

MINUTES
SENATE STATE AFFAIRS COMMITTEE

- DATE:** Friday, February 15, 2013
- TIME:** 8:00 A.M.
- PLACE:** Room WW55
- MEMBERS PRESENT:** Chairman McKenzie, Senators Davis, Fulcher, Hill, Winder, Lodge, Siddoway, Stennett and Werk
- ABSENT/ EXCUSED:**
- 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.
- MOTION:** **Senator Lodge** moved to approve the minutes of January 30. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**.
- MOTION:** **Senator Winder** moved to send the appointment of Warren Bakes to the Idaho Endowment Fund Investment Board to the floor with the recommendation that he be confirmed by the Senate. **Senator Werk** seconded the motion. The motion carried by **voice vote**.
- MOTION:** **Senator Siddoway** moved to send the appointment of Neil Anderson to the Idaho Endowment Fund Investment Board to the floor with the recommendation that he be confirmed by the Senate. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.
- MOTION:** **Senator Davis** moved to send the appointment of Fred Snook to the Idaho State Racing Commission to the floor with the recommendation that he be confirmed by the Senate. **Senator Fulcher** seconded the motion. The motion carried by **voice vote**.
- GUBERNATORIAL APPOINTMENT:** **Chairman McKenzie** introduced Rayelle Anderson who is being reappointed to the Bingo-Raffle Advisory Board (BAB) and asked her to discuss what activities have occurred since her last appointment, the workings of the (BAB) and how she sees it operating in the future.
- Ms. Anderson** explained that in the last couple of years the BAB has been reviewing the law and how non-profits are interpreting and understanding those laws. The interaction between the Idaho State Lottery Commission and the BAB has been very important and helpful. Going forward, the BAB will decide how to better educate non-profits throughout the state on awareness and fulfillment of the laws and regulations. They are currently performing some educational training on this subject for the smaller non-profits throughout the state.
- Senator Fulcher** asked Ms. Anderson if she sees room for improvement in the procedures moving forward. **Ms. Anderson** replied that the statutes were written 25-30 years ago and there could be some fine tuning with percentages and maybe some housekeeping issues could be addressed. BAB's goal going forward is to make the non-profits more aware of the rules and regulations. Most of the non-profits are adhering to the rules and have very few problems. The Board strives to become a better resource in the region.

Senator Siddoway asked Ms. Anderson to explain what the stipulations are as far as how much money the non-profit organization sponsoring the raffle or bingo can make from the game and how much is held for administrative costs. **Ms. Anderson** stated that 100 percent of all gaming proceeds that come into the non-profits follow a strict accounting process for accountability. The goal is to keep the administrative costs as small as possible; the maximum that can be spent on administrative fees is capped at 20 percent for bingo and slightly less for raffles. The goal is to have a game that returns the greatest amount to the charitable purpose. The bulk of the revenues must go to the charitable mission.

Chairman McKenzie thanked Ms. Anderson for her service and advised her that a vote on the appointment will occur at the next meeting.

GUBERNATORIAL APPOINTMENT: **Chairman McKenzie** introduced Roy Decker who is being reappointed to the Bingo-Raffle Advisory Board and asked him to discuss what has occurred since his last appointment, the workings of the BAB and how he sees it operating in the future.

Mr. Decker stated that at present, the BAB is reviewing the rules and regulations to refine them and make appropriate changes. One of his responsibilities on the BAB is to work with non-profits who are interested in a bingo game start-up. He checks the site and instructs the parties on the rules and regulations to put the gaming in place.

Senator Siddoway asked about some of the schemes that could be used to run one of these games. **Mr. Decker** recalled that about eight years ago, in Boise, a gamer was renting equipment from an unlicensed dealer; that is against the regulations. The game was shut down and the individuals running the gaming were put in jail. There is a need for more education about the law, processes and reporting.

Chairman McKenzie thanked Mr. Decker for his service.

REQUEST TO PRINT RS 21998 Relating to Revenue and Taxation to provide certain assessment notices electronically to the taxpayer. This is a request to print **RS 21998** from the Local Government and Tax Committee.

Senator Winder explained that this bill allows a taxpayer, by a request to the assessor, to receive a valuation assessment notice electronically. This was brought to the legislature by the Ada County Assessor along with other assessors across the state.

MOTION: **Senator Fulcher** moved to print **RS 21998**. **Senator Davis** seconded the motion. The motion carried by **voice vote**.

REQUEST TO PRINT RS 21963 Relating to the Personnel System to establish a new section in Idaho Code regarding health savings accounts for state employees. This is a request to print from the Commerce and Human Resources Committee. **Chairman McKenzie** stated that this bill is from Senator Thayne and he was in committee that morning, but the request is for the bill to be returned to the Commerce Committee after printing.

MOTION: **Senator Fulcher** moved to print **RS 21963**. **Senator Davis** seconded the motion. The motion carried by **voice vote**.

RS 21874 Relating to Initiative and Referendum Elections. **Chairman McKenzie** introduced Russ Hendricks to present **RS 21874**.

Mr. Hendricks stated that **RS 21874** is identical to the RS that was presented to the Committee a few weeks ago with the exception of one change which is found on page 2, line 37. This version of the RS requires the signatures of 18 legislative districts rather than 22. In 1997 the legislature passed a law that says to qualify initiatives or referendums for the ballot, they would need the signatures of 6 percent of the registered voters in 22 of Idaho's counties. That law was subsequently challenged and the courts found that it was not appropriate to do it that way. However, the Ninth Circuit Court opinion stated that you could achieve the same ends by requiring the signatures by legislative district. **RS 21874** is making that change.

Senator Winder asked if this new **RS 21874** raises the standard and requires a higher percentage of legislative districts than it did for previous initiatives. Is that still the same? **Mr. Hendricks** answered that, no **RS 21874** provides for one-half of the legislative districts.

Senator Werk asked why the Farm Bureau is interested in altering the initiative process. **Mr. Hendricks** replied that the Farm Bureau is following up on the law that was passed in 1997 by the legislature. They felt it was appropriate to have a wider distribution of signatures across the state to meet the qualifications for an initiative or referendum to be put on the ballot. **Senator Werk** asked if this was related to animal rights issues. **Mr. Hendricks** responded that would be one of several concerns. **Senator Werk** asked for details about the problems with the current system; how many initiatives have we had; and, whether the state has had difficulties with initiatives on the ballot that would cause this type of action. **Mr. Hendricks** advised that he did not have the data available to answer these questions, but would be glad to supply that information.

Senator Werk asked if the court indicated whether this type of change should be made. **Mr. Hendricks** replied that the court said that the same end could be achieved by using legislative districts where it couldn't be done by counties. **Senator Werk** added that the courts did not advocate the position that Idaho should go this route, they only indicated that using counties was not appropriate. **Mr. Henderson** agreed.

Senator Davis spoke to the point that the decision of the Ninth Circuit Court entitled *Idaho Coalition United for Bears vs. Pete Cenarrusa* in 2003 did not have the issue in this RS squarely before them. They did, as Senator Werk suggested, strike down the standard that then existed that does provide dicta which is not binding on the court. They wondered why Idaho didn't look at this as a possible solution. This is a policy question. **Senator Davis** had some confidence that there will be judicial opportunity for review should the legislature adopt this approach. The ninth circuit or the trial court that may consider it, will consider the Idaho coalition case to be binding on them as they consider whether this meets constitutional or other standards.

MOTION:

Senator Fulcher moved to print **RS 21874**. **Senator Winder** seconded the motion.

VOTE:

Senator Werk advised that the fiscal note might not be as accurate as it could be and with this language this legislation is almost guaranteed to end up in court thereby causing the general fund to be impacted. In this instance, he certainly has had enough push back in his community to understand that there is some deep seated anger associated with these types of attempts to lessen the ability of the people to petition the government and to speak to the legislature through the initiative process.

The motion carried by **voice vote**. **Senator Werk** is recorded as voting **nay**.

PRESENTATION: **Chairman McKenzie** called Matti McDaniel forward for the page graduation presentation and to present her with a gift, a letter of reference from the Chairman and a letter of commendation signed by all members of the Committee expressing their appreciation for her service. **Chairman McKenzie** stated his appreciation for Matti and for her cheerful attitude and smile whenever he sees her. He also stated how helpful Matti has been to the Committee Secretary and the exceptional performance of her job. **Chairman McKenzie** asked what Matti will be doing the rest of this year and for the coming year. **Matti** responded that she will finish out school, complete her senior project so she can graduate, continue to work in sports medicine and she will be going to state conference in the summer. Next year she will be at Utah State University studying Human Body Movement and Development and hopefully, go to physician's assistant school after that.

ADJOURNED: There being no further business, the meeting adjourned at 8:35 a.m.

Senator McKenzie
Chairman

Twyla Melton
Secretary