

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, February 04, 2013

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman McKenzie, Senators Davis, Fulcher, Hill, Winder, Lodge, Stennett and Werk

ABSENT/ EXCUSED: Senator Siddoway

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.

CONVENED: **Chairman McKenzie** called the Senate State Affairs Committee (Committee) meeting to order at 8:00 a.m. with a quorum present. The Committee will vote on two gubernatorial appointments that were heard last week.

VOTE ON GUBERNATORIAL APPOINTMENT: The appointment of Jani Lynn Revier as Administrator of the Division of Financial Management.

MOTION: **Senator Fulcher** moved to send the gubernatorial appointment of Jani Lynn Revier as Administrator of the Division of Financial Management to the Senate floor with the recommendation that it be confirmed by the Senate. **Senator Hill** seconded the motion. The motion carried by voice vote.

VOTE ON GUBERNATORIAL APPOINTMENT: The appointment of Gregory Schade to the State Building Authority.

MOTION: **Senator Winder** moved to send the gubernatorial appointment of Gregory Schade to the State Building Authority to the Senate floor with the recommendation that it be confirmed by the Senate. **Senator Werk** seconded the motion. The motion carried by voice vote.

S 1025 **Chairman McKenzie** introduced Roger Batt to present **S 1025**. **Mr. Batt**, representing the Idaho Grape Growers and Wine Producers, explained that **S 1025** amends the County Option Kitchen and Table Wine Act (Act) by increasing the container size for wine to a 15 gallon container without receiving permission from the Idaho State Police.

Reasons for making this change are:

1. The first Act is 42 years old and was passed when there were no wineries in Idaho.
2. The industry is growing.
3. Idaho wineries are receiving requests from restaurants and individuals for larger containers.
4. Wineries must ask permission each time anything over one gallon is sold.
5. The increase in size would improve the competitive advantage over out-of-state distributors.

The industry met with Alcohol Beverage Control and the Idaho Beer and Wine Distributors. Neither were opposed to the proposal. There will be no fiscal impacts to the General Fund. Mr. Batt stood for questions.

Senator Stennett asked how they arrived at the 15 gallon size. **Mr. Batt** said they looked at the beer sizes and beer came in 15 gallons so they thought wine could also.

Senator Hill inquired if any distributor's request to sell a larger size container had been denied and, if so, on what grounds. **Mr. Batt** responded that, to his knowledge, no one had been denied.

Senator Davis asked if there was a methodology in place to obtain a continuing consent. Why not bring legislation for continuing consent so there could be confidence that the statute is not a barrier to a business function? **Mr. Batt** said that he was not aware that there could be a continuing consent. They did not approach the consent aspect. They only thought about increasing the size.

Senator Davis wanted to know how the 15 gallon size compared to the surrounding states. Does it make Idaho the most liberal state on this issue? **Mr. Batt** said he didn't know about the surrounding states but California had no limitations on size. **Senator Davis** would like to know if the surrounding states that clearly compete with Idaho have container size limits. **Mr. Batt** couldn't answer but will do some research to answer that question.

MOTION:

Senator Stennett moved to send **S 1025** to the Senate floor with a do pass recommendation. **Senator Lodge** seconded the motion.

Senator Winder noted that there were some valid questions asked even though there didn't seem to be an issue with the state police. Would it be better to hold **S 1025** for one day and get some answers to these questions.

**UNANIMOUS
CONSENT:**

Chairman McKenzie stated that the outstanding question was: "what do the surrounding states do?" He asked the senators making and seconding the motion if it could be held until the next meeting to address that question. They approved. The bill was held until the next meeting by unanimous consent.

ADJOURNED:

Being no further business, **Chairman McKenzie** adjourned the meeting at 8:12 a.m.

Senator McKenzie
Chairman

Twyla Melton
Secretary