

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, February 03, 2012
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairman McKenzie, Vice Chairman Fulcher, Senators Hill, McGee, Winder, Lodge, Malepeai, and Stennett
ABSENT/ EXCUSED: Senator Davis

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.

S 1270 RELATING TO APPOINTMENTS BY THE LEGISLATURE TO CERTAIN BOARDS AND COMMITTEES to repeal statutes involving inactive programs; ensure that no appointments are made for the purposes of the Idaho Commemorative Silver Medallions until such medallions are issued; and, make a name change to accurately reflect the Western States Transportation Agreement.

Jeff Youtz, Director, Legislative Services Office, introduced **S 1270** on behalf of the Legislative Council which is seeking to clean up Idaho Code as it relates to committees, advisory boards, and councils. There are currently forty-three ongoing committees, commissions, and task forces. It is a pressing, logistical challenge for the Pro Tem's office and the Speaker's office. These forty-three entities amount to 220 individual, legislative appointments. Last summer the Legislative Council reviewed the status of Idaho Code relating to the statutes.

Section 1 of the bill points out that the legislative intent determined there was no need to appoint a State Treasurer's Commemorative Medallion Committee until such time as the Treasurer issues a new silver medallion. The last issuance was in 2004.

Section 2 of the bill repeals Section 39-3029, Idaho Code, which established the Pacific States Radioactive Materials Transportation Committee. They have not met since 1987 because The National Governor's Association now takes care of those functions.

Section 3 of the bill deals with the State Trust for Outdoor Recreation Enhancement (STORE). This does not repeal the STORE program, but it does repeal the reference to the grants committee that awards matching grants for local communities. The program was never funded so there is no reason for the committee. At such time as the program is funded, the advisory group can be reinstated.

Section 4 of the bill repeals a section of the code dealing with The Idaho Hall of Fame Building Advisory Board that was established in 1997. That group has never met.

Mr. Youtz closed by stating that this bill decommissions some of these advisory groups and committees that haven't met in several years and cleans up the code.

Senator Hill thanked **Mr. Youtz** for acting for the Legislative Council and following up with this legislation. There may be some additional changes in the future but these were most obvious.

MOTION: **Senator Hill** moved, seconded by **Vice Chairman Fulcher**, to send **S 1270** to the Senate floor with a do pass recommendation.

VOTE: The motion carried by voice vote. **Senator Hill** will be the sponsor of **S 1270** on the Senate floor.

RS20775 RELATING TO THE STATE LOTTERY COMMISSION TO AMEND Section 67-7434, Idaho Code, to modify the current dividend model from an annual prescribed distribution to an optional or more frequent transfer throughout the year.

Jeff Anderson, Director, Idaho State Lottery, brought **RS20775** to the Committee. **RS20775** provides the Lottery Commission the flexibility to change the frequency of the distribution of dividends to stakeholders (Idaho Public Schools, Permanent Building Fund, and, until 2014, the Bond Levy Equalization Fund).

When the lottery was established in 1989, it was required that dividends be distributed annually. A study of the best practices in the industry determined that many lotteries distribute the earnings on a more frequent basis. This was not an issue when those deposits were earning a good interest rate. With lower interest rates, it would be feasible to distribute those earnings more often. Transfers would occur no less frequently than quarterly and the Lottery Commission would have the option of modifying that frequency to maximize the benefits to the State. **Mr. Anderson** provided a chart "Lottery Dividend Transfer Change" as an example of how this change would work and explained the process. (On file as part of minutes.)

Chairman McKenzie called for questions. Being none, the Chairman called for a motion.

MOTION: **Senator Winder** moved, seconded by **Senator McGee**, to send **RS20775** to print.

VOTE: The motion carried by voice vote.

RS20786 RELATING TO CHARITABLE BINGO AND RAFFLES TO AMEND **Sections 67-7709 and 67-7710, Idaho Code**, to allow an increase in expenditure percentages due to the increase in business costs for bingo and raffle licensees.

Mr. Anderson explained that **RS20786** has to do with charitable gaming. There are two changes being made: 1) How the Lottery Commission looks at Bingo expenses. The current legislation determines that the maximum amount an operator can spend on administrative expenses is fifteen percent with a minimum amount of twenty percent that must go to charity. The operators have been under pressure to meet the current administrative limit. Their recommendation is to raise the limit to eighteen percent which would come out of prize funds. Charity would remain at the current percentage rate.

2) Expenses for printing and advertising have also increased for raffle game operators. This legislation changes the ninety percent minimum to charity to eighty percent.

Senator McGee asked if these changes had been made due to the discussions during the 2011 session. **Mr. Anderson** responded that those changes were much more extensive. Since that time the Office of Performance Evaluations has done an audit of the Idaho Lottery and Charitable Gaming Operations and the report is scheduled to be released on February 13th. It was determined to be prudent to wait for that report before suggesting any other changes to the legislation.

MOTION: **Senator McGee** moved, seconded by **Senator Lodge**, to send **RS20786** to print.

VOTE: The motion carried by voice vote.

MINUTES: January 16th and January 18th
Senator Stennett moved, seconded by Senator Winder, to approve the January 16th and January 18th minutes as written.

VOTE: The motion carried by voice vote

January 20th

Senator Hill moved, seconded by **Senator McGee**, to approve the January 20th minutes as written.

VOTE: The motion carried by voice vote.

ADJOURNMENT: **Chairman McKenzie** announced that there would be a meeting on Monday, the Idaho National Laboratory will give a presentation on Wednesday, and the "Add the Words" to the Human Rights Act will be heard on Friday. Being no further business the meeting was adjourned at 8:16 a.m.

Senator McKenzie
Chairman

Twyla Melton
Secretary