

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 20, 2013

TIME: 9:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Loertscher, Vice Chairman Batt, Representatives Anderson(1), Andrus, Luker, Crane, Palmer, Sims, Barbieri, Holtzclaw, McMillan, Monks, Packer, Smith, Gannon, Woodings

**ABSENT/
EXCUSED:** None.

GUESTS: Silas Whitman, Nez Perce; Kristin Kemak, Lewiston Chamber of Commerce; Doug Mattoon, Vally Vision; Pam Eaton, Idaho Lodging and Restaurant Association; Jamie Olson, Nez Perce; Bill Roden; Russell Westerberg, Kootenai Tribe; Raeleen Welton, ILBA; Colby Cameron, Sullivan and Reberger; McKinsey Lyon, Shoshone Bannock; Helo Hancock, CDA Tribe; Dennis Stevenson, Office of Administrative Rules.

Chairman Loertscher called the meeting to order at 9:00 a.m.

MOTION: **Rep. Woodings** made a motion to approve the minutes of the February 14, 2013 meeting. **Motion carried by voice vote.**

H 159: **Rep. Gibbs** presented **H 159**, a bill authorizing the issue of liquor license for retail sale of liquor by the drink to federally recognized Indian tribes, who are owners, operators or lessees of food, conference and lodging facilities located within the boundaries of the Indian tribe's reservation. He stated licenses issued under this bill are not transferable.

In response to committee questions, **Rep. Gibbs** stated the two tribes who could be affected are the Nez Perce and ShoBan Tribes. He stated the ShoBan Tribe had no input or testimony regarding the writing of the bill.

Silas Whitman, Chairman of Nez Perce Tribe, stated the bill allows the tribe to develop their resources that they have on hand. He stated they are missing out on convention business because they can not sell alcohol. He also stated they have compacts with the community so they support local schools with their profits.

Kristen Kemak, President of Lewis-Clark Chamber of Commerce, stated the community supports the bill and the Nez Perce Tribe.

MOTION: **Rep. Sims** made a motion to send **H 159** to the floor with a **DO PASS** recommendation.

In support of the motion, **Rep. Sims** stated the money generated for the local schools because of Indian tribes is a substantial help. She also stated the jobs and commerce created by the tribes is positive.

Doug Mattoon, Valley Vision, stated his organization supports the tribe and their efforts and that the change will have a large economic impact on the community.

Pam Eaton, Idaho Lodging and Restaurant Association, stated the Association has no concern about other businesses liquor licenses being devalued because the tribe's license are outside of the city limits. She stated this legislation is the only way for the tribe to get a license outside of the city. She also stated the Association is in support of the bill as it will bring more business to the entire area.

Jamie Olson, Nez Perce Tribe, stated unemployment rates on the Nez Perce reservation are at a high at 23%, while Lewiston is only 7% and that is the reason for the legislation.

In response to committee questions, **Ms. Olson** stated there will be 36 new positions for the new facility. She also stated that in order to be competitive, the tribe needs the specialty license to sell alcohol. She stated they have already lost six opportunities to host events but could not because they had no liquor license. She said they need more revenue to cover the costs of operation but without the convention center they can't make a profit.

In support of the motion, **Rep. Barbieri** stated he was in support of the motion because development by tribes has been missing in Idaho and has been limited to gaming. **Rep. Anderson(1)** stated he supported the motion because the special license provides a tool for the tribes to develop their interests as well as the communities. **Rep. Packer** stated she supports the motion because she believes the bigger issue is that the tribes have the ability to improve on their reservations which improves the communities as well. She stated that the tribes can't currently get liquor licenses because they are out of city limits. She stated the legislature should support the tribes as they have supported us for so long. **Rep. Smith** stated she supports the motion because the tribes are using the license as an economic tool. **Rep. Gannon** stated he supports the motion because he believes the tribes have not been treated the same as everyone else who has applied for licenses.

In opposition to the motion, **Rep. Andrus** stated that as a Legislature the Representatives represent the interests of the people. He also stated he found from speaking to representatives of the courts in Idaho that 95% of the cases they have are related to drug and alcohol use. **Rep. Luker** stated he opposed the motion because he believes the tribes could fit into the current existing exemptions and their individual tribe names could be added to the exemptions to clear up any confusion. **Rep. Crane** opposes the motion because he believes the jobs for the convention center will still be available and having an alcohol license will not affect that. He also stated that alcohol licenses are property rights and the more that are issued, the more value they lose. **Rep. Batt** stated she opposes the motion because there have been too many exemption bills for alcohol licenses this year. She stated this highlights the problems with Idaho's liquor laws and something needs to change instead of continuously issuing exemptions to the laws. **Rep. Monks** stated he opposes the motion because he is concerned with the Idaho liquor laws as a whole. He stated the system won't change until we change it. He stated as long as we keep allowing exemptions, nothing will change and the problem becomes more compounded.

ROLL CALL VOTE: Roll call vote was requested. **Motion carried by a vote of 9 AYES and 7 NAYS.** **Voting in favor** of the motion: **Reps. Anderson(1), Sims, Barbieri, Holtzclaw, McMillan, Packer, Smith, Gannon, Woodings.** **Voting in opposition** to the motion: **Reps. Loertscher, Andrus, Luker, Crane, Palmer, Monks, Batt.**

H 121: **Ron Crane**, Idaho State Treasurers Office, presented **H 121**, the bill revises the governance of the Credit Rating Enhancement Committee. He stated the language has been changed and some items were taken out that did not relate to Idaho.

MOTION: **Rep. Packer** made a motion to send **H 121** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Youngblood** will sponsor the bill on the floor.

RS 21699C1: **Rep. Ringo** presented **RS 21699C1**, proposed legislation that allows for a memorial highway sign program. She stated this legislation is a result of the fatalities from drivers who were driving under the influence and killed others. She stated the signs would be placed on the side of the road where the accidents happened and would be paid for by the victims' families if they chose to do so. She also stated the signs would bring awareness to the risks and negative effects of driving under the influence. She stated that in 2012, 30% of the fatalities were caused by drivers who were under the influence, 2011 was 40%, and 2010 was 46%.

In response to committee questions, **Rep. Ringo** stated only the victim's names would be on the signs, not the offenders. She stated the section regarding "applicants" was left vague intentionally so that the Transportation Department can make those determinations as necessary. She stated the signs are meant to cause awareness and not point fingers at offenders. She stated the Transportation Department will be careful in deciding where to place the signs. She stated it is the intent of the Transportation Department to protect the families of victims so the information would stay confidential.

MOTION: **Rep. Smith** made a motion to introduce **RS 21699C1** and refer it to the Transportation and Defense Committee.

In support of the motion, **Rep. Andrus** stated he supports the motion because he is a former long-haul truck driver and whenever he saw crosses on the side of the road where people had died, he remembered how important it was to stay alert. He stated he believes the issue has merit.

In opposition to the motion, **Rep. Anderson(1)** stated he opposed the motion because of the dangers that currently exist when driving on rural highways. He stated he believes the signs would be an added distraction to drivers. **Rep. Barbieri** stated in opposition to the motion that in order to set up the administrative rules regarding this issue, it would cost the Transportation Department a minimum of \$30,000. He also stated he would have liked to see sidebars regarding the length of time the signs would stay posted. **Rep. Luker** stated he opposes the motion because the language lacks definition and the fiscal note was also incomplete.

SUBSTITUTE MOTION: **Rep. Luker** made a substitute motion to return **RS 21699C1** to the sponsor. **Motion carried by voice vote. Reps. Andrus, McMillan, and Gannon** requested to be recorded as voting **NAY**.

RS 21913: **Rep. Burgoyne** presented **RS 21913**, proposed legislation to mandate that agencies governed by the Administrative Procedures Act disclose in their notices of proposed rule making the negative fiscal impact to the general fund greater than \$10,000 during the fiscal year when the rule is to take effect. He stated the Tax Commission stated there is no fiscal impact of this requirement.

MOTION: **Rep. Batt** made a motion to introduce **RS 21913**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the Committee, the meeting was adjourned at 10:22 a.m.

Representative Loertscher
Chair

Kasey Perkins
Secretary