaho Attorney General; second, pending rules effecting amendments made last year to charitable gaming statutes of gaming code 67-7702 67-7709; and third, pending rules to strengthen the integrity of charitable gaming.

In answer to committee questions, **Mr. Anderson** said that the rejection of rule 303 on page 77 would be acceptable to the Lottery Commission as long as it was linked to the rejection of the deletion of rule 304. Rule 303 was meant to replace rule 304.

**MOTION:** **Representative Higgins** moved to approve **52-0102-0801** with the rejection of rule 303 and the rejection of the deletion of rule 304 on page 77. **A voice vote was taken. The motion carried.**

**DOCKET#:** **52-0103-0801** **Jeff Anderson**, Director of the Idaho State Lottery, presented **52-0103-0801** to the subcommittee. These are rules that govern the operations of the Idaho State Lottery. The proposed rule changes are necessary housekeeping measures to maintain consistency between the rules and Idaho Lottery operational and business practices and to eliminate unnecessary rules which simply restate what is already set forth in the applicable statute. In reply to committee questions Mr. Anderson said that changes that are lined out on page 88 were recommended by the Idaho Attorney General because they restate statute. Regarding the changes on Pg. 94 2a, deleting the requirement for drawings and inspections to be recorded on both video and audio tape, these requirements relate to the old style "ball" machines. The nature of that machine required that the balls be weighed before every draw. The old machines were very expensive to maintain. They are currently using a computerized draw, which is much less expensive to maintain. Audio and video taping is no longer necessary with the new computerized system.

**MOTION:** **Representative Smith** moved to send **52-0103-081** to the full committee with a do pass recommendation. **A voice vote was taken. The motion carried.**

**DOCKET#:** **52-0103-0802** **Jeff Anderson**, Director of the Idaho State Lottery, presented **52-0103-0802** to the subcommittee. The changes begin on Pg. 47 of the pending fee review book. The Lottery Commission may collect a cost recovery fee, set by the Commission, from lottery customers who choose to purchase a lottery ticket from new vending machines, with the convenience of a debit card, which transactions are administered by the lottery through the use of a third party payment processor. This is a cost for the convenience of using a debit card, paid only by those who choose to use a debit card. There is a \$100 dollar limit. New technology allows them to be connected by real time to lotto and instant scratch games. The Lottery Commission is trying to meet the market with the way people are paying for retail transactions. The Commission wants to include a debit card reader in lottery ticket vending machines for PIN protected debit cards only. People using the PIN protected debit cards will only be able to access what they have in their account and PIN protected cards also represent the lowest fees in the industry. If someone does not want to pay the convenience fee they still have the choice of paying by cash or going to the counter to purchase their lottery ticket. The trend in retail is that people are using their debit cards more and using cash less. Many times vending machines are in grocery stores next to third party ATM machines and Coin Star machines, and they all charge a fee. If consumers choose not to pay the fee they have other options for purchasing a lottery ticket. .

In answer to committee questions **Mr. Anderson** said that vending machines would be placed in the line of sight of the cashier and have an emergency shut off switch to shut down the machine if a minor approaches the machine. The machines are only programmed to accept a debit card with a PIN number. It is not programmed to accept credit

cards. However, credit cards can be used to purchase lottery tickets at convenience stores over the counter with the retailer paying the fee.

He further stated that from looking at a variety of banks and lenders that process these transactions the average charge is about \$0.37 to \$0.69 per transaction. The Lottery Commission wants to charge a flat \$0.50 per transaction, which would be charged at the time of purchase. If they find the actual charges to be more or less, the fee could be adjusted accordingly.

**MOTION:** **Representative Simpson** moved to reject **52-0103-0802**.

**Representative Simpson** indicated that he felt the convenience fee is unnecessary, a cost of doing business, and not appropriate.

**SUBSTITUTE MOTION:** **Representative Andrus** moved to send **52-0103-0802** to the full committee for discussion, without a recommendation. **A voice vote was taken. The motion passed.**

**ADJOURN:** As there was no further business, the subcommittee adjourned at 8:57 A.M.

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Representative Brent Crane  
Chairman

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Marsha Walker  
Secretary



## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 2, 2009
- TIME:** 9:30 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Representative Crane
- GUESTS:** Sign in sheet attached to original minutes on file in the Committee Office until the end of the 2009 legislative session, after which it will be retained in the Legislative Library.
- Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent role was taken.
- MOTION:** **Representative Shepherd** moved to approve the minutes of January 29. The motion carried by voice vote.
- MOTION:** **Representative Luker** moved to approve the Luker-Labrador subcommittee minutes. The motion carried by voice vote.
- RS 18394C1** **Representative Stevenson** presented **RS 18394C1** to the committee. The intent of the Bill is to allow the Public Utilities commission to set hook up fees for new customers that partially recover the cost of new capital investment needed to serve customer growth. Over the years cities and counties have struggled to find ways to provide services for new growth and find monies to do that. Hook up fees and impact fees are one way to do that. This legislation gives the Public Utilities Commission the opportunity to review and see if those fees would be appropriate. With the approval of the commission, a public utility may establish reasonable non-recurring charges for new customers to partially recover the costs of public utility capital investment in new facilities to service new customer growth. In the past they have not had an opportunity to address who should bear the cost of new growth. This proposal has been discussed at an energy committee meeting on technology and has been circulated. If this proposal passes through to the house committee, the Public Utilities Commission would address all issues through a public forum.
- MOTION:** **Representative Anderson** moved to introduce **RS 18394C1**. The motion carried by voice vote.

**HB0020** **Larry Johnson**, Endowment Fund Investment Board, presented **HB0020** to the committee. The proposed legislation will modify the statute specifying compensation of Endowment Fund Investment board members to make it consistent with other Idaho boards. From time to time, board members are asked by the Board to serve on committees and interagency task forces or to perform other official board duties outside of Board meetings. This legislation will allow Board members to be compensated at the same rate of pay they receive for regular Board meetings, (\$50.00 per day) for these other official duties.

**MOTION:** **Representative Stevenson** moved to send **HB0020** to the floor with a do pass recommendation. **The motion carried by voice vote.**

**HB0023** **Dennis Jackson**, Executive Director of the Idaho Racing Commission presented **HB0023** to the committee. When legislation was enacted allowing simulcast wagering in Idaho, the legislature set aside a small percentage of the handle to be used for the benefit of horse breeding and horse racing in Idaho. Interest from this fund currently goes into the general fund. This money rightfully belongs to the horse groups. The racing commission staff and board support this legislation. They believe that this money should go to this struggling enterprise in Idaho. The current return for this calendar year is about \$24,000. In answer to committee questions Mr. Jackson answered that the money is currently in the general fund. The Treasurer has the authority to invest idle monies and that definition would cover these funds. This would be effective July 1 and there would be no reduction in the general fund for at least a year. **Representative Pasley-Stuart** said that she is uncomfortable taking any funds out of the general fund at this time of fiscal crisis.

**MOTION:** **Representative Labrador** moved to hold **HB0023** in committee.

**Representative Labrador** considers that this amount of money would make a significant difference to the general fund. He suggested looking at it again next year when the State's fiscal situation might be better. **Rep. Pasley-Stuart** agreed that she might be more willing to consider this in another year when the fiscal situation might be improved.

**Representative Bilbao** disagreed. He said that these funds are generated by the racing commission. It is their money and they should get the interest on it. **Representative Black** agreed and added that this money won't be deducted during this fiscal year. It will be July 2010 before any funds are taken out of the fund.

In answer to further questions from the committee, Mr. Jackson said that if received, the money would be split out among other small race tracks to help defray expenses, and to promote the breeding of Idaho animals to promote racing and breeding in Idaho. The Racing Commission has 50 or 60 employees, but hundreds of others are affected including the hay growers, veterinarians, and other services.

**SUBSTITUTE** **Representative Anderson** moved to send **HB0023** to the floor with a do

**MOTION:** pass recommendation.

**ROLL CALL VOTE:** A roll call vote was taken. By a vote of 10-6 the substitute motion passed.  
Voting in the affirmative: **Representatives Anderson, Black, Andrus, Bilbao, Kren, Shepherd, Smith, King, Higgins, Loertscher.**  
Voting in the negative: **Representatives Labrador, Luker, Mathews, Palmer, Simpson, Pasley-Stuart.**

**Chairman Loertscher** instructed the committee would convene Tuesday, February 3 at 9:30 a.m.

**ADJOURN:** As there was no further business the meeting adjourned at 10:10 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** February 3, 2009

**TIME:** 9:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Roger Hale, Attorney, Division of Occupational Licenses;  
Larry Maneely, Idaho State Liquor Dispensary

**Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.

**MOTION:** **Representative Pasley-Stuart** moved to approve the minutes of January 27. **The motion carried by voice vote.**

**MOTION:** **Representative King** moved to approve the minutes of January 28. **The motion carried by voice vote.**

**RS 18498** **Representative Luker** presented **RS 18498** to the committee. He called the committee's attention to a correction that needed to be made in the title. Instead of "campaign contributions" it should read "lobbyists's expenditures." The purpose of this legislation lowers the per person, per event threshold for which lobbyists must report expenditures from \$100 to \$35. This does not preclude lobbyists from paying for a dinner that might be more expensive, it just must be reported by name. Rep. Luker added that since public perception is not good at this time, transparency in our dealings is important. He added that the change is a simple one and will help bring clarity and comfort to the public as we go about our business and interact with lobbyists.

**MOTION:** **Representative Andrus** moved to introduce **RS 18498**.

**Representative Mathews** reminded about the wording changes in the title.

**A voice vote was taken. The motion carried to introduce** with changes to the title as follows: "campaign contributions" should read "lobbyists expenditures".

**HB 32**

**Roger Hale**, attorney for the Occupational Licensing Division, presented HB 32 to the committee. He stated that this legislation is making changes to definitions that used to be very specific to boxing. They are taking the specific definitions and generalizing them for all types of sports. Page 4 clarifies that the commission has authority over amateur and professional contests and exhibitions and has the power to issue an immediate revocation of a sanctioning permit. Additionally this allows the commission to conduct an annual review to ensure sanctioned organizations are following the rules and providing safe events. Changes on Pg 7 provide some flexibility in bonding and that other forms of financial security can be accepted. In addition, this legislation provides a procedure by which amateur organizations can apply for a distribution set aside from gross receipts, for the promotion and support of an amateur event. On page 9 language has been stricken that allows for additional rounds of over 12 in any one bout. It also states that physicians must examine combatants within 36 hours prior to a contest or exhibition. This was added to allow physicians time to examine all the participants in a bout. There may be up to 10 or 15 combatants in any one contest. In answer to committee questions, **Mr. Hale** stated that if an event fails to have a licensed physician, EMT, or ambulance present, then that could be an occasion for a commissioner to make an immediate revocation of a license. He also stated that this legislation does not permit bare knuckle fighting. Glove weight is determined by the weight of the fighter. The commission has the authority to do a blood test at any time.

**Representative Labrador** felt that clarifying verbiage regarding the size of boxing gloves should be added that says "including but not limited to" when indicating the size of the gloves.

**MOTION:**

**Representative Anderson** moved to send **HB 32** to general orders with the change recommended by Rep. Labrador. The motion carried by voice vote. Representative Anderson will sponsor the bill on the floor.

**HB 28**

**Larry Maneely** presented **HB 28** to the committee. This legislation proposes changes in terminology and titles that are archaic. The term "Dispensary" in the title of the Idaho State Liquor Dispensary will be changed to "Division" and the title of the chief executive officer for the Idaho State Liquor Dispensary shall be changed from "Superintendent" to "Director." The cost will be very minimal. Most of the costs will come from stationary and business cards. Current supplies will be used before any new supplies are ordered. The main sign in front of the main office will have to be upgraded or replaced due to hard water damage anyway. It is 10 to 12 years old. It is due to be replaced with or without a name change.

**MOTION:**            **Representative King** moved to send **HB 28** to the floor with a do pass recommendation. The motion carried by voice vote. **Rep. Smith** will sponsor the bill on the floor.

**ADJOURN:**        As there was no further business the meeting adjourned at 10:18 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 4, 2009
- TIME:** 9:30 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Representative Black
- GUESTS:** Becky Schroeder, Idaho State Lottery Commission; Julie Lynde, Cornerstone Family Council; Jeff Anderson, Idaho State Lottery; Pam Baldwin, Interfaith Alliance; Lyn Darrington, City of Boise; Benjamin Davenport, Risch Pisca; Rabbi Menachem Lifshitz, Chabad Jewish Center
- Chairman Leortscher** called the meeting to order at 9:30 a.m. A silent role was taken.
- MOTION:** **Representative Luker** moved to approve the minutes from the Jan. 29 meeting. The motion carried by voice vote.
- MOTION:** **Representative Higgins** moved to approve the minutes from the Crane subcommittee meeting of Jan. 29. The motion carried by voice vote.
- RS 18371:** **Representative Palmer** presented **RS 18371** to the committee. This bill will allow a resident of Idaho to purchase a long gun over the counter from a dealer in any other state as long as the purchase is legal in that state and in Idaho. The Federal Gun Control Act of 1968 allowed citizens to buy a long gun (rifle or shotgun) in a face to face transaction from a licensed dealer located in a state contiguous to their own, if both state's laws allowed the transaction. Sections 18-3314 and 18-3315, Idaho Code, put this into effect so that Idaho residents could purchase in the contiguous states and residents of those states could purchase in Idaho. The Federal Firearms Owners Protection Act (FOPA) was enacted in 1986. It broadened the language of GCA'68 to allow residents of any state to purchase a long gun from a dealer in any other state, if both state's laws allowed the purchase. Idaho never updated its statutes to reflect this change in Federal law. Other states have changed their laws accordingly. This bill affects rifle and shotgun sales only. Handguns may only be purchased through a dealer in one's state of residence. In response to committee questions Rep. Palmer said that he would obtain a list of the other states that have already adopted this as law.
- MOTION:** **Representative Mathews** moved to introduce **RS 18371**. The motion carried by voice vote.
- RS 18489** **Representative Durst** presented **RS 18486** to the committee. He said

that the intent of this legislation is to identify barriers to partnerships and encourage partnerships between State government and faith based and community organizations. He further suggested a goal of convening a conference in conjunction with members of faith based and community organizations, to begin a dialogue and improve opportunities for partnerships. The committee suggested that it would be helpful for faith-based organizations and community organizations to identify some of the problems they have encountered in working with the State and would like to see examples of how this could be used to make better decisions. Representative Durst said that he would invite members of these organizations to testify and provide examples at that time.

**MOTION:** **Representative King** moved to introduce **RS 18489**. The motion carried on voice vote.

**Chairman Loertscher** requested a rules subcommittee report from Vice Chairman Anderson. **Vice Chairman Anderson** recognized subcommittee Co-chairman Lynn Luker. **Representative Luker** stated that all rules from the Racing Commission and all of the Minutes from the subcommittee meetings have been approved. He further stated that the rules were being organized into chapters. The substance of the rules did not change.

**MOTION:** **Representative Luker** moved to accept all rules as reported in the minutes and by letter to Chairman Loertscher. The motion carried by voice vote.

**Vice Chairman Anderson** requested the subcommittee rules report from Chairman Crane. Chairman Crane stated that the subcommittee had reviewed all the rules assigned. Five rules received a favorable recommendation. One had already been approved, and one was controversial. The recommendation was to refer it to the full committee for discussion with no recommendation.

**MOTION:** **Representative Andrus** moved to accept the rules of the Crane subcommittee with the exception of **52-0103-0802**. The motion carried by voice vote.

**RS 18504** **Representative Crane** presented **RS 18504** to the committee. He said that the subcommittee had done a great job, but that the Senate had already approved one of the rules. This resolution solves that issue. There is an organization in northern Idaho called the Green Idaho Foundation. They operate a charitable Bingo game that the Lottery Commission allows their employees to work in. This legislation rejects Lottery Commission rule 303 which would prevent employees of a for profit corporation from assisting in the operation of a charitable Bingo and reinstates rule 304 which defines the relationship that may exist between a for profit Corporation and charitable Bingo. Rejection of rule 303 will prevent the loss of \$35,000 to \$40,000 contributed annually to non profits and charities in Kootenai County and throughout the rest of Idaho.

**MOTION:** **Representative Anderson** moved to introduce **RS 18504** and send to the second reading calendar. The motion carried by voice vote.



**DOCKET:  
52-0103-0802**

**Jeff Anderson**, Director, Idaho State Lottery presented **52-0103-0802** to the committee. The Lottery is introducing new ticket vending machines to replace antiquated ticket vending machines. Lottery customers will be able to purchase lotto game tickets and instant scratch game tickets from the vending machines using cash. Currently vending machines only accept cash. The vending machines also provide a choice to the customer to purchase tickets using a PIN protected debit card. The proposed rules make an addition to provide for collection of a convenience fee from Lottery customers who choose to use the vending machines with their PIN protected debit card. The convenience fee will offset the charge incurred by the electronic payment provider for processing the transaction. There are a number of fees that go into the ultimate cost. One is a percentage of the total transaction amount, another is a fixed fee for the third party processor. It is impossible to predict what the cost for each transaction would actually be. They do know it would be no less than \$0.35 and no more than \$0.69. The Lottery plans to charge a flat \$0.50 fee for each transaction. An audit of actual fees incurred at the end of each fiscal year will determine whether the convenience fee should be adjusted upward or downward as determined by the audit.

**Representative Luker** inquired if the lottery was attempting to expand payment methods to include debit cards and credit cards. Mr. Anderson replied that is not the intention of the lottery. This is only intended to reflect what is happening in the marketplace. Many people are using debit cards more and cash less. Retailers already have the authority to accept debit cards and credit cards for lottery ticket purchases. This does not expand upon that capability. **Representative Luker** noted that on Page 47 Paragraph 22 there is an addition that says lottery tickets can be sold for cash, check, money order, credit card, electronic funds transfer, or debit card. **Mr. Anderson** replied that the same rule is also showing up on page 87 paragraph 22 of the pending rules book Rule 52-0103-0801 and he was not sure why it was showing up in both sections. **Chairman Loertscher** noted that the pending rules mentioned have already been approved.

In answer to committee questions, **Mr. Anderson** said that the lottery is proposing rule 23 in the pending fee rule book that says the convenience fee only applies to transactions from vending machines processed by the state lottery. Currently the retailer bears the cost of any fees if a person uses a debit or credit card to purchase a lottery ticket over the counter at a retail outlet, instead of through a vending machine. The convenience fees only apply to vending machines leased by the lottery commission for PIN protected debit card transactions.

**MOTION:**

**Representative Luker** moved to revisit pending rule **52-0103-0801** from the Crane subcommittee and hold **52-0103-0802** for further discussion.

**SUBSTITUTE  
MOTION:**

**Representative Crane** moved to reject **52-0103-0802**.

**AMENDED  
SUBSTITUTE  
MOTION:**

**Representative Anderson** moved to approve **52-0103-0802**.

**VOTE ON  
AMENDED  
SUBSTITUTE  
MOTION:**

**Roll call vote** was requested on the amended substitute motion to approve **52-0103-0802**. The amended substitute motion failed on a vote of 14-3. Voting in favor of the amended substitute motion: **Reps. Anderson, Bilbao and Chairman Loertscher**. Voting in opposition to the amended substitute motion: **Reps. Stevenson, Andrus, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd, Smith, Pasley-Stuart, King, and Higgins**.

**VOTE ON  
SUBSTITUTE  
MOTION:**

**Roll call vote** was requested on the substitute motion to reject **52-0103-0802**. The substitute motion passed 14-3. Voting in favor of the substitute motion: **Reps. Stevenson, Andrus, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd, Smith, Pasley-Stuart, King, and Higgins**. Voting in opposition to the substitute motion: **Reps. Anderson, Bilbao and Chairman Loertscher**.

**MOTION:**

**Representative Luker** moved to reconsider the action taken on **52-0103-0801** to the full committee for further consideration. The motion carried by voice vote.

**MOTION:**

**Representative Luker** moved to hold consideration of **52-0103-0801** until February 5. The motion carried by voice vote.

**ADJOURN:**

As there was no further business, the meeting adjourned at 10:50 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 5, 2009
- TIME:** 9:00 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** None
- GUESTS:** Jeff Anderson, Director, Idaho State Lottery; Kym Pratt, Director Marketing, Idaho State Lottery; Becky Schroeder, Administrative Director, Idaho State Lottery; Benjamin Davenport, Legislative Advisor, Risch Pisca; Zach Hauge, Legislative Advisor, Capitol West; John Watts, Legislative Advisor, Verifa; Jeremy Chou, Lobbyist, Intralot; Ken Harward, Executive Director, Association of Idaho Cities; Pam Eaton, Executive Director, Idaho Retailers Association; John Watts, Legislative Advisor, Veritas Advisors; Fred Riggins
- Chairman Loertscher** called the meeting or order at 9:00 a.m.. A silent role was taken.
- MOTION:** **Representative Mathews** moved to approve the minutes from the February 2 meeting. **The motion carried by voice vote.**
- RS 18454:** **Representative Lake** presented **RS 18454** to the committee. This legislation provides solutions for current problems associated with elections. To provide uniformity and professionalism in all elections, the authority to conduct any election is vested with the County Clerk. To provide voter information, County Clerks will now be responsible for the notification of all elections including legal notices, voter guides, polling place personnel and election expenses. To enhance predictability as to when to vote, elections will be conducted on the second Tuesday in march, third Tuesday in May, last Tuesday in August and the first Tuesday in November. To increase voter participation, all elections will be held at traditional precinct polling places. This election reform is about the mechanics of elections. It does not change same day registration or absentee balloting. For some local taxing districts, it does change the term of office to accommodate the new voting dates. The effective date is 2011. The Association of Counties, the Association of Cities, the Association of County Clerks, have all been involved in putting this legislation together. This legislation gives all authorities to run elections with county clerks, and they have accepted the challenge as long as they have the funding to do so. In answer to committee questions Rep. Lake said they had not surveyed other states to see how many had adopted the same procedures, but he could have the information for the next hearing.
- MOTION:** **Representative Bilbao** moved to introduce **RS 18454**. **The motion**

**carried by voice vote.** Representatives Higgins and Pasley-Stuart voted in opposition.

**RS 18453C1**

**Representative Lake** presented **RS 18453C1** to the committee. This legislation provides a funding mechanism to defray the costs which will be incurred by the counties caused by the reform and consolidation of elections under the direction of the county clerks. For fiscal year 2011, and each fiscal year thereafter, four million five hundred thousand dollars, (\$4,500,000.00) of which one million seven hundred sixty thousand dollars (\$1,760,000.00) shall be distributed to each of the forty-four counties, in the proportion that the population of the county bears to the population of the state. Each county shall establish a special election fund to which shall be deposited all revenues received from the distribution. All of these revenues shall be used exclusively to defray the costs associated with conducting the elections as required of county clerks by the provisions of section 34-1401, Idaho Code. Where there is an issue is the counties believe they need more money to run their elections. However, this is only a starting point. The Association of Counties will submit a report to the legislature as to the actual cost for the first two years. That gives them time to evaluate the actual costs. In answer to committee questions Rep. Lake said that the reports would take into account the initial set up costs that would not be recurring expenses.

**Representative Mathews** supports **RS 18453C1**, but has many questions about the legislation that will need to be answered at the appropriate time.

**MOTION:**

**Representative Luker** moved to introduce **RS 18453C1. The motion carried on voice vote.** Reps. Pasley-Stuart, Higgins, Smith, and King voted in opposition.

**RS 18369**

**Representative Hartgen** presented **RS 18369** to the committee. Current Idaho Code 18-6710 prohibits the use of the telephone to harass or annoy another person. This legislation extends this prohibition to include harassment via emails, text messaging, internet posts or personal blogs. Communications would be covered by the current penalties of a misdemeanor in the first offense and as a felony in the second or subsequent offense, and defines jurisdiction for a communication which "either originates in or is received in the state of Idaho."

Representative Labrador suggested changing the language on line 38 from the specific references of My Space, etc. to "social networking sites." Representative Anderson suggested a minor change in the language on line 17.

**MOTION:**

**Representative Pasley-Stuart** moved to introduce **RS 18369** with changes. **The motion carried on voice vote.**

**DOCKET:  
52-0103-0801**

**Jeff Anderson**, Director, Idaho State Lottery presented **Docket 52-0103-0801** to the committee. The proposed rule changes are housekeeping measures required to maintain consistency, and to eliminate unnecessary rules which restate what is already set forth in the applicable statute. It includes the addition of a new subsection clarifying longstanding methods of selling lottery tickets; eliminates reference to requirements that online game drawings be videotaped; eliminates that an independent certified public accountant witness online game drawings; and eliminates requirements that equipment used in such drawings be inspected by a certified public accountant. They begin on Pg. 87 of the pending rule review book. Rule **100.22** was suggested by the Idaho Attorney General to clarify 20 years of past practice in 900 retailers who sell lottery products. This is not an expansion of gaming. Retailers are already accepting multiple forms of payment. This rule was brought to them on the advice of counsel of the Idaho Attorney General. In answer to committee questions **Mr. Anderson** said the commission has the authority and statute to determine the manner in which lottery games are permitted to operate as noted in 677408, subparagraph E, of the Idaho Code. He further noted that Tim Davis at the Attorney General's office helped review the rules of other agencies such as Fish & Game, and the Liquor Dispensary that have products they sell, and they also have a rule with this exact wording. The attorney general's office felt it was needed to maintain consistency between agencies. Regarding the deletion of the requirement that lottery drawings be witnessed by an independent certified public accountant, Mr. Anderson explained that originally lottery drawings were conducted using the old "ball" method, whereby actual numbered "balls" were used to determine the numbers in the draw. The balls were weighed and cleaned before each draw that was video taped and witnessed. The current system uses a computerized random draw that creates it's own audit trail. The witnessing and taping of a draw is an outdated method and no longer used.

**Pam Eaton**, Idaho Retailers Association, offered that the majority of retailers already don't accept credit cards just for lottery ticket purchases. It costs them too much due to credit card transaction fees. . However, if you purchase other products along with a lottery ticket over the counter, they will allow a credit card transaction. Retailers feel it would be very confusing for the customer to use debit cards or cash for certain transactions and credit cards for other types of transactions. This would require two separate transactions, and checkout lines would be longer and slower and cause confusion. They also think the public for the most part plays the lottery responsibly and agrees that they as retailers have a responsibility to sell responsibly. Their opinion is that the system currently operates smoothly.

**MOTION:**

**Representative Luker** moved to accept **Docket 52-0103-0801** with the exception of subsection 100.22.

**SUBSTITUTE  
MOTION:**

**Representative King** moved to accept **Docket 52-0103-0801** as written.

**VOTE ON  
SUBSTITUTE  
MOTION:**

**By a show of hands the substitute motion carried with a vote of 10-8.** Reps. Simpson, Andrus, Crane, Kren, Luker and Palmer are recorded as voting in opposition.

**Chairman Loertscher** instructed the committee would convene on Monday, February 9 at 9:30 a.m.

**ADJOURN:**

As there was no further business the meeting adjourned at 10:30 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 9, 2009
- TIME:** 9:30 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Representative Simpson
- GUESTS:** Representative Tom Trail; David Leroy, Chairman, Idaho Abraham Lincoln Bicentennial Commission; Janet Gallimore, Exec. Director, Idaho State Historical Society; Sarah Wine, reporter, Associated Press; Benjamin Kelly, lobbyist, FP.
- SCR 102** **Mr. David Leroy**, Chairman, Idaho Abraham Lincoln Bicentennial Commission presented **SCR 102** to the committee. The purpose of this legislation is to honor Abraham Lincoln, posthumously, at the 200<sup>th</sup> anniversary of his birth; by declaring him to be the Honorary Governor of the former Territory of Idaho for the day of February 12, 2009. Abraham Lincoln, in 1849, was offered a presidential appointment to the Oregon Territory, which consisted of what are now the states of Oregon, Idaho, Montana and Washington, but declined. The legislative assemblies of these four northwestern states wish to honor President Abraham Lincoln and bestow upon him the honor which he was unable to accept in 1849.
- MOTION:** **Rep. Black** moved to send **SCR 102** to the floor with a do pass recommendation. **The motion carried on voice vote.**
- RS 18281:** **Rep. Tom Trail** presented **RS 18281** to the committee. This resolution calls for legislative support of the people of Latah County and the City of Moscow in bringing the community together through the Moscow Community Walk, endorsing the annual celebration of the walk, and encouraging sponsorship of similar events in other communities of the State of Idaho. This walk brings a cross section of citizens together to stand in friendship and promote understanding of the various groups in the community. In 2008, 400 people participated in the second annual walk and it was sponsored by 25 businesses and organizations.
- MOTION:** **Representative King** moved to introduce **RS 18281**. **The motion carried by voice vote.**

**RS 18258**

**Representative Trail** introduced **RS 18258** to the committee. **Janet Gallimore**, Exec. Director, Idaho State Historical Society, explained in further detail. The purpose of this legislation is to authorize and encourage the Idaho State Historical Society to conduct a study of Idaho's historic agricultural buildings and report it's findings and recommendations to the Governor and the legislature. In the Spring of '09, Rep. Trail asked the Historical Society to look at drafting this legislation since many of these historic buildings are quickly disappearing. This study would be to determine the inventory of agricultural buildings in Idaho that may qualify as historical sites either by architecture or historical event. In answer to committee questions Ms. Gallimore said that they anticipate little to no fiscal impact since the historical society will not be contracting with a private contractor. Much of the research is already done and it just needs to be assembled. The work is being done under the auspices of Keith Peterson's office. He will be doing much of the work. Staff time is being allocated to the project. When asked by **Rep. Pasley-Stuart**, Ms. Gallimore did not have a completed report of the exact amount of hours and cost per hour to calculate the actual fiscal impact, but would prepare one if the committee requested. She reiterated that the work would be done by staff that is already employed by the Historical Society. In reply to a question from **Rep. Luker**, Ms. Gallimore said that this is already in the authority of the Historical Society to do this project.

**MOTION:**

**Rep. Pasley Stuart** moved to return **RS 18258** to the Sponsor pending accurate fiscal impact data.

**SUBSTITUTE MOTION:**

**Rep. Anderson** moved to introduce **RS 18258**.

**Rep. Anderson** added that he is not concerned about excessive fiscal impact. This is what the Historical Society does. There were several buildings in his district that he wishes had been placed on the historical register.

**Rep. Smith** agreed with the *original* motion. She stated that the Historical Society does not need the authorization of the legislature to do this study, as they already have the authority to do so. She felt it was a waste of money for the legislature to do the study.

**VOTE ON SUBSTITUTE MOTION:**

**The motion to introduce RS 18258 failed on voice vote.**

**VOTE ON ORIGINAL MOTION:**

**The motion to return RS 18258 to sponsor was carried by voice vote.**



**Chairman Loertscher** instructed the committee to listen for a meeting announcement during the mornings session as there was a possibility the committee would not meet until February 11.

**ADJOURN:** As there was no further business the meeting adjourned at 10:07 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** February 11, 2009

**TIME:** 9:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Representative Grant Burgoyne; Representative Robert Schaefer; Representative JoAn Wood; Melissa Vandenberg, Deputy Attorney General, Department of Administration; Cynthia Ness, Insurance Manager, Department of Administration; Genii Hamilton, Supervisor, Senior Health Insurance Benefit Advisor Program (SHIBA); Trent Nate, Sales Exec., Regence Blue Shield; Robert Schmidt, Consultant, Milliman; Jennifer Hannah, HR Specialist, Department of Health and Welfare; Donna Yule, Executive Director, Idaho Public Employees Association; Colby Cameron, Sullivan & Rebege; Don Brennan, Idaho Public Employees Association; Don Drum, Executive Director, Public Employees Retirement System of Idaho; Joanna Guilfooy, Deputy Attorney General, Public Employees Retirement System of Idaho (PERSI); Alice Taylor; William Applegate; Allan Taylor;

**Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.

**HB 0039** **Representative Lake** presented **HB 0039** to the committee. This legislation makes changes to state law regarding eligibility and management of health insurance for active state employees and retirees. It also allows a director to negotiate a plan of health care service for the purposes of rating; establishes that the State will pay \$100 per month per eligible retired employee toward health care coverage; establishes that retired personnel health care service coverage will not be available to any retired personnel or dependent who is or becomes eligible for Medicare; establishes that any personnel who begins service after June 30, 2009 will not be eligible for any retired personnel health care service coverage unless they have credited state service of at least 20,800 hours before that date (if re-employed). **Rep. Lake** then introduced **Teresa Luna, Department Chief of Staff for the Dept. of Administration**, to the committee. He stated she was the point person on this project for the past year.

**Teresa Luna** gave the following overview of the "donut hole." There are 13,000 retired state employees in the State of Idaho. 10,000 are already on Medicare. That leaves a balance of 3,000, 850 of which have not reached 65 or are not medicare eligible, and they will still have State

insurance coverage. That leaves approximately 2,150 retired State employees that are Medicare eligible and need to switch to Medicare or purchase a private plan. Of the 2,150 they believe that about 20% or roughly 400 retirees could be affected by the Part D “donut hole.”

The “hole” starts when you reach \$2500 total cost of prescription drugs. The plan reimburses for out-of-pocket expenses, but it simply moves the “hole” back. It is not eliminated.

In answer to committee questions, **Ms. Luna** explained that the Dept. of Administration plans to assist those personnel who need to transition to a Medicare supplemental plan according to each person’s individual situation. They are working with the retirees, Blue Shield, and SHIBA, (Senior Health Insurance Benefit Advisor’s Program) to track who has moved on and who is still on the State’s plan so that no one falls through the cracks. Only retired, medicare eligible, employees are affected by this legislation. Coverage is available in all counties of the state. Currently, retired state employees who live outside of the state can stay on the plan, but upon passage of this legislation they will need to pick up a private plan in their state. For retirees under 65 and not medicare eligible, the state will provide a subsidy of \$100 per month and joint-rates them with the active plan participants to keep rates low.

**Rep. Burgoyne** was recognized by the chair. He stated that he has concerns about Pg. 4 Par. 3. He feels that the provision as it currently reads constitutes a “promise.” He does not think amending the statute will extinguish the liability current employees, and retirees and their families will construe as a result of that wording. What it might do is change the entitlement and expectation that new employees would have after that date. He feels that what is proposed in this legislation, is to take away something that retired state employees have been paying for, for some time, and that is where he sees a legal liability. He will be asking for the Attorney General’s opinion on this matter.

**Donna Yule**, representing members of the Idaho Public Employees Association, was recognized by the chair. They have come to believe that the majority of state retirees moving from the state health plan will find better and less expensive plans. Their main concern is the folks who find themselves in the “donut hole,” i.e. those with the highest prescription costs. They hope we can do more to help those that fall into that category.

**Representative Wood** was recognized by the chair. She is here to speak for the retirees who were afraid to come. She is speaking for the retirees who thought they had a good faith agreement with the State of Idaho for what they felt they had, and have been paying for all this time. She remembers the days when it was asked of the employees if they would be willing to accept premium increases to keep retiree health insurance whole. They accepted the premium increases and for 27 years she has paid to keep the retirees whole. Now she is of retiree age, and she is going to be pushed off on Medicare.

She is willing to pay for medical coverage. She just wants to know she has medical coverage. Many medical providers do not accept Medicare, and Medicare is not recognized out of the country. She feels that the bill should be salvageable for those who have spent 20 to 30 years employed by the State of Idaho. She said there are only a small number of retirees that fall in this category, 400 or so, and it seems like the State should do more for them.

**Don Brennan**, retired State of Idaho employee, was recognized by the chair. Mr. Brennan agrees with Rep. Wood. He stated that he is 76 years old and has had many health problems in the past years. He takes 10 medications per day and some of them cost two to three hundred dollars per month. This plan puts him in a situation where it will be difficult for him to afford his medications.

**Rep. Lake** was recognized by the chair. In response to Rep Burgoyne's comments, he called attention to page 4 lines 9 through 12 of the bill. He also stated that there is no obligation by the State to provide health care to retired employees. Active employees have been subsidizing the retired. If we do nothing, the cost of this liability will only get bigger. This legislation is trying to find a solution to deal with this issue.

**MOTION:** **Rep. Black** moved to send **HB 39** to the floor with a do pass recommendation.

**SUBSTITUTE MOTION:** **Rep. Crane** moved to hold **HB 39** in committee, pending further information.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:** A roll call vote was called on the substitute motion. **The substitute motion carried by a vote of 12 to 6. Reps. Anderson, Andrus, Labrador, Luker, Crane, Mathews, Shepherd, Smith, Pasley-Stuart, King, Higgins, and Loertscher voted in the affirmative. Reps. Stevenson, Black, Bilbao, Kren, Palmer, Simpson voted in opposition.**

**Chairman Loertscher** instructed the committee to hold the bill no longer than one week for review.

**ADJOURN:** As there was no further business the meeting adjourned at 11:12 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** February 12, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Brian Whitlock, Idaho National Laboratory; Lou Riepl, Idaho National Laboratory; Mike Nugent, Legislative Services Department

**Chairman Loertscher** called the meeting to order at 9:17 a.m. A silent roll was taken.

**MOTION:** **Representative Smith** moved to approve the Minutes of February 9. **The motion carried on voice vote.**

**RS 18606** **Representative Simpson** presented **RS 18606** to the committee. This legislation is a joint memorial to recognize and celebrate the sixtieth anniversary of the Idaho National Laboratory. INL was established in 1949 by the Atomic Energy Commission in Eastern Idaho. It is situated on 897 miles of Idaho desert. It is the second largest national laboratory in the country. For many years it was the site of the largest concentration of nuclear reactors in the world. Fifty-two nuclear reactors were built, including the U.S. Navy's first prototype nuclear propulsion plant. During the 1970s, the laboratory's mission broadened into other areas, such as biotechnology, energy and materials research, and conservation, and it will soon be known as the laboratory for renewable energy. It will play a key roll in helping the State of Idaho meet it's Project 60 goals. The INL has 60,000 employees and is a key player in a healthy Idaho economy. The congratulatory memorial will be presented to company officials at its anniversary luncheon on February 25 in Boise, ID.

**MOTION:** **Representative Pasley-Stuart** moved to send **RS 18606** to the floor and to the second reading calendar. **The motion carried on voice vote.**

**HB 65** **Representative Palmer** presented **HB 65** to the committee. The purpose of this legislation is to update the Idaho Code to reflect Federal law allowing Idaho over-the-counter long gun sales to a resident of any other state as long as the purchase is legal in both Idaho and the purchaser's home state. In answer to committee questions Rep. Palmer said that similar legislation

has already been adopted in the states of Arizona, Georgia, Kentucky, Pennsylvania, Washington and Utah.

**MOTION:** **Representative Crane** moved to send HB 65 to the floor with a do-pass recommendation. **The motion carried on voice vote.**

**SB 1044** **Mike Nugent**, Legislative Services Dept., presented **SB 1044** to the committee. The purpose of this bill is to make various codifier corrections to the Idaho Code. In 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. For example there may be two Section No. 5's so a correction would have to be made. There may be references to specific places or names of places that have changed and need to be updated. Rather than waiting for future amendments to the various affected sections, this bill compiles those code sections affected in the legislative sessions prior to 2008 that contain conflicting numbering so that the designations may be corrected.

**MOTION:** **Representative Smith** moved to send **SB 1044** to floor with do pass recommendation. **The motion carried by voice vote.** Representative Labrador will sponsor the bill on the floor.

**ADJOURN:** As there was no further business the meeting adjourned at 9:50 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

MINUTES

**HOUSE STATE AFFAIRS COMMITTEE**

**DATE:** February 16, 2009

**TIME:** 9:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Sharon Kiefer, Assistant Director, Idaho Department of Fish & Game; Fred Riggins

**Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.

**MOTION:** **Representative Higgins** moved to approve the minutes of February 5. The motion carried by voice vote.

**RS 18628:** **Representative Marc Gibbs** presented **RS 18628** to the committee. This legislation intends to encourage the building of shooting ranges for all facets of shooting sports, such as skeet, rifle, archery, and trap. This bill originated because the city of Lewiston lost its lease on their trap club. It was used to hold state Amateur Trapshooting Association (ATA) and Pacific International Trapshooting Association (PITA) trap shoots. These shoots were well attended by participants and the public from the Pacific Northwest and had considerable participation and positive fiscal impact on the area. He further stated that there had been some last minute changes to the RS to include cities and counties under this legislation and the RS needs to be rewritten. Rep. Gibbs extended his apologies for the last minute changes

**MOTION:** **Rep. Pasley Stuart** moved to return **RS 18628** to sponsor pending the rewrite. The motion carried by voice vote.

**ADJOURN:** As there was no further business the meeting adjourned at 9:45 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** February 17, 2009

**TIME:** 9:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Bill von Tagen, Deputy Attorney General, Attorney General's Office; Wendy Widman, Management Assistant, Dept. of Health & Welfare; Benjamin Davenport, Legislative Advocate, Risch Pisca; Zach Hauge, Legislative Advocate, Capital West, Martin Bilbao, Connolly & Smyser; Katie Killpack, Intern, Division of Financial Management

**Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.

**RS 18314** **Representative Trail** presented **RS 18314** to the committee. This resolution urges the directors of all state agencies to use all care and vigilance to protect the personal data and private information of their employees, and all citizens of the State of Idaho that they serve, for the purpose of protecting against identity theft, including but not limited to social security information, bank account information, and information relating to state and federal income taxes. In answer to committee questions, **Rep. Trail** said that this resolution would be a strong signal from the state legislators to the agency heads and state employees to raise the attention level on this serious problem.

**MOTION:** **Representative King** moved to introduce **RS 18314**. The motion carried by voice vote.

**RS 18434C1** **Representative Trail** presented **RS 18434C1** to the committee. This legislation relates to the disclosure of personal information; amending Section 28-51-105, Idaho Code, to provide that agencies, individuals and commercial entities will notify the Central Office of the Idaho Attorney General in the event of certain breaches of security.

**MOTION:** **Representative Mathews** moved to introduce **RS 18434C1**. The motion carried by voice vote.

**RS 18611** **Representative Harwood** presented **RS 18611** to the committee. He



informed the committee that this is the Speaker's bill and he is presenting on behalf of the Speaker. This legislation allows the Industrial Commission to collect a penalty of \$2.00 to \$25.00 only if the employer intentionally or wilfully fails to pay workers' compensation which is due. It also sets up an appeal process to the Industrial Commission of an order or decision made by an officer or examiner. In answer to committee questions Rep. Harwood stated that when this legislation was drafted, the legislative services department felt that an appeal process was needed. It has been reviewed by the Industrial Commission and they have given their recommendations, but those recommendations are not included in this legislation.

**MOTION:** **Representative Crane** moved to introduce **RS 18611**. The motion carried by voice vote.

**SB 1043** **Jeff Youtz**, Legislative Services, presented **SB 1043**. This bill is the result of a recommendation by the Legislative Council to revise and modernize Idaho Code sections that relate to the operation and function of the Idaho Legislature. A subcommittee went through these sections and deleted archaic language and clarified and updated language to reflect current practice and procedure. Some of the sections are more than 50 years old and are no longer applicable. Also, the Legislative Services Office does not currently exist in Idaho Code, and that important function needed to be clarified in a statute. There are no new powers, authorities or functions with this legislation. It is simply an effort to update and modernize the Code sections that relate to the Idaho Legislature.

**MOTION:** **Representative Pasley-Stuart** moved to send **SB 1043** to the floor with a do pass recommendation. The motion carried by voice vote.  
**Representative Pasley-Stuart** will sponsor the bill on the floor.

**ADJOURN:** As there was no further business the meeting adjourned at 10:07 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 18, 2009
- TIME:** 9:30 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Rep. Black
- GUESTS:** Melissa Vandenberg, Dept. of Administration; Bill Roscoe, Boise Rescue Mission; Rep. Grant Burgoyne; Rep. JoAn Woods; Annie Henna, Catholic Charities; Pam Baldwin, Interfaith Alliance of Idaho; Julie Lynde, Cornerstone Family Council; Dan Brennan
- Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.
- MOTION:** **Representative Higgins** moved to approve the minutes of February 3. The motion carried by voice vote.
- MOTION:** **Representative Smith** moved to approve the minutes of February 12. The motion carried by voice vote.
- MOTION:** **Representative Higgins** moved to approve the minutes of February 17. The motion carried by voice vote.
- HB 39:** **Representative Lake** stated that members have been in negotiations regarding the contents of **HB 39** and have added some additional amendments. To keep the bill clean he requested that our committee hold HB 39 so he could bring forth the new RS.
- MOTION:** **Representative Pasley-Stuart** moved to hold **HB 39**. The motion carried on voice vote.
- RS 18719:** **Representative Lake** presented **RS 18719** to the Committee. He stated that this is the same as HB 39 with a few exceptions. The State's contribution to any state-sponsored health insurance plan for retirees will be \$155.00 per month instead of \$100.00 per month. Other changes include on Pg.3 lines 15 & 16, "the advisory committee shall include one active and one retired employee representative," the addition of language on Pg. 4 lines 15 and 16 which says that the director will formulate a plan "in consultation with the advisory committee," which addresses a suggestion brought up at the previous meeting.

**Representative Burgoyne** was recognized by the chair. He offered an

opinion he had received from the State's Attorney General. It says "It is the opinion of the Attorney General that state retirees and their respective dependents have no legal right to insurance coverage." The legal opinion will be attached to the minutes of the meeting and is available in the secretary's office until the end of session, and after that in the Librarian's office.

**Rep. Wood** was recognized by the chair. She stated that her purpose for being here is to verify the testimony she gave previously. She offered handouts to the committee members which are attached hereto. (Minutes of the State Affairs Committee, March 25, 1987; SCR 115 First Session 1987; Investment and Retirement Funds Committee Minutes, March 3, 1987) verifying her previous testimony. She shared that she has heard from other employees who are troubled by this legislation. They thought that their previous payments toward insurance premiums were buying them health insurance for the future. They think that the State should be able to go back to the table and come up with better options for these retirees.

**MOTION:** **Representative Crane** moved to introduce **RS 18719** and send to the second reading calendar. The motion carried by voice vote. **Rep. King** is recorded as voting NAY. **Rep. Lake** will sponsor the bill on the floor

**Representative Crane** offered that he and Rep. Pasley-Stuart had met with Teresa Luna, Dept. Of Administration and Donna Yule, Idaho Public Employees Assoc., and that they had taken the concerns of the committee and put them into this legislation. He thanked everyone for their good faith negotiations. Committee discussion followed.

**RS 18687:** **Representative Hagedorn** presented **RS 18687** to the committee. He stated that this legislation is intended as a reminder to those in Washington, D.C. of the individual's right to carry and bear arms as stated in the Second Amendment. In answer to committee questions Rep. Hagedorn stated that in the last four weeks a number of bills have been introduced limiting an individual's right to carry and bear arms. For instance, House Bill 45 introduced in January calls for Federal ID cards be issued for citizens to have fire arms or ammunition. A number of states including Idaho are also sending the same message to Washington, D.C.

**MOTION:** **Representative Labrador** moved to introduce **RS 18687**. The motion carried by voice vote.

**HCR 11:** **Representative Durst** presented **HCR 11** to the committee. He reminded the committee that we have heard this bill as an RS previously. He brought members from faith-based organizations as well as community organizations to testify on behalf of the legislation. This legislation has four goals. It asks state government to: 1. Identify barriers to partnerships with faith based and community organizations, 2. Improve opportunities for such partnerships, 3. Conduct a conference to determine findings, 4. Report back to the legislature results of findings.

**Bill Roscoe**, Exec. Director, Boise Rescue Mission, was recognized by the chair. He spoke in favor of the resolution stating that it would be helpful for the many different community and faith-based organizations to have open lines of communication and to share types of programs they are operating so as not to duplicate efforts. He stated this his organization does not have the human resources to locate all the information for services that might be helpful to them. He thinks this legislation helps create a good potential to create a dialog between different agencies and to work better in partnership with other organizations.

**Annie Henna** from Catholic Charities was recognized by the chair and spoke in support of **HCR 11**.

**MOTION:** **Representative Luker** moved to introduce **HCR 11**. The motion carried on voice vote. **Rep. Durst** will sponsor the bill on the floor.

**ADJOURN:** As there was no further business the meeting adjourned at 10:17 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 19, 2009
- TIME:** 9:00 a..m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** None
- GUESTS:** Dennis Tanikuni, Idaho Farm Bureau; John Buck, GEM County Coroner, Idaho State Association of County Coroners; Tony Poinelli, IAC; Kris Ellis, Idaho Midwifery Council
- Chairman Loertscher called the meeting to order at 9:04 a.m. A silent roll was taken.
- MOTION:** Representative Shepherd moved to approve the minutes of February 12. The motion carried by voice vote.
- MOTION:** Representative Higgins moved to approve the minutes of February 17. The motion carried by voice vote.
- RS 18305C1:** John Buck, GEM County Coroner presented RS 18305C1 to the committee. This legislation would add an additional \$1.00 fee to each certified death certificate issued. The funds generated from the fee would be used solely for training of new county coroners as well as the continuing education of existing coroners. Most other associations have funds set up for the training of their members. They have looked at several options and this one seems to have the least impact on the least amount of people. Most families have one death per year. In 2006, 59,000 death certificates were ordered in the State of Idaho. In answer to committee questions Mr. Buck stated that most folks in the smaller towns do this job on a part time basis. Training is needed for new coroners, as well as, ongoing training for existing coroners to bring them up to speed on new developments and techniques. The proposed legislation has been approved by the Idaho State Association of Coroners
- MOTION:** Representative King moved to introduce RS 18305C1. The motion carried on voice vote. Representative Kren and Palmer are recorded as voting NAY.
- RS 18307C1:** John Buck, GEM County Coroner presented RS 18307C1 to the committee. The purpose of this legislation is to require new coroners to attend a coroner's school or training endorsed by the Idaho State Association of County Coroners. The classes would be developed, sponsored and monitored y the Idaho State Association of County

Coroners. This will help professionalize the office of county coroner. The intent is to develop schooling within Idaho. The qualifications for this position are so low that they believe that anyone can make a good coroner with proper training.

In answer to committee questions Mr. Buck said that the cost for training newly elected officials would run about \$3,000 for their initial training. To pay for bringing in speakers they would spend about \$20,000. The association wants to video tape those training sessions and take the training to those in outlying areas not able to attend training in Boise.

**MOTION:** Representative Higgins moved to approve RS 18307C1. The motion carried by voice vote. Reps. Simpson, Palmer and Kren are recorded as voting NAY.

**RS 18603:** Representative Hart presented RS 18603 to the committee. The purpose of this legislation is to create a searchable Internet based data base that will essentially put the state of Idaho's checkbook online. This has already been done at the federal level in at least 18 other states and five are in the process of implementation at this time. When Texas put it's checkbook online they found at least 4.8 Million dollars in savings that has already been realized and another 3 Million dollars that they are moving forward on. In answer to committee questions, Rep. Hart said he would bring more exact figures as to the fiscal impact and any potential ongoing costs associated with this legislation at the next meeting if this should be introduced.

**MOTION:** Representative Mathews moved to introduce RS 18603.

**SUBSTITUTE MOTION:** Representative Pasley Stuart moved to return RS 18603 to sponsor.

Committee discussion followed.

**VOTE ON SUBSTITUTE MOTION:** The substitute motion to return RS 18603 to sponsor failed. On voice vote.

**VOTE ON ORIGINAL MOTION:** The original motion to introduce RS 18603 carried by voice vote. Reps. King, Smith, Pasley-Stuart, Higgins are recorded as voting NAY.

**SB 1041:** Dave Fulkerson, presented SB 1041 to the committee. This legislation provides the salary to be paid to the Senate Pro Tempore and the Speaker of the House when serving as acting Governor; and provides the salary to be paid to the Senate President Pro Tempore when serving as acting Lieutenant Governor.

**MOTION:** Representative Pasley-Stuart moved to send SB 1041 to the floor with a do pass recommendation. The motion was carried by voice vote. Representative Crane will sponsor the bill on the floor.

**ADJOURN:**

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

MINUTES

**HOUSE STATE AFFAIRS COMMITTEE**

**DATE:** February 23, 2009

**TIME:** 9:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Reps. Stevenson, Black, Labrador

**GUESTS:** Steve Steiner, Deputy Director for Communications, Bureau of Homeland Security; Eddie Goldsmith, E911 Program Coordinator, Emergency Communications Commission; Dodie Collier, Inter Communications Program Mgr., Statewide Interoperability Executive Council (SIEC), Idaho Bureau of Homeland Security; Garret Nancolas, Mayor of Caldwell, Emergency Communications Commission (E911); James Jatkevicius, Idaho Sports Shooters Alliance; Mike Brown, Exec. Director, Idaho Sport Shooters Alliance

**Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.

**RS 18736:** **Representative Kren** presented **RS18736** to the committee, on behalf of **Rep. Roberts**. This legislation would give counties the option to vote on a local fuel tax to finance transportation projects within their county. In answer to committee questions, Representative Kren said that this would be county wide in the State of Idaho and not limited to certain counties. He also stated that the inclusion of public transit could be a subject of discussion if the RS was introduced.

**MOTION:** **Representative Bilbao** moved to introduce **RS 18736**.

In committee discussion there were unanswered questions about how high the taxes might go, why public transit was not included, and the mechanism for getting the funds from the county to the highway commission. **Representative Pasley Stuart** commented that the sponsor needs to be more specific about the details of this proposal.

**SUBSTITUTE MOTION:** **Representative Pasley-Stuart** moved to return **RS 18736** to sponsor.



**VOTE ON  
SUBSTITUTE  
MOTION:**

A roll call vote was called on the substitute motion to return **RS 18736** to sponsor. **Substitute motion passed 9-6.** Voting in favor of the substitute motion: **Reps. Luker, Crane, Kren, Palmer, Shepherd, Smith, Pasley-Stuart, King, Higgins.** Voting in opposition to the substitute motion: **Reps. Loertscher, Anderson, Andrus, Bilbao, Mathews, Simpson**

**RS 18749:**

**Representative Gibbs** presented **RS 18749** to the committee. He stated he has been working on this bill in conjunction with the Sport Shooters Alliance and they have been able to include a provision that provides protection to cities and counties. He reiterated that this legislation is not for hunters, it is for the sport shooting enthusiast who shoots clay targets, skeet or trap, on a range. It is intended to limit a range owner, an instructor, or a city from ordinary liability. They will continue to be liable for gross negligence, intentional acts, or if a weapon does not work properly. This legislation is aimed at personal liability only.

**Mike Brown**, Executive Director of the Idaho Sport Shooter's Alliance, was recognized by the chair. He said that this legislation is aimed at removing simple negligence for shooting ranges. It is based on the Equine Activity Act. He explained that shooting ranges are being impacted negatively by urban development. Currently the burden is on the range to build and keep up new ranges. The Sport Shooter's Alliance wants to encourage counties to build ranges as well. This legislation is aimed at maintaining the ones we have and to help encourage cities and counties to build facilities as well. Once a facility is gone it is very difficult to get it back. Shooting ranges have very specific rules regarding safety. They are safer than many other types of sports facilities. As an example, he shared that in the last 14 years there have been less fatalities on a shooting range in any one year, than there were fatalities by vending machines. The types of injuries you see on shooting ranges lean more toward sprained ankles than shooting injuries.

In answer to committee questions, **Mr. Brown** said there is no change in the duties of law for shooting ranges to keep out trespassers.

**Rep. Andrus** added that since this last election there has been a surge in gun ownership. This legislation helps provide places for gun owners to be trained and to shoot within specific guidelines.

**MOTION:**

**Representative Andrus** moved to introduce **RS 18749**. The motion carried by voice vote. **Reps. King** and **Pasley-Stuart** are recorded as voting NAY.

**RS 18745:** **Representative Luker** presented **RS 18745** to the committee. This legislation has been through the Health and Welfare Dept. and is back due to a typographical error. The Board of Pharmacy made a pending rule that did a couple of things for the training of pharmacy technicians. Pharmacy technicians had concerns for personnel being behind the desk that were not trained as technicians. They revamped the rules to say what a technician was. They added a rule that a pharmacy could have up to six technicians behind the desk as long as a pharmacist was available to answer questions and to provide trained expertise and supervisory expertise. Pharmacists did not agree with the increased limit.

One large retailer complained that this tied their hands to hire lower paid staff to run the cash register, etc. Health and Welfare rejected the rule, 14 to 2, and so made a house resolution to correct the docket number. There have been no changes other than changes to the docket number. The Board of Pharmacy is in favor of the rule. Negotiations took place between the Board of Pharmacy, the Pharmacists Association and the Retailers Association. A compromise rule was reached.

**MOTION:** **Representative Pasley-Stuart** moved to introduce **RS 18745** and send to the second reading calendar. The motion passed on voice vote. **Representative Shepherd** is recorded as voting NAY.

**Presentation:** **Dodie Collier**, Inter Communications Program Mgr. with Homeland Security presented an update on the SIEC to the committee. The information presented included current committee members, and their accomplishments over the past year. It is the SIEC's continued vision to create and utilize secure and redundant communications system statewide. This system will allow public safety responders to communicate with one another regardless of location, in day-to-day operations and times of catastrophic events across the state. The SIEC administered a one-year statewide operational needs and technical resources assessment, which was completed in October 2008. The assessment evaluated 44 Counties, 3 Tribes, and State Agencies. The outcome data is being used by local, tribal and state government for coordinated system design and construction. Public Safety Communications Infrastructure (PSIC) projects are at the halfway point. Regional Governance is in formation and we have live statewide interoperability. (Full presentation attached to secretaries minutes during session and in the office of the Librarian after session ends)

**Garrett Nancolace**, Emergency Communications Commission, was recognized by the chair. Mr. Nancolace reported to the committee about the Enhanced 9-1-1 telephone systems (E911). The commission conducted meetings in April and September of 2008. These meetings were held in conjunction with training seminars for elected officials and city/county employees involved in providing emergency communications services. All of the training sessions were well attended and the feedback from participants was complimentary. The Commission is planning more informational and training sessions in the future. Through grant funding expected to become available to Idaho in fiscal year 2009, it is anticipated that all basic 9-1-1 Centers in Idaho should be able to start moving to enhanced 9-1-1 services starting in October 2009. The Commission is also in the process of working on the Idaho State Plan that meets the requirements of the NET 911 Act. The National Association of State 9-1-1 Administrators has contracted a consulting firm that has developed a model plan for states to adopt. The report is expected to be received by May 2009. (Full presentation attached to secretaries minutes during session and in the office of the Librarian after session ends)

**Eddie Goldsmith**, E911 Program Coordinator, was recognized by the committee. In answer to committee questions he shared that Phase 2 of the E911 plan pertains strictly to cell phone usage. The next generation of 911 will remove 9-1-1 from the CAMA trunks on to an IP network. Our current network is not big enough to handle the next generation of 9-1-1. We will move off of trunks and create an IP emergency service network that is like an internet outside the internet. This will bring in all the information we're getting now plus text messaging, heart monitors, and emergency crash notifications in vehicles. The current phone system is not capable of operating on an IP network. The upgrade will cost \$350,000.00 to \$400,000.00 per upgrade. There are forty 9-1-1 centers that will need to be upgraded. This cost only covers the cost of the phone system, not any expenses on creating the network. An engineering study will be conducted in the future to determine the costs for creating the network. E911 goals include having all counties in the state Phase 2 compliant within four years.

**ADJOURN:** As there was no further business the meeting adjourned at 10:50 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** February 24, 2009

**TIME:** 9:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Crane

**GUESTS:** Bill Gigray, Attorney at Law, White Peterson

**Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.

**RS 18548:** **Representative Bolz** presented **RS 18548** to the committee. This legislation provides technical corrections to a current statute. They are taking two sections that deal with veterans and making them gender neutral. Idaho Code 65-101 deals with the County Memorial Commission. This will remove a section that referred only to veterans of World War II, to read veterans of any war or conflict. The second change deals with compensation. The statute currently says "him" and it will be changed to say "the individual."

**MOTION:** **Representative Smith** moved to introduce **RS 18548**. The motion carried by voice vote.

**RS 18747:** **Representative Bolz** introduced **Bill Gigray**, an attorney at the law firm of White Peterson, city attorneys for McCall, Wilder, Nampa, Cascade and Melba. **Mr. Gigray** presented **RS 18747** to the committee. The purpose of this legislation is to allow for a city council validation of highways of public right-of-way. Currently only County Commissioners or Highway District Commissioners may be petitioned to validate a highway or public right-of-way. Because the words "city" and "city council" do not appear in the current text there is some ambiguity as to whether or not a city has validation authority which presently exists for all other highway jurisdictions (County Commissioners or Highway District Commissioners). This legislation would add the words "city" and "city council" to the language to help eliminate confusion over the statute. Cities have the same highway jurisdiction as counties and highway districts and should be included specifically in the validation statute. There have been some situations where petitions have come before the city council seeking the validation of public right-of-way. This does not grant any additional authority to cities over any public roadway over what they already have. The statute would be much clearer if it were allowed to read this way. The primary statute falls under the authority of Idaho Dept. of Transportation or

the Highway District. Anyone can seek judicial review and that would go through the court system.

In answer to committee questions, Mr. Gigray said that this would not change the way cities acquire rights-of-way. They would still need to be annexed, and the cities would have to pursue an eminent domain. This would help provide a legal way where there may be some ambiguity. This legislation would only be in effect within the city limits.

**MOTION:** **Representative King** moved to introduce **RS 18747**. The motion carried by voice vote.

**RS 18746:** **Mr. Gigray** presented **RS 18746** to the committee. The purpose of this legislation is to modify IC 67-2323 to allow transfer of government property from one government entity to another, through written agreement, without having to publish notification for two consecutive weeks. This is a matter of trying to clarify and resolve an ambiguity that appears in 67-2323, which provides that "a written agreement shall be made between units of government for a conveyance or transfer of real or personal property from one to the other with or without consideration." This is used with fire districts transferring fire engines, which is sometimes done without consideration. The statute provides that you have to first get an agreement with regards to the transfer, then put a notice to the public in the paper, the provisions of the agreement outlined in the notice, and then the publication appears in a paper of general circulation, and then requires a two-thirds vote. The problematic portion of this is that you need to publish twice. But, the literal language says it should be published for two consecutive weeks. The paper may be a daily paper, and two weeks of publication is extremely costly and not very practical. In answer to committee questions, Mr. Gigray said that this has been in existence for some time and the intent is to add clarity to the language. It has been assumed that the intention is to publish twice as opposed to for two weeks.

**MOTION:** **Representative Luker** moved to introduce **RS 18746** with a change on line 16, to insert the word "twice" after the word "publish" and to move added material on lines 18 thru 20 to end of the statute after the word "agreement." The motion carried on voice vote.

**RS 18734:** **Representative Hagedorn** presented **RS 18734** to the committee. H0130 is a bill currently in the Transportation Committee that allows corporations that have semi trailers not to have to retitle their vehicles in Idaho to get a permanent license plate in the State of Idaho. The objective is to try and attract business and additional vehicle registrations from outside of the State. We need to make it cost effective and to offer an incentive for these corporations to want to register their vehicles in Idaho. This will allow the Dept. of Transportation to have the flexibility to offer a permanent plate imprinted with a business logo. If we could attract UPS or Walmart with a special plate, there is a potential of \$627,000,000.00 that could be raised for our distribution account.

Currently, we offer two types of plates. One is an annual plate with a

yearly renewal fee. The other is a permanent plate for \$112.00 that does not need a renewal. We want to offer corporations that are in Idaho, special corporate plates imprinted with a logo, for \$112.00 per year.

In answer to committee questions, Rep. Hagedorn said that Oklahoma has the same program. He noted that Walmart, which is based in Arkansas goes to Oklahoma to register their trailers. They are charged \$49.00 every year plus \$4.00 each for the sticker. From a corporation's perspective it will save money by paying the yearly fee and not having to handle the logistics of distributing stickers. Currently, federal law allows semi trailers and semi tractors to register in whatever state they choose.

**MOTION:** **Representative Mathews** moved to introduce **RS 18734** with a recommendation for it to be referred to the Transportation Committee. The motion carried by voice vote.

**ADJOURN:** As there was no further business the meeting adjourned at 10:07 am.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 25, 2009
- TIME:** 9:30 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Chairman Loertscher
- GUESTS:** Ronald Williams, Attorney, Williams Bradbury Attorneys at Law; Colby Cameron, Legislative Advocate, Sullivan & Reberger
- Vice Chairman Anderson** called the meeting to order at 9:30 a.m.  
A silent roll was taken.
- MOTION:** **Rep. Higgins** moved to approve the minutes of February 18 and 19. The motion carried by voice vote.
- RS 18756C1:** **Rep. Lake** presented **RS 18756C1** to the committee. This is a combination of the two election consolidation bills previously introduced. The original HB 69 called for \$4,500,000.00 annually, with \$2,000,000.00 coming from the counties into the election pot, \$500,000.00 from the cities, and a contribution of \$2,000,000.00 from the general fund. There was some disagreement about the funding, and after a series of meetings, an agreement has been reached. The new legislation distributes \$3,100,000.00 to an election fund to the respective counties from the sales tax distribution formula. \$2,500,000.00 is paid by the State, \$400,000.00 by the cities, and \$200,000.00 by the local taxing districts. The schools are not assessed except insofar as they are required to pay for elections held in March or August. 2011 is the first year that the funding mechanism begins.
- MOTION:** **Rep. Labrador** moved to introduce **RS 18756C1**. The motion carried by voice vote.
- MOTION:** **Rep. Smith** moved to hold **HB 68** and **HB 69** in committee. The motion carried by voice vote.
- RS 18741:** **Ronald Williams**, Attorney, presented **RS 18741** to the committee. This legislation amends the Idaho Energy resources Authority Act to enable the state treasurer to purchase long term fixed and variable interest rate bonds of the Authority at a rate of interest below the prevailing market rate, in order to provide low-cost debt financing for certain renewable energy generation projects in the state.
- MOTION:** **Rep. Kren** moved to introduce **RS 18741** and assign it to the Energy and

Environment committee. The motion carried by voice vote.

**ADJOURN:** As there was no further business the committee adjourned at 9:40 a.m.

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Representative Eric Anderson  
Vice Chairman

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Marsha Walker  
Secretary



## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** February 26, 2009
- TIME:** 8:30 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** None
- GUESTS:** Kathie Garrett, Idaho Chapter of American Academy of Pediatrics, Idaho Perinatal Project; (AAP & IPP); Dennis Tanikuni, Idaho Farm Bureau; Darrell Aherin, Idaho Trial Lawyers Assoc. (ITLA); Daniel Luker, ITLA; Julie Lynde, Cornerstone Family Council; Stuart Carty, ITLA; Molly Steckel, Idaho Medical Assoc.; Sherry Iverson, IPP & APP; Sandy Evans, Board of Nursing; Barbara Rawlings, Idaho Midwifery Council (IMC); Paula Wiens, IMC; Kyndal Verveckken, Idahoans for Midwives; Michelle Bartlett, IMC; Michael Brown, Idaho Sport Shooters Alliance, Fred Riggins
- Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.
- MOTION:** **Rep. Higgins** moved to approve the minutes of **February 23**. The motion carried by voice vote.
- RS 18758C1:** **Rep. Boyle** presented **RS 18758C1** to the committee. This legislation limits the authority of the state fire marshal and assistants to enforce application of the International Fire Code to buildings, structures and premises owned or leased by the state or it's subdivisions. The bill allows cities and counties at their discretion to contract with the state fire marshal to perform inspections. It requires any new fire code edition updates to be approved by the legislature. With this change the cities and counties will have discretion to adopt fire codes or parts thereof related to privately owned residential and commercial buildings and structures which suit the needs of their locality. Reps. Black, Crane, Anderson, Mathews, Bilbao, and Kren all spoke in favor of the legislation.
- MOTION:** **Rep. Kren** moved to introduce **RS 18758C1** and refer to the Business Committee. The motion carried by voice vote.
- H194:** **Rep. Gibbs** presented **H194** to the committee. This legislation is intended to provide some liability protection to owners of shooting ranges and those that work on shooting ranges. It is patterned after the Equine Immunity Act that was passed in 1990. This legislation is aimed at maintaining the shooting ranges already in use and to help encourage cities and counties to build new facilities as well. This legislation is

endorsed by the National Rifle Association, and Property and Casualty Insurance of America supports this legislation. Mike Brown, Exec. Director of the Idaho Shooters Alliance, and attorney, helped draft this legislation.

**Stu Carty**, Attorney, was recognized by the chair. He spoke in opposition to the legislation. He said he is a member of the NRA, and the Safari Club and has enjoyed hunting and shooting for many years. In his opinion, if the legislation passes it will grant blanket immunity to range owners and operators and eliminate the “be careful” standard.

**Darrell Aherin**, Attorney, was recognized by the chair. He spoke in opposition to the legislation.

**Daniel Luker**, Attorney, was recognized by the chair. He spoke in opposition to the legislation. He said that passing this legislation holds those people who have the most control and spend the most time with firearms, the owners and operators, to a lesser standard than the average person using the range.

**Michael Brown**, Executive Director, Idaho Sport Shooters Alliance was recognized by the chair. He spoke in favor of the legislation. He said that the purpose of the bill is to keep ranges open and to incentivize counties and cities to open ranges. He also said that the safety of ranges is not a result of fear of lawsuits, it is the result of NRA training, laws and statutes. The NRA is the certification body for instructors. He said that encouraging ranges to stay open will enhance safety. Not encouraging ranges to stay open will cause more accidents and problems by forcing shooters to use unsupervised areas for shooting.

**MOTION:** **Representative Crane** moved to send **H194** to the floor with a do pass recommendation.

**SUBSTITUTE MOTION:** **Representative Luker** made a substitute motion to hold **H194** in committee.

Committee discussion followed.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:** A roll call vote was called on the **substitute motion to hold H194 in committee. Substitute motion failed 13 to 5. Voting in opposition:** Reps. Loertscher, Anderson, Stevenson, Black, Andrus, Bilbao, Labrador, Crane, Mathews, Kren, Palmer, Simpson . **Voting in favor:** Reps Luker, Smith, Pasley-Stuart, King, Higgins.

**VOTE ON ORIGINAL MOTION:** **Chairman Loertscher** called for a vote on the original motion, to send **H194** to the floor with a **DO PASS** recommendation; **motion carried on voice vote. Reps. Pasley-Stuart, Higgins, King, Luker, and Smith voted in opposition to the motion.**

**H185:** **Representative McGeachin** presented **H 185** to the committee. Rep. McGeachin thanked the committee for their consideration on this important legislation. The purpose of this legislation is to establish a framework for licensure of midwives in the State of Idaho. The mandatory licensure provisions of this bill are intended to enhance maternity care

options for Idaho's families and to help ensure that those who provide midwifery care not only have the training necessary to do so and also have access to the medications that are necessary to safely provide this service.

**Kris Ellis**, President, Idaho Midwifery Council, was recognized by the chair. She thanked everyone involved in the negotiations on this legislation. She addressed specific sections where changes had been made to definitions, licensure, credentialing, and disclosure. She also said that complete practice data and statistics will be compiled by the Idaho State Board of Midwifery and reported back to the legislature in 2014. In answer to committee questions she said that malpractice insurance is not available to midwives and that information must be disclosed to a prospective client. Also, for those midwives being grand mothered in, there is additional education required on top of MEAC accredited courses in pharmacology, the treatment of shock/IV therapy and suturing of Board approved and accredited courses in CPR, and neonatal resuscitation. She further stated the Board expects most midwives will fall into either the licensure or grand mother provision. Any midwife who wishes to qualify for the waiver provided in 54-5407, subsection (2) of the legislation shall apply for licensure and provide the required documentation before July 1, 2010. After July 2010, no one will be able to practice midwifery without a license or a waiver. The penalty for a first offense will be a misdemeanor and for a second offense it will be a felony.

**Molly Steckel**, representing the Idaho Medical Association said that their organization is not in opposition to the bill but will not go on record as being in favor of the bill. She further stated that as soon as the Association felt there were adequate provisions for the health of mother and baby they withdrew their opposition.

**Sherry Iverson**, IPP & AAP, had a neutral position on the legislation.

**Dennis Tanikuni**, Idaho Farm Bureau; **Julie Lynde**, Cornerstone Family Council; **Barbara Rawlings**, **Paula Wiens**, **Kyndal Verveckken**, and **Michelle Bartlett** from the **Idaho Midwifery Council** are all recorded as being in favor of this legislation.

**MOTION:** **Rep. Simpson** moved to send **H185** to the floor with a do pass recommendation. The motion carried on voice vote.

**ADJOURN:** As there was no further business the meeting adjourned at 10:30 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 2, 2009

**TIME:** 9:30 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Bonnie Butler, Sp. Assistant, Governor's Office; Dawn Justice, President, Idaho Banker's Association; Cole Pepper, Connolly & Smyser; Mark Bathrick, Idaho Assoc. of Commerce & Industry; Steve Miller, Idaho Assoc. of Soil Conservation Districts; John Eaton, Realtors

**Chairman Loertscher** called the meeting to order at 9:30 a.m. A silent roll was taken.

**RS 18768:** **Rep. Jaquet** presented **RS 18768** to the committee. The purpose of this legislation is to recognize the critical communications needs of rural communities and to support the provision of fiber communications in communities with inadequate or nonexistent communications facilities. She stressed the importance of connectivity for the whole state. In answer to committee questions Rep. Jaquet agreed that wireless communications should also be included in the language of this legislation. She also said it is critical for telemedicine.

**MOTION:** **Rep. King** moved to introduce **RS 18768** with the following change to wording. On line 16 insert the words "or wireless" after the word "fiber" and before "communications" and recommend that it be referred to the Environment, Energy, & Technology Committee. The motion passed on voice vote.

**RS18258:** **Rep. Trail** presented **RS 18258** to the committee. The purpose of this legislation is to authorize and encourage the Idaho State Historical society to inventory historic agricultural sites within the State of Idaho and report its findings and recommendations to the Governor and legislature. There are many historical sites within the state and plans have been developed with some of the service clubs to obtain financing to preserve important schools and barns within the communities before they have disintegrated. Rep. Trail is working with private service clubs, organizations and others to help preserve some of our tradition and history. He said it is important for our economic development for tourism as well. Public and private funding is possible and having a baseline will be of great value when starting this project.

In answer to committee questions **Rep. Trail** stated that a number of

states have already moved forward with this legislation, such as Washington State, Vermont and several New England states. This is a grass roots movement. His constituents would like to move forward with this project and by having a baseline available this would help activate a network of both public and private funding. Participation is voluntary for property owners. **Rep. Black** spoke in favor of the legislation. He said that when you go after private grants or money, you are likely to have more participation because the legislature has spoken to it.

**MOTION:** **Rep. Black** moved to introduce **RS 18258** with a recommendation it be referred to the Agricultural Affairs Committee. The motion carried by voice vote. **Reps Smith and Palmer are recorded as voting in opposition.**

**RS 18748:** **Representative Stevenson** presented **RS 18748** to the committee. This legislation authorizes the legislative council to appoint an interim committee to complete a study of the relationship between the Soil Conservation Commission and the Soil Conservation Districts. The Soil Conservation Commission was established in 1939 as an independent commission, to help form and coordinate Soil Conservation Districts. It currently has 5 members, appointed by the Governor and currently under the Dept. of Agriculture. The purpose of the study is to determine whether the provisions of the IC are sufficient to provide the authority in relationship to funding, management and all other powers and duties upon which the commission and districts may operate as intended by the Legislature.

**MOTION:** Rep. Mathews moved to introduce RS 18748 with a recommendation it be referred to the Agricultural Committee. The motion was carried by voice vote.

**ADJOURN:** As there was no further business the meeting adjourned at 10:15 am

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 3, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Ben Ysursa, Secretary of State, State of Idaho; Tim Hurst, Chief Deputy, Secretary of States Office, State of Idaho; Shelly Gannon, GEM County Clerk; Tony Poinelli, Deputy Director, Idaho Association of Counties; Karen Escheverria, Idaho School Board Association; Phil Homer, Legislative Advocate, Idaho Association of School Administrators; Leon Duce, Association of Idaho Cities; Eric Makrush, Idaho Association of Building Officials; Kent Lauer, Idaho Farm Bureau; John Watts, Veritas; Jeremy Pisca, IBCA; Robin Nettinga, IEA Cole Pepper, Connolly & Smyser; Sarah Wine, Associated Press; Greg Willingham, Idaho Association of Building Officials;

**Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.

**MOTION:** **Rep. Higgins** moved to approve the minutes of Feb. 24. The motion carried by voice vote.

**MOTION:** **Rep. Smith** moved to approve the minutes of Feb. 25. The motion carried by voice vote.

**RS 18769:** **Rep. Black** presented **RS 18768** to the committee. Rep. Luker noted several areas that had errors or needed clarification. Rep. Black withdrew **RS 18769** for corrections.

**RS 18733:** **Rep. Harwood** presented **RS 18733** to the committee. The purpose of this House Joint Memorial is to inform the United States Congress the State of Idaho claims sovereignty under the Tenth Amendment to the Constitution of the United States, and serves notice to the federal government to cease and desist federal mandates directly in violation of the Tenth Amendment that directs states to comply under civil or criminal penalties or sanctions, or requires states to pass legislation or lose federal funding beyond the scope of their constitutionally delegated powers. He further explained that the Federal government was created by the States specifically to be an agent of the States. Thirty-one (31) other States are introducing this type of legislation and are declaring their sovereignty in place. Idaho will be in that number.

**MOTION:** **Rep. Bilbao** moved to introduce **RS 18733**.

**SUBSTITUTE MOTION:** **Rep. Pasley-Stuart** moved to return **RS 18733** to sponsor.

Committee discussion followed. Reps. Anderson, Simpson, Andrus and Mathews spoke in favor of the original motion. Reps. Pasley-Stuart and King spoke in favor of the substitute motion.

**VOTE ON SUBSTITUTE MOTION:** A roll call vote was called on the **substitute motion to return to sponsor. The motion failed 13 to 4. Reps. Smith, Pasley-Stuart, King and Higgins voted AYE; Reps. Loertscher, Anderson, Stevenson, Black, Andrus, Bilbao, Luker, Crane, Mathews, Kren, Palmer, Simpson and Shepherd voted NAY.**

**VOTE ON ORIGINAL MOTION:** **The original motion to introduce RS 18733 was carried by voice vote.** Reps. Higgins, Pasley-Stuart, King and Smith are recorded as voting no.

**HB 201:** **Rep. Lake** introduced **HB 201** to the committee. He stated that hundreds of hours had gone into this legislation. This is the house bill on election consolidation. The Association of County Clerks, Association of Cities, Association of Counties, and school boards have all met and conferred and developed this legislation. They are all in agreement about the legislation except for the School Board Association. The Idaho School Board Association is not in total agreement about the funding plan.

**John Watts**, a partner at **Veritas Advisors**, was recognized by the chair. He informed the committee that the Secretary of State, Ben Ysursa, is in attendance at our meeting today. After several meetings about different aspects of election consolidation they realized that it made more sense to reform the whole election process. Objectives driving the movement are predictability, consistent information, and greater voter participation. The county clerks will now administer all aspects of all elections; voter registration, voter qualification, ballot distribution, collection, sorting and counting. the elections. Partisan races will be held in even years (federal, state, county) and non- partisan races held in odd years (cities, districts, school boards). The effective date is 2011. Polling places will be at the traditional places as designated by the county.

**Tim Hurst**, Chief Deputy at the Secretary of State's Office, was recognized by the chair. He stated he is a strong advocate of election consolidation. He has been working on this for two years to try and meet those goals. He thinks it a good bill and that it's technically sound. He spoke in favor of HB 201. He outlined the bill for the committee. In answer to committee questions he said that about we had about 30% voter turnout in May and 78% voter turnout in November. For city elections the turnout is about 20% and school districts are less. He reminded the committee that this bill deals with all elections that one must be registered to vote in.

**Ben Ysursa**, Secretary of State, was recognized by the chair. He thinks public policy needs to be set by the largest participation possible. He stated that with this bill, we have come a long way. He has always felt

that we need to consolidate all elections. He spoke in favor of HB 201.

**Karen Escheverria**, Executive Director, Idaho School Board Association was recognized by the chair. She spoke in opposition to the legislation. She was not happy that the School Board Association was not included in new negotiations about funding for the legislation. She feels the agreement was changed mid-stream resulting in their having to pay for additional election dates in March or August. She thinks the elections as run by the county clerks will be more expensive to the school districts than if they ran them themselves. They would like to delay implementation for two years.

**Phil Homer**, Idaho Association of School Administrators spoke against H 201.

**Tony Poinelli**, Idaho Association of Counties, was recognized by the chair. Mr. Poinelli spoke in favor of H 201.

**Kent Lauer**, Idaho Farm Bureau, spoke in support of H 201

Committee discussion followed. Reps. Andrus and Pasley-Stuart spoke in opposition to H201. Reps Labrador and Mathews spoke in favor of H201.

**MOTION:** **Rep. Anderson** moved to send **HB 201** to the floor with a do pass recommendation.

**ROLL CALL VOTE:** A roll call vote was called on HB 201 to send H201 to the floor with a do pass recommendation. **The motion passed 14 to 4. Reps. Loertscher, Anderson, Stevenson, Black, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd, and King voted AYE. Reps Andrus, Smith, Pasley-Stuart and Higgins voted NAY.**

**ADJOURN:** As there was no further business the meeting adjourned at 10:45 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary



## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 4, 2009

**TIME:** 9:00 A.M.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Stevenson

**GUESTS:** Cole Pepper, Connolly & Smyser; Benjamin Davenport, Risch Pisca; Sarah Wine, Associated Press; Taryn Magrini, Idaho Women's Network; Martin Bilbao, Connolly & Smyser; Greg Williamson, KBOI News; Zach Hague, Capitol West; Mark Johnston, Executive Director, Board of Pharmacy; Fairy Hitchcock, Hitchcock Family Advocates

**Chairman Loertscher** called the meeting to order at 9:00 a.m. A silent roll was taken.

**RS 18761:** **Rep. Boyle** presented **RS 18761** to the committee. The purpose of this legislation is to amend and add to existing law to provide for a certificate for early fetal death. Many women want proof they have lost a child. Currently a woman who loses a child after 20 weeks of gestation can receive a Certificate of Still Birth. This legislation would provide for a Certificate of Early Fetal Death when a woman has lost a fetus before 20 weeks of gestation. In the event of an early fetal death, the mother of a deceased fetus may request an application for a certificate from the bureau. This is a voluntary certificate. This will not be a reportable death or a part of the public records act. Currently, the charge is \$15.00 for the Certificate of Still Birth. It is assumed that the charge for the Certificate of Fetal Death will be the same.

**MOTION:** **Rep. Bilbao** moved to introduce **RS 18761**. The motion carried on voice vote.

**RS 18735:** **Chairman Loertscher** presented **RS 18735** to the committee. He noted there is one change that needs to be made if this legislation is introduced. On page 5 line 28 after the word "provide" strike the words "or refer."  
In 1973, the Idaho Legislature enacted conscience protections for hospitals and doctors. This legislation would extend the same privilege to pharmacies and pharmacists. It says that no person will be required to provide for any pharmaceutical care or drug that violates his or her conscience, and that no person will be civilly, criminally or administratively liable for declining to dispense or distribute pharmaceutical care or a drug that violates his or her conscience.

In answer to committee questions Rep. Loertscher said this legislation

has been reviewed by the Board of Pharmacy and there were no objections.

**MOTION:** **Rep. Mathews** moved to introduce **RS 18735** with the above change. The motion carried on voice vote. **Reps. Pasley-Stuart, King, Smith, and Higgins are recorded as voting NAY.**

**RS 18739:** **Rep. Bilbao** presented **RS 18739** to the committee. This proposal will permit the Idaho telecommunications universal service fund (USF) to be used to provide financial assistance on behalf of residents of high cost, remote service areas, which will allow them to obtain the extension of telephone lines necessary to initiate basic local exchange service to their area. This has to do with the unincorporated areas in the state that have small populations without wireless or telephone communications. This came forth due to last years fire season. For those living in remote areas, many had to drive miles down the road to report a fire. Distributions from the fund will be made available to provide the financial assistance necessary to enable the extension of facilities that the commission determines would be in the public interest and that are necessary to initiate basic local exchange service to residents within remote areas.

**MOTION:** **Rep. Higgins** moved to introduce **RS 18739**. The motion carried on voice vote.

**RS 18795:** **Rep. Anderson** introduced **RS 18795** to the committee. The State of Idaho is on the verge of experiencing significant impacts across a wide spectrum of its natural and economic resources as a result of the accidental introduction of various aquatic nuisance species, primarily quagga and zebra mussels. This legislation establishes a system of collection of funds through an aquatic invasion sticker requirement, to be deposited in the invasive species fund. The fees will be \$10.00 per vessel registered in the state of Idaho and \$20.00 per vessel not registered in the state of Idaho. In answer to committee questions Rep. Anderson shared that these creatures are native to five or six fresh water tributaries in the Baltic Sea. Those areas have low calcium which slows their growth. They were first discovered in North America in 1988. Once the Quaggra mussels are introduced to an area they take over the whole region. They are fast growing and have a huge ecological and financial impact. In five years, most of the Mississippi River and the entire Great Lakes region were infested. In one year, the majority of the lower Colorado River Basin was infested.

A female can produce 1,200,000 eggs per cycle and depending on the warmth of the water can have five growth seasons per year. The mussels can hide on a vessel. They grow on the hull, in the watering tanks or in the bilge. They don't seem to be affected by climatic conditions. They grow in very cold climate of the Great Lakes as well as the warmer climates of Southern California. The most conservative estimates as to fiscal impact to the state of Idaho if they should be inadvertently introduced to our waterways is at the minimum \$94,000,000 per year. The costs to Idaho's agricultural economy are undetermined.

The method for removal of the mussels and their eggs is with high

pressure hot water wash. Research is being conducted to discover other methods of eradication.

**MOTION:** **Rep. Stephens** moved to introduce **RS 18795**. The motion carried by voice vote.

**RS 18717:** **Rep. Marriott** presented **RS 18717** to the committee. He explained that this legislation would prevent the rules increasing the medical reimbursement for industrial injuries from taking effect. The increase is a three percent (3%) increase across the board, which he feels is excessive. In answer to committee questions Rep. Marriott indicated that the original hearings were held in the Commerce & Human Resources Committee. He also stated that this legislation does not reduce the amount of reimbursement currently specified by the Industrial Commission, it would keep the amount of reimbursement at the current rate. The committee had unanswered questions about why the commission was requesting an increase, who was in favor of the legislation, who was opposed to the legislation and their reasons why. **Rep. Andrus** spoke in favor of passing the legislation through so the Commerce & Human Resources Committee could review their previous decision.

**MOTION:** **Rep. Kren** moved to introduce **RS 18717** with a recommendation to refer to the Commerce & Human Resources committee. The motion passed on voice vote.

**ADJOURN:** As there was no further business. The meeting adjourned at 10:30 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 5, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Pasley-Stuart

**GUESTS:** Erik Makrush, Idaho Association of Highway Districts, Idaho Association of Building Officials; Leon Duce, Association of Idaho Counties; Kelly Buckland, Director, Statewide Independent Living Council; Trent Wright, Ex. Vice President; Idaho Auto Dealers; Ken McClure, Givens Pursley; Jeremy Pisca, Risch Pisca; Matt Dogali, National Rifle Association; Zach Hague, Capitol West; Fred Riggins

**Chairman Loertscher** called the meeting to order at 9:00 a.m. A silent roll was taken.

**MOTION:** **Rep. Higgins** moved to approve the minutes of February 26. The motion carried by voice vote.

**MOTION:** **Rep. Smith** moved to approve the minutes of March 2. The motion carried by voice vote.

**RS 18786:** **Rep. Hart** presented **RS 18786** to the committee. The purpose of this legislation is to exempt single family dwellings and multiple family dwelling buildings up to four units per building, from the requirements to install automatic fire sprinkler systems. When the 2009 international fire code is adopted in 2010 or 2011 it will require that all new single family homes be required to install fire sprinkler systems, with no exemptions. Currently, each local fire districts interprets and enforces this legislation as they choose This legislation will prevent local authorities from imposing that requirement. Including a sprinkler system in the plans for building a new home will add \$4.00 to \$7.00 per square foot on to the price. In answer to committee questions Rep. Hart explained that in rural areas some alternatives to an automatic sprinkler system were storing water it in an elevated system, or in your homes' cistern. He further stated that if this RS were introduced he would obtain more information about how effective sprinkler systems are in putting out fires.

**MOTION:** **Rep. King** moved to introduce **RS 18786**. The motion carried on voice vote.

- RS 18783:** **Rep. Woods** introduced **RS 18783** to the committee. The legislation revises the distribution from the Highway Distribution Account (HDA) to provide a larger share of that distribution to the Idaho Transportation Department. The intent of this legislation is to provide additional resources for transportation efforts by increasing their revenue to the Idaho Transportation Dept. Also, to hold ISP harmless from this change in distribution from the HDA by using the Legislature to provide an annual General Fund appropriation to Idaho State Police (ISP). Rep. Woods requested that the committee introduce the bill and refer it to the Transportation Committee for hearing.
- MOTION:** **Rep. Labrador** moved to introduce **RS 18783** and recommend it be referred to the transportation committee. The motion carried on voice vote.
- RS 18796:** **Trent Wright**, Executive Vice President, Idaho Automobile Dealers, presented **RS 18796** to the committee. This legislation requires a motor vehicle manufacturer to pay to a motor vehicle dealer, upon termination of a franchise agreement, the cost of the current model and former model year vehicle inventory, parts, specialty equipment, tools and the cost of the remaining lease or one year's rental value of the facility used for the dealership. This requires that the manufacturer reimburse the vehicle dealer within a 90 day period. He further stated that this legislation is being brought forward at this time due to the current economic downturn. The manufacturers are neutral on this legislation and in the State of Idaho, RV dealers are already afforded this type of legislation. In answer to committee questions he stated that the banks are choosing not to get involved in the issue.
- MOTION:** **Rep. King** moved to introduce **RS 18796** and recommend it be referred to the Business Committee. The motion carried by voice vote.
- RS 18769C1:** **Rep. Black** presented **RS 18769C1** to the committee. This legislation amends the membership of the Idaho Building Code Board by the addition of an additional contractor-member. Rep. Black reminded the committee that we heard this legislation last week. He revised the wording on Pg. 2 lines 14 to 19 and added the words "herein shall be effective."
- MOTION:** **Rep. Mathews** moved to introduce **RS 18769C1** and recommend it be referred to the Business Committee. The motion carried on voice vote.
- HJM003:** **Rep. Hagedorn** presented **HJM003** to the committee. He said this legislation is a simple statement back to the federal government that our citizens are concerned about their rights to bear arms. There are bills before congress today that require citizens get an ID card to even own a gun. There are bills before congress today that will require the licensure of ammunition. The White House currently has a statement on its website in favor of banning assault type weapons. There are efforts underway to overturn some of rules previously put in place, such as the ability for persons who have a concealed weapons permit to carry a concealed weapon. It was determined that our national parks should not discriminate against those citizens and should allow them to carry these weapons into our national parks

**Matt Dogalli**, National Rifle Association, was recognized by the chair. He spoke in favor of the memorial. **Rep. Anderson** spoke in favor of the memorial.

**MOTION:** **Rep. Anderson** moved to send **HJM 003** to the floor with a do pass recommendation.

**ADJOURN:** As there was no further business the committee adjourned at 9:45 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 9, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Anderson, Rep. Crane

**GUESTS:** Cole Pepper, Connolly & Smyser; Donna Yule, Idaho Public Employees Association; Wally Butler, Idaho Farm Bureau; Bonnie Butler, Special Assistant, Governor's Office; Cody Anderson, Latah Soil Conservation District; Paul Jackson, Farmer's Insurance; Terry Pobst-Martin, Dept. of Administration; Dan Goichechea, State Controller's Office; Bill von Tagen, Deputy Attorney General, Attorney General's Office

**Chairman Loertscher** called the meeting to order at 9:00 a.m. A silent roll was taken. **Chairman Loertscher** turned over control of the meeting to **Vice Chairman Anderson**.

**RS 18762:** **Rep. Loertscher** introduced **RS 18762** to the committee. He said this is an unpleasant subject that has been brought to his attention over the last couple of years. He has been approached by the veterinarians in his community to see if something couldn't be done on the matter. In the past, horses have been a main part of the agricultural business and are still regularly used for rounding up cattle. More recently, they are used mostly for recreation. Many citizens own horses and something that has happened in the last couple of years that changed things dramatically is, they can no longer be processed or sold for slaughter. The market has completely changed and folks are faced with a dilemma if they can't afford to feed them any longer. The price of hay has increased dramatically, and as a result, some owners are not feeding their horses adequately. If there is no traceable brand, some people are just turning their horses loose. Horses are naturally wild animals and do well in most situations, but a domesticated animal is quite another thing. They can't compete in the natural environment and end up starving to death. The purpose of this legislation is to urge Congress and the United States to reverse prohibitive regulations so that horses that are a surplus can be humanely handled by way of the markets.

**Rep. Stevenson** spoke in favor of the RS.

**MOTION:** **Rep. Stevenson** moved to introduce **RS 18762** and send it directly to the second reading calendar. The motion carried by voice vote.

**S 1043:** **Jeff Youtz** introduced **S1043** to the committee. The purpose of this legislation is to revise and update Idaho Code sections that relate to the operation and function of the Idaho Legislature. Archaic language has been deleted, clarified, and updated to reflect current practice and procedure. Also, the legislative service office does not exist in Idaho Code and those important functions need to be clarified in statute. One question had to do with the hiring and firing of employees in the legislative office. Currently, it says that the legislative council has the power to hire and fire, and from the beginning that power has been delegated to the Director. The Director serves at the pleasure of the legislative council. Jeff Youtz is the Director and has hiring and firing authority. This is the main change in that section. In answer to committee questions, Mr. Youtz said that the legislative council is the policy maker. The Director and the council work together towards the same goals. Regarding the nine-month turn around time for audits, he said it was fair, particularly for smaller cities with less staff.

**MOTION:** **Rep. Pasley-Stuart** moved to send **S 1043** to the floor with a do pass recommendation. The motion carried on voice vote. **Rep. Pasley-Stuart** will carry the bill on the floor.

**HCR 12:** **Rep. Trail** introduced **HCR 12** to the committee. This resolution calls for legislative support of the people of Latah County and the City of Moscow in bringing the community together through the Moscow Community Walk, endorsing the annual celebration of the walk, and encouraging sponsorship of similar events in other communities in the state of Idaho.

**MOTION:** **Rep. King** moved to send **HCR 12** to the floor with a do pass recommendation. The motion carried by voice vote.

**HCR 22:** **Rep. Trail** introduced **HCR 22** to the committee. In September of 2008 Consumer Reports published the results of an investigation that revealed the government is among the biggest sources of identity leaks. Recently it was discovered that the Idaho Soil Conservation Commission included in meeting minutes that were published on the internet, credit scores, bank information, bank balances, income levels and other personal information for applicants while considering applications for loans. This disclosure did not violate the Idaho Public Records Act or the Fair Credit Reporting Act. This resolution urges the directors of all state agencies to use all care and vigilance to protect the personal data and private information of their employees, for the purpose of protecting against identity theft, which should include but not be limited to the protection of social security information, bank account information and information relating to state and federal income taxes.

**Rep. Pasley Stuart** spoke in opposition to **HCR 22**. She agrees with the intent of the bill but feels it lacks teeth. **Rep Labrador** spoke in opposition to HCR 22. He has a great deal of respect for the bill but feels it should be statute instead of a resolution.



**Terry Pobst Martin**, Chief Information Security Officer for the State of Idaho, Dept. of Administration was recognized by the chair. Ms. Martin spoke in favor of **HCR 22**. She said that there are more than 100,000 hacker attacks each week against government agency websites. She said she looks at many types of reports daily, of a number of hackers that are trying to get into the state's network to make money. We need to make sure that state agencies understand the need to protect the personal information of our employees

**Dan Goichechea**, Chief Deputy for the State Controller's Office, was recognized by the chair. He said he oversees the state's compute center and does a substantial amount of processing for Health and Welfare, Payroll, Transportation and a number of other agencies. He spoke in favor of **HCR 22**.

Committee discussion followed.

**MOTION:** **Rep. Black** moved to send HCR 22 to the floor with a do pass recommendation.

**SUBSTITUTE MOTION:** **Rep. Labrador** moved to hold HCR 22 in committee. He commended Rep. Trail for bringing forth this issue but does not think this is the right legislation.

**Rep. Luker** spoke in favor of the original motion. **Rep. Simpson** spoke in favor of the substitute motion.

**VOTE ON SUBSTITUTE MOTION:** By a show of hands the substitute motion failed eight to nine.

**VOTE OF ORIGINAL MOTION:** **The motions to send HCR 22 to the floor with a do pass recommendation carried by voice vote.**

**H 161:** **Rep. Trail** presented **H 161** to the committee. This legislation relates to the disclosure of personal information, amending a section of the Idaho Code to provide that agencies, individuals and commercial entities will notify the Central Office of the Idaho Attorney General in the event of certain breaches of security within 24 hours. This bill focuses on the state agencies, the clients they serve, and their employees. He said that Americans must be able to trust their government officials to handle the sensitive data they are required to place in official's hands. Research shows that the government is among the biggest sources of ID leaks and that penalties are rarely imposed on those who are negligent.

Between 2006 and 2008 publically reported data breaches found that security lapses resulted in the loss or exposure of at least 44 million client records.

Some states currently have laws that if an agency director knowingly misuses personal information he can be subject to a misdemeanor and a fine of \$500.

**Terry Pobst-Martin** spoke in favor of the legislation. Regarding the 24-hour notification period, she said that every agency should notify the Attorney General's office and her office once they determine a breach *may have* occurred. The sooner you report it the easier it is to assure all the right steps are taken.

**Donna Yule**, Idaho Public Employees Association, spoke in favor of the legislation. **Dan Goichechea**, Chief Deputy for the State Controller's Office also spoke in favor of **H 161**.

**MOTION:** **Rep. Labrador** moved to send **H 161** to general orders with amendments attached. **Rep. Luker** seconded the motion. The motion carried by voice vote.

**ADJOURN:** As there was no further business the meeting adjourned at 10:50 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** March 10, 2009
- TIME:** 9:30 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Rep. Anderson, Rep. Crane
- GUESTS:** Joie McGarvin, Westerberg & Associates; Zach Hague, Capitol West; Mike Helppie, Idaho State Lottery; David Workman, Idaho State Lottery; Colby Cameron, Sullivan & Reberger
- MOTION:** **Rep. Pasley-Stuart** moved to approve the minutes of **March 4**. The motion carried by voice vote.
- RS 18811C1:** **Rep. Bedke** presented **RS 18811C1** to the committee. This legislation deals with a chronic problem. The state of Idaho has been involved in a state facilities lawsuit for the last 15 years. The state has taken different steps to address the problem and they feel they are mostly there. One component is bond levy equalization. The state uses this method to help states build their schools. The state has had a portion of every bond that has been passed in the state of Idaho . There is a formula for ranking all the school districts based on the amount of property taxes or assessed value per support unit base on unemployment and per capita income in the county. This is the index used to rank all 114 school districts on a richness or poorness scale. It's based on a sliding scale and called bond levy equalization. This legislation changes the distribution formula for the dividends of the Lottery Fund to include the Bond Levy Equalization Fund and creates a dedicated funding source for the Bond Levy Equalization Fund.
- MOTION:** **Rep. Kren** moved to introduce **RS 18811C1**. The motion carried on voice vote.
- RS 18821C1 :** **Rep. Rusche** presented **RS 18821C1** to the committee. This bill ensures protection and information to consumers who make use of short term (payday) loans. It also protects Idahoans from lenders who do not have a current and valid license to lend in this state, mainly internet lenders. This legislation concerns only payday short term loan operations and does three things: 1) If an unlicensed vendor makes a payday loan in this state it is void, uncollectible and unenforceable. 2) Documents provided by an internet loan company must include bill paying services, and 3) There must be the availability of a long term repayment plan opportunity at least once each year. This legislation does not outlaw what seems to be a business the market really appreciates, but does make some additions to

consumer safety and gives the consumers more options to handle short term debt if needed.

**MOTION:** **Rep. Black** moved to introduce **RS 18821C1** with a referral to the Business Committee. The motion passed on voice vote.

**RS 18824C1:** **Rep. Hagedorn** presented **RS 18824C1** to the committee. This is a combination of two bills previously introduced in this committee. This additional language allows the Department of Transportation to negotiate for and create special trailer or semi-trailer Idaho North American permanent plates for the shipping industry to put on their shipping trailers in the U.S. and Canada. It made sense to combine the two bills and add a few amendments to improve them. Only two changes have been made to those two bills. 1) They will now be known as the Idaho North American Plate instead of the Idaho National Plate, and 2) on page 2 a line was added that said if purchased prior to July 1, 2009 the permanent plates will be transferrable to another trailer or semi-trailer titled to registrant. There are currently 17,000 special plates in the state of Idaho, and when they were purchased the applicants were told the plates would be transferrable.

**MOTION:** **Rep. Mathews** moved to introduce **RS 18824C1** with a recommendation to refer it to the **Transportation and Defense Committee**. The motion carried on voice vote.

**ADJOURN:** As there was no further business the meeting adjourned at 10:15 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 11, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Luker

**GUESTS:** Don Drum, Executive Director, Public Employee Retirement System (PERSI); Joanna Guilby, Deputy Attorney General; Katie Kilpack, Division of Financial Management (DFM); Martin Bilbao, Connally & Smyser; Robin Nettinga, IDA; Teresa Baker, Ada County

Chairman Loertscher called the meeting to order at 9:00 a.m. A silent roll was taken.

**H18831:** **Rep. Killen** presented **H18831** to the committee. This legislation will eliminate some expense for counties. The purpose of this bill is to eliminate the expense for counties to publish notification of the award of personal service contracts over the amount of \$10,000, when counties are already required to publish the same information in the monthly statement of activities of the counties, required pursuant to Idaho Code 31-819.

**MOTION:** **Rep. King** moved to introduce **H18831**. The motion carried by voice vote.

**RS 18727:** **Rep. Nielsen** presented **RS 18727** to the committee. This legislation says that during a proclaimed state of extreme emergency, neither the governor nor any agency of any governmental entity or political subdivision of the state can impose additional restrictions on the lawful possession, transfer, sale, transport, storage, display, or use of firearms or ammunition. Rep Nielsen wants to confirm that if an extreme event happens in the state of Idaho our citizens are fully safeguarded with the Second Amendment fully in force and for the right to keep and bear arms to be restated in the Emergency Powers Act.

**Rep. Pasley-Stuart** commented that we already have the right to keep and bear arms and does not see the necessity of this legislation.

**Rep. Nielsen** appreciates her viewpoint, but says if it were guaranteed in the Second Amendment as we interpret it, why would we need the Emergency Powers Act. In times of martial law, certain things can be set aside. He wants the added safeguard of having those rights restated in the Emergency Powers Act.

**MOTION;**                    **Rep. Anderson** moved to introduce **RS 18727**

**SUBSTITUTE MOTION:**                    **Rep. King** moved to return **RS 18727** to sponsor.

**VOTE ON SUBSTITUTE MOTION:**                    A roll call vote was called on the substitute motion to return RS 18727 to sponsor. **The motion failed three to13. Reps. Smith, Pasley-Stuart and King voted AYE. Reps. Anderson, Stevenson, Black, Andrus, Bilbao, Labrador, Crane, Mathews, Kren, Palmer, Simpson, Shepherd and Higgins voted NAY.**

**VOTE ON ORIGINAL MOTION:**                    The original motion passed by voice vote. **Reps. Smith, Pasley-Stuart and King are recorded as voting NAY.**

**RS 18800:**                    **Rep. Bell** presented **RS 18800** to the committee. The purpose of this legislation is to prevent Public Employee Retirement System (PERSI) members who are serving in an elected or appointed capacity, whose elected or appointed service exceeds their general membership service, from being penalized.

**MOTION:**                    **Rep. Stevenson** moved to introduce **RS 18800**. The motion carried by voice vote.

**ADJOURN:**                    As there was no further business the meeting adjourned at 9:25 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 12, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Anderson, Rep. Simpson

**GUESTS:** Lance Hebdon, Idaho Dept. of Fish & Game (IDFG); Colette Visser, Westerberger Associates; Kent Lauer, Idaho Farm Bureau; Benjamin Davenport, Risch Pisca; Larry Benton, Benton Ellis & Associates

**Chairman Loertscher** called the meeting to order at 9:00 a.m. A silent roll was taken.

**MOTION:** **Rep. Higgins** moved to approve the minutes of March 3. The motion carried by voice vote.

**H 195:** **Rep. Bolz** presented **H 195** to the committee. This legislation updates statutes that have been on the books since 1921. It relates to service men who have lost their lives. The language is being updated to reflect service men and women who have lost their lives. Also, in section 2 'him' is being changed to "the individual."

**MOTION:** **Rep. Mathews** moved to send **H195** to the floor with a do pass recommendation. The motion carried by voice vote.

**RS 18829:** **Rep. Labrador** presented **RS 18829** to the committee. This legislation has been drafted to amend Sections 67-6605 and 67-6621 of the Idaho Code which are technical corrections; and to amend Section 67-6625 of the Idaho Code to provide that a subsequent violation of Section 67-6621 shall be a felony and to make technical corrections. The main reasons for making these changes is to make the statutes regarding improper actions by lobbyists enforceable. The language has been drafted by the Attorney General's office. They feel if there is any kind of economic extortion this new language could be prosecuted, whereas previously it was not. Currently, a first offense is a misdemeanor and with the passage of this legislation, a second offense would now become a felony.

Committee discussion followed.

**MOTION:** **Rep. King** moved to introduce **RS 18829**. The motion carried on voice vote.

- RS 18839:** **Rep. Boyle** presented **RS 18839** to the committee. This House Joint Memorial clarifies Idaho Legislative policy opposing congressional legislation which seeks to expand the federal government's authority to manage and regulate water resources within the state of Idaho. In 2007 a bill was introduced into Congress which turns current water law around. We have about 150 years worth of western law established through the State Supreme Court and State and Federal policy that water belongs to the States. A change was made in the verbiage from "navigable" waters to "all United States water." on lines 14 through 19 which is defined as "all waters subject to the ebb and flow of the tide, the territorial seas, and all interstate and intrastate waters and their tributaries, including lakes, rivers, streams (including intermittent streams), mudflats, sandflats, wetlands", et al. Irrigation companies are extremely worried that this will become law and will eliminate their ability to manage water in the western states. Many states are creating this same legislation, and it is the number one priority of the National Association of Counties to oppose this bill.
- MOTION:** **Rep. Stevenson** moved to introduce **RS 18839** and send it to the second reading calendar. The motion carried by voice vote. Rep. Boyle will sponsor the bill on the floor.
- RS 18809** **Rep. Boyle** withdrew RS 18809 from the committee for revisions.
- RS 18771:** **Rep. Andrus** presented **RS 18771** to the committee. The purpose of this legislation is to permit neighborhood electric vehicles to travel on roads posted with reasonably low speed limits (35 MPH) and will allow such vehicles to cross roadways with a slightly higher speed limit (45 MPH). This legislation potentially increases the use of NEVs for city or county governments for meter reading and other city uses. These vehicles are licensed and have all the safety features required of them. In answer to committee questions Rep. Andrus told the committee that the maximum speed the NEVs travel is 35 MPH. Montana and either Oregon or Washington just passed the same legislation.
- Rep. Kren** spoke against **RS 18771** due to safety issues.  
**Rep. Higgins** spoke in favor of the legislation. She said in her city the police department volunteers use these vehicles and it is good for the city.
- MOTION:** **Rep. Mathews** moved to introduce **RS 18771**.
- Rep. Crane** spoke in support of the original motion.
- SUBSTITUTE MOTION:** **Rep. King** moved to return **RS 18771** to sponsor. The motion failed on voice vote.
- VOTE ON ORIGINAL MOTION:** The original motion to introduce **RS 18771** was carried by voice vote with a recommendation that it be referred to the Transportation Committee.  
**Rep. Kren** is recorded as voting NAY.



- RS 18837:** **Rep. Andrus** presented **RS 18837** to the committee. This legislation proposes to make all depredation claims the same priority regardless if they are claims pertaining to damage to crops, livestock or forage. Currently, Idaho Code states that claims filed for crop damages shall have priority and if approved, a claim from the depredation fund will be paid prior to claims filed for damage to livestock or forage. The depredation fund has been in place for 18 years, however, it is currently depleted of funds. The grain producers have agreed to approve this legislation. This legislation would allocate the fund fairly across all committees.
- MOTION:** **Rep. Smith** moved to introduce **RS 18837** and refer it to the Resources Committee. The motion carried by voice vote.
- RS 18835:** **Larry Benton**, Benton, Ellis and Associates, presented **RS 18835** to the committee. This legislation clarifies the intent of legislation passed in 2006, which was to establish guidelines for determining the fee to be charged by County Recorders for electronic imaging duplication services performed on behalf of title companies. Since passage of this 2006 legislation requiring recorders to charge only the actual direct cost of reproduction, disagreements in methodology have come forth that require additional statute clarification. This legislation is intended to further clarify the law and resolve those disagreements. In answer to committee questions Mr. Benton stated that the reason a flat fee is not charged is because there is not uniformity throughout the county recorder fee system at this time. It has been under discussion.
- MOTION:** **Rep. Smith** moved to introduce **RS 18835**. The motion carried by voice vote.
- RS 18725:** **Rep. Barrett** presented **RS 18725** to the committee. She said it is a simple, straight forward bill that revises the definition of Senior Resident and revises the Senior Resident Combination License provisions in accordance with the definition. The definition is revised to remove the 5 year residency requirement.
- MOTION:** **Rep. Pasley Stuart** moved to introduce **RS 18725** and refer it to the Resources and Conservation Committee. The motion carried on voice vote.
- RS 18811C2:** **Rep. Bedke** withdrew **RS 18811C2** and requested that the related **H 228** be held in committee.
- ADJOURN:** As there was no further business the committee adjourned at 10:25 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 16, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Dean Ellis, President, Idaho Fire Chief's Association; Steve Pinther, Steve Pinther Builders, Ray Ellis, Eastern Idaho Home Builders Association; Roy Ellis, Idaho Building Contractor's Association, Homestead Construction; Joe Silva, Meridian Fire Marshall; Ron Whitney, BLASWI; Benjamin Davenport, Risch Pisca; Ken McClure, Idaho Telecom Alliance; Jayson Ronk, Idaho Association of Commerce & Industry, Joe Kunz, Idaho Building Contractors; John Eaton, Idaho Association of Realtors; Jeremy Pisca, Idaho Building Contractors Association; Miguel Legarrela, Idaho Association of Realtors; Mike Walker, Professional Fire Fighters of Idaho

**Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.

**MOTION:** **Rep. Higgins** moved to approve the minutes of March 5. The motion carried by voice vote.

**H 218:** **Rep. Hart** presented **H 218** to the committee. This is a follow up to a bill the legislation had before it a couple of years ago. When the legislation adopted the 2003 Building Code it took a few sections out of the code and reverted back to the 2000 Building Code to address the fire sprinkler issue. The purpose in 2004 was to exempt single family homes, duplexes and fourplexes. Then we adopted the 2006 code, and the International Fire code started, in some cases, to require fire sprinklers in some rural homes. Now the 2009 International Fire Code will require sprinklers in 100% of single family homes duplexes and fourplexes. Usually what happens is, if you are adding on more than half the square footage you would be required to install sprinklers to the whole home. What this bill does is revert back to the bill that was before the legislature in 2004 to exempt new single family homes, duplexes, and fourplexes from the requirement of installing sprinkler systems. The new language reads so that when a new edition of the Building Code is adopted, this exemption will continue, unlike the exemptions put in place in 2004.

**Steve Pinther**, an independent contractor from Ashton, ID, **spoke in favor of H 218**. Mr. Pinther has been a builder for 30 years and feels that fire sprinkler systems for single family homes are not a needed item. The system only adds to the cost of the home. In this time of fiscal downturn we cannot afford to lose affordable housing due to a system that will not save that many more lives. The main problem is addressing the flow requirements. If you have a private well it would have to be a high volume well and capable of working at capacity at all times. This is not practicable for rural Idaho. In answer to committee questions Mr. Pinther stated that it would be necessary to guarantee the flow of water. This would not be a problem if you are connected to city water, but this would be a big challenge to a rural well. Mr. Pinther said, in his opinion, areas of high density such as motels and apartments are areas where it would be more appropriate to use sprinkler systems.

**Ray Ellis**, representing Eastern Idaho Home Builders Association, **spoke in favor of H 218**. He said there is no science behind requiring fire sprinklers in single family residences. There are too many unanswered questions. Are our main lines large enough to handle the additional water? The way it is written puts all our first responders at risk due to the independent power supplies in rural districts. In answer to committee questions his opinion would be to use sprinkler systems for buildings with 8 units and up.

**Joe Silva**, Meridian Fire Marshall, **spoke against H 218**. He said that this should be an issue of local control. There are many economically disadvantaged families living in 3-plexes or 4-plexes. These systems are not intended to put out fires but to preserve the means of egress so people can get out of a burning structure. Also, the breaking point in the fire code does not require homes under 3600 square feet to be sprinklered. In answer to committee questions Mr. Silva said that because of this legislation he did an informal survey of his group's members and the membership statewide would not push for sprinkling of single family dwellings and duplexes should the issue be under the authority of local control.

**Roy Ellis**, a builder in Eastern Idaho, and President of the Home Builders Association, **spoke in favor of H 218**. He said that the additional moisture in homes due to malfunctioning sprinkler systems could add significantly to a mold problem and that maintenance on a sprinkler system would be difficult for homeowners.

**Ron Whitney**, a local builder, **spoke in favor of H 218**. He asked why should we take this huge chunk of our economy to save the newer homes that are already updated and less at risk when we should be using this money to save those most at risk by retrofitting older homes.

**Dean Ellis**, President of the Idaho Fire Chief's Association, **spoke against H 218**. He opposes the bill because it takes jurisdiction away from the local authority. He said it targets those who live in areas that don't have the ability to egress easily. Sprinklers don't rely on human factors to operate and only produce 12 to 20 gallons of water per minute. Maintenance of the system is up to the fire department. Once it is installed it must be inspected once a year. Sprinkler contractors will set you up on a sprinkler maintenance contract. Sprinklers are heat activated. Without them a fire will go unchecked, but they don't stop the spread of the fire. Smoke is what kills people in a fire. He asks for the committee to oppose the bill and let the cities make their own decisions.

Committee discussion followed.

**Joe Kunz**, representing Building Contractors, **spoke in favor of H 218**. He said the effect of the cost on a new home would be at the low end \$5,000 to install. In answer to committee questions he added that fire walls are an additional requirement in three-plexes and four-plexes as well as egress windows.

**John Eaton**, Government Affairs Director, for home builders **spoke in favor of H 218**. He said the maintenance cost was prohibitive at \$500 to \$900 per year. Unlike smoke detectors mandated sprinkler systems are difficult to test. Smoke alarms are more effective than sprinkler systems. Since 1960 there has been a 50% decline in fire related deaths.

**Jeremy Pisca**, of Risch Pisca, representing building contractors, **spoke in favor of H 218**. He reminded the committee that this legislation only affects the construction of new homes. However, he agrees with establishing minimum requirements statewide. There are no restrictions for people to put sprinklers in their homes if they so choose. This legislation only recodifies what the legislature put in place in 2004.

**Mike Walker**, Vice President of the Professional Firefighters of Idaho **spoke against H 218**. He said newer homes are much more apt to collapse in a fire situation than an older home. As a fireman he would much rather go into an older home to fight a fire than a newer home. Newer is not necessarily safer.

In conclusion, **Rep. Hart** said that right now we don't have the science about sprinkler systems to give us exact data. He also reiterated the unintended negative effects of mold issues on a home and family members being hospitalized due to illness from mold. In his district, people are being laid off their jobs due to the cost that a sprinkler system adds to manufactured housing. He further stated that fire walls provide a 45 minute separation between rooms and one hour between a garage and a house. In multi-family residences you have two hours of separation with fire walls.

**MOTION:**

**Rep. Andrus** moved to hold **H 218** in committee for a time certain so the parties can reach a compromise on the issues.

**MOTION:** Rep. Pasley-Stuart moved to send H 218 to the floor with a do pass recommendation. A roll call vote was called. The motion passed 14 to 3. Reps. Loertscher, Anderson, Stevenson, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd, Pasley-Stuart and Higgins voted AYE. Reps. Andrus, Smith and King voted NAY. Representative Hart will carry the bill on the floor

**ADJOURN:** As there was no further business the meeting adjourned at 11:07 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** March 17, 2009
- TIME:** 8:00 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** None
- GUESTS:** Mark Johnson, Board of Pharmacy, Jason Herring, Right to Life of Idaho, Bryan Fischer, Idaho Values Alliance, Judy Walker, Sacred Heart Respect Life; Carol Leonard, Sacred Heart Respect Life, Sarah Fuhrman, Roden Law Office; Pam Eaton, Idaho Retailer's Association; Julie Taylor, Blue Cross of Idaho; Marty Durand, Planned Parenthood; Hannah Saona, ACLU of Idaho; Steve Thomas, Idaho Association of Health Plans; Cole Pepper, Connelly & Smyser; Taryn Magrini, Idaho Women's Network; Barbara Jordan, Idaho Trial Lawyers; Tim Roosenberg, NW. Rel Liberty Association; Ken McClure, Idaho Telecom Alliance; Dennis Thornock, Custer Telephone; Jane Smith, SHW, James Aydelotte, DHW; Fairy Hitchcock, Hitchcock Family Advocates, David Ripley, Idaho Chooses Life; Bib Fisk, Dept. of Labor;. Roger Madsen, Dept. of Labor; Jayson Ronk, IACI; James Inck, Pharmacist; Representative Bob Schaefer, Randy Jackson; Lenette Jackson; Christine Chapman
- Chairman Loertscher called the meeting to order at 8:00 a.m. A silent roll was taken.
- MOTION:** Rep. Higgins moved to approve the minutes of March 9. The motion carried on voice vote.
- MOTION:** Rep Smith moved to approve the minutes of March 10. The motion carried on voice vote.
- MOTION:** Rep. Higgins moved to approve the minutes of March 11. The motion carried on voice vote.
- RS 18590C1:** **Rep. Chadderdon** presented **RS 18590C1** to the committee. This legislation will require that any United States flag or Idaho state flag bought with state funds must be manufactured in the United States. In answer to committee questions **Rep. Chadderdon** said that there is no penalty if a flag manufactured out of the country is inadvertently purchased.
- MOTION:** **Rep. Andrus** moved to introduce **RS 18590C1**. The motion carried by voice vote.

**RS 18853:** **Rep. Schaefer** presented **RS 18853** to the committee. This comes to us from the Dept. Of Labor and will enable the State of Idaho to receive \$33,000,000 in stimulus package money. This legislation adopts provisions of the Unemployment Insurance Modernization proposal outlined in the American Recovery and Reinvestment Act of 2009. Specifically it adopts an alternative base period on wages of the four completed calendar quarters prior to layoff for determining unemployment insurance benefit eligibility and benefit amount for claimants who do not qualify under the traditional base period, which is the first four of the five complete calendar quarters prior to layoff.

**MOTION:** **Rep. Pasley-Stuart** moved to introduce **RS 18853** and recommend it be referred to Commerce and Human Resources Committee. The motion carried on voice vote.

**HCR 29:** **Rep. Schaefer** presented **HCR 29** to the committee. He said that the legislature has the authority to reject rules and they are requesting that we reject IDAPA 17.02.08, rules governing Miscellaneous Provisions of the Industrial Commission. The issue is that new software that was supposed to increase the fee schedule by 1% turned out to have an 18% increase in the fees that made it untenable. They need to do some work on the software and get away from the 18% increase. With this rejection as soon as the session is over they will come up with new rules to include new software. **Chairman Loertscher** told the committee that this is at the request of the Industrial Commission.

**MOTION:** **Rep. Stevenson** moved to send **HCR 29** to the floor with a do pass recommendation. The motion carried by voice vote.

**H 215:** **Rep. Bilbao** presented **H 215** to the committee. He distributed a handout that contains information why he feels it is necessary for citizens who live in remote areas to have access to a phone system. He indicated a section on the map and said that 27 families live in that area and that the nearest phone is three miles away. The electric company has provided power to each ranch with poles, but the area is so remote that cell phone service and land line service are not available. The only other option is a satellite phone which is very expensive. This legislation requests a partial subsidy from the Universal Service Fund along with contribution from the families themselves to provide phone service to the families in this remote area. Also, it would help to provide internet service for educational needs. In answer to committee questions Rep. Bilbao said that the fund is set up with a surcharge on residential and cell phone bills that the phone company can draw on.

**Ken McClure**, Idaho Telecom Alliance, **spoke against H 215**. He speaks on behalf of small rural companies serving rural Idaho. The Idaho Telecom Alliance represents the smallest of the small rural companies in Idaho. It includes five co-ops and a number of very small family operations in areas of rural Cambridge, Freemont, Albridge, Midvale, and Rockland. These companies were formed back when phones were invented, by people who wanted phone service and Pacific Bell did not provide this service to their area. They used to have a system of implicit cross subsidies so that the true costs of phone service was hidden. The profitable companies helped subsidize the unprofitable companies. He

said that the USF was set up specifically to help subsidize the small companies that otherwise would not be able to provide service at the usual rate. The surcharge on phone bills is actually set up at that specific rate to cover the cost and provide service for three months. The Public Utilities Commission issued an order last Fall to reduce the cost from \$0.19 to \$0.17 per line because the surcharge was creating just a little more money than needed. Line extensions are a very expensive business. It was estimated that the cost to bury lines in the area would cost Qwest \$505,000 for copper lines, or \$808,000 for fiber lines. This is bigger than what the USF is prepared to do. This will increase the surcharge on all of our phone bills. He says the citizens who moved to the rural areas knew where they moving and now they want all of the phone users to be taxed to pay for their service. If they are concerned about 911, satellite phones are a much cheaper alternative.

He continued, that Qwest, an unregulated, for profit company, is asking us to supplement their business to bring citizens phone service. This bill was drafted by attorney's for Qwest. The USF was created to support small companies that otherwise would not be able to provide service at the usual rate. It supports those companies that were providing service at the time Pacific Bell was deregulated. This fund has never been used to fund line extensions for large companies. It has been used to provide lifeline support for the small companies. All of these small companies are regulated. The PUC looks at costs and rates and then qualifies them for revenue funding to make up for what they need. Should this bill pass, a company not having to go through rate analysis would have access to the same funds. Qwest should go to the PUC and become re-regulated. In this case they are trying to have it both ways.

**Dennis Thornock**, General Manager for Custer Telephone, **spoke against H 215**. Custer Telephone services Custer and Lemhi Counties. In his county the individual customer shares the cost of line extensions. It costs \$50,000 per mile for burying cable in that area, which is usually cost prohibitive for the customer. However, it is a major safety issue. They think satellite phone service is a good alternative on an emergency basis. It is cost prohibitive if you are just chatting but very cost effective for emergency needs. He said it would be an injustice to put this burden on the general public. Anyone building a third or fourth home or a hunting home would be qualified to draw from the fund.

Committee discussion followed. It was commented that this creates a precedent that we all have to perform as a society for the choices that other people have made.

**MOTION:**

**Rep. Luker** moved to hold **H 215** in committee. The motion carried on voice vote.

**H 214:**

**Rep. Boyle** presented **H 214** to the committee. This legislation provides for a certificate of fetal death. It provides for a mother who wishes to have a certificate from vital statistics. Currently the only way you can get that is for the baby to be older than 20 weeks. This will help the mother to have closure on the loss of her child. This is not a recordable death. It is not part of the public record act. Only the mother can request the application for certificate. To a mother this says I have had a baby, I lost a baby and



here is the official recognition of that.

**Committee discussion followed.** It was commented that there were concerns that this will create a record that does not have all the normal safeguards. All other certificates must be verified. There is no way to know if the information on the certificate is correct. In answer to committee questions **Rep. Boyle** said that this is not a part of the public records act. It is not reported to national vital statistics. It is only for the mother. It could be listed on the certificate that it is unlawful to give false information. In answer to committee questions Rep. Boyle said that eight other states have enacted the same legislation.

**James Aydelotte**, Bureau Chief for Vital Statistics, **spoke against H 214.** He said they currently issue five types of certificates: birth, death, marriage, divorce and still birth. Before issuing the certificates they must make sure they are accurate. The certificates provide a legal record to establish rights, provide a record of vital events and provide the basis for our nation's statistical reporting. This certificate meets none of the necessary criteria. The other problem is that it would provide easy access to the state's security paper. There are certain security features on this paper that we use to prevent fraud. The paper by itself would be valuable to a criminal and could be used to create fraudulent documents.

**David Ripley**, Idaho Chooses Life, **spoke in favor of H 214.** He said this legislation is only to provide comfort to women and their families that have lost babies. Most miscarriages occur at home and filling out your own certificate does not have the same impact as having an official certificate.

**Jason Herring**, Right to Life of Idaho, **spoke in favor of H 214.**  
**Randy Jackson**, **spoke in favor of H 214.**

**Lynette Jackson**, **spoke in favor of H214**, due to her extreme grief and personal loss at having lost a child before 20 weeks. She feels a certificate would help provide closure.

In closing, **Rep. Boyle** said that the certificate could be printed on any paper designated. The bureau has the ability to put whatever information they deem appropriate on the certificate, as well as, the name of the father. This is just a way to provide for grieving families to remember the baby they lost..

**MOTION:** **Rep. Mathews** moved to send **H 214** to the floor with a do pass recommendation.

**SUBSTITUTE MOTION:** **Rep. King** moved to hold **H 214** in committee. She said this bill does not address the real issue. The attorney generals office says on Page 5 line 22, the bureau cannot investigate any of the information reported in the certificate. Any woman can ask for a certificate at any age. There are no constrains to make this a better bill. The Attorney General did a computer search and failed to discover a similar bill in any of the states.

**Rep Higgins** spoke in favor of the substitute motion. She said the states

have a duty to insure that certificates should be records of actual certifiable occurrences.

**VOTE ON  
SUBSTITUTE  
MOTION:**

A roll call vote was called on the **substitute motion to hold H 214** in committee. **The motion failed 9 to 8. Reps Loertscher, Andrus, Labrador, Crane, Mathews, Kren, Palmer, Simpson, and Shepherd voted NAY. Reps. Stevenson, Black, Bilbao, Luker, Smith, Pasley-Stuart, King and Higgins voted AYE.**

**VOTE ON  
ORIGINAL  
MOTION:**

A roll call vote was called on the original **motion to send H 214 to the floor** with a do pass recommendation. **The motion passed 9 to 8. Reps. Stevenson, Black, Bilbao, Luker, Smith, Pasley-Stuart, King and Higgins voted NAY. Reps. Loertscher, Andrus, Labrador, Crane, Mathews, Kren, Palmer, Simpson, and Shepherd voted AYE.**

**H 216:**

**Rep. Loertscher** presented **H 216** to the committee: He stated that he believes that one of our most fundamental freedoms is contained in our ability to exercise our conscience. In 1973, legislation was passed that health care providers, doctors and hospitals, would have the ability to exercise their conscience as to the procedures that would be asked of them. That was done to make sure that no one would be compelled to deliver a service that was not in line with their conscience. This legislation provides the same privilege to pharmacies and pharmacists. This legislation guarantees that pharmacists or pharmacies cannot be compelled to provide any prescription drug that would conflict with their conscience. The State Attorney General has seen the legislation. All of his objections were removed. We do have a copy of his opinion and he has no objections.

When asked by committee members what drugs were included, Rep Loertscher replied that it is all inclusive.

Committee discussion followed. It was commented that this was a bill based on freedom of choice. Your doctor will know which pharmacy to send you to for specific prescriptions.

**Samuel Hoagland**, pharmacist and attorney, **spoke against H 216**. His letter to the committee is attached. He has taught pharmacy and ethics. This is a subject that is discussed in the pharmacy law class every year. He says that the adverse position of conscience would essentially be some legal duty to fill every prescription. In Idaho there is no board that imposes such a duty. He said that this is unnecessary legislation that presumes to give pharmacists a right they already have. Mr. Hoagland also stated that he was also opposing the bill because it was never brought before the profession of pharmacy in Idaho.

In answer to committee questions Mr. Hoaglund said that this bill takes nothing away from pharmacists in terms of their code of ethics. He as a pharmacist has a right to his own rights and values. He can object, but he cannot obstruct.

**Marty Durrand**, legislative council for Planned Parenthood of greater

Idaho, **spoke in opposition to H 216.**

**Hannah Saona**, ACLU of Idaho, **spoke in opposition to H 216.** She said that we have a commitment to protect individual freedoms as well as individual pharmacy employees. The American Medical Association, the American Pharmacist Association, the American College of Obstetrics recognize pharmacists rights, but have taken the position that patients needs must be met. They feel this bill lacks the necessary safeguards for patients.

**Pam Eaton**, Idaho Retailers Association, representing chains that have pharmacy services says that her group is taking **neutral position on H 216.**

**Rep. Sue Chew**, registered pharmacist and member of House of Representatives **spoke in opposition to H 216.** She said there are about 1200 pharmacists in the state. This is an issue that has already been taken care of by the pharmacy association and this bill only adds redundancy. The pharmacy associations already have a system that works.

**Julie Taylor**, speaking on behalf of Steve Thomas of Idaho Association of Health Plans, said their organization had taken a **neutral position on H 216.** They have many questions such as: 1) what if someone can't get the medication they need, 2) what is the cost to the patient if they can't get the medication they need, 3) who is liable if there is an adverse reaction due to a patient not receiving their medication, 4) regarding Regence of Idaho Pharmacy Benefit Management Co. out of California, this is in direct conflict with their contracts if a pharmacist chooses to not dispense a drug. Walmart requires their pharmacists in the event of a conflict, as a part of their contract , do two things: 1) they must tell the patient when the next pharmacist is available, and 2) they must refer the patient to another pharmacy who will dispense their medication.

**Taryn McGreeney**, Idaho Women's Network, **spoke in opposition to H 216.** She says the way this bill is written will disproportionately affect families in rural Idaho. Some smaller communities only have one or two pharmacies. This will affect low income families and not all families have transportation. She has done a survey and there are 15 small towns that only have one pharmacy and 8 that have no pharmacies that carry the Plan B contraceptive.

**Barbara Jordan**, Idaho Trial Lawyers Association, **spoke against H 216.** She said the language in the bill is ambiguous. She listed specific items in the legislation that refer to a pharmacist, pharmacy, corporation or any person that need clarification.

**James Ineck**, pharmacist from Nampa, **spoke in favor of H 216.**

**MOTION:**            **Rep. Luker** moved to hold **H 216** for one day to continue testimony. The motion passed on voice vote.

**ADJOURN:**            The meeting was adjourned at 11:25 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 18, 2009

**TIME:** 8:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:**

**GUESTS:** Mark Larson, State Fire Marshall; Bill Bishop, retired, Idaho Fire Chief's Association; Fairy Hitchcock, Hitchcock Family Advocates; Roy Eiguren, Eiguren Driving School; Jenny Oberst, National Association of Social Workers (NASW); Janene Snider, Janene Snider Driver Ed; Lori Shewmaker; Fred Riggens; Katie Killpack, Div. Finance & Mgmt. ; Erik Makrush, Idaho Assoc. Of Building Officials; Wally Butler, Teresa Molitor, Idaho Idaho Association of Professional Driving Businesses (IAPDB); Larry Munkelt, St. Alphonsus Hospital; Doug Brown, Idaho Fire Chief's Assoc.; Gloria Hansen, registered pharmacist; Dean Ellis, Idaho Fire Chief's Assoc.; Joe Silva, Meridian Fire Dept.; Mark Sentero, Boise Fire Dept.; Davie Ripley, Idaho Chooses Life; Jason Herring, Right to Life of Idaho; Bryan Fischer, Idaho Values Alliance; Tim Vargas, Idaho State Fire Chief's Assoc.; Larry Lundin; Mike Ryals, Ryals Driver Ed.; James Cook, Parma Fire District; Juan Bonilla, Donnelly Fire District; Kelly Glenn, Professional Driving School; Debbie Cottonware, Professional Diving School; Joe Kunz, BCASWT; Tom Luna, State Superintendent of Schools; Robert Finn, Private Driving School; Jeremy Pisca, IBCA; Mark Johnston, Board of Pharmacy; Jim Trent, State Farm Insurance; Dave Eiguren, Eiguren Driving School; Jeannine Eiguren, Eiguren Driving School; Dennis Guthmitler, Eiguren Driving School; Tom Roosenberg, N.W. Reliant Liberty; Dallas Forester, Excel Driving; Howard Weeks, Evergreen Rural Fire District; Dave Mason, Dynamic Driving School; Hal Hatch, Hatch Driving School; Greg Wood, Treasure Valley Driving School; Michael Finnegan, ABI Driving School; Jason Jerome, North Idaho Commercial Drivers Ed.; Mike Givens, Panhandle Driving School; Marcos Mason, Dynamic Driving School; Lisa Howell, Safe 'n Sound Driving School, Duane Quintin; Mark Johnston; Tim Rosenberg; David & Michelle Smith; Rick Neathamer; Melissa Miles; Hubert Hogaboan

**Chairman Loertscher** called them meeting to order at 8:00 A.M. A silent roll was taken.

**H 216:** Testimony continued on **H 216**.  
**Fairy Hitchcock**, Hitchcock Family Advocates, **spoke against H 216**. She objected on the grounds of young women not being able to receive the morning after pill, after a rape situation.

**Gloria Hansen**, registered pharmacist, **spoke in favor of H 216**. As a pharmacist she does sell Plan B but does not believe everyone should be required to do so.

**David Ripley**, Idaho Chooses Life, **spoke in favor of H 216**. He agreed that pharmacists rights are already protected by the Ninth Circuit Court. He added that pharmacists are under attack across the country. He said that the federal government had repealed rules protecting conscience rights and Planned Parenthood of Idaho is trying to gain support for just such a law. It is right for the legislature to step in and provide a firm moral foundation.

**Jason Herring**, Right to Life of Idaho **spoke in support of H 216**. He said it is more a freedom of conviction as much a freedom of conscience issue as most citizens affected by this are coming from a pro-life perspective. When they manifest this belief, the problem is when it is a deep running conviction they have only one choice when faced with a decision. He has spoken with the attorneys for Right to Life of Idaho, and they endorse H 216 and recommend a do pass.

**Brian Fisher**, Idaho Values Alliance, **spoke in favor of H 216**. He said that liberty and freedom of conscience are of critical importance in the history of our nation. Liberty of conscience is one of the most fundamental right our founding fathers would have wanted to protect.

**Jenny Oberst**, a social worker with the National Association of Social Workers, **spoke in opposition to H 216**. She has concerns for people in rural Idaho with mental illnesses.

**Tim Rosenberg**, North West Liberty Association, **spoke in support of H 216**.

**Mark Johnson**, Director, Board of Pharmacy, said the **Board of Pharmacy stands neutral on this legislation**. He said pharmacists already have the right to refuse to fill a prescription. No rule exists that mandates the filling of a prescription.

**Duane Quintin**, is HIV positive. He **spoke against H 216**. His medications are expensive and access has been difficult. He feels this bill will make it more difficult for him to obtain his medications in his small town.

**Larry Munkelt**, Director of Pharmacy, St. Alphonsus Hospital, said that a pharmacist already has the right to refuse to fill a prescription. But he also bears the responsibility to see that the patient gets served either by another pharmacist or at another pharmacy. He would hate to see a bill passed that disturbs the system they already have in place.

In closing, **Rep. Loertscher** said that what basic right is there other than conscience. If we don't have the right to exercise our conscience, we don't have a nation founded on freedom.

**MOTION:** **Rep. Luker** moved to send **H216** to general orders substituting the word “pharmacist” for the word “person” because this is dealing with the conscience of a pharmacist.

**SUBSTITUTE MOTION:** **Rep. King** moved to hold **H 216** in committee. She opposes this bill as being too broad in it’s scope. As a health care professional it is not her job to judge the patient or what the doctor has prescribed for the patient.

**Reps Simpson, Labrador, Bilbao and Mathews** spoke in favor of the original motion. Comments included it is apparent that pharmacists do already have the right to exercise their conscience, but in some cases they do so at the peril of their employment. This legislation simply codifies what is already a right and takes nothing away from current ethical standards.

**Rep. Higgins** spoke in favor of the substitute motion. She said that this legislation allows a pharmacist to veto medical decisions made by the doctor and could limit access to a number of medications that treat infectious diseases.

**VOTE ON SUBSTITUTE MOTION:** A roll call vote was called on the substitute motion to hold **H 216** in committee. **The motion failed 14 to 4. Reps. Loertscher, Anderson, Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson and Shepherd voted NAY. Reps. Smith, Pasley-Stuart, King and Higgins voted AYE.**

**VOTE ON ORIGINAL MOTION:** **The original motion to send H 216 to general orders was carried by voice vote.**

**HJM 004:** **Rep. Harwood** presented **HJM 004** to the committee. The purpose of this joint memorial is to inform the United States Congress the State of Idaho hereby claims sovereignty under the Tenth Amendment to the constitution of the United States and serves notice to the federal government, to cease federal mandates that directs states to comply or requires states to pass legislation or lose federal funding. It says we have a right to govern ourselves. The Federal government was designed to work for the states.

**Rep Barrett** spoke in support of **HJM 004**. She said she wasn’t thinking of testifying until the emails started pouring in. She thinks this is a good idea that has support from other states.

**Rep. Wood** spoke in support of **HJM 004**. She supports the idea that we are standing up for state’s rights.

**MOTION:** **Rep. Shepherd** moved to send **HJM 004** to the floor with a do pass recommendation.

**Lori Shewmaker**, citizen, spoke in favor of **HJM 004**. She said we are in a real transition period in our nation and a centralized government is dangerous.

**Wally Butler**, Idaho Farm Bureau, spoke in support of **HJM 004**.

Committee discussion followed. It was commented that we should not use sovereignty lightly, and we should be ready to defend what we are claiming.

**VOTE ON  
MOTION:**

**The original motion to send HJM 004 to the floor with a do pass recommendation carried on voice vote.**

**S 1133:**

**Sen. Geddes** presented **S 1133** to the committee. The purpose of this legislation is to move private driver education businesses from the Department of Education to the Bureau of Occupational Licenses by adding a new chapter to Title 54 and repealing the commercial driver schools code section at Title 49. The question is should private driver education businesses be allowed to be under the self-governing agencies of the Bureau of Occupational Licenses. Sen. Geddes has served on the Transportation Committee and has had many who have come to ask for his help on how their businesses are controlled. It is apparent that the driving schools are a valuable component in the state of Idaho. There are many rural areas where the citizens are dependent on these schools for driver's education. However, imagine yourself in a business where the parameters are managed by your biggest competitor. We have a number of private driving schools who are satisfied, but many have come to the conclusion that it is not in their best interest to be under the supervision of the Department of Education.

**Teresa Molitor**, of Idaho Association of Professional Driving Businesses, said she became aware of this issue last Spring. She met with Superintendent Luna and his staff, and Tana Cory at the Bureau of Occupational licenses to determine what the bill should contain. This legislation started as S1101. After taking into account comments and suggestions from the Senate State Affairs Committee, this is the new and improved version. Ms. Molitor listed each of the sections of the legislation. She made the following points: 1) The licensure board shall include a member of the public. 2) There is a cap on fees for the original license and annual renewal of the business license of \$900, which will likely be less 3) Licensing requirements will be spelled out and will exceed what is currently required to be a driving instructor. The specifics on this will be determined later in the rule making process.

In answer to committee questions, **Ms. Molitor** said the bill focuses on driver's education for teenagers 14 to 17 years of age. It does not cover adult driver's education. It does not affect the public driver's education programs in the state of Idaho. They will continue to pay fees through the Department of Education. When asked about adding something to the bill that at a minimum says they will meet the state's standards, Ms. Molitor said when they met with the state about the standards they felt they were aligned, but it could be addressed again at the time they are making rules. Ms. Molitor said that many of the details of this legislation will be considered in the rule making process and that the rules must be approved by the board.



**Roy Eiguren**, Eiguren Driving School, **spoke against S1133**. He has worked closely with Superintendent Luna to be supportive. He ascribes to Superintendent Luna's point of view. If this legislation passes we are making a fundamental change to Idaho policy. Costs will increase for the private business owners. A five member board means that driving schools competitors will be regulating competitors. He much prefers to have the Department of Education handling that responsibility. In answer to committee questions Mr. Eiguren said he has not had a problem with the Dept. of Education and he doesn't agree that a board of competitors will improve the situation.

**Mike Ryals**, Ryals Driver's Education, **spoke in favor of S 1133**. He has been involved in the process since the beginning. They have had problems in the past and that is why they are here. He wants his business to be a private business and to raise the standard of driving businesses in the state of Idaho. Currently there is only one person making all the decisions. 80% of instructors have degrees and teach in public schools or are private educators.

**Hubert Hogaboam**, owner of Gemstar Driving Schools spoke in **support of S1133**. He has been involved in driver's education for 36 years and is a teacher. He has taught at the University of Idaho and is certified to teach driver's education. He has been involved in this process for a long time. He is trying to improve it. Idaho has gone from no private schools and they are currently teaching 7,000 students per year. The public school system is having some difficulties fulfilling all of their needs. Idaho has the best system going but it needs vast improvement. In answer to committee questions he said that he knows of no other states that operate under circumstances similar to S1133. Idaho would be the leader in that regard.

**Tom Luna**, Superintendent, Dept. of Education, spoke in opposition to **S 1133**. He opposes the legislation in its current form for many reasons. Among them, there is no consensus that wants to move from the rules of the Department of Education, and no other state has taken the step that this bill attempts to take. In other states private driver's education is not self regulated. It may be under the Dept. of Transportation or the Dept. of Education, but not self-regulated. No other state would have a system like this. This is expanding government. One of his biggest concerns is that this legislation is provider driven and not customer driven. This legislation should be addressing customer's needs and what is best for the customer. Nothing in this bill assures parents that the content standard will remain consistent. This could be handled the way we handle all other private educationan, with oversight by a government education agency. All private companies have oversight by a government education agency. If you pay someone to educate you this assures that they meet a certain standard. He summed up his testimony by saying he is against this legislation for three reasons: no consensus, it expands government and does not protect the customers.

In answer to committee questions **Mr. Luna** said the current system gives us assurances that certain standards will be met. No content is outlined in this legislation. It would be handled sometime in the future in the rule making process.

**Mr. Luna** continued that he would be willing to sit down and work on language to make this legislation workable. Not enough effort has been put into trying to find language they can all agree on. The issues that those who want to break away were having are in the past. It involves scheduling for drivers education instructors. In the past there were long periods of time in between when classes were available. Instructors want to receive their training so that they can begin working as quickly as possible. **Nick Smith, Deputy Superintendent School Support Services**, added that a new procedure for getting a background check on a teacher or instructor is being implemented that will speed up the process to a week instead of a month.

**Kelly Glenn**, commercial driving instructor, state program administrator and driver rehabilitation specialist, said that all schools think they do a good job. This bill has yet to explain the reason for the legislation is to provide more education to teenagers and their families. **This is in direct conflict to a decision made by the National Transportation and Safety Board in a March 2009 meeting. Groups deliberated and reached a consensus that the program should be administered by a single agency.** Why do so many not support it?

**Debbie Cottonware**, instructor, Professional Driving School, **spoke against S1133**. She said this legislation potentially involves a 1700% increase in fees and does nothing to improve drivers education in the state.

**Dave Eiguren**, owner, Eiguren Driving School, **spoke against S1133**. He said since the standards will be determined during the rules process how can you make an informed vote. He said the committee can't vote yes based on information they don't have yet. He commented that the public school system was not his competitor. Private schools are his competitor.

**Dennis Guthmiller**, instructor, Eiguren Driving School, **spoke against S1133**. He said he was speaking from the viewpoint of a parent and had concerns for the safety of his teenage children and had questions about liability issues.

**Dallas Forester**, owner, Excel Driving Academy, **spoke in favor of S1133**. He has been teaching drivers education for seven years. 20,000 students last year did not receive the drivers education they wanted. As a private instructor they have the ability and desire to meet this demand. The public education is designed around the school year. It is very restrictive. Private companies works with students who are home schooled and others that may not be involved in the public school system. He tried for 3 years to get an accredited instructor hired and could not get that accomplished through the Dept. of Education. The Dept. of Education is trying to fit the private driver schools into a mold that does not fit their clientele. Idaho is the only state that has private driver schools licensed under the Dept. of Education - all others are licensed under the Dept. of Transportation. His business has suffered by 300 to 400 students per year because of the Dept. of Education is too restrictive.

**Dave Mason**, owner of Dynamic Driving School in Idaho Falls spoke in

**favor S1133.** He said he is passionate about his business. It provides needed flexibility to students. He started his driver's training business in 1996 and it has been a never-ending conflict with the Dept .of Education. This business needs to be governed by a body that understands their needs.

**Michael Finnegan**, owner of ABI Driving School in Boise, **spoke against S1133.** Learning to drive is a life skill and not a one-time thing. It is education that should stay under the Dept. of Education's umbrella.

**Jason Jerome**, owner, North Idaho Commercial Driver's Education, **spoke in favor of S1133.** He said he is evaluated every day by the people he teaches to drive. He wants to be governed by someone with the same goals.

**Mike Givens**, owner, Panhandle Driving School, **spoke in support of S1133.** He feels the bill has merit and that it would benefit the kids in the state of Idaho. This is a great opportunity to start something new.

**Lisa Howell**, owns Safe & Sound Driving School in Meridian. She is also a public school teacher with a master's degree. She said she was approached by the sponsors of the bill a few months ago and she understands how it would help her business by being able to govern themselves. She said it makes good business sense. **She supports S1133.** As a business owner she has a right to be a part of the process. Currently she is not allowed to part of the process.

In closing, **Ms. Molitor** said that the people who testified in favor of this legislation are business owners who support the public and think the kids deserve to be better served. She said they have made a concerted effort to involved everyone concerned. The bill is a customer driven bill and they have been as open and have offered as much to everyone as they could have done. In answer to committee questions, Ms. Molitor said that grand fathering in has not been a part of the discussion so she cannot comment on that. She confirmed that she has met with Superintendent Luna's office on two separate occasions to discuss content and instructor requirements. They were told they were on the right track.

**MOTION:** **Rep. Anderson** moved to send **S1133** to the floor with a do-pass recommendation.

**SUBSTITUTE MOTION:** **Rep. Crane** moved to hold **S1133** in committee. He feels since there is no consensus the two sides of the issue should get together over the summer and come up with a compromise piece of legislation.

**Reps. Stevenson and Luker** support the substitute motion.

**AMENDED SUBSTITUTE MOTION:** **Rep. Labrador** moved to **hold S1133 for one week** or at the call of the chair. He just heard from two good friends that they need to sit down and talk to each other. He wants people to talk to each other and work on the deal with a suggestion to say that the minimum standards currently in place will always be followed.

**Rep. Black** supports the amended substitute motion. Creating a board where roughly only half support the measure will not create any kind of unanimity.

**Rep. Mathews** supports the amended substitute motion.

**VOTE ON  
AMENDED  
SUBSTITUTE  
MOTION:**

By a show of hands the vote on the **amended substitute motion to hold S1133 for one week fails 8 to 10.**

**VOTE ON  
SUBSTITUTE  
MOTION:**

A roll call vote was called on the **substitute motion to hold S1133 in committee. The motion failed 7 to 11. Reps. Loertscher, Anderson, Black, Andrus, Labrador, Mathews, Palmer, Simpson, Pasley-Stuart, King and Higgins voted NAY. Reps. Stevenson, Bilbao, Luker, Crane, Kren, Shepherd, and Smith voted AYE.**

**VOTE ON  
ORIGINAL  
MOTION:**

A roll call vote was called on the original motion to **send S 1133 to the floor with a do pass recommendation. The motion failed 9 to 9. Reps. Loertscher, Anderson, Black, Andrus, Mathews, Palmer, Pasley-Stuart, King and Higgins voted AYE. Reps. Stevenson, Bilbao, Labrador, Luker, Crane, Kren, Simpson, Shepherd and Smith voted NAY.**

**ADJOURN:**

As there was no further business the meeting adjourned at 11:30 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** March 19, 2009
- TIME:** 8:00 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** None
- GUESTS:** Jim Trent, State Farm Insurance; Doug Brown, Deputy Chief, Idaho Fire Chief's Association; Tim Vargas, President, Idaho State Fire Chief's Association; John Watts, Veritas Advisors; Mark Larson, State Fire Marshall; Joe Silva, Fire Marshal, Meridian Fire Dept.; Erik Makrush, Idaho Association of Building Officials; Howard Weeks, Fire Chief, Evergreen Rural Fire Protection District; Gary Rohwer, Fire Commissioner, Parma Fire District; James Cook, Fire Chief, Parma Fire District, Jeremy Pisca, Idaho Building Contractor's Association; Creed Noah, Creed Noah Real Estate; Miguel Legarreta, Realtors; Larry Lundin; Jay Larson; David Smith; Bill Bishop
- Chairman Loertscher called the meeting to order at 8:00 a.m. A silent roll was taken.
- MOTION:** **Rep. Higgins** moved to approve the minutes of March 12. The motion carried by voice vote.
- RS 18863:** **John Watts** presented **RS 18863** to the committee. After much discussion about confusing language, it was suggested by **Chairman Loertscher** this RS be withdrawn for corrections. The sponsor agreed.
- H 202:** **Rep. Boyle** presented **H 202** to the committee. This limits the authority of the state fire marshal and assistants to enforce the application of the International Fire Code to state owned and managed properties. It puts the legislature in charge of any additions to the fire code. With this change the cities and counties will have discretion to adopt fire codes or parts of fire codes related to privately owned residential and commercial buildings and structures which suit the needs of their locality. In Washington County there are at least five different districts and unincorporated areas, all with different standards. This makes it difficult for citizens to determine what the standards are when building.
- Senator Bair** took the podium to testify about **H 202**. He referenced Idaho Code 41-256 which states "The chief of the fire department, or his deputy, of every city or county, or fire protection district organized under state law in which a fire department is established, and in areas where no organized fire department exists the county sheriff, or his deputy, shall be

assistants to the state fire marshal in carrying out the provisions of the international fire code and such other regulations as set forth by the fire marshal". It is saying that every fire chief and every fire marshal are assistants to the State Fire Marshal. So there is a line of authority, but some jurisdictions are not applying the code in the same way as other jurisdictions. This bill will give authority to the local jurisdictions to accept or reject the international fire code or to use what components of the fire code that best fit their community and district. This gives the county commissioners the authority to choose how best to direct the local fire officials in their county.

He recounted two personal stories of experiences with fire officials in his county that ended up unnecessarily costing local businesses over \$50,000 each because of the interpretation of the fire code by the local fire official. He also recounted an experience at a home he was building, which is all one level and over 3600 sq ft. The local fire official told him fire sprinklers would be required for a new home at that square footage. At appeals, it was determined that the local fire official's interpretation of the fire code was incorrect. **Rep. Crane** commented that there was nothing in the bill that would prevent the local fire official from continuing the same path of enforcement. **Rep. Bair** replied that it was his hope that when the line of authority sits with the county commissioners the position will be more easily monitored. In response to committee questions Rep. Bair said another possible solution would be a team of inspectors trained and qualified in code interpretation. He agreed with **Rep. Mathews** that having the local fire authorities accountable to elected officials would create a better appeals process and that ultimately the public would be better served. He clarified that the way the code is enforced is by rule, by the State Fire Marshal. This legislation would take the rule making process away from the fire marshal and give it to the legislature.

**Doug Brown**, Deputy Chief, Idaho Fire Chief's Association, **spoke in opposition to H 202**. He stated that he is the past Chairman of the State Building Code Board, and still serves on that board. He said that the fire code is working great in most of the state. Unfortunately, they were not consulted on the incidents Rep. Bair recounted in his community. Sometimes things happen that aren't fair or proper or debatable. His job is to solve problems. In his 41 years in the fire service he has never had a decision go to an appeals process. He pointed out that the building code is part of a family of codes that are designed to work together. There are sections that are identical and overlap. The building code is the same statewide. Once a building is completed the building code is done. The fire code deals with property that is occupied. Amendments to the code make it work better community by community.

Fire districts have community awareness and educational programs designed to educate the average citizen about fire prevention. Counties don't do fire protection. Fire districts do. There is a big disconnect between the two. In answer to committee questions **Mr. Brown** said that the local fire commissioners in each district are the decision makers relating to code matters. In his opinion this legislation would take control away from experts and put it in control of novices.

**Rep. Luker** asked if they had the ability to deviate from the code. In reply

**Mr. Brown** said there are fire code alternative methods and mitigation allowances. It can be adjusted for local concerns but the main thing is to achieve equivalency. Fire marshals can make decisions based on the rural nature of a location. In answer to further questions **Mr. Brown** replied that although the code can be deviated from, the code is a baseline and local jurisdictions are not allowed to make it less restrictive. If it was less restrictive what would be the equivalency? The code isn't law until it is adopted by the state.

**Tim Vargas**, President, Idaho State Fire Chief's Association (ISFCA), was recognized by the chair. He spoke in **strong opposition to H 202**. He requested a letter he wrote to the committee be recorded in the minutes of the meeting. In his opinion and in the opinion of the ISFCA the International Fire Code (IFC) should not be thrown out and the authority dismantled because some sponsors do not like the fact that they had to follow the code on their own building projects. What this is suggesting is that some of the processes can be made to conform to their constituents. This is not the best way to serve the constituents and is at the risk of the safety of the constituents they serve. The process is working well for the majority of fire districts of the state. The IFC is about safeguarding the public from conditions that could be hazardous to life. This code does address and provide for due process. It is not about personal property rights. It deals with public safety. - the legislature does not have the expertise or resources to piece together a comprehensive fire code. He would suggest having the legislature put together an advisory board to give guidance.

**Bill Bishop**, retired Director Idaho Homeland Security, **spoke in opposition to H 202**. He has spent most of his life in public service. He has been the Chief of rural fire districts in Montana and Idaho. He continued, public safety isn't simple or easy. It relies on a pretty complex mix of equipment, personnel, training, legal foundations, cooperative intergovernmental relationships, public support and enforcement. You can't limit fire fatalities without fire engines staffed with trained firefighters. If we remove training or equipment and the system fails and we either don't respond or respond poorly, there is concrete evidence that we were unable to respond and take action. It is clear that we have failed. The portions that are less clear are those that deal with prevention. If we actually prevent an incident or fatality from happening, there is little concrete evidence that we actually "did" something that prevented it. The adoption of the IFC and its enforcement is every bit as important a lifesaving tool as a fire engine. As presently written, H 202 would destroy that foundation of the public safety ensemble. It would ensure a greater loss of life, greater property loss and increased danger to the public. The real solution is to create an appeals process where an aggrieved citizen can go with a dispute and have it heard and adjudicated. This should be on a statewide level, not county by county.

**Joe Silva**, Fire Marshal, Meridian Fire Dept. **spoke in opposition to H 202.** In today's society we are faced with lawsuits. Boise city has had a court claim for not enforcing the fire code. These are the tough issues we are faced with in today's society. The width of a road is an important factor when trying to get trucks up a hill. Backing up is very hazardous in fire conditions, but the fire departments have an obligation to respond. Does the legislature have the expertise to deal with these issues? He suggested that an appeals process at the state level would help prevent these problems from surfacing to the level of the legislature

**Howard Weeks**, volunteer fire chief, Evergreen County. His concern is that the state commissioners are unanimous to have the local volunteers become fire enforcement officers. These are volunteers that may not be trained to perform these functions. If litigation occurs against a fire protection district the county prosecutor can only represent state or federal employees. As a result, disputes have developed. Rural counties and fire districts may not have the financial means to defend themselves in the event of a court proceeding. Evergreen Fire District asks that these concerns be looked at when considering everything. In answer to committee questions Mr. Weeks said that in the event of arson the State Fire Marshal is called in to do the investigation. He said there are many inconsistencies with the counties in the building permit process involving the IFC. This has created many difficulties. He further stated that an appeals process would be an avenue to help mitigate some of those disputes. However a rural fire district can still be held in litigation. They are not all capable of handling law enforcement. Law enforcement in Idaho is a state and county responsibility

**Larry Lundin**, citizen from Midvale, Idaho, **spoke in support of H 202.** He does not believe we should allow fire districts to have power over private property. He said it is basically the same as an unfunded mandate when a citizen is required to build a driveway according to the specifications of the fire district that will cost him \$25,000 or more. Allowing a fire chief who is untrained as a road engineer to dictate to home owners creates a "good ole boy" network in small communities like his. He said he doesn't need government to protect him from himself.

**David Smith**, a rancher from Midvale, **spoke in support of H 202.** He said the international fire code says according to section 503.2.1 the fire official is authorized to require more than one point of access. Also, the dimensions of the fire access road shall have an unobstructed width of 20 feet. Half of the roads in Washington county are less than 20 feet. The state legislature should not be dictating to rural districts how wide their driveways should be. The width requirement of 20 feet adds \$20,000 to \$25,000 to the cost of that driveway. It also says that a driveway should have a printed width of 20 feet of bearing surface and a turnout every 25 feet.



This means that driveways built to these specifications will exceed the specifications of a majority of roads in the state. H 202 says this should be mandated at local level. He asks why should the driveway be 20 feet wide when the road to get there is 14 feet wide. It is not in the best interest of the local community when one fire official has the authority to mandate these requirements. He also brought out the fact that language was changed administratively by the state fire marshal when the International Fire Code was adopted in 2007. That language said the purpose of adoption was to maintain uniformity for state owned and managed facilities. That statement was removed when it was adopted in 2007.

**Miguel Legarreta**, Association of Realtors, **spoke in support of H 202.**

**Gary Rohrer**, Fire Commissioner, Parma Fire District, We have 163 fire protection districts in the state and 240 fire fighting entities in the state. It is an elected decision whether or not a fire district will do enforcement in a particular area. We do need an advisory board, not only for the appeals process but as a tool for the fire marshal to enact the fire code as well as for the planning and building agencies. In his opinion **H 202** is a poorly constructed piece of legislation..

**James Cook**, Fire Chief, Parma Fire District, **spoke in opposition to H 202.** They take the code very seriously. His is in an all volunteer fire department. He has trained 13 men to enforce the IFC. They use the State Marshal to bounce questions off of. He sees the point with smaller districts. In answer to committee questions he said that he does inspect the property when a building permit is issued and he tries to meet with the owner to look at the plans before any work is done. He agreed that an appeals process would be beneficial.

**Jeremy Pisca**, representing the Idaho Building Contractors Association, **spoke in support of H 202.** He said from what we have heard here today the problem is not about the fire code, but about the arbitrary nature of some of the interpretations of these codes. Regarding members of the Building Contractor's Association, many of the members wanted to testify but because of permits pending did not want the fire chief's to know they have a problem. He said that this legislative body is elected to make these types of decisions. The fire chief's are not elected. His group has faith that the legislative body is capable of making these decisions.

**Creed Noah**, Real Estate Broker with offices in McCall, Weazer and Cambridge, **spoke in support of H 202.** He deals with rural properties in western and central Idaho. He said there are many properties effected by rural fire districts. There is a problem. The fire code in his area is being interpreted by local fire officials arbitrarily. He has a huge respect for the fire officials but they are running into problems with the driveways in his part of Idaho.

The driveway requirements on the hillsides eliminates those who don't have a lot of money. It creates a financial hardship on the entry level and middle level families who would like to live in the country. He is involved with a number of fire districts in the areas he works in and only one of them requires a 20 foot driveway. That feels arbitrary to him. There is no avenue of appeal and it is very frustrating for those involved.

**Rep. Boyle** wanted to clarify a point Mr. Smith made. She referred to the rule change he mentioned. A rule was removed that this would only cover state owned and managed buildings, that is why it was put back in. It was determined by rule change last year the international fire code cannot fit all situations. The intent of this legislation is to allow local jurisdictions to use the parts of it that fit their own requirements in their own jurisdictions. Instead of making them the law enforcers, allow local counties and cities to adopt the parts of the code that are appropriate for their district, like zoning. This is not in any way saying they don't need a fire code. If authority was removed to the cities and counties this would give local citizens the chance to go to their local elected official city official or council to appeal decisions and address issues. This is not only one problem with one community. Other citizens have brought forth problems with the fire code as well. In answer to committee questions, she said this allows cities and counties to pick and choose what is appropriate for their districts and use the international code on state owned and managed businesses.

**MOTION:** **Rep. Mathews** moved to send **H 202** to the floor with a do pass recommendation.

**SUBSTITUTE MOTION:** **Rep. King** moved to hold **H 202** in committee.

Committee discussion followed. **In support of the substitute motion, Rep. King** said she likes the idea of an advisory committee. She would like the parties to go back to the table and work on that solution. **Rep. Crane** doesn't think that the legislature should be involved in statewide fire code issues. There is a problem is with local fire marshals. They can only do the equivalent or more according to current statute. They need to be able to make the fire code more lenient in some instances. **In support of the original motion, Rep. Mathews** said that the legislature in tandem with the state fire marshal, does have the expertise needed to make these decisions. **Rep. Andrus** spoke in favor of the original motion. He said, it is evident that the fire code is not working great. If we do nothing, the problems will just get worse. **Rep. Simpson** offered, this bill does not solve all of the problems but is a step in the right direction.

**VOTE ON SUBSTITUTE MOTION:** A roll call vote was called on the **substitute motion to hold H 202 in committee. The motion failed 11 to 5. Reps. Loertscher, Stevenson, Andrus, Labrador, Luker, Mathews, Kren, Palmer, Simpson, Pasley-Start and Higgins** voted **NAY**. **Reps. Bilbao, Crane, Shepherd, Smith and King** voted **AYE**.

**VOTE ON** **The original motion to send H 202 to the floor with a do pass**

**ORIGINAL MOTION:** recommendation was carried by voice vote. Reps. Bilbao, Crane, Shepherd, Smith and King are recorded as voting NAY.

**H 229:** Rep. Nielsen presented H 229 to the committee. This legislation is designed to prevent the disarming of the citizens of Idaho in the event of a State Emergency. Citizens of the state of Idaho deserve the right to protect themselves when the government may be limited in doing so.

Rick Niehamer, citizen from Meridian, **spoke in favor of H 229.** Our first amendment is under attack. Higher taxes on ammunition are being proposed. It goes against the grain of what it means to be an American if we start arbitrarily taking away a citizen's right to bear arms. In an emergency situation like Katrina where law enforcement is compromised, the people need to be able to defend themselves.

**MOTION:** Rep. Kren moved to send H 229 to the floor with a do pass recommendation. The motion carries on voice vote. Rep. Nielsen will sponsor the bill on the floor.

**ADJOURN:** As there was no further business the meeting adjourned at 11:30 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 20, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Smith, Rep. Pasley-Stuart, Rep. King, Rep. Higgins, Rep. Crane,

**GUESTS:** John Watts, Idaho Occupational Therapists Association; Tyler Mallard, Governor's Office; Joie Mc Garvin, Westerby & Associates; Zach Hague, Capitol West; Jerry Peterson, Building Trades; Suzanne Budge, SBS Associates; Rick Holloway, Western H.C.; Robert Merone, Idaho Health Care Association; Kris Ellis, Idaho Health Care Association; Courtney Washburn, ICL

**Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.

**RS 18863C1:** **John Watts**, presented **RS 18863C1** to the committee. This legislation amends Chapter 37 Title 54 Idaho Code, the current occupational therapist's licensure act. The amendment updates and includes terms and language to update the act and align Idaho's licensure requirements with the national model practice act. Regarding questions of duplicity on certain lines and the addition of the word "basic" on Page 5 line 9 brought up in yesterday's committee meeting, they have all been corrected by the legislative services department.

**MOTION:** **Rep. Labrador** moved to introduce **RS 18863C1** with a recommendation to refer it to the Business Committee. The motion passed on voice vote.

**RS 18843:** **Rep. Nielsen** presented **RS 18863C1** to the committee. The purpose of this legislation is to protect the jobs, pensions, and the fundamental democratic principals of private ballot voting when deciding on union representation of Idahoans and to be free from governmental intrusion. He explained that an attempt is being made in federal legislation to pass an act called the Employee Free Choice act which says that you must make application if you want to form a new union and would do away with free secret ballots. Other states are doing similar legislation through an organization called the Alliance for Worker's Freedom.

**MOTION:** **Rep. Mathews** moved to introduce **RS 18843**.

**SUBSTITUTE  
MOTION:** **Rep. Anderson** moved to introduce **RS 18843** and recommended it to be referred to the Ways & Means committee. The motion carried by voice vote.

**RS 18846C2:** **Rep. Nielsen** presented **RS 18846C2** to the committee. The purpose of this legislation is to help protect the American citizen against the continual erosion of assets due to the creation of the inflationary Federal Reserve Note and hastened by the recent large scale increase in the money supply by the Federal Reserve. This legislation proposes to reduce the inflation rate by .5% or less by stopping the creation of debt based money produced by the Federal Reserve. Rep. Nielsen would like open up a dialog to educate our citizens about our Federal Reserve debt based monetary system.

Committee discussion followed. It was commented that to reach across the aisle and offer this to democrats it would be difficult for them to vote in favor of the legislation with all the quotes coming from Republicans and the references to the Idaho Republican Party.

**MOTION:** **Rep. Luker** moved to return the bill to sponsor.

**Rep. Labrador** said that he needs more time on this one. He suggested holding some public events to talk about this issue. The legislature is not experts about monetary policy and this is not an issue that is right before the legislature at this time, especially this year. Education needs to precede the resolution and not the other way around.

**VOTE ON ORIGINAL MOTION:**

The motion to return **RS 18846C2** to sponsor carried on voice vote.

**RS 18826C1:** **Rep. Hart** presented **RS 18826C1** to the committee. This legislation provides for the state treasurer to accept Idaho manufactured silver medallions and bars for the payment of fees and taxes. The Silver Valley in Northern Idaho is known as the Silver Capitol of the world. Since 1885, one billion ounces of silver have been removed from mines in the valley. Currently none of the silver ore produced by Idaho silver mines is processed in Idaho or the United States. The building of a silver production facility in Idaho will allow Idaho silver mines to cut their costs of production and continue to produce should there be a decline in the price of silver. Real and personal property tax exemptions as well as an exemption from corporate income taxes would be offered to any corporation that would build a new silver production facility. The creation of a new silver production facility can be expected to create 400 to 800 new jobs in the area and bring back to Idaho the jobs that have been exported overseas. Medallion sales the first year are estimated to be between \$300,000 to \$600,000 and the second year \$600,000 to \$1,200,000. The creation of 400 to 800 mining jobs with an additional 1.32 support jobs created per one mining job will generate \$5,000,000 to \$8,000,000 into the general fund each year. Additional revenue to the state of Idaho for processing the PMT cell are \$8,000,000 per year for five years or \$40,000,000. In answer to committee questions, **Rep. Hart** said the Secretary of the Treasury is not taking a position on this legislation.

**MOTION:** **Rep. Anderson** moved to return **RS 18826C1** to the sponsor.

- SUBSTITUTE MOTION:** **Rep. Mathews** moved to introduce **RS 18826C1**. The motion carried on voice vote.
- RS 18605C2:** **Rep. Trail** presented **RS 18605C2** to the committee. This legislation would amend the Idaho Code by allowing a city to authorize the issuance of one liquor license per 1,200 of population within each city instead of the current 1,500 of population. To encourage economic development within cities it also eliminates the limitation to the issuance of only one convention center license in each area. It makes further amendments by allowing issuance to the operator of a “food, conference and lodging facility” by city council, ordinance or commission resolution and requiring mandatory training of bartenders and wait persons and provides penalties for failure to abide by these requirements. Cities and counties will be able to collect a fee in the amount of 75% of the \$2,500 annual license fee collected by the state.
- MOTION:** **Rep. Bilbao** moved to introduce **RS 18605C2** to the committee.
- In answer to committee questions **Rep. Trail** replied that this bill is in competition with a similar bill prepared by the Senate.
- MOTION:** **Rep. Labrador** made a substitution motion to return **RS 18605C2** to sponsor. The motion carried on voice vote.
- RS 18840:** **Rep. Gibbs** presented **RS 18840** to the committee. This legislation provides for a specialty limited heating contractor. He said that citizens are encountering a problem in rural areas where in some places, petroleum gas is the only source for heating and lighting. In 2005 there was a movement to regulate the liquified petroleum gas industry. Anyone who was a gas dealer handling liquified gas at that time was grandfathered in to run gas lines in a house. Anyone who comes in after that can only run a line to the second stage meter. This legislation is asking for a specialized license under the HVAC standard which requires two years of education to be set up by Boise State University that would allow propane dealers to run the gas line into the house to the heater or refrigerator and in extremely rural areas even the lighting. This would be very useful to areas not served by natural gas. This is a specialty and would not give owners the opportunity to work on boilers or air conditioning. The only venting they would be authorized to do would be to vent the liquified petroleum requirement from the appliance to the house.
- Committee discussion followed. It was commented that the heating contractors do not object to licensing, but the HVAC tests do not ask relevant questions dealing with propane.
- MOTION:** **Rep. Stevenson** moved to introduce **RS 18840** with a recommendation to refer it to the Business Committee. The motion carried on voice vote. **Rep. Kren** is recorded as voting NAY.
- RS 18845:** **Kris Ellis** presented **RS 18845** to the committee. This legislation establishes a nursing home provider assessment which will be used to leverage federal Medicaid dollars. The money generated from the assessment will be used primarily to increase payments to nursing homes to offset the cuts in reimbursements to nursing homes as a result of

H 123. Currently 38 other states utilize a nursing assessment.

**MOTION:** **Rep. Labrador** moved to introduce **RS 18845** with a recommendation to refer it to the Health and Welfare committee. The motion carried on voice vote.

**ADJOURN:** As there was no further business the committee adjourned at 9:40 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 23, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Labrador, Rep. Pasley-Stuart

**GUESTS:** Wayne Hoffman, Idaho Freedom Foundation

**Chairman Loertscher** called the meeting to order at 9:00 a.m. A silent roll was taken.

**MOTION:** **Rep Smith** moved to approve the minutes of March 16. The motion carried on voice vote.

**H 177:** **Rep. Hart** explained that this bill was being replaced by **RS 18603C1**. **RS 18603C1** seeks to create an internet searchable database which will put the State of Idaho's checkbook on the internet. Rep Bayer and Rep. Hart met with the State Controller's office to determine the best method for accomplishing this project. It was concluded after the meeting due to the many issues to be resolved, it would be better to take more time for the process. The controller's office will send out requests for information to the various departments and agencies of state government outlining the goal of setting up a database, defining what that will look like, and asking them if the data is compatible with the system. The RS is the modified version of H177 which adds one more year to the process and mandates that the Controller's office send out the request for information by July 1 of this year and that it be returned by October 23, 2009. This should give everyone time to analyze the feedback and come back with another set of legislation next session. The Controller's office does not track anything related to performance and they also wanted legislative services involved in the process. Everyone is in agreement to the slower more thorough process. There is no financial impact. Each agency will do their part with their existing staff to become a part of the database. If there is a state agency that does not want to participate, this legislation requires that they propose their own similar stand alone searchable internet database.

In answer to committee questions **Rep. Hart** said that it was possible that all taxing districts in the state of Idaho could be required to have their information be available online sometime in the future. He said it was important to move one step at a time and the first step is to get the state of Idaho's checkbook online. The Controller's office already has the



software and wants all the offices to agree to the plan. Another year would help get the cost down. Utah is one of the states that has adopted this legislation and they estimate to have saved at least \$150,000 this year from having this information available to their citizens online and not having to process information requests.

**Wayne Hoffman**, Idaho Freedom Foundation, **spoke in favor** of this legislation. He passed a handout to committee members that showed examples of how the website would work and added that there are a number of very good reasons for having a transparency website. It helps to identify wasteful spending, helps recognize the officials that are spending money wisely, and helps deter frivolously spending.

**MOTION:** **Rep. Crane** moved to introduce **RS 18603C1**. The motion carried by voice vote.

**MOTION:** **Rep. Higgins** moved to hold **H 177** in committee. The motion carried by voice vote.

**H 249:** **Rep Chadderdon** presented **H 249** to the committee. This legislation requires that any United States flag and Idaho state flag bought with state funds be manufactured in the United States.

It was commented by **Rep. Luker** that this could be a problematic bill for smaller school districts or fire districts because it could be difficult for them to know where the flag they are purchasing is manufactured. In answer to committee questions **Rep. Chadderdon** said that there is a good supply of flag manufacturers in the United States.

**MOTION:** **Rep. Smith** moved to send **H 249** to the floor with a do pass recommendation. The motion carried by voice vote. **Rep. Chadderdon** will sponsor the bill on the floor.

**ADJOURN:** As there was no further business the meeting adjourned at 9:34 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 24, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Benjamin Davenport, Risch Pisca; Brent Gale, PacifiCorp.; Ressel Westerberg, RMP; Janet Gallimore, Idaho State Historical Society; Rich Hahn Idaho Power; Peter Richardson, ICIP; John Williams, BPA; Zach Hauge, Capitol West; Elizabeth Criner, Simplot; Mark Browning, SBOE

Chairman Loertscher called the meeting to order at 9:00 a.m. A silent roll was taken.

**S1123:** **Paul Kjellander, Office of Energy Resources**, presented S1123 to the committee. This legislation helps provide the stability necessary to attract investors at a more reasonable cost-of-capital. It establishes an additional process for consideration of utility capital expenditures by the Idaho Public Utilities commission. When this voluntary process is used, it will benefit utility customers through lower financing costs and create a more transparent system of resource selection. He continued, the utility companies have an abundance of risk and a lack of trust, which is not a good combination. The utility companies want an opportunity to restore the public's confidence in them. He continued, public utilities are now facing difficult times in the credit arena. Regulatory risk is the possibility that an investment can be made, and then regulators could not allow those costs into the rates. Many of the utilities that were once "golden" are now down to "B" financing which makes it more difficult to get financing. As a result, interest rates are higher, project costs are higher. This is an opportunity to restore some of the confidence that has been lost in the market, specifically due to legislation. This bill does not diminish the commissioner's authority, but supplements it with an additional optional regulatory process. The commission determines what rate making treatments will apply. The difference is that this allows the commission to make that determination prior to spending millions. Only the audited costs will end up in the rates. So, this bill will have significantly more impact and be more beneficial to the customers. It is intended that this is a mechanism that will help develop future construction projects.

**Brent Gale**, Vice President of Mid American Energy Holdings Company, was recognized by the chair. He said this bill is similar to one adopted in Iowa in 2001. The U.S.

Secretary of Agriculture, Tom Vilsack, asked the utilities what it would take to get a more diversified portfolio in the state of Iowa. Consumer's advocates worked out a process by which utility regulators and interested parties could review a particular type of utilities generation, before the utility spent any money on it. Regardless of the type of generation they thought it better to participate in the process before the money was spent, whether it be gas, wind, coal, or any renewable energy. This process was recently used in Iowa by the regulators and by the utilities. The result was it actually discouraged the utilities company from building a coal plant.

The bill creates a regulatory process that is entirely voluntary for the utility and the commission - both have the option not to use the process. Under this bill a hearing is required and the commission must make their decision based on the evidence at the hearing; this allows all parties to have a say about the wisdom of a utility's proposal while they can still have impact on the utility's proposal - before the costs are incurred. It removes the traditional process that puts a huge burden on consumers and regulators to look back and remember the conditions at the time they made their initial decision. It is better to have the option to make that determination before the plants are built based on the conditions known at the time of the decision. On average regulators only serve 3 years. To put them in a position where after 5 years we ask them to try to determine what the conditions were 5 years ago doesn't seem reasonable.

**Rep. Simpson** commented that Mid American was proposing to build a nuclear power plant in Payette and the reason for not moving forward was the financial risk. He asked if this legislation provided a better option for moving forward? **Mr. Gale** replied that this is a process they would absolutely have wanted to have. Construction on these plants can take as long as two years for wind, three years for gas; five to seven years for coal and as long as 17 years to build a nuclear plant. For any utility company contemplating a nuclear plant this will help determine public sentiment and help regulators know whether to move forward knowing what we know now. In answer to committee questions **Mr. Gale** said that even though Idaho imports most of its power, this legislation is crucial if the state wants to generate more transmission & generation in the state. It will help determine what we do want to develop, i.e. solar, wind, etc. He said this is an excellent regulatory tool to have as an option for the regulators and the state.

**Peter Richardson**, an attorney, representing the industrial customers of Idaho Power, was recognized by the chair. He practices exclusively in the field of energy and utility law. He is testifying **in opposition to S1123**. He said traditional rate regulation is in place in Idaho because our regulated rates are state sanctioned utilities. These processes have been in place ever since the PUC was created in 1915. Under traditional rate making, Idaho power has been able to successfully serve its customers for the past years. Under the current rate making processes there is not a problem. Why is Mid American holding company promoting this bill? His view is that it is here to protect Wall St and not the rate payers. This legislation shifts risks that had been previously borne by the shareholders to the rate payers. If a pre-approved plant turns out not to be prudent, then the rate payers are on the hook. Mr. Gale said it could

take 17 years to build a nuclear plant. With this long of a lead time conditions change, and he wouldn't want a regulatory commission today making decisions based on conditions 17 years from now. This bill could bind a commission for 17 years into the future.

The current commission does not have the power to bind future commissions. This bill vastly increases the commission's powers. This will create a long term problem in terms of recovery of rates for the plant being built. He does not want to be paying for a plant that is being built, but is not up and is not useful.

In answer to what were his feelings on non-traditional rate making, **Mr. Richardson** said it scared him to death. He had no idea what non-traditional rate making was. Non-traditional rate making is not defined anywhere in the bill. This opens the door for all kinds of rate recovery schemes that one could define as "non-traditional cost recovery mechanisms". In answer to further committee questions he said that he had not heard of any complaints from the rate payers in Iowa, but they are under a rate freeze. Idaho Power and Rocky Mountain Energy have annual power cost adjustment mechanisms so they don't have the risk of fuel costs. His fear is that this bill will lock us into rates far into the future. This bill says that future commissions cannot revisit provisions made by the current commission. Refer to the last page of the legislation subsection 5. In answer to a question by Rep. Labrador, **Mr. Richardson** said the current commission is now in support of this legislation, after they had opposed it. **Rep. Higgins** asked if other states have gone to this type of regulation. In reply, **Mr. Richardson** said there are some states, mainly in the Midwest, possibly Minnesota, Iowa and one of the Dakotas, but reading one of the most recent orders on Iowa statute, the Iowa Commission had approved a rate of return on equity and locked it in for the life of the plant. The utility didn't like that rate of return and so chose not to build the plant. Kind of like a free option. They get to see what the plant will look like and walk away if they don't like it. Or they could build under the traditional rate making treatment.

**Rep. Anderson** recognized Mr. Richardson's frustration that the PUC is now supporting this legislation after they had opposed it. He commented that commissions change their mind and without a firm commitment they have the ability to look into the future and change what their plan will be. He went on to say that his fear is that the PUC doesn't consider the future. Without this legislation, our regulated utilities don't have the opportunity to participate in long-term, large-scale projects.

**Mr. Richardson** offered, his group would agree to a compromise if the word "generation" was stricken from the legislation. They will support the bill if it only applies to the transmission of power. He said the primary economic advantages are energy rates, and this is a fair compromise from a rate paying clients standpoint.

**Rep. Anderson** said that the main focus of this legislation is to support economic development. If you remove the word "generation" and only support transmission, then this will not apply to economic development. This has to do with an array of new jobs from the building of new electric generation facilities.

**Jim Kempton**, Commissioner, Idaho Public Utilities Commission, was recognized by the chair. Regarding the suggestion made by Mr. Richardson that the commission now feels comfortable with this legislation, when they had previously been against it, was due to an interruption in the process by the news media during the time they were having conversations about the legislation, and they did not have an example in statute. Those are now included. Any issues they may have had, have been resolved. This is clean legislation and the commission supports it. In answer to committee questions, Mr. Kempton said that this legislation could apply to nuclear energy plants in the future. There is nothing in the legislation to prevent it, however, there would be a full-blown hearing before anything would be undertaken. One of the things they would want is a cap. They would have to determine how to move forward and how to assign future costs. There would be many issues to be considered.

**MOTION:** **Rep. Simpson** moved to send S1123 to the floor with a do pass recommendation.

**ROLL CALL VOTE ON MOTION:** A roll call vote was called on the motion. **The motion to send S1123 to the floor with a do pass recommendation carried unanimously.** Rep. Simpson will sponsor the bill on the floor.

**S1011:** **Janet Gallimore**, Executive Director, Idaho Historical Society, presented **S1011** to the committee. This bill moves the State Historical Society from the Office of the State Board of Education to the Department of Self-Governing Agencies. The State Historical Society operates under the direction of its own Board of Trustees which is accountable for the agencies operation. The bill also provides a revised declaration of policy and technical updates. In answer to committee questions Ms. Gallimore said that this issue has been discussed through the state discussion process. Mark Browning with the State Board of Education said that the Board unanimously supports this legislation.

**MOTION:** **Rep. King** moved to send S1011 to the floor with a do pass recommendation. The motion carried on voice vote.

**ADJOURN:** As there was no further business the meeting adjourned at 10:15 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 25, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Black

**GUESTS:** Benjamin Davenport, Legis. Adv.; Becky Schroeder, Deputy Director, Idaho Lottery; Fred. R.; Ben Ysursa, Idaho Secretary of State; Justin Ruen, Legis. Adv.; Dan Chadwick, Executive Director, Idaho Association of Lands; Zach Hauge, Legis. Adv.; Phil Homer, Legis. Adv.; Bert Marley, Director of Public Policy, Idaho Education Association; Elinor Cheney, League of Women Voters; Betsy Russell, Reporter; Jason Hancock, Deputy Chief of Staff, State Department of Education; Rep. Bedke

**Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.

**H 237** **Rep. Labrador** presented **H 237**. The purpose of this legislation is to make some corrections to Section 67 of Idaho Code. It also revises prohibited actions of a person required to register as a lobbyist and provides that a subsequent violation of Section 67-6621(e) shall be a felony.

Rep. Labrador said that he has had conversations with the Attorney General's Office and the Secretary of State's Office about the laws regarding the duties of lobbyists, and there have been issues with the language. Even when violations have been very egregious, the language does not allow for prosecution. The language in this bill has come from Steve Bywater's office.

Rep. Labrador said some concerns have been expressed about the language in Section 3 that makes a second offense a felony, and he now thinks it may be a good idea to remove it. On the first page, lines 21, 22, and 23, a violation constitutes "cause for revocation of his registration". So the penalty for a second violation in the bill is unnecessary because the lobbyist won't have a license after the first one. He said he would get an opinion about whether this is forever. We may need to make this more clear.

In response to a question, **Rep. Labrador** said that threats of physical harm are covered under other legislation that is not just for lobbyists. A physical threat is assault.

**MOTION:** **Rep. Luker** moved to **send H 237 to General Orders with the following amendment:** On page 2, delete line 34 thru 42; on line 43, change number 4 to number 3; on page 3, change the subsection in line 1 to be 4; on page 3, line 3, change to reference subsection 5.

**Rep. Anderson** referred to page 2 lines 9 and 10 and said he has a problem with the language. "Maliciously cause or threaten any pecuniary detriment" is vague. For example if an offended lobbyist came out with ads that accused the Representative of having a bad voting record, a case could be made that the lobbyist has caused "pecuniary detriment".

**SUBSTITUTE MOTION:** **Rep. Anderson** made a substitute motion to **hold H 237 in committee.**

**Rep. Labrador** replied that the new language is using terms that have been defined by courts in criminal law. He said that regarding the example, the ads would not fall under the definition of the terms used in the bill.

**Rep. Simpson** asked whether Rep. Labrador had gotten opinions from lobbyists. **Rep. Labrador** said he talked with them about what the bill does, but they didn't express how they felt about it.

**VOTE ON SUBSTITUTE MOTION:** The **substitute motion to hold H 237 in committee failed** on voice vote.

**VOTE ON ORIGINAL MOTION:** The **motion to send H 237 to General Orders with amendments** was **seconded by Rep. Labrador** and **carried on voice vote.** **Rep. Pasley-Stuart** and **Rep. Anderson** are recorded as voting Nay.

**S 1084a** **Sen. Sagness** presented **S 1084a.** The purpose of this legislation is to amend Section 67-7434, Idaho Code, to remove the requirement that Idaho school districts may only use their distribution of lottery funds for capital expenditures and to allow the use of these funds for any lawful purpose of the district for the period commencing July 1, 2009 through June 30, 2012. This temporary change would provide school districts with budgetary flexibility which is needed during the current difficult financial constraints. He said that the original length was three years, but some thought this was too long, so he amended it to be two years.

The amount of money that this would affect, in a good year, is about \$1.6 million for Boise, about \$750,000 for a district like Pocatello, and about \$55,000 for a smaller district like Soda Springs.

He said that having flexibility is important to make good decisions. This bill is supported by the School Board Association, Teachers' Association, and the Pocatello Chamber of Commerce.

During questions, the following issues were addressed:

- **Rep. Simpson** expressed concern that when the lottery came up for vote, the public was told that the purpose of the funds would be for building projects, so he believes that we should not override what the

public voted for. **Sen. Sagness** replied that the original purpose of the funding is good, but this is just for two years under our difficult circumstances. He thinks people would support it if they understood the purpose. If you were to present it to voters though, the sunset clause would likely be in effect before a new vote could be completed.

- A good deal of discussion ensued regarding the lawsuit that is ongoing regarding the condition of some school facilities and whether this bill would make things worse. **Sen. Sagness** said that he personally talked with Robert Huntley, the attorney and former Supreme Court Justice who has headed up the lawsuit, and explained the situation. Mr. Huntley told Sen. Sagness that he didn't have any problems with the bill given the circumstances and how the bill is structured. **Rep. Labrador** said that he had been a member of the Governor's committee regarding the lawsuit. He said that Mr. Huntley is going to keep suing until he is satisfied, whether we take money from the lottery or not, so it is unlikely he would object to the bill. Rep. Labrador thinks the bill does impair our ability to end the lawsuit. **Sen. Sagness** said he would like to leave the decision of whether it impairs to the school districts. He also said that for the kind of problems that are making buildings deficient, the money would not make a lot of difference. He would like the local districts to decide if those are the most important needs.
- Discussion ensued regarding the use of the funds. **Rep. Simpson** questioned whether they could be used for teacher pay or bonuses. **Sen. Sagness** said that while the law may not exclude this, it would make no sense to make a long-term obligation with short-term funds, so he doesn't think districts would use the funds that way. When **Rep. King** asked what the Senator thought the funds would be used for, **Sen. Sagness** said supplies, text books, energy costs, and allied kinds of things that help teachers. He said the money would not solve everything, but it would help.
- **Rep. Luker** said that we don't know where the current economy will end up. If we don't make budget adjustments now and artificially prop up the districts, we will have harder decisions to make in the future if things haven't turned around. **Sen. Sagness** said that whether things get worse or better, these funds would allow districts to make good decisions now. The bill would help them even though it would not be a really large amount of money.

**Rep. Bedke** took the podium to testify about S 1084a. He said that there are two issues: 1) The money that is freed up will be distributed by the ADA (Average Daily Attendance) formula, rather than how it has been, which is by support units. ADA is on a per student basis. Regarding support units, in a smaller district that has fewer kids, it takes fewer kids to constitute a support unit. This could create winners and losers. 2) Two-time money will be used for ongoing purposes in budgets. Some will use the money responsibly, others will create holes to be filled later. These are extraordinary times, and we do bend the one-time vs. ongoing rule sometimes. But you need to consider these two issues as you deliberate.

During questions, the following issues were addressed:



- In response to questions, **Rep. Bedke** talked about the change in distribution. He said that in the past, lottery money has gone out by classroom units with each unit getting a prorated share of lottery money to address capital investment issues. It takes fewer kids to create a classroom unit in smalltown, Idaho, than it does in a place like Meridian. However, if this bill passes, the funds will be distributed by ADA, with each child getting a prorated share.
- **Rep. Andrus** gave the example of being in business and having some money to build a hay shed. If he decides to make a tractor payment instead, why is this not a good decision? **Rep. Bedke** said that because of our present situation, it may be the best decision. But if commodity prices are down and may stay that way, and you pay for two years with four years of payment left on the tractor, then you still have a problem in years three and four. And then (bringing the example back to this bill) the way you receive the money is going to change, on top of your financial problems.
- **Rep. Pasley-Stuart** asked about the lottery distribution formula for the cancer registry that Rep. Bedke presented about a month ago. **Rep. Bedke** said that it dealt with a much broader issue than just the cancer registry. That bill didn't do anything regarding how the money is distributed. This bill is not incompatible with the other legislation.
- **Rep. Pasley-Stuart** commented that it seems judgmental to second guess the school boards. They are boards that the community elects in good faith and we should have faith in them too. **Rep. Bedke** said that he does trust each school district to do their best. But, the cuts are not coming in the capital areas, and this money will only be a bridge. If it goes into an ongoing obligation, it will create an ongoing problem that will have to be addressed later.
- **Rep. Bedke** was asked to clarify the winners and losers skew. He said that the way support units are calculated is based on a formula that has been around a long time. Because of the economies of scale at a large school, it takes fewer kids to make a unit. Money is distributed according to units: for example, 1.1 teacher salaries for every classroom unit. But with this bill, the money would be distributed according to the ADA formula. He said that if the way funds have been being distributed is fair, then this bill would mean a departure from that fairness. **Chairman Loertscher** asked whether in most cases, smaller districts would get less under the ADA formula, and larger ones would get more. **Rep. Bedke** said yes. **Rep. Stevenson** clarified that dedicated funds use one formula, and discretionary funds use another. **Rep. Bedke** said this was correct.
- **Rep. Simpson** asked whether anything in the bill would preclude money from going to salaries. **Rep. Bedke** said the money would be totally discretionary.
- **Rep. Higgins** said she thought the money would be more fairly distributed because it won't go to paying teachers but would be used for supplies and books, and if you have more kids, you need more of these things. **Rep. Bedke** said that if all of the money went to

textbooks, you could make that case.

**Mr. Phil Homer**, representing the Idaho Association of School Administrators, took the podium. He said that he thought lottery funds were distributed more by the ADA formula. He said that the Association supports the bill. School districts need some flexibility on the local level.

**Mr. Bert Marley**, Director of Public Policy, Idaho Education Association, took the stand. He said that the IEA supports the bill because it gives flexibility, it offers local control, and it has a sunset clause. Once the crisis has passed, we can go back to the original design. The initial purpose can change; we have done overrides before. Anytime we can give local boards more flexibility, it is better. The school board's judgment is really better than legislative judgment in local education issues.

Mr. Marley said that theoretically, the money could go to salaries. But it is an offense to teachers to say that they would grab this money from the kids. Teachers aren't in teaching for the money, obviously. Salaries would be a bad decision, but you won't likely see that happen. You don't want to use one-time money for an ongoing hole. It isn't good policy. This is short-term and will help bridge the time until normalcy returns.

During questions, the following issues were addressed:

- **Rep. Simpson** said that he tells his constituents that if they are truly concerned about an education issue, they should vote "yes" for bond elections. **Mr. Marley** responded that the ability to support levies varies per district. In McCall, each person has to contribute less than the people in New Meadows do. This bill is just one more tool to solve local problems. They perhaps should run a levy too. But around the state, there is a large difference in capacity.
- Mr. Marley said that he was a little confused by the distribution; he thought it was not changing. If that is right, then larger districts will gain more than smaller districts. However, he also stated that there seems little in the bill that is not beneficial to the local districts.

**Mr. Jason Hancock**, Deputy Chief of Staff for the State Department of Education took the podium. He said that they oppose the bill. He said that on the surface, it is straightforward, but there are some requirements of code and implications for the Joint Finance and Appropriations Committee (JFAC) budget setting.

Mr. Hancock said that there are two primary issues: 1) This bill makes modifications to the distribution but doesn't modify other sections of Idaho code that require maintenance of buildings or things school bonds can be used for, like desks and computers. So one section says you can use funds one way, and another section says you must use them another way.

2) It doesn't relieve the State of the requirement to provide matching funds for school maintenance. H 743 mandated that districts must spend or allocate 2% of the replacement value of buildings. The State

contributes a piece of that 2% requirement. This bill takes away the \$18,375,000 from the lottery that goes as a credit toward the State match. JFAC will have to conjure up an additional \$18,375,000 from somewhere; this creates a hole for JFAC.

Mr. Hancock said that during budget setting, JFAC can set aside provisions of code; they have done this before. They could amend or hold in abeyance the requirements. He thinks they have been planning to do this. These lottery dollars would be funneled through the discretionary formula, then they could hold back general funds. The issue is on the list of "10 bad ideas" that Superintendent Luna presented to JFAC.

These funds would have been distributed per support unit, and JFAC could cut that same amount in general funds. But this bill would require that they be distributed on an ADA basis. That is different. Currently, lottery money is distributed based on ADA. But, if you are going to be using the lottery money to squeeze out that much general funds from the discretionary pot, those funds are based on support units. The replacement dollars are based on ADA. There will be winners and losers. A smaller district, like Wallace or Parma, will lose when the shift happens. We want to follow the approach of having the lottery dollars through JFAC action be distributed as discretionary funds on a support unit basis.

**Rep. Andrus** asked whether JFAC was considering this.

**Mr. Hancock** said that they were. He said that this is on the list of "10 bad ideas" presented by the superintendent. We have \$357 million in discretionary funds. The plan is to have this money chase out some of the general fund money from those funds. Then there would be a distribution on a per unit basis. And they would get discretionary money based on that distribution.

- **Rep. Smith** asked whether there were matching funds for an elevator that was put in at Hawthorne Jr. High. Mr. Hancock said that the matching happens at the revenue level. Districts spend or allocate 2% of the replacement value of buildings. The State contributes a piece of that to establish the amount of money a district has. If an elevator was a qualifying expense, the district would have spent money from the 2% fund. A portion of the revenues that went into that came from the State. So in that sense, the State did contribute.
- **Rep. Smith** asked why, if the distribution is a JFAC problem, someone on that committee like Sen. Cameron or Sen. Broadsword didn't object to the bill? **Mr. Hancock** said that the bill seems straightforward, but you have to know the other Idaho Code that relates to this and the interplay with those sections to understand the impact. And none of us knows all of the Idaho Code.
- **Mr. Hancock** said that if you boil this down, the impact of the bill will be either 1) it blows an \$18,375,000 hole in the budget, or 2) it negatively impacts small schools.
- **Rep. Higgins** said that in any decision, there are always winners and losers. It seems that each child in each district will get the same

amount of money. **Mr. Hancock** said of lottery money, yes. But if this chases out discretionary general fund money, then this will make smaller districts bigger losers.

**Sen. Sageness** took the podium to close. He said that to the degree that he knows, the bill is written so that the money is distributed just the same way as it has been in the past. If there is a change, it is what happens in JFAC.

He said that while they can make mistakes, school districts make the best decisions they can. They are closest to the issues. He also said that if limits are put on this, it will miss the point. It is supposed to be discretionary.

He said that the bill is supported by JFAC. However you see this, the bill provides money for schools.

**MOTION:** **Rep. King** moved to send **S 1084a** to the floor with a **DO PASS** recommendation.

**Rep. Pasley-Stuart** spoke in favor of the motion. She said it is reasonable, helps children, and is flexible in approach. It provides local control to people who know best what the district needs. The lawsuit is a red-herring. The bill was supported by the Senate and by members in JFAC.

**SUBSTITUTE MOTION:** **Rep. Simpson** moved to hold **S 1084a** in committee. He said that it overrides the will of the people. Funds were supposed to be used for permanent building. The bill also has the unintended consequence of hurting small school districts.

**Rep. Higgins** spoke in favor of the original motion. She said that it gives each child the same amount of money for the school districts. If we don't fund education, the State will be in a lot of trouble later.

**Rep. Bilbao** said that he represents five school districts with limited populations and he cannot support the bill. It may affect the rural districts. The urban districts will get the money, and the rural districts won't. He is in favor of the substitute motion.

**Rep. Smith** expressed support for the original motion.

**Rep Luker** said that there should be flexibility for school districts, but there are other ways to achieve this. In this case, the money was dedicated to building by the vote of the people. Also, we don't know where the economy is headed, so we need to make adjustments as we go along. If two years from now things are still bad, this will hurt the school districts who will then have a "steeper hill to climb".

**ROLL CALL VOTE:** **Rep. Pasley-Stuart** requested a **roll call vote** for the substitute motion to hold **S 1084a** in committee.

By a vote of **12 to 5**, the **motion carried**.

**Voting in the affirmative: Reps. Loertscher, Anderson, Stevenson, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson,**

**and Shepherd**

**Voting in the negative: Reps. Andrus, Smith, Pasley-Stuart, King, and Higgins**

**S 1142**

**Mr. Lawrence Wasden**, Idaho Attorney General, took the podium to introduce **S 1142**. He said that it is a workable compromise among cities, counties, state government, and the media and that it improves open meeting law. The State needs an enforceable statute that forces compliance. This bill addresses the issue of efficiency vs. open processes. Mr. Wasden then turned the time over to Mr. Bill von Tagen.

**Mr. Bill von Tagen** from the Attorney General's Office explained that the bill is an overhaul to open meeting law. It updates the language and takes a different approach to enforcement.

He said that the framework is from the past and will stay somewhat the same. Originally, there were no penalties for violations. In the present structure, civil penalties can be imposed of up to \$150 for a first violation and up to \$300 for subsequent violations. However, they don't have a single case where an appellate court has upheld civil penalties or setting aside a decision made in an "illegal" meeting. So the present, 35-year-old statute needs repair. There is confusion among attorneys and laymen. Many entities under the law are small and may not have legal counsel, so they need clear laws.

He said that the source of confusion is the language. For example, the law allows you to add amendments up to and including the hour of the meeting, and they get many phone calls about what this means. The Attorney General's office would say this means you can amend the agenda during the meeting. Others say you can amend it only up to the start of the meeting. Other confusion regards minutes about executive sessions.

Another problem regards the statute of limitations. You have to bring actions within 30 days of an illegal meeting. But there might be several meetings over a six-month period, with a decision being made at the end. You have standing to bring proceedings against the meeting only after a decision is rendered, and this creates a "catch 22". You don't have standing before the decision, but if you wait for the decision, the statute of limitations is in force for the illegal meeting.

**Mr. von Tagen** stepped through the bill section by section, highlighting the meeting amendments, clarifications for executive sessions, changes to the violations statute, and provisions for "cures" or fixing a violation.

He ended by saying that the Idaho open meeting law needs a tune up but not a new engine. Insofar as it is working, it is because of the commitment of people, prosecutors, and the media. We need a framework that is equal to the commitment.

In response to a question, **Mr. von Tagen** said that executive sessions for personnel issues was an area they could not put completely in law. The level of disclosure depends on the situation. In a small community, the entity may not state too much. They would need to cite the specific

subsection that pertains to the issue. Mr. von Tagen said that his advice would be to give as much information as you are able.

In response to a question regarding why someone would knowingly violate the law, **Mr. von Tagen** said that he has had one case in 15 years that he could maybe meet the “knowingly” standard.

**MOTION:** **Rep. Crane** moved to **send S 1142 to the floor with a DO PASS recommendation.**

**Reps. Higgins** and **Labrador** expressed support for the motion.

The **motion carried on voice vote.**

**Rep. Luker** will be the **floor sponsor.**

**S 1110** **Rep. Pasley-Stuart** moved to **adjourn** because of the need to be on the floor at 10:30. She suggested putting **S 1110** on tomorrow’s meeting agenda.

**ADJOURN:** **Chairman Loertscher** adjourned the meeting at 10:25 a.m. and stated that tomorrow’s meeting would be at 8:30 a.m.

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Representative Thomas Loertscher  
Chairman

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Cindy Williams  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 26, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Anderson

**GUESTS:** Dave Whaley, President, Idaho AFL-CIO; Cindy Hedge, Sec./Treas. Idaho AFL-CIO; Alex Neiwirth, Idaho Association of Government Employees; Andrew Hanhardt, President, Idaho Association of Government Employees

**Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.

**Ann Joslin**, Idaho Commission on Libraries, gave a presentation on the Library Commission's digital repository for state publications. She said that library use is increasing because Idahoans are finding the programs and services they need in print, in person and online. The Commission has helped by developing statewide programs delivered by public, school, and academic librarians. The new service she highlighted for the committee today is called "Stacks," the digital repository of Idaho state publications. Stacks is the system that is bringing the document depository system into the 21<sup>st</sup> century. By statute, it is required that the state librarian have on file 20 copies each of all documents, reports, brochures, pamphlets, and bulletins for every agency, board, bureau, commission or department of the state including institutions of higher education. (Full list attached to original minutes with librarian). The best and most efficient way to achieve this is through a stable online access point for a master digital repository of all state public documents. The repository was established in 2008 and they have been working since then to develop a fully searchable digital repository of publications from state agencies. Stacks is intended to serve as a free, centralized, resource for the public and as a memory of the state of Idaho's business. To date, feedback has been very good that the service through the website is easy, fast and much better than the old version. In answer to committee questions **Ms. Joslin** stated that the website employs a staff of three. She also said that backup is handled by capturing the publications on an in-house server, and they are also working out a way to transfer those to the state historical society since they have the archival responsibility. An outside archival service also utilized.

**S1013:** **Ann Joslin**, Idaho Commission for Libraries was present for questioning. This legislation moves the Idaho Commission for Libraries from the Office of the State Board of Education to the Department of Self-Governing Agencies, where the Commission will operate under it's own Board of Trustees. The bill provides for the appointment of Commissioners, establishes terms and geographic representation requirements, and permits the governor to remove a board member for cause. The Board of Trustees is accountable for the agencies operation. In answer to committee questions, **Ann Joslin** said one of the reasons for this change is that the Commission for Libraries is already a operating like an agency under the current structure, and the State Board of Education has plenty to deal with without adding the Commission for Libraries to their responsibilities.

**MOTION:** **Rep. Smith** moved to send **S1013** to the floor with a do pass recommendation. The motion carried on voice vote. **Rep. Smith** will sponsor the bill on the floor.

**S1110:** **Sen. LeFavour** presented **S1110** to the committee. This legislation adds lawfully present persons with any type of immigration service document that validates their presence under refugee or asylee status to the list of eligible groups for public benefits. Including these groups will allow them to assimilate more quickly, and allow them to access services that help their families survive the transition period, while they await full citizenship. What happened in the last two years is some pieces of ID that refugees might have were not included in the original piece of legislation. All this does is add four types of identification for individuals with legal status. These items prove their lawful status. This corrects an over-site in the original piece of legislation.

**MOTION:** **Rep. Labrador** moved to send **S1110** to general orders for the following correction: a typographical error on Page 2 line 27. the word "boarder" should be "border." The motion carried by voice vote. **Rep. Labrador** will sponsor the bill on the floor.

**HJM 8:** Held by sponsor.

**SCR 107:** **Paige Parker**, from Legislative Services, presented **SCR 107** to the committee. By statute, agency rules adopted under the Administrative Procedure Act that impose a fee or charge do not go into effect unless approved by concurrent resolution of both houses of the Legislature. This concurrent resolution would approve agency fee or charge rules that have been adopted during the last calendar year, and which were submitted through the Office of the Rules coordinator to the Legislature or review during the current legislative session, with four exceptions (as listed on the SOP). This is a culmination of the rules review process for both the House and the Senate. The secretaries have submitted their letters reporting the actions of their committees. Fee rules or rules that impose a fee or charge do not become effective unless they are approved. Pending rules must be rejected. The way we handle that is with the concurrent resolution. This concurrent resolution approves all the rules that were not rejected and sets out the ones that were rejected.

**MOTION:** **Rep. Luker** moved to send **SCR 107** to the floor with a do pass



recommendation. The motion carried by voice vote. **Rep. King** will sponsor the bill on the floor.

**SCR 108:** **Paige Parker**, from Legislative Services, presented **SCR 108** to the committee. Temporary rules promulgated during the year go into affect at time specified to comply with deadlines or confer a benefit . They do not continue unless approved by the legislature. This legislation approves those temporary rules and allows them to continue in effect following the end of this legislative session. None of the temporary rules were rejected ths year.

**MOTION:** **Rep. King** moved to send **SCR 108** to the floor with a do pass recommendation. The motion carried on voice vote. **Rep. Luker** will sponsor the bill on the floor.

**ADJOURN:**

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** March 30, 2009
- TIME:** 8:30 a.m
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Rep. Anderson, Rep. Black, Rep. Labrador
- GUESTS:** Rick Eborall, Idaho Land Title Association; Dick Mollerup, Idaho Land Title Association; Debbie Watts, Stewart Title; Sharon Burke, Idaho Association of Counties; Marty Peterson, University of Idaho; Duane Smith, Idaho State Association of County Recorders & Clerks
- Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.
- MOTION:** **Rep. Higgins** moved to approve the minutes from March 17. The motion carried by voice vote.
- MOTION:** **Rep. Palmer** moved to approve the minutes from March 20. The motion carried by voice vote.
- RS 18885:** **Rep. Barrett** presented **RS 18885** to the committee. The purpose of this legislation is to commend the city of Arco, Idaho, in it's Centennial year. Arco was the first city in the world to be lit by atomic power on July 17, 1955, lighting the city for approximately two hours. The city now celebrates the event annually on the weekend closest to the anniversary date with "Atomic" days.
- MOTION:** **Rep. Mathews** moved to introduce **RS 18885** and send it to the second reading calendar. The motion was carried by voice vote.
- H 238:** **Larry Benton**, partner at Benton & Ellis, presented **H 238** to the committee. He explained that this legislation clarifies the intent of legislation passed in 2006, the intent of which was to establish guidelines for determining the fees to be charged by County Recorders for electronic imaging duplication services performed on behalf of title companies. Since passage of this 2006 legislation requiring recorders to charge only the actual direct cost of reproduction, disagreements in methodology have come forth that require additional statute clarification. Most counties did not have a problem with this. However, Bonner County is involved in a lawsuit related to this issue which is expected to be resolved in November.

**Mr. Benton** has spoken to the Association of Counties and they are not in support of this legislation. Title companies do want to pay their fair share, but they do not want this to be utilized as a separate source of revenue. They have tried to resolve this issue outside this body. The original bill was vacant of some language that was intended to be included. That language says that if the records are available by electronic means, then they shall be furnished by electronic means.

**Mr. Mollerup**, Attorney, acting as legislative chairman for the Idaho Land Title Association was recognized by the chair. To give the committee some background on the issue he explained that as a condition of obtaining a license to operate as a title insurance company in the state of Idaho, statute requires they have a complete set of records for all documents that affect the land title company. Buying the records is not a convenience to them it's a condition to operate under Idaho statute. The one place to get those records is at the County Recorders office. In 2006 legislation was passed that provides that the fees charged by recorders is not to exceed the actual cost of producing the record. It also provided for negotiation of fees and set forth the process by which this was to occur, which is what most counties do. For most, this method works just fine. But there are a few outlying counties that are trying to take cost accounting to a new level. Bonner County increased the per page copy price to \$1.00 per page because they are allowed to by statute. They had been charging \$0.05 cents per page. This is a rate increase that seems exorbitant and out of line with the intent of this legislation. They say they must first record the documents and store them before they can reproduce or transmit them. Their current calculations estimate those costs at \$0.82 cents per page. In 2006 the Attorney General's office issued an opinion that seemed to reflect that the cost may not include overhead labor or be used as a means to raise money. To clarify, what they did in 2006 was to provide for electronic copies and align the statute according to the policies of the public records act. By charging more than the cost and making it a revenue source it could be considered an unlawful tax.

In answer to committee questions, **Mr. Mollerup** said he did not think it would be better to wait until the Bonner County litigation was concluded because that decision could be appealed and it could take years for that to reach the Supreme Court. He said this is a statewide issue and it is proper for the legislature to make a statement. **Rep. Luker** asked what were the counties charging per page before they had the ability to make electronic copies. **Mr. Mollerup** replied that the charges on the cost per page ran from \$0.05 cents up to \$0.25 cents. The costs are different in different counties with different volumes of documents, but none at the \$1.00 per page. The cost per page it has always been negotiated between each county recorder and the individual title company. The vast majority of counties did not want to redo that.

**Rep. Luker** , referring to the county fee charges handout, commented that it looks like two or three counties are the main problem areas citing Bonner and Power Counties. Mr. Mollerup agreed that Bonner County primarily and Power County to a degree are charging more. But other counties as well wanted to increase their costs as additional revenue. One was Canyon County. That issue has not been resolved as yet. For the majority of counties this won't change the procedures they are currently following.

**Duane Smith**, County Clerk, Minidoka County, representing the Idaho Association of Counties and the Idaho State Association of County Recorders & Clerks, was recognized by the chair. He has been a County Clerk for 26 years. The operation of the Recorder's office has undergone more changes than other county offices. Minidoka County's \$0.15 image charge goes back 15 years. And, it is a lot easier today for the Recorder's office to provide the copies to the title companies. It is also more efficient and faster for the title companies as well. The title company in Minidoka County operates in six counties throughout the Magic Valley. Five of those counties charge \$0.15 per image and there appears to be no problem with that fee. It appears that most all of the counties have established a fee and have not had a problem with their title companies. This bill seems to be addressing one or two isolated situations.

In reply to committee questions, Mr. Smith said that many county clerks don't even charge for internet access. He agrees that a flat rate is much easier to work with. He said it would be difficult for him to comment on the fee that Bonner County is charging not knowing the details on how it was computed. He also has no problem with title companies sharing information.

**Ric Eberoll**, President of Operations at Alliance Title & Escrow was recognized by the chair. Mr. Eberoll **spoke in favor of H 238**. His objectives regarding this legislation are threefold: 1) To require that negotiations under this statute between the title companies and the recorder occur in good faith. 2) To clarify how costs for retrieval and duplication of the record are to be calculated. 3) To align 31-3205 with the Idaho Public Records Law which provides for recovery of an agency's actual direct cost of copying the information. He believes the passage of this legislation will provide the recorders and the purchasers of the records with clearer guidelines for negotiating the fees. An impasse has occurred under the current legislation with the two counties he has attempted to negotiate with. He believes further lawsuits can be avoided with the passage of this legislation. In answer to committee questions, Mr. Eberoll said that he was not opposed to a \$0.15 flat fee unless it resulted in a rate that was two, three, or four times the actual cost. Mr. Eberoll's complete written testimony will be recorded in the official copy of the minutes in the Librarian's Office.

**Sharon Burke**, representing the Idaho Association of Counties, **spoke in opposition to H238**. Regarding the fees on the fee schedule that was handed out, most counties are charging between \$0.05 and \$0.25. Those are negotiated fees. The main issues are Bonner County and Power County. She thinks that Power County is a volume issue. They don't have the volume of some of the larger counties. She said that to calculate the exact cost per copy is very complicated when you think about that process. We will have to train 44 counties on this language. It's going to upset the apple cart in some counties. When they have talked with the other title companies, by passing this legislation there will be 44 people calculating the actual costs. The title companies will be hiring cost accountants. Is this really the road we want to go down. Think about all the other fees if we go down this road. This opens the door for cost accounting on all fronts. **The Idaho Association of Counties opposes this legislation**. They do not feel this issue should come before the legislature every year.

In answer to committee questions, **Ms. Burke** said that some of the larger counties will be able to charge less because they have more volume. Smaller counties may have to charge a little more due to a lack of volume. Regarding the opposition's claim that this language will add clarity, there will also be more confusion due to the creative nature of cost accounting.

In closing, **Mr. Benton** said the title companies want to pay their fair share. Although this system does set forth the methodology of calculating a cost formula, there is still the negotiating factor in good faith. If people come together and talk about costs, they can still be negotiated. They do not need to use cost accounting in all instances.

**MOTION:**

**Rep. Pasley Stuart** moved to **hold H238 in committee**. She requested all parties to try and negotiate this. She commented that it is extremely expensive to bring this matter to the legislature. The method to determine the costs is so complicated that many of legislators are struggling with it.

**Rep. Kren** offered that the more testimony we hear the more obvious it is that this should be calculated on a flat fee. However, smaller counties have a disadvantage, and their support should be obtained on the final resolution.

**VOTE ON ORIGINAL MOTION:**

**The motion to hold H238 in committee was carried by voice vote.**

**SJR 101:** **Senator Stegner** presented **SJR 101** to the committee. This legislation allows the University of Idaho to charge tuition, which they are currently barred from doing. He explained that the joint resolution is a method used to amend the constitution. This will clear something up that has been going on in Idaho for 120 years, which is, that the University of Idaho cannot charge tuition. They can charge fees, but not tuition. This technicality in language has already been changed for all other universities in Idaho. This came about because the University of Idaho predates the constitution of the state of Idaho. As such, all territorial law was incorporated into the constitution, which according to the Supreme Court is the best way to change territorial law. Graduate students and out-of-state students can be charged tuition. There is a difference between fees and tuition. The reason it is important is according to statute all other state institutions can charge fees as prescribed by the Board of Regents, including tuition. In the statute dealing with the University of Idaho they are not allowed to use any fees to pay for the cost of instruction. In today's world of economic downturns that is a burden for the University of Idaho. They do not have the freedom to move their fees and tuition around to pay for associated charges. There are legal scholars who think this could be clarified in the Supreme Court. He feels that bringing this issue to the legislature is a far more prudent solution.

**MOTION:** **Rep. Luker** moved to send **SJR 101** to the floor with a do pass recommendation. The motion carried by voice vote. **Rep. Bedke** will carry the bill on the floor.

**ADJOURN:** As there was no further business the committee adjourned at 9:32 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** March 31, 2009

**TIME:** 8:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

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

**GUESTS:** Representative Bedke; Representative Hart; Wayne Hoffman, Executive Director Idaho Freedom Foundation; Jeremy Chou, Intralot, Inc.; Becky Schroeder, Idaho Lottery; Cole Pepper, Connelly & Smyser; Phil Homer, Idaho Association of School Administrators; Tom LeClaire, Commissioner, Meridian Parks & Recreation Commission

**Chairman Loertscher** called the meeting to order at 8:00 a.m. A silent roll was taken. The Chairman asked the members to approve the minutes of the meetings held on March 18 and March 26, 2009.

**MOTION:** Representative Higgins moved to approve the minutes of the meeting held on March 18, 2009, as written. Motion carried by voice vote.

**MOTION:** Representative Higgins moved to approve the minutes of the meeting held on March 26, 2009, as written. Motion carried by voice vote.

**RS18811C2:** Chairman Loertscher recognized **Representative Bedke** to explain the proposed legislation. Representative Bedke said this RS replaces H 288. The legislation is basically the same as the bill with some slight changes. The legislation deals with lottery distribution. It changes the distribution formula for the dividends of the Lottery Fund to include the Bond Levy Equalization Fund. The legislation sunsets in FY 2015 and, at the same time, creates a dedicated funding source for the Bond Levy Equalization Fund. No monies will accrue to the Bond Levy Equalization Fund unless there is an increase in gross lottery sales revenue. Any monies that go into the Bond Levy Equalization Fund will do so only after the 2008 distribution level to the Permanent Building Account and the School Building Account has been reached.

This is a pretty simple bill. Representative Bedke said he has learned a lot from the lottery director and the staff. They appear to run a pretty tight ship and do a good job. This will turn out to be substantive legislation.

**MOTION:** **Representative Bilbao** moved to introduce RS 18811C2 and send it directly to second reading.

Jeremy Chou, Intralot, Inc., was recognized to testify. Mr. Chou spoke in

support of the bill.

**Motion carried by voice vote.** Representative Bedke will carry the bill on the floor.

**H 263:**

Chairman Loertscher recognized **Representative Phil Hart** to explain. This bill is known as the "Taxpayer Transparency Act." The purpose of this legislation is to begin the process of creating a searchable internet based database that will essentially put the state of Idaho's checkbook online. This has already been done at the federal level and in several other states.

This legislation was brought forward last year, but there were concerns over the language in the bill, so it was decided to work on the wording and bring another piece of legislation forward this year. The legislation begins the process by having the state controller send out a request for information to the various departments and agencies of state government for the purpose of collecting information as to how easy or how difficult it will be for each to integrate their data into this database.

The controller will send out this request by July 1, 2009. Each agency or department will respond by October 23, 2009. Any state agency that prefers not to participate with the state controller in the creation of this searchable database website is asked to formulate a plan to create its own similar independent database which will be accessible to the public.

This transparency act is in its infancy. Eight states have the system up and running. The federal government has had this in place for 1 ½ years. The cost to do this is just the license fee and an increased number of people using this software. Again, this whole approach is in its infancy and doesn't have a lot of track record.

**MOTION:**

**Representative Mathews moved to send H 263 to the floor with a Do Pass recommendation.**

Representative Pasley-Stuart expressed concern over the fiscal impact on the Statement of Purpose. Representative Hart said any cost could be absorbed in existing manpower and existing budget. Representative Pasley-Stuart expressed concern about fewer people doing more work. In reply, Representative Hart said a lot of this work has already been done.

**Wayne Hoffman** was recognized to speak in support of the bill. Mr. Hoffman said he wanted to follow up and elaborate on this legislation. This is a project in its infancy. Several states have done this with existing resources. The cost estimates appear to be higher than the actual cost. Also, the project seems to lower employee spending by causing them to watch expenses for such things as cars, furniture and travel. Those items seem to be purchased during the last part of June when there is money left over in the budget. Mr. Hoffman said he wrote an article in the Idaho Statesman sort of as a watch dog on employee spending.

**Tom LeClaire** with Meridian Parks and Recreation was recognized. Mr.



LeClaire said this is a great concept. The Parks and Recreation department is making government much more open. Mr. LeClaire said he wanted to encourage the Committee to support the bill.

**SUBSTITUTE  
MOTION:**

**Representative Pasley-Stuart moved to hold H 263 in Committee** due to the inaccuracy of the fiscal impact. The bill is a good idea but the fiscal note is incorrect. This is an unfunded mandate. This could be a very expensive process.

Representative Mathews said he felt the fiscal impact is correctly stated. Representative Simpson spoke in support of the original motion saying the hours needed for this project would be negligible.

**ROLL CALL  
VOTE:**

**Motion to hold the bill failed 3-13-2.** Voting AYE: Representatives Smith, Pasley-Stuart and King. Voting NAY: Representatives Loertscher, Stevenson, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd, Higgins.

**ORIGINAL  
MOTION:**

**The original motion to send H 263 to the floor with a Do Pass carried by voice vote.** Representative Hart will carry the bill on the floor.

**ADJOURN:**

Prior to adjourning, the Chairman said there is one Senate bill on the agenda for Thursday. There being no further business to come before the Committee, the meeting was adjourned at 8:32 a.m.

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Representative Thomas Loertscher  
Chairman

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Betty Baker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** April 2, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Anderson

**GUESTS:** Greg Williamson, KBOI News; Julie Pipal, Boise Metro Chamber of Commerce; Benjamin Davenport, Risch Pisca; Shelly Davis, Irrigation District; Tim Page, The Boise Project Board of Control (BPBOC); Pam Eaton, Idaho Retailers Association/Idaho Lodging and Restaurant Assoc.; John Watts, Veritas Advisors; Fairy Hitchcock, Hitchcock Family Advisors; Dave Whaley, Idaho AFL-CIO; Cindy Hedge, Idaho AFL-CIO; M. Alex Neiwirth, SEIU/NAGE/FAGE; Norm Semanko, Idaho Water Users; Rep. Nielsen; Suzanne budge, National Federal of Independent Business

**Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.

**MOTION:** **Rep. Higgins** moved to approve the minutes of March 18. The motion carried by voice vote.

**MOTION:** **Rep. Shepherd** moved to approve the minutes of March 24. The motion carried by voice vote.

**MOTION:** **Rep. Higgins** moved to approve the minutes of March 30. The motion carried by voice vote.

**SCR 110:** **Rep. Crane** presented **SCR 110** to the committee. This legislation is stating findings of the legislature; supporting and encouraging all government and business employers in the development and implementation of telework policies and programs for their employees and encouraging the continued exploration and, to the extent feasible within available resources, assistance in the improvement and availability of the appropriate technology infrastructure which will aid employers and their employees in maximizing the full potential deployment of telework within the State of Idaho.

The ability to telework increases leisure time and boosts morale and

productivity, as well as enables those who are elderly, disabled or have children in the home to participate more effectively. In answer to committee questions **Rep. Crane** said that any security issues are addressed if a server is used to access the company website.

**MOTION:** **Rep. Kren** moved to send **SCR 110** to the floor with a do pass recommendation. The motion passed on voice vote. **Rep. Crane** will carry the bill on the floor.

**SJM 102:** **Pam Eaton**, president, Idaho Retailers Association and representing the Idaho Lodging and Restaurant Association, presented **SJM 102** to the committee. This memorial urges Congress to oppose the Employee Free Choice Act (EFCA) which would take away a worker's right to a federally supervised private ballot when deciding whether or not to join a union. These three industries in Idaho represent almost one-third of the workforce in Idaho and approximately 60 percent of the general budget through the collection of sales and excise taxes, along with the payroll and corporate income taxes that are paid by these industries. For the three industries she represents this issue is the number one issue at the federal level. EFCA is labor's top priority in Congress this year and would dramatically change U.S. labor law.

Today, employees are entitled to a private-ballot election when deciding whether they want union representation in their workplace. Elections are overseen by the NLRB. Because of National Labor Relations Board (NLRB) safeguards, employees can cast their vote confidentially, without peer pressure or coercion from unions or employers. Three reasons to oppose the EFCA: 1) A card-check process increases the risk of coercion. The best way to protect employees from coercion is through the continued use of a federally supervised, private-ballot process. 2) Private ballots are a basic American right. The entire American system is based on respect for individual liberty and democracy. If Congress passes this proposal they will strip away the protections that federally protected, democratic elections provide for American workers. 3) An employee's decision to join a union should be made in private. .

Employees should not have to reveal to anyone - employers or unions - how they exercise their right to choose whether to organize with the co-workers in a union. Moving to a card check process rather than a federally supervised election tramples on employee privacy. Other groups supporting this Memorial and opposing the federal bill include: Idaho Automobile Dealers Assoc; Associated General Contractors of Idaho; Boise Metro Chamber of Commerce; Idaho Chamber of Commerce Alliance; Idaho Association of Commerce & Industry; National Federation of Independent Business; Idaho Petroleum Marketers & C-Store Association. In addition, at least 21 other states have introduced resolutions to Congress against this Act with one already adopted in Michigan.

**Fairy Hitchcock**, Hitchcock Family Advocates, **spoke in opposition to SJM 102** and is in support of the Employee Free Choice Act.

**MOTION:**

**Rep. Crane** moved to send **SJM 102** to the floor with a do pass recommendation.

**Dave Whaley**, President of Idaho AFL-CIO, representing 23,000 union members in the state, **spoke in opposition to SJM 102**. The Employee free Choice Act is an amendment to the existing National Labor Relations Act which makes no change to the current election process. It does not amend, repeal or eliminate the NLRA election process which is set forth in Section 9C1A. This provision will continue unchanged. If the EFCA is enacted, a petition filed under Section 9c1A which meets the rules of that section will still initiate an election process. The EFCA amends the NLRA representation system by modifying the already existing majority sign up process. It puts the choice of how to form a union in the hands of workers rather than their employer by changing the majority sign-up process to require companies to honor their employee's choice when employees decide to demonstrate their union support in this manner. Instead of their company controlling how workers organize, workers will have the choice of which path to use.

The NLRA has always maintained and regulated two paths to union representation: Both have been in existence since 1935 and both have been endorsed by the NLRB, the Supreme Court and Congress. 1) Election: Section 9x1A requires that a petition be filed which is supported by a significant number of workers in order for the NLRB to conduct an election. The employer cannot veto the election process and; 2) majority sign-up. Widely used and also governed and regulated by the NLRB, it requires that a majority of employees sign authorization cards or petitions indicating their choice for union representation; and it also requires their employer agree to recognize the union based on the majority support. The EFCA will allow workers, not companies, to choose how they form their union by removing the veto power companies now have with the majority sign up process. In answer to committee questions, **Mr. Whaley** said the difference in pay between the unionized and non-union states was about 20 to 30%. **Rep. Labrador** offered that the difference in cost of living between union and non-union states was also about 20% to 30%.

**Susie Budge**, National Federation Independent Business, **spoke in support of SJM 102**. She said this is the biggest issue on behalf of small businesses at this time. This is the biggest change in labor law 60 years - card check strips away the workers right to right of private election during union voting drives. Instead of a private ballot election a union may be organized simply if a majority of employees sign cards.

If a majority of employees sign a union authorization card, a company will become a union business immediately. If you chose not to accept these terms you will face government mandated arbitration and triple damages. In answer to committee questions she said she was not an expert on the legislation, but conveying the concerns of federal lawyers this is a substantive change that will allow card check to be the pre-eminent process by allowing a public process as opposed to a private - if you get to steal the match you never get to a private ballot.

**Alex Neiwirth**, Idaho Association of Government Employees, **spoke against SJM 102**. He said if our main concern is the idea that employees will not have the opportunity to have a secret ballot before being unionized - right now you can already get a majority of people to sign up. If the employer wants the employees to have an election the employers can call for an election. This gives the employer the opportunity to twist arms and do coercion.

Currently, under the status quo after a majority of people have so indicated, the choice of whether or not to have a secret ballot is in the employer's hands. Under card check, employees still have to demonstrate majority support for forming a union in the workplace once they get 51 percent of their associates to decide to be in a union. Then, the choices are will there be an election or not. If they get 30 percent to request an election there is a secret ballot election. If they can't find 30 percent who want to have a secret ballot, then the 51 percent stands - the question is who will decide if the employees vote in a secret ballot, the employer or the employees.

**Rep. Pasley Stuart** spoke in opposition to **SJM 102**. She said she was offended by some of the written testimony offered here. Employers have always had the right to make choices. It is the employee that has not had the right to make choices. She will be voting no on this legislation.

**Rep. Andrus spoke in favor of SJM 102**. He feels that the EFCA is a tool for coercion.

**VOTE ON  
ORIGINAL  
MOTION:**

A roll call vote was called on the **motion to send SJM 102 to the floor with a do pass recommendation**. The motion passed 11 to 5. **Reps Stevenson, Black, Andrus, Bilbao, Labrador, Crane, Mathews, Kren, Palmer, Simpson, Shepherd voted AYE. Reps Luker, Smith, Pasley-Stuart, King and Higgins voted NAY.** Rep. Nielsen will carry the bill on the floor.

**S 1096:** **Norm Semanko**, Executive Director, Idaho Water Users, presented **S1096** to the committee. This clarifies the ability of the irrigation districts and their boards the control to purchase used personal property without competitive bidding, consistent with a previous statute. This legislation amends IC 67-2803 to reinstate the protection that originally existed in IC 43-901B, which exempted the purchase of used personal property from the competitive bidding process for the acquisition of goods and services by an irrigation district. In 2005, when the government purchasing provisions were consolidated at Title 67, Chapter 28, the exemption in IC 43-901B was inadvertently left out. This will reinstate the exemption.

**MOTION:** **Rep. Stevenson** moved to send **S 1096** to the floor with a do pass recommendation. The motion carried by voice vote. **Rep. Stevenson** will carry the bill on the floor.

**ADJOURN:** As there was no further business the meeting adjourned at 9:45 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

MINUTES

**HOUSE STATE AFFAIRS COMMITTEE**

**DATE:** April 7, 2009

**TIME:** 9:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** None

**GUESTS:** Sen. Jorgensen, Fred Riggins

**MOTION:** **Rep. Pasley Stuart** moved to approve the minutes of March 31. The motion is carried by voice vote

**MOTION:** **Rep. Smith** moved to approve the minutes of April 2. The motion was carried by voice vote.

**S 1145 :** **Sen. Jorgensen** presented **S 1145** to the committee. This legislation will fix an oversight in current law. Currently if a citizen applies for a concealed weapon permit all of the information on the application is not open for public disclosure. That means a newspaper or a member of the public cannot have any of the information that is submitted in the application. In 2005 section 18-3302 was added that was crafted after federal law. However, there was never a clause added that exempted the information added from public disclosure. This bill corrects that. The language added is on page 3 lines 41 thru 43 section 14, and reads, "Information relating to an applicant or licensee received or maintained pursuant to this section by the sheriff or Idaho State Police is confidential and exempt from disclosure under section 9-338, Idaho Code".

**MOTION:** **Rep. Luker** moved to send **S 1145** to the floor with a do pass recommendation. The motion carried by voice vote. **Rep. Palmer** will carry the bill on the floor.

**Chairman Loertscher** advised the committee to listen for an announcement as to when our next meeting will be.

**ADJOURN:** As there was no further business the committee adjourned at 9:07 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

- DATE:** April 9, 2009
- TIME:** 8:00 a.m.
- PLACE:** Room 145
- MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins
- ABSENT/  
EXCUSED:** Rep. Shepherd
- GUESTS:** Julie Pipal, Boise Metro Chamber of Commerce; Barbara Jorden, Idaho Trial Lawyers Association
- Chairman Loertscher** called the meeting to order at 8:04 a.m. A silent roll was taken.
- MOTION:** **Rep. Higgins** moved to approve the minutes of **March 19**. The motion carried by voice vote.
- MOTION:** **Rep. Higgins** moved to approve the minutes of **March 25**. The motion carried by voice vote.
- MOTION:** **Rep. Pasley Stuart** moved to approve the minutes of **April 7**. The motion carried by voice vote.
- H 287:** **H 287: Rep. Thompson** presented **H 287** to the committee. The purpose of this legislation is to provide immunity for employers who allow employee firearm storage in their personal vehicles on the employer's property. Rep. Thompson called the committee attention to two letters in favor of this legislation, from the Idaho Association of Commerce & Industry and the Boise Metro Chamber of Commerce. Currently some employers ban the storage of fire arms in employees vehicles. This effects hunters and more importantly people who carry firearms for protection. This bill relieves employers if they allow employees to store their firearms in the personal vehicles while they are at work. This legislation is good policy and limits the employer's liability in situations beyond an employer's control.
- Rep. Luker** commented that if we are making a policy decision about the decision of an employer then it should go both ways. That it allows or does not prohibit means the same thing. In order for this legislation to protect the employer whether they do or do not already have a policy in place, the word "not" should be removed before the word "prohibit". Changing the language in that way will preserve the right of any employer.



**Rep. Thompson** replied that this language was intended to provide an incentive to employers who promote safety to their employees who carry firearms. He explained that the language was modeled after similar legislation in 18 states. He would prefer that it not be changed, but would consent if it was the will of the committee.

**MOTION:** **Rep. Kren** moved to send **H 287** to the floor with a do pass recommendation.

**SUBSTITUTE MOTION:** **Rep. Luker** moved to send **H 287** to general orders and remove the word "not" on line 13 to make it applicable to any employer.

**Barbara Jordan** representing the Idaho Trial Lawyers Association **spoke against H 287**. The Idaho Trial Lawyers feel this is not a requirement in this state. The employer already has this protection. Bringing forth this legislation expands liability for those employers that ban their employees from storing firearms in their vehicles on employer property. It is creating a lopsided law. In reply to Rep. Thompson's hope that this legislation will offer an incentive to employers to create a policy, this will create a greater liability for those that already have a policy in place banning employees from bringing firearms onto employers property. It is the hope of the Idaho Trial Lawyers that this legislation be held back for further consideration.

**Julie Pipal**, representing the Boise Metro Chamber of Commerce, **spoke in support of H 287**. To their understanding, this will provide liability protection to the employer, whether or not they have a firearm policy in place.

**Rep. Mathews** spoke against the substitute motion.

**VOTE ON SUBSTITUTE MOTION:** A roll call vote was called. **The vote to send H 287 to general orders for rewording failed on a vote of 13-3-2. Reps. Loertscher, Anderson, Black, Andrus, Bilbao, Labrador, Crane, Mathews, Kren, Palmer, Simpson, King, and Higgins voted NAY. Reps. Luker, Smith, and Pasley-Stuart voted AYE.**

**VOTE ON ORIGINAL MOTION:** A roll call vote was called. **The vote to send H 287 to the floor with a do pass recommendation was carried 11-5-2. Reps. Loertscher, Anderson, Black, Andrus, Bilbao, Crane, Mathews, Kren, Palmer, Simpson and Higgins voted AYE. Reps Labrador, Luker, Smith, Pasley-Stuart and King voted NAY.**

**S 1133:** **Chairman Loertscher** advised the committee that there were members on the committee that wanted to reconsider **S 1133** and opened the subject for discussion.

**Rep. Pasley-Stuart** voiced her objection to reconsidering S 1133.

**MOTION:** **Rep. Simpson** moved to bring **S1133** back to the committee for reconsideration. He said he and others have been working with the bill sponsor and the Superintendent of Education on this in hopes of getting some kind of resolution. They attended a meeting yesterday and several

of the issues in this bill were discussed. A grandfather clause was mentioned, but ultimately it was felt the clause would be problematic to the bill and would fail in the Senate. After that meeting they are still dealing with competing interests. One issue can be handled in the rule making process, and that would be some sort of oversight relating to drivers education by the Dept. of Education, in specific regarding their curriculum. He shared with the committee that something has come up in his district that changes his position on the matter, and he now feels we should act more quickly. What has happened is that one of the school districts in his district is phasing out their driver's education. He is supportive of the concept in this legislation and asks the committee to reconsider **S1133**.

**Rep. Pasley-Stuart** moved to hold **S1133** in committee. She said she feels blind sided by this request. There has been no discussion about this bill coming back. She was unaware of a meeting yesterday as she was not invited. If she had been, she would have attended. She supported this bill and said this is a classic case of the non-transparency in government that our citizens are objecting to. She commented we have already heard this bill. It was a tie vote. She feels the process is unfair. For those reasons she is **opposed to reconsidering S1133**.

**Chairman Loertscher** advised **Rep. Pasley-Stuart** that her motion was out of order. S1133 would have to be under reconsideration for her motion to be valid.

**Rep. Luker spoke against the motion to reconsider S1133.** The first time he saw it on today's agenda was this morning. He has serious reservations about the bill itself because we are licensing a profession for only part of their activities. Driving trainers instruct not only drivers education students, but also adults. This bill puts a portion of that profession under the occupational licensing laws but not the full profession. Secondly, this is a bill that has a division involved and no buy-in from the Department of Education. He will vote against the motion to reconsider.

**Rep. Crane spoke against the motion to reconsider S1133.** He was in the meeting yesterday and is less than impressed with the way this has been conducted. He will be voting against reconsidering S1133.

**Rep. Labrador spoke against the motion to reconsider S1133.** He was at the meeting yesterday and it seems there are some things that could be done. He has spoken with the sponsor, Sen. Geddes, and Superintendent Luna. All parties are still not in agreement on some issues, so Rep. Labrador is not in favor of reconsidering S1133. However, he says there is still enough time for the sponsor and superintendent to go to the table and reach an agreement.

**Rep. Simpson** said that the one issue that does have merit in this is that the State Board of Education has some consultative oversight. At least they should get a copy of the curriculum. This issue can be solved in the rule making process. He thinks amending the bill is going to be problematic plus the fact the sponsor has a host of driver's education

instructors that would have to pull together in committee. There is little opportunity to do that before this session ends. He will insist next session that this issue be brought up.

**Rep. Mathews** offered that when he was a freshmen representative and serving on the Education Committee, this same subject came up. It was a very controversial subject then, as it is now. He said it seems there exists a window of opportunity to get the parties together. The best vehicle to accomplish this would be to reconsider the bill and if appropriate send it to the amending order. **He is in favor of reconsidering S1133.**

**MOTION:** **Rep. Labrador** moved to adjourn. The motion carried by voice vote.

**ADJOURN:** As there was no further business, the committee adjourned at 8:32 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** April 14, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Stevenson, Rep. Luker, Rep. Crane

**GUESTS:** None

**Chairman Loertscher** called the meeting to order at 8:30 a.m. A silent roll was taken.

**MOTION:** **Rep. Higgins** moved to approve the minutes of April 9. The motion was carried.

**SCR 111:** **SCR 111: Sen. Davis** presented **SCR 111** to the committee. The purpose of this legislation is to honor and commend M. Allyn Dingel for his years of service to the legislature of the State of Idaho, to the Idaho Courts and for his charitable and philanthropic endeavors. Mr. Dingel graduated from the University of Idaho, and has had many professional honors bestowed on him over the years. He is a former lawyer representative and he served on the Judicial Committee. He even argued a case at the Supreme Court level. Most lawyers go their entire life and never have the chance to go to the Supreme Court. He was a Deputy Attorney General for three years, and then joined the Elam and Burke law firm where he had a distinguished career spanning more than 40 years. He has taken a great interest in his children and their endeavors. He demonstrated a remarkable humor and had a fantastic memory. Many of his great stories about our legislative process will be lost upon his death. He is a genuine gentle human being. Mr. Dingel has fought hard for the various people he represented both in the court room and in the legislative forum.

Several representatives shared humorous stories about his stutter and heartfelt stories of their personal experiences with Mr. Dingel.

**MOTION:** **Rep. Black** moved to send **SCR 111** to the floor with a do pass recommendation. The motion passed on voice vote. **Rep. Black** will sponsor the bill on the floor.

**Chairman Loertscher** asked if there was any unfinished business that the committee would like to discuss.

**S 1133 MOTION:** **Rep. Simpson** moved to send **S 1133** to the floor with a do pass recommendation. **Chairman Loertscher** advised that this motion was out of order as the same motion was previously made and voted on during a previous meeting. **Rep. Simpson** withdrew the motion.

**MOTION:** **Rep. King** moved to send **S 1133** to the floor with no recommendation.

**SUBSTITUTE MOTION:** **Rep. Labrador** moved to send **S 1133** to general orders. He said the purpose of sending **S 1133** to general orders would be to add a minimum requirement the same as private educators are required to have. When the bill was presented to the committee they were told that the minimum standards would go far and above what is currently required. He would like to change the language to add a requirement that the minimum requirements would not be less than those already set by the State Board of Education. There would be no ceiling to the requirements.

**Rep. Labrador** commented that part of the problem is no other profession has a similar two tiered curriculum . Lawyers have one test, nurses have one test. In this particular instance there is a two tiered system. In recent meetings to work on a possible agreement between the Board of Education and the driving instructors, he was informed that there was a possibility that having a test would be something they would not want to do. Rep. Labrador feels if they are teaching our children they need to have passed a test. The test should at least meet or exceed the requirements of the State Board of Education. In answer to committee questions he said that he has worked with all parties involved on the amendment and this was the one solution that seemed to have the best possibility of passing the Senate. They did consider a grandfather clause but it was decided that it would not pass the Senate.

Rep. Anderson and Pasley Stuart spoke in support of the original motion.

**VOTE ON SUBSTITUTE MOTION:** A roll call vote was called on the **substitute motion to send S 1133 to general orders. The motion failed 3 to 12. Reps. Labrador, Kren and Smith voted AYE; Reps Loertscher, Anderson, Black, Andrus, Bilbao, Mathews, Palmer, Simpson, Shepherd, Pasley-Stuart, King and Higgins voted NAY.**

**VOTE ON ORIGINAL MOTION:** **The motion to send S 1133 to the floor with no recommendation was carried by voice vote.**

**Chairman Loertscher** commented that we may have other legislation to come before the committee and to listen for committee meeting announcements.

**ADJOURN:** As there was no further business the meeting adjourned at 9:10 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** April 16, 2009

**TIME:** 8:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Rep. Black, Rep. Kren

**GUESTS:** Kathie Garrett, Partners in Crisis

**Chairman Loertscher** called the meeting to order at 8:04 a.m. A silent roll was taken.

**MOTION:** **Rep. Pasley Stuart** moved to approve the minutes April 14. The motion was carried by voice vote.

**S 1184:** **Chairman Loertscher** presented **S 1184** to the committee, in Sen. Geddes absence. This legislation seeks to make a couple of changes that were evidenced in the last redistricting plan that has caused some problems. It focuses on the redistricting process to protect and preserve communities of interest in the following ways: 1. Counties will not be divided whenever possible; 2. Counties or portions of a county in a district will be directly connected by roads and highways to establish communities of interest; 3. District boundaries and local voting precincts will remain intact as much as possible. For instance, his district is extremely diverse. Not everyone lives in the same water basin. There are the Snake River and the Bear River districts. There are two judicial districts and two school districts.

This legislation also establishes that people who serve on the redistricting commission can only precede themselves if they complete their work, and that work must be reviewed again because a court of competent jurisdiction has invalidated a plan of the commission. In that case the commission is required to meet again to complete a new reapportionment or redistricting plan. It seems reasonable that this position would have term limits. **Chairman Loertscher** agreed with a statement made by former representative Dean Haagenson, and quoted from his letter: "you should do away with the Re-Appportionment Commission and go back to having the legislature redistrict itself. The legislature knows the state and its communities of interest better than any commission possibly could."

In answer to committee questions, **Chairman Loertscher** explained that

redistricting must start in the northern part of Idaho because of the panhandle. It is easier to change boundaries in Boise than in Northern or Eastern Idaho. Much of the redistricting has to do with numbers. There are great computer programs that have been instituted to help with that process. The legislature is very aware of their districts and this will give a fresh look to the commission. In order to comply with sec 306, the commission must follow logical lines or some other feature like a ditch, fence line, or a road. That's what determines how you split precincts. **Rep Bilbao** inquired if growth patterns were considered when redistricting. **Rep. Loertscher** said that the hard information that is used comes from the census.

**Sen. Geddes** explained further that the U.S. Supreme court allows for some deviation of population in redistricting. In anticipation, our Idaho Commission drew a line at a rate of 10% fixed.

**Rep. Loertscher** further explained that all district boundaries are in jeopardy every ten years. Changes are going to occur. It seems reasonable that the road requirement will make it easier to take better care of constituents in a reasonable manner. **Rep. Higgins** called attention to page 2 line 26 that says that there must be an affirmative vote of five members of the six that the commission cannot complete its duties for a legislative district. She queried why we needed so many committee members on this requirement when a simple majority of a six-member commission is four members. **Rep. Loertscher** explained it was felt that this requirement needed to be a little tougher so we know all the other alternatives have been discussed.

**Sen. Geddes** was recognized by the chair. He said Rep. Loertscher gave a good presentation and the questions and answers have been accurate. Regarding Rep. Bilbao's question about growth patterns, the Supreme Court has drawn a very bright line and the most important criteria are that all of the legislative districts are balanced, and that is the most difficult requirement to comply with. Some Senators have also expressed concerns about the provision that districts are connected by highways and in light of that, the population will change significantly in redistricting. His focus has been and will be to protect communities of interest. That is primary as we look at this legislation. Many communities feel disenfranchised because they are disconnected from their districts. Sen. Geddes said he probably receives more phone calls from Oneida County than other representatives that represent that area because they reside in the same judicial district. It's a natural link that was lost in the last redistricting effort. That is the most significant criterion to address in this legislation. As soon as the next census is completed there will be a new redistricting effort. He agrees that the legislature should take this responsibility back. The legislature understands the communities of interest significantly better than the commissioners that have been appointed in the past.



**Rep Stevenson** asked if in the future would we always have to start in the North or East? Is there anything to prohibit doing that or is that a natural flow? **Rep. Geddes** explained that it is actually best to start in the North and East and move toward the Boise Valley area. In Boise Valley you can move a mile or a block or two and not divide a community of interest. That would be a better solution.

In answer to committee questions, **Sen. Geddes** said that even though there is some consensus that the current system doesn't work, it would be very difficult to change the constitution due to the public sentiment and perceptions at this time. He also pointed out that there could be a 10% variance in the size of a legislative district. Regarding the map handout that he distributed to the committee, to the extent it is possible it has been vetted. It may be difficult to not separate some counties, but emphasis will be placed on avoiding that whenever possible.

**MOTION:** **Rep. Bilbao** moved to send **S 1184** to the floor with do pass recommendation.

**Rep. Luker** had one concern. Regarding the waiver provision in subsections seven and nine that gives the commission the power to waive the subsection completely, he would prefer making a change in language that would be more specific to a particular district, rather than throwing the whole rule out by the decision of the commission.

**SUBSTITUTE MOTION:** **Rep. Luker** moved to send **S 1184** to general orders for a change in language in subsections seven and nine.

**Rep. Crane** spoke in favor of the substitute motion. He has the same concerns as Rep. Luker and feels we can tighten up the language by sending it to general orders.

**VOTE ON SUBSTITUTE MOTION:** A roll call vote was called on the substitute motion to **send S 1184 to general orders. The motion failed 2 to 14. Reps. Luker and Crane voted AYE. Reps. Loertscher, Anderson, Stevenson, Andrus, Bilbao, Labrador, Mathews, Palmer, Simpson, Shepherd, Smith, Pasley-Stuart, King and Higgins voted NAY.**

**VOTE ON ORIGINAL MOTION:** A roll call vote was called on the original motion to **send S 1184 to the floor with a do pass recommendation. The motion was carried. Reps. Loertscher, Anderson, Stevenson, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Palmer, Simpson, Shepherd voted AYE, Reps Smith, Pasley-Stuart, King and Higgins voted NAY.** Chairman Loertscher will sponsor the bill on the floor.

**ADJOURN:** As there was no further business the meeting adjourned at 9:10 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

## MINUTES

### HOUSE STATE AFFAIRS COMMITTEE

**DATE:** April 21, 2009

**TIME:** 8:00 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Reps. Black, Labrador, Simpson

**GUESTS:** Dyke Nally, Superintendent, Liquor Dispensary; Larry Maneely, Deputy Superintendent, Liquor Dispensary; Colleen Andrus, Denise Rogers

**Chairman Loertscher** called the meeting to order at 8:00 a.m. A silent roll was taken.

**Rep. Higgins** moved to approve the minutes of April 16. The motion carried by voice vote.

**S 1204:** **Dyke Nally** presented **S 1204** to the committee. This legislation removes the requirement that an official seal or label must be attached to packages of liquor that are sold in the State of Idaho and removes the responsibility of prescribing the kinds and characters of those seals from the superintendent of the liquor dispensary. Possession of liquor in an unstamped container would not be considered illegal if it was not subject to regulation by the liquor dispensary.

None of the other control states, i.e. Montana, Wyoming and Utah, use labels anymore. There are ten million bottles of liquor a year sold in Idaho. It takes a considerable amount of time for the employees at the state run stores to open all the boxes and affix stickers to each of the bottles. The original intent of the stickers was for law enforcement to be able to go into bars and see quickly if the liquor stocked in the bar is state liquor. The stickers will continue to be affixed to bottles of liquor that are distributed to bars and restaurants. As the pricing for liquor in all adjacent control states, is similar to the state of Idaho, there is no incentive to bring liquor into Idaho from these states. The fiscal savings to the state is somewhere between \$150,000.00 and \$500,000.00 per year. It is difficult to determine a more exact estimation of savings as there is a gap in the hourly wages paid to some of the employees that are affixing the stickers. Depending on the employee that is doing the work they are making from \$8.00 per hour to \$20.00 per hour. This represents a 70% reduction in the labor intensive process of affixing stickers to all bottles of liquor. Similar legislation just passed in Utah by a unanimous vote. It is estimated that Utah will save 100 million dollars per year.

In answer to committee questions **Mr. Nally** explained that all the money saved goes goes back to the people. It is divided amongst the general fund and to cities and counties. He further explained that for the purposes of this legislation, "distributing stations" refer to liquor stores and "licensed premises" are bars or restaurants.

**MOTION:** **Rep. Anderson** moved to send **S 1204** to the floor with a do pass recommendation.

**SUBSTITUTE MOTION:** **Rep. King** made a substitute motion to send **S 1204** to general orders to clarify language on line 27 by adding "or owners of a business" after the work "person".

**Rep. Anderson** spoke in favor of the original motion. He explained to the committee that it is common for a business to be referred to as a "person" for purposes of being licensed. Most licenses are attached to a person and that is what is being referred to here. He reminded the committee that due to the change in the name of the Liquor Dispensary to the Liquor Division all the codes will be coming back to the committee next year for those changes. He suggested letting the new division take the time to make the necessary changes to language and address it next year when it comes before the committee. **Rep. Luker** offered that the word "person" is probably defined further in another part of the legislation.

**VOTE ON SUBSTITUTE MOTION:** A voice vote was taken on the motion to send **S 1204** to general orders  
**The motion did not carry.**

**VOTE ON ORIGINAL MOTION:** **The motion to send S 1204 to the floor with a do pass recommendation was carried by voice vote. Rep. Crane is recorded as voting NAY.** Rep. Bilbao will carry the bill on the floor.

**S 1215:** **Jeff Youtz** presented **S 1215** to the committee. This legislation has to do with food service in the Capital building. We have not been in compliance for food service because current statute requires that we give priority to the commission for the blind. The House and Senate in contracting out their food services have not been doing that in the past for their House and Senate cafeterias. This legislation provides that the capital building be added as an exception. There is some concern that we don't open up competition for the food service cafeteria already housed in the capital mall basement area. This legislation removes the state capitol building from the definition of "public buildings" as found in 67-6902 of the Idaho Code.

**Rep. Higgins** moved to send **S 1215** to the floor with do pass recommendation. The motion was carried by voice vote. **Rep. Higgins** will sponsor the bill on the floor.

**ADJOURN:**

**Chairman Leortscher** advised the committee that we would meet tomorrow as it would be the secretary's last day. He also said it was possible the committee would meet again, but we have no legislation to consider at this time. Further meetings would be at the call of the chair. As there was no further business the meeting adjourned at 8:45 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary

MINUTES

**HOUSE STATE AFFAIRS COMMITTEE**

**DATE:** April 22, 2009

**TIME:** 8:30 a.m.

**PLACE:** Room 145

**MEMBERS:** Chairman Loertscher, Vice Chairman Anderson, Representatives Stevenson, Black, Andrus, Bilbao, Labrador, Luker, Crane, Mathews, Kren, Palmer, Simpson, Shepherd(2), Smith(30), Pasley-Stuart, King, Higgins

**ABSENT/  
EXCUSED:** Reps. Black, Anderson, Crane, Labrador

**GUESTS:** Colleen Andrus

**Chairman Loertscher** called the meeting to order at 8:40 a.m. A silent roll was taken.

**MOTION:** **Rep. Palmer** moved to approve the minutes of April 22. The motion was carried by voice vote.

**Chairman Loertscher** expressed his thanks to the committee for their hard work and dedication. He informed them that 90 bills have been considered by the committee during this session. He expressed his thanks and gratitude on behalf of the committee to the secretary, Marsha Walker, and page, Anna Richter, for their service during this time.

**Chairman Loertscher** conducts a contest each session to determine the representative who is on time the most, and the representative who is on time the least. Rep. Palmer won the prize for being on time the most. Rep. Black won the booby prize for being on time the least.

**Chairman Loertscher** informed the committee that it is not likely that there will be more bills to be considered during this session. If so, they may have to convene briefly.

**ADJOURN:** As there was no further business the meeting adjourned at 8:50 a.m.

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Representative Thomas Loertscher  
Chairman

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Marsha Walker  
Secretary