

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Thursday, February 28, 2013

TIME: 8:00 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: The sign-in sheet will be retained with the minutes in the committee secretary's office until the end of session. Following the session, the sign-in sheet will be filed with the minutes in the Legislative Services Library.

Chairman Loertscher called the meeting to order at 8:00 a.m.

H 193: **Skip Smyser**, on behalf of AT&T, presented **H 193**, a bill that allows telecommunication providers to charge prepaid wireless customers the same 911 fee that other customers are charged. He stated his company has worked with the Tax Commission to make the change an easy transition and the tax will be configured in business sales tax using the same form.

In response to committee questions, **Mr. Smyser** stated there are proposed changes to the bill that they have discussed with the ECC, the counties, and the Tax Commission to fashion what Idaho needs.

Beth Cooley, CTIA- The Wireless Association, stated she supports the bill because it modernizes the 911 service. She stated one in four subscribers are prepaid and that fad has grown by 10%. She stated similar legislation has been adopted in twenty-six states and is pending in 13 others.

Michael Kane, counsel for Association of Sheriffs and Counties, stated the money collected by the fee would change based on the census each year.

MOTION: **Rep. Packer** made a motion to send **H 193** to General Orders with amendments attached. **Motion carried by voice vote.** **Rep. Packer** will sponsor the bill on the floor.

H 220: **Rep. Perry** presented **H 222**, a bill that allows for historic horse racing to be conducted and bet on in Idaho. She stated there are currently only three tracks in Idaho that are authorized to conduct simulcast racing.

Frank Lamb, Executive Director of Idaho Racing Commission, explained that paramutual wagering is when someone mutually bets against other players. He stated it uses a tote system just like horse racing and there are over 200 races going on at one time. He stated the races come up randomly and the individual bets on the races he wants. He stated the races include some information on the horses and their odds. He stated paramutual wagering is regulated and there are daily reports in which to audit. He stated the paramutual wagering machine is different than slot machines and 8.24% is taken out of every dollar of a bet regardless of who wins.

In response to committee questions, **Mr. Lamb** stated the betting is done across the country. He also stated the terminals figure the total amount of people and winnings and it is just like live racing bets. He stated not everyone is seeing the same race at the same time because they come up randomly. He stated the odds for each horse is based on the beginning of the day of the actual race. He stated there are currently three locations this would affect.

Ed McMillis, Idaho Horse Council, stated he supports **H 220** and that horse racing helps FHA programs, veterinarians, the Idaho Horse Expo, ranching, colleges, research, and education in Idaho. He stated it is one of the best ways to keep kids focused. He also stated Idaho has the highest horses verses people ratio per capita in the world and Idaho is the equine industry leader in the Northwest. He stated the Idaho Youth Horse Council is the best in the country.

Rick Yzaguirre, Ada County Commissioners, owner of Les Bois Park, stated he supports **H 220** because of the positive impact horse racing has made to the community.

Jim Grigsby, Treasure Valley Racing, stated he supports **H 220** and he wants to ensure that horse racing is long term. He stated Les Bois Park was closed for three years because the former owners/operators couldn't keep it operating. He stated his organization had to purchase all new equipment and was able to do so with the overwhelming support of the community. He said on the first day of racing there was a record number of people in attendance. He stated the Park has created over 200 jobs and between 5,000 and 6,000 jobs throughout the entire horse racing industry in Idaho. He stated the Park has suffered significant loss in the past two years and have forecasted a similar loss in the future if changes aren't made. He stated they need Legislative relief to help with new technology so they can offer historic horse racing. He stated without the option of historic horse racing, the Park will inevitably have to close again. He also stated, based on an impact study, historic horse racing would strengthen the economy by \$40-65 million. He stated that horse racing in Idaho has tremendous historical value.

Mark Buckley, Albertson's Bakery and the HBPA, stated he is on a ten member Board who are a voice for the horsemen of Idaho. He stated the largest revenue from horse racing is from simulcast wagering which is done year round. He stated more people are wagering from home and simulcast wagering is falling. It has fallen 50% in the past year.

In response to committee questions, **Mr. Grigsby** stated there were 15 race days in 2011, thirty-six in 2012, and thirty-one days approved for this year by the Idaho Race Commission. He stated they have worked with the Attorney General's Office when preparing this legislation. He stated each terminal is \$10,000 to purchase but they have the option to lease them as well. He stated they want to install 50 terminals but the cost of the equipment and installation will be the determining factor when deciding. He stated the horse racing industry is struggling because the cost is very high to feed, breed, train and house horses. He stated the machines run almost all year, but the live horse racing is limited to the months of May to August. He stated a person must be 18 years old to wager and they have a huge cost that goes into keeping a secure place for that to happen.

MOTION:

Rep. Gannon made a motion to send **H 220** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Andrus and Crane** requested to be recorded as voting **NAY. Rep. Perry** will sponsor the bill on the floor.

In support of the motion, **Rep. Anderson(1)** stated the Horse Racing Commission has the responsibility to regulate and believes it will do so. He said the bill has the Attorney General's approval and approving the legislation will help the industry.

RS 22105: **Rep. Rusche** presented **RS 22105**, proposed legislation that would allow areas without fiber optic telecommunications to have access. He stated the legislation clarifies the port districts and gives authority to provide fiber optic cable to those areas.

MOTION: **Rep. Smith** made a motion to introduce **RS 22105**. **Motion carried by voice vote.**

DOCKET NO. 38-0406-1202: **Teresa Luna**, Department of Administration, presented **Docket No. 38-0406-1202**, Administrative Rules concerning the Capitol Mall building. She reviewed changes made in the rules that were suggested from the Senate and the House.

MOTION: **Rep. Luker** made a motion to approve **Docket No. 38-0406-1202** with the changes. **Motion carried by voice vote.** **Rep. Smith** requested she be recorded as voting **NAY**.

DOCKET NO. 38-0408-1202: **Teresa Luna**, Department of Administration, presented **Docket No. 38-0408-1202**, Administrative Rules concerning the Capitol Mall building and reviewed changes made in the rules that were from suggestions from the Senate as well as the House.

MOTION: **Rep. Batt** made a motion to approve **Docket No. 38-0408-1202** with the changes. **Motion carried by voice vote.** **Rep. Smith** requested she be recorded as voting **NAY**.

ADJOURN: There being no further business to come before the Committee, the meeting adjourned at 9:44 a.m.

Representative Loertscher
Chair

Kasey Perkins
Secretary