

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Wednesday, March 14, 2012

TIME: 9:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Loertscher, Vice Chairman Crane, Representative(s) Stevenson, Black, Anderson, Andrus, Bilbao (Reynoldson), Luker, Palmer, Simpson, Guthrie, Henderson, McGeachin, Sims, Batt, Smith(30), King, Higgins, Buckner-Webb

**ABSENT/
EXCUSED:** None

GUESTS: Bill Roden, Roden Law Office; Sarah Fuhriman, Roden Law Office; Becky Schroeder, Idaho Lottery Commission; Jennifer Quinno Miller, Idaho Lottery Commission; Max Greenlee, Risch Pisca; Nancy Merrill, Idaho State Parks & Recreation; Jared Tatro, Office of Performance Evaluations (OPE).

Vice-Chairman Crane called the meeting to order at 9:02 a.m.

RS 21157: **Rep. Harwood** presented **RS 21157**, proposed legislation requiring the IRS to comply with normal due process of law for court judgments and recording liens against property. **RS 21157** will protect Idaho taxpayers from an overzealous IRS and require them to follow the U.S. Constitution, specifically the Fifth Amendment. Over the years the IRS has ramped up their tax lien program. In 1999, there were 168,000 liens filed and in 2010, there were 1.1 million. Rep. Harwood noted that a tax lien on a person's credit report harms their credit worthiness for seven (7) years or longer. Rep. Harwood clarified that all of this can be done without a day in court. A federal tax lien is filed and notice sent directly to the County Recorder. The lien is recorded without any due process or notice to the taxpayer. The lien remains in effect for five years to garnish wages, bank accounts, and property. **RS 21157** will require the IRS to bring the case to a local court, and allow both parties to present their case. If the amount is more than \$5,000, it is filed in District Court, and if less than \$5,000, then it is filed in Magistrate Court. If the IRS prevails, then the judgment is recorded, and a lien is placed on their property.

In response to questions, **Rep. Harwood** stated that Idaho can dictate to the IRS what they can do in our State when the federal government has overextended itself. This is provided for in the U.S. Constitution.

MOTION: **Rep. Andrus** made a motion to introduce **RS 21157**. **Motion carried by voice vote.**

SCR 123: **Nancy Merrill**, Director, Idaho Department of Parks and Recreation, presented **SCR 123**, legislation to enter into agreements with the Idaho State Building Authority to refinance bonds issued for the Vardis Fisher property and other parcels along Billingsley Creek in the Hagerman Valley. Ms. Merrill noted the refinancing will save approximately \$600,000, and will be placed into the Trust Fund. The Department of Parks and Recreation will determine what recreational opportunities need to occur at its remaining properties in the Hagerman Valley.

MOTION: **Rep. Stevenson** made a motion to send **SCR 123** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Stevenson** will sponsor the bill on the floor.

S 1286: **Jeff Anderson**, Director, Idaho Lottery Commission, presented **S 1286**, legislation to increase the maximum allowable expenditures for bingo licensees for administrative expenses to eighteen percent (18%). The Annual Report on Charitable Gamers in Idaho was reviewed. Mr. Anderson noted that ten (10) out of 143 raffle licensees were at or over the 10% limit in 2011. Two of the licensees quit altogether, four (4) received a warning, and the Lottery Commission is working with them, and four (4) fixed the problems with guidance from the Commission. Mr. Anderson explained further that six (6) out of 43 bingo licensees were at or over the 15% limit in 2011. Two of the licenses were revoked, and four (4) organizations quit their operations.

MOTION: **Rep. King** made a motion to send **S 1286** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Palmer** requested to be recorded as voting **NAY.** **Rep. King** will sponsor the bill on the floor.

RS 21523: **Rep. Jaquet** presented **RS 21523**, proposed legislation to amend Section 23-903 of Idaho Code relating to licensure of the retail sale of liquor-by-the-drink. **Rep. Jaquet** deferred her time to **Bill Roden**.

Bill Roden stated that Section 29-903 of Idaho Code provides for the authorization of liquor licenses based on the population of the city. Mr. Roden pointed out that these licenses are not transferable or subject to sale, but this restriction has not been enforced. **RS 21523** proposes to grandfather all existing licenses covered by 29-903 issued prior to July 1, 2012, to be fully transferable. After that date, a liquor license based on the population of the city will be non-transferable. If it is not used in the time frame allotted, it will revert back to the State. Mr. Roden explained that **RS 21523** contains a provision that a person who possesses a transferable liquor by the drink license, and then sells or transfers that transferable liquor license, may not obtain a restaurant license for a period of five years following such sale or transfer. **RS 21523** also authorizes the issuance of a non-transferable license for the retail sale of liquor by the drink to the owner of a full service restaurant located in a resort city authorizing local option taxes.

In response to questions, **Mr. Roden** stated that the quota system was enacted in 1959 and based on the population of cities. **RS 21523** provides that licenses issued after July 1, 2012, are not transferable. Licenses issued prior to July 1, 2012, will be transferable, and will not lose their value under the current quota system. Mr. Roden notes that **RS 21523** will add liquor licenses for restaurants, if and only if, the mayor and city council decide it is appropriate for the community.

MOTION: **Rep. Higgins** made a motion to introduce **RS 21523.** **Rep. McGeachin** invoked Rule 38 stating a possible conflict of interest and stated she would not be voting on the motion. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee; the meeting was adjourned at 9:44 a.m.

Representative Crane
Vice-Chair

Lissa Cochran
Secretary