

MINUTES  
**SENATE STATE AFFAIRS COMMITTEE**

- DATE:** Monday, February 18, 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 and welcomed the Committee.
- MOTION:** **Senator Siddoway** moved to send the gubernatorial reappointment of Rayelle Anderson to the Bingo-Raffle Advisory Board to the Senate floor with the recommendation that she be confirmed by the Senate. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.
- MOTION:** **Senator Lodge** moved to send the gubernatorial reappointment of Roy Decker to the Bingo-Raffle Advisory Board to the Senate floor with the recommendation that he be confirmed by the Senate. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**.
- RS 22043** Relating to the Condominium Property Act and presented by John Eaton, Idaho Association of Realtors.  
**Mr. Eaton** explained that John Seiller, an attorney in Ketchum, brought a question regarding condominium property to Senator Stennett. Senator Fulcher and Representative Anderst along with the Realtors Legislative Committee reviewed the question and agreed there was an issue that should be addressed. **Mr. Eaton** described the process to form a condominium association and what is required by statute to be contained within the declaration or commonly known as the Covenants, Conditions, and Restrictions. One of the items included in that declaration is the "percentage of ownership interest in the common area which is to be allocated to each unit for the purpose of tax assessment."  
Currently, square footage is used to determine the percentage of ownership in the common area for about 90 percent of the condominium developments. The proposed change would provide that either a square footage basis or a market value basis could be used to determine the percentage of ownership. The developer would make the original choice but when control is handed over to the association, they could change the basis at that time.
- MOTION:** **Senator Fulcher** moved to send **RS 22043** to print. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.
- S 1074** Relating to the License to Retail Liquor Act was brought before the Committee by Senator Lodge.  
**Senator Lodge** introduced Jim Bower, President of the Caldwell Night Rodeo, Curt Ruehl, Caldwell Night Rodeo (CNR) and Chris Smith, Retired Canyon County Sheriff. **Senator Lodge** also thanked her intern, Dane Johnson, who has been working on this piece of legislation.

**Mr. Bower** stated that the current law reads that 40 acres outside the city limits is required for a professional equestrian event to obtain a liquor license. **S 1074** would change that to 25 acres inside or outside the city limits. This would give the management of a facility more control over the operation of the facility. It would also allow them to maintain a budget that allocates donations to charities, scholarships and other recipients amounting to about \$100,000 annually. Alcohol is just one part of the whole professional event.

**Senator Stennett** shared her concern about opening up the licensing process to other independent entities. She asked how had they been operating in the past and how would this change help to operate the facility more efficiently? **Mr. Bower** explained that they have had a beer and wine license for 70 years. They were using another license in order to sell alcohol only to find out that it was not legal. They are not trying to do anything new, they just want to do it legally. They had two licenses in the same facility at the same time and that is not legal.

**Senator Werk** stated his curiosity about the history of this situation.

**Senator Davis** referred to page 2, line 43 of the bill. The wording indicates that the issuance would be to an equestrian facility and not an event; the acreage is being reduced from 40 acres to 25 acres; and, it was required to be outside the city limits and now it would be allowed to be in or out of the city limits. The facility would be given a license and they could operate it regardless of whether there was an equestrian event or not. **Senator Davis** questioned if his interpretation of the language was correct. **Mr. Bower** agreed with Senator Davis' interpretation. It would be beneficial if the facility had the license rather than use a catering permit where someone else would provide the alcohol and they would have control of the permit and the funds.

**Senator Davis** asked if the current practice is to rely on the caterer's license. **Mr. Bower** said that last year they used a caterer's license which was a short term fix when they found out that there was two licenses being used. They voluntarily gave up their license for the 2012 rodeo. **Senator Davis** restated that the CNR gave up their beer and wine license in order to be in compliance and used the caterer's license. The intent of the CNR is to restore the beer and wine license and, in addition, instead of having a caterer to provide a liquor license for an event, CNR wants to have a liquor license that would be available 365 days a year. **Mr. Bower** said it would be available 365 days although the rodeo event is seven days and then there are two or three other fund raisers during the summer where they sell beer only.

**Senator Davis** stated that this may meet the needs of this community. To another community that can meet these statutory standards or may look at these statutory standards as a basis for getting a liquor license, there would be a liquor license to all events within a year regardless of whether or not they are an equestrian event. **Mr. Bower** responded that it is not just the acreage or in or out of the city limits. There is also the requirement that there must be seating for 6,000 people, it must be a professional equestrian event and it must be a minimum of three days along.

**Senator Lodge** reiterated that it would be seven days for the liquor license. **Mr. Bower** added that there are a couple of fund raiser events during the summer where they only sell beer. **Senator Lodge** confirmed that the only time that hard liquor would be sold is during the CNR. **Mr. Bower** concurred and added that they only sell hard liquor for three days of that seven day event.

**Senator Lodge** asked for a description of the security that is in place for the CNR. Mr. Bower outlined the location and duties of the security personnel. All identification is checked and without identification, no one can buy alcohol, no matter what their age. The Caldwell Police Department always has six to ten officers on the premises at all times.

**Chairman McKenzie** asked for other questions from the Committee. Being none, he asked Sheriff Smith to comment on the security at the CNR as it relates to the sale of alcohol and liquor. **Sheriff Smith** said that he is associated with the CNR Board but is not a member. He has attended the CNR events throughout his life, seen it grow and its effect on the community. It is a revenue generator for the city of Caldwell by bringing in vendors and professional cowboys from all over the country. Caldwell counts on the CNR for the revenues it generates. Caldwell Police are constantly in attendance at the rodeo and there is also private security hired by the CNR Board. The activities are very well monitored to control the sale and use of alcoholic beverages at this event.

**Senator Lodge** stated that she has been associated with CNR for many years and knows about the good things that they do. She has not observed any past problems. This must be a professionally sanctioned rodeo lasting for at least three days; the facility must have at least 6,000 seats; and, there would be a minimum of 25 acres of rodeo grounds. **Senator Lodge** requested that this opportunity be continued for the City of Caldwell. This could also cover any other professional rodeo such as Filer, Lewiston or Idaho Falls. There are very few professional rodeos and they bring a lot of money into the community.

**MOTION:**

**Senator Lodge** moved to send **S 1074** to the Senate floor with a **do pass** recommendation. **Senator Stennett** seconded the motion.

**Senator Davis** accepted the statements from both Senator Lodge and Sheriff Smith; they both carry a great deal of credibility on this issue. What is being proposed is not a Caldwell solution, it is a statewide piece of legislation. Testimony has indicated that there is a remedy available for the limited number of days that CNR operates; a catering license and the reinstatement of the beer and wine license. What we are asked to consider today is an expansion of the right to license a facility not just the event. The proposed statutory modification has broader implications statewide through adjustments in acreage and location. **Senator Davis** stated that he cannot support this legislation, not just because of the expansion of the law, but, more importantly, he is not a fan of selling hard liquor at family events.

**Senator Winder** remembers the old rodeo grounds and the old fair grounds and the times when there was drinking and fighting and, at that time, questioned how much less security would be needed if alcohol was not involved. However, this doesn't take away the tradition and contribution to the economy of the community. There are concerns about how far this can be expanded but 6,000 seats and a professional rodeo qualification does limit the use of such a license. Although he is not a fan of public drinking considering those issues and the social costs, he will probably support this bill for the benefit of the community.

The motion carried by **voice vote**. Senator Lodge will sponsor the bill on the Senate floor.

**INTRODUCTION  
OF PAGE:**

**Chairman McKenzie** introduced the committee page for the second half of the session, Zachary (Zach) Baron from Madison High School. **Chairman McKenzie** said his achievements during his high school career include his involvement in high school debate where he has won many awards as well as being the captain of his debate team. He takes Advanced Program government classes. Outside school he has been involved in scouting and is working on Eagle Scout projects. **Chairman McKenzie** asked Zach to tell about his Eagle projects and what he plans to do after school.

**Zach** said that his Eagle Scout projects range from painting fire hydrants to blood drives. After high school, he plans to go to Brigham Young University (BYU) Idaho for one semester, then pursue a two year Latter-day Saints mission. He will go to BYU Provo after his mission and then on to a law degree.

**Senator Winder** asked Zach why he plans to go to BYU Provo instead of BYU Idaho. **Zach** responded that BYU Provo was best fitted to meet his goals.

**Chairman McKenzie** and the Committee welcomed Zach.

**PASSED THE  
GAVEL:**

Chairman McKenzie passed the gavel to Senator Lodge.

**RS 22052**

Relating to the clarification of code sections for rate cases presented by Chairman McKenzie.

**Chairman McKenzie** explained that these code sections have been in statute for 100 years. We are celebrating the 100th year since the inception of the Public Utilities Commission (PUC) this year.

The two sections, §§ 61-622 and 623, set the procedures and time frame for modifying rates. Two Supreme Court cases confirmed that they are internally inconsistent and unclear.

These revisions include current practices of the PUC, clarify the language and make the two sections consistent by putting them both into 61-622 and repealing 61-623. The language has been reviewed by the PUC and shared with the investor utilities and rate payer groups. There doesn't seem to be any objections and it achieves the goal to clarify existing practice without changing the statute in any substantive way.

**Senator Werk** asked for confirmation that this had been reviewed by the PUC. **Chairman McKenzie** replied that the changes are supported by Commissioner Paul Kjellander and Don Howell, Chief of Staff for the PUC. They will testify at the hearing. **Senator Werk** said it would be helpful to get a copy of the Supreme Court rulings for review. **Chairman McKenzie** agreed to provide those rulings.

**MOTION:**

**Senator Werk** moved to send **RS 22052** to print. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

**PASSED THE  
GAVEL:**

Senator Lodge passed the gavel back to Chairman McKenzie.

**ADJOURNED:**

**Chairman McKenzie** announced that the Committee will meet in the auditorium on Wednesday because the two marijuana issues that will be before the Committee. Being no further business, the meeting was adjourned at 8:50 a.m.

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Senator McKenzie  
Chairman

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Twyla Melton  
Secretary