

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 02, 2012

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Andreason, Vice Chairman Malloy(McKague), Senators Cameron, Goedde, Smyser, Tippets, Johnson, and Schmidt

ABSENT/ EXCUSED: Senator Stennett

NOTE: The sign-in sheet, testimonies, and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

Senator Andreason called the meeting to order at 1:29 p.m.

PRESENTATION **Idaho Nonprofit Center: Economic Impact of the Nonprofit Sector in Idaho, Lynn Hoffmann, Executive Director, Idaho Nonprofit Center**, advised that the Idaho Nonprofit Center is a statewide association of nonprofits. Their mission is to help all nonprofit organizations be more successful in their missions and support them to be conscientious in the stewardship of the donations of the generous citizens of Idaho. The Center wanted to explore the economic impact of the nonprofit sector on the state so they commissioned a study from University of Idaho with Economist Steve Peterson to examine the question.

Steve Peterson, Regional Economist, University of Idaho, stated for background information that he has completed approximately 50 studies in his career. His research expertise is in local and regional economic impact assessments for almost every industry in Idaho. The research is over a broad spectrum of industries including free range chickens, small modular nuclear reactors, health care, education, mining, wood products, and agriculture.

The charitable nonprofits are intermixed throughout the entire economy. In order to conduct the economic impact study, **Mr. Peterson** had to poll analysis for each prospective industry. These nonprofits touch on every industry in Idaho and the research had to establish the estimation of their impacts. The total direct employment in the charitable nonprofits is 45,000, 8.9% of the private sector jobs in Idaho. Ranked in the county economy they would rank fourth behind Ada, Canyon and Kootenai counties. They estimated that 400,000 Idahoans volunteer. They contribute 60.2 million hours of service per year, annualized into man years or jobs it comes to 28,000. The value of their service is \$1 billion in payroll contribution and \$1.2 billion in contribution to net product added in. The nonprofit industry ranks sixth in the state. The estimated economic impacts driven by money and travel that nonprofits bring in from out of state is 45%, of the total net revenues is \$3.2 billion and equals 27,000 jobs, \$1.4 billion in total compensation and \$1.35 billion in gross state product. The industry contributes about 2.4% or \$44 million in state property taxes. The Idaho Nonprofit Center contributes strongly to regional economy and there is no part of our lives that is not touched by the nonprofit industry.

Senator Symser asked within the last ten years was there any particular thing that stood out when they researched this industry? **Mr. Peterson** was surprised at the magnitude of the impact and growth of the industry and also the degree of depth and variety in the sector. **Vice Chairman Malloy** said that churches have not been included in your study, could you explain why? **Lynn Hoffman** replied that the study does not include a large percentage of churches because the Internal

Revenue Service (IRS) does not require churches to register and they do not file a tax return. If they were able to include churches in the research, there would be a huge increase in their economic impact figures. **Senator Schmidt** questioned the definition of nonprofit. Will a 501P3, not for profit organization, also be included under the Nonprofit Center? **Ms. Hoffman** stated that the definition of public charities by the IRS are all 501C3 organizations. The IRS classifies 28 other different types of nonprofit organizations, such as the chamber, trade associations, paternal associations, cemetery associations, etc. Their study focused exclusively on the number from the charitable nonprofits.

Bureau of Occupational Licenses

**DOCKET NO.
24-1801-1101**

Pending Fee Rule

Rules of the Real Estate Appraiser Board

Senator Goedde stated that he had met with **Mr. Hale and Tana Cory, Bureau of Occupational Licenses**, and they have provided some language that is appropriate to meet the concerns of Docket 24-1801-1101 which was placed on hold at our last Committee meeting.

MOTION:

Senator Goedde moved, seconded by **Senator Cameron**, to adopt Docket No. 24-1801-1101. The motion carried by **Voice Vote**.

**MINUTES
APPROVAL:**

Senator Johnson moved, seconded by **Vice Chairman Malloy**, to approve the minutes of January 26, 2012. The motion carried by **Voice Vote**.

There being no further business, the meeting adjourned at 1:48 p.m.

Senator Andreason
Chairman

Carol Deis
Secretary