

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Tuesday, January 21, 2014

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:** Representative Anderson(1)

GUESTS: Brad Hunt, OARC; Russell Westerberg, Westerberg and Associates; Teresa Baker, ISP; Frank Lamb, Idaho Racing Commission; Rebecca Bartuner, Idaho Racing Commission; Bill Roden, Coeur d' Alene Tribe, Helo Hancock, Coeur d' Alene Tribe; McKinn Miller, Gallatin.

MOTION: **Chairman Loertscher** called the meeting to order at 9:01 a.m.

Rep. Smith made a motion to approve the minutes of the January 17, 2014, Barbieri Subcommittee meeting. **Motion carried by voice vote.**

Chairman Loertscher turned over the gavel to **Vice Chairman Batt**.

Lane Allgood, Executive Director, Partnership for Science and Technology, made a presentation on the history and functions of the organization. He stated the organization was established in 2006 and is a non-profit, public interest organization that advocates for the advancement of science, energy, and technology. He stated the organization provides accurate and timely information on related topics. He said the Partnership for Science and Technology has also carried out the Atomic Committee of 1949's goals since its inception in 2006.

In response to committee questions, **Mr. Allgood** explained the Idaho National Laboratory (INL) is the leading laboratory in the country and has advanced test reactors, the ability to test fuels, and conducts cancer treatment research and development. He also stated Idaho would be a good candidate for a used fuel repository and the profits could help fund the education system.

Vice Chairman Batt turned over the gavel to **Chairman Loertscher**.

DOCKET NO. 11-0402-1301: **Frank Lamb**, Executive Director, Idaho Racing Commission, presented **Docket No. 11-0402-1301**. He stated the proposed Pending Rules are a result of the new statute, Section 54-2512A, Idaho Code, otherwise known as **H 220** which authorized Historical Horse Wagering in Idaho. He stated the Rules were necessary to regulate para-mutual wagering of Historical Horse Racing.

In response to committee questions, **Mr. Lamb** stated the hours of operation of the racing facilities are set by local principalities and therefore the Commission takes those rules into consideration. He gave a short explanation of how terminals for watching and wagering on Historical Horse Racing work. He also explained that "instant racing" was a term the Commission found that other states have been using to describe the para-mutual wagering. He also stated that "racinos" are different from para-mutual wagering in many ways. He said racinos have slot machines at the race track and casino style games, which Idaho does not. He explained that a terminal is just a way to transfer the information from the para-mutual system to the place wagerers. He explained that para-mutual wagering is on a carryover pooling system, which is common.

He stated the Commission has measures in place to ensure the terminals are not slot machines and that the Thorough Bred Racing Bureau (TBRB) monitors the historical racing all over the country. He explained that historical horse racing and live horse racing are both para-mutual wagering, but they are different in that the odds are not displayed on the terminal screen but a "will pay" amount for each race is displayed instead. He also stated there might be a way to program the terminals to show the entire race instead of giving the option to view only the last 100 yards of the race.

MOTION: **Rep. Packer** made a motion to approve **Docket No. 11-0402-1301**.

In support of the original motion, **Rep. Barbieri** stated that the Legislature passed a statute last session approving Historical Horse Racing and the Pending Rules are needed to ensure the statute is regulated.

SUBSTITUTE MOTION: **Rep. Crane** made a substitute motion to reject **Docket No. 11-0402-1301**. **Motion carried by voice vote.**

In support of the substitute motion, **Rep. Luker** stated he is hesitant to approve the Rules because giving the wagerers the option to only watch the last 100 yards of a race is similar to a slot machine. He also stated that there is an order for Les Bois Park to receive 200 more machines/terminals. He said there is also conflicting language in the definitions in the Pending Rules of what historical horse racing is that need to be addressed.

In support of the substitute motion, **Rep. Batt** stated she is concerned with the number of terminals because during last year's session the Legislature was told there would be 50 terminals and now the number is 200.

DOCKET NO. 11-0411-1301: **Frank Lamb**, Executive Director, Idaho Racing Commission, presented **Docket No. 11-0411-1301**. He stated the Pending Rules give the Commission the authority to dispense sanctions to assure the race horses are drug tested and disqualified if necessary.

In response to committee questions, **Mr. Lamb** stated there is an appeals process and it is protected by the Administrative Procedure Act.

MOTION: **Rep. Andrus** made a motion to approve **Docket No. 11-0411-1301**. **Motion carried by voice vote.**

Vice Chairman Batt introduced the Subcommittees to explain their review of the proposed Administrative Rules.

Rep. Monks reported the Monks Subcommittee reviewed the Pending Rules of the Idaho Public Utility Commission, **Docket No. 31-0101-1301**, and are recommended to be approved in their entirety. He stated the Pending Rules for the Secretary of State, **Docket No. 34-0601-1301**, were reviewed and are recommended to be approved in their entirety. He also indicated Pending Rules were reviewed from the Idaho State Lottery Commission, **Docket No. 52-0102-1301**, and are recommended to be approved in their entirety as well.

MOTION: **Rep. Monks** made a motion to approve the report of the Monks Subcommittee. **Motion carried by voice vote.**

Rep. Barbieri reported the Barbieri Subcommittee reviewed the Pending Rules of the Department of Administration, **Docket No. 38-0406-1301**, and **Docket No. 38-0408-1301**, and have been forwarded to the full committee without recommendation for review.

MOTION: **Rep. Barbieri** made a motion to approve the report of the Barbieri Subcommittee. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:31 a.m.

Representative Loertscher
Chair

Kasey Perkins
Secretary