

MINUTES
**HOUSE STATE AFFAIRS COMMITTEE
BATT SUBCOMMITTEE ON RULES**

DATE: Thursday, January 19, 2012
TIME: 8:30 A.M.
PLACE: Room EW40
MEMBERS: Chairman Batt, Representatives Luker, Palmer, Simpson, Higgins
**ABSENT/
EXCUSED:** None.
GUESTS: Amy Wernsing, Governor's Office; Dennis Stevenson, Department of Administration; Jeff Anderson, Idaho State Liquor Division and Idaho State Lottery; Jared Tatro, Office of Performance Evaluations; Shoni Pegram, Governor's Office; Jan Sylvester, Max Greenlee, Risch Pisca; Tana Cory, Bureau Chief, Bureau of Occupational Licenses; Tom Katsilometes, Chair, Idaho Athletic Commission.

Chairman Batt called the meeting to order at 8:30 a.m.

**DOCKET NO.
03-0101-1101:** **Tana Cory**, representing the Idaho Bureau of Occupational Licenses, introduced **Docket No. 03-0101-1101**, Pending Fee Rule to the subcommittee. She explained the bureau provides administrative, investigative, legal and financial services for the Idaho Athletic Commission. The bureau is self-governing and receives no support from the General Fund. Fees are based on actual services provided and they bill on an hourly basis.

Tom Katsilometes, Chairman for the Idaho Athletic Commission continued the presentation of **Docket No. 03-0101-1101** to the subcommittee. He explained the Athletic Commission oversees both amateur and pro boxing, wrestling and mixed martial arts which includes cage-fighting events. He clarified that they are not generating enough fees to cover the costs of regulating mixed martial arts which has had problems in the past with promoters. He referenced an incident from 2003 where a person was killed at the Qwest Arena in a non-sanctioned fight. The cost for hearings and legal services is the reason to raise fees to play. Fees should be at the proposed level due to the costs of overseeing mixed martial arts. He stated the fees should be at a level where they can pay for services, the Bureau of Occupational Licenses should not subsidize them.

In response to questions from the subcommittee, **Mr. Katsilometes** clarified that although the problems originated with regulating mixed martial arts, the fee increase will apply to all participants. He further explained the proportion of mixed martial arts to boxing is 20 to 1. Raising fees for wrestling and boxing as well would not hinder these groups from scheduling events in Idaho versus surrounding states. Boxing is currently limited in Idaho and most of it occurs at the casino in Coeur d'Alene. The WWE holds events here but brings in their own officials. In response to defining non-combatants versus combatants, he stated non-combatants include gloves, referees, judges, and timekeepers. Ultimately the fighter and promoter make all the money but the non-combatants need to pay fees to ensure these people are trained. Although they pay a fee for their license, they are paid by the promoter for each event. Mr. Katsilometes advised the Athletic Commission will get back to breaking even with the fee increase. They have been losing \$20,000 to \$30,000 per year operating mixed martial arts through the Idaho Bureau of Occupational Licenses (IBOL). With this fee increase they will raise \$40,000.00 per year.

- MOTION:** **Rep. Higgins** made a motion to recommend approval of **Docket No. 03-0101-1101** to the full Committee. **Motion carried by voice vote.**
- DOCKET NO. 15-1001-1101:** **Jeff Anderson** of the Idaho State Liquor Division presented **Docket No. 15-1101-1101** to the subcommittee. He stated the agency has changed from a dispensary to a division. The Idaho State Liquor Division is a dedicated fund agency. The proposed rule changes are housekeeping measures to update the language to accurately reflect how they do business. The language changes recognize suppliers in place of vendors.
- In response to questions, **Mr. Anderson** clarified the following terms: rectifier are companies that manufacture distilled spirits; some from beginning to end, and related products are those items used as mixers with liquor and includes table wines. He clarified the Director is the authority for the division as provided for in the legislature and now added to the rule. He also verified that suppliers are required to have a permit which needs to be renewed each year at a cost of \$50.00.
- MOTION:** **Rep. Luker** made a motion to recommend approval of **Docket No. 15-1001-1101** to the full committee. **Motion carried by voice vote.**
- DOCKET NO. 52-0103-1101:** **Jeff Anderson** of The Idaho State Lottery presented **Docket No. 52-0103-1101** to the subcommittee. He explained there is only one proposed change to the rule. The outdated practice of ticket stamping is being deleted. Previously on the back of each scratch ticket, the retailer stamped their name, address and retailer number. Winning tickets had to be taken back to that retailer to redeem. Technology has changed and now any winning ticket can be paid and validated at any retailer.
- In response to questions from the subcommittee, **Mr. Anderson** clarified that if someone buys a winning ticket at one store and takes it to another store to redeem; the retailer is only required to pay out on tickets \$600.00 or below. Any higher amount is paid by the Idaho State Lottery Commission. If the retailer did not have the funds to pay out on any winning ticket, they would not be required to do so.
- MOTION:** **Rep. Higgins** made a motion to recommend approval of **Docket No. 52-0103-1101** to the full committee. **Motion carried by voice vote.**
- DOCKET NO. 31-1101-1101:** **Paul Kjellander** of the Idaho Public Utilities Commission presented **Docket No. 31-1101-1101** to the subcommittee. Mr. Kjellander explained the proposed rule change is incorporation of the national safety codes updated every three years. He noted that Idaho Power supported the proposed rule to adopt the 2012 updates to the National Electric Safety Code (NESC) in Rule 101. Revisions to the NESC regarding procedures for effectively grounding conductors and equipment is included in Rule 101. Rule 201 addresses revisions found in the federal pipeline safety regulations for construction and operation of natural gas pipelines. Rule 202 addresses revisions for the International Fuel Gas Code. Rule 203 includes updates to the International Mechanical Code which addresses mechanical equipment and systems in flood hazard areas.
- MOTION:** **Rep. Higgins** made a motion to recommend approval of **Docket No. 31-1101-1101** to the full committee. **Motion carried by voice vote.**
- DOCKET NO. 31-7103-1101:** **Paul Kjellander** of the Idaho Public Utilities Commission presented **Docket No. 31-7103-1101** to the subcommittee. He explained the Commission's Railroad Safety and Accident Reporting Rule 103 adopts the federal safety regulations pertaining to the transportation of hazardous materials by railroads.
- MOTION:** **Rep. Luker** made a motion to recommend approval of **Docket No. 31-7103-1101** to the full committee. **Motion carried by voice vote.**

ADJOURN: There being no further business before the subcommittee; the meeting was adjourned at 9:08 a.m.

Representative Gayle Batt
Chair

Lissa Cochrane
Secretary