

MINUTES
HOUSE WAYS & MEANS COMMITTEE

- DATE:** Wednesday, March 05, 2014
- TIME:** 1:30 pm or upon adjournment
- PLACE:** Room C310 JFAC
- MEMBERS:** Chairman Anderson(1), Representative(s) Moyle, Crane, Vander Woude, Rusche, Burgoyne, Pence
- ABSENT/
EXCUSED:** Chairman Anderson(1)
- GUESTS:** Helo Hancock, Coeur d'Alene Tribe; Elizabeth Criner, NWFPA/Simplot.
- Rep. Moyle** called the meeting to order at 1:33 p.m.
- MOTION:** **Rep. Pence** made a motion to approve the minutes of February 27, 2014. **Motion carried by voice vote.**
- RS 22986:** **Rep. Vander Woude** presented **RS 22986**. He stated the proposed Concurrent Resolution requests that the Legislative Council appoint a committee to study Endowment Land issues, including governance, management, operation, disposal, preservation and financial performance of endowment assets. He explained there have been ongoing issues which have not been resolved, and now is a good time to resolve the issues.
- In response to questions, **Rep. Vander Woude** stated the committees comprehensive authority allows the committee to address unforeseen issues.
- Rep. Burgoyne** stated one of the problems with the land issues is what appears to be a particular kind of issue for one person will get morphed into a variety of issues by other people. The scope of the resolution has to address a variety of different things that people will raise.
- MOTION:** **Rep. Burgoyne** made a motion to introduce **RS 22986** and recommend it be sent to the Second Reading Calendar. Rep. Burgoyne requested his name be added to the SOP as a co-sponsor. **Motion carried by voice vote. Reps. Vander Woude and Burgoyne** will sponsor the bill on the floor.
- RS 23041:** **Rep. Malek** presented **RS 23041**, a proposed Concurrent Resolution which addresses water rights in the Coeur d'Alene Spokane River Basin. According to Rep. Malek, this has been an ongoing issue since October 2013. He stated there were three main premises regarding the issue: First, negotiated settlements provide for a resolution of federal water rights claims in a manner that is less disruptive to existing state water right holders. Second, prolonged litigation of the issues is extremely costly to the taxpayers of the state. Third, it is believed the opportunity to engage in negotiations with the United States and the Coeur d'Alene Tribe may establish another basis for continued cooperation between the Tribe and the State. He stated this is a unique situation, where Idaho water is moving into Washington, and there is collaboration to ensure Idaho water is protected.
- In response to questions, **Rep. Malek** stated the case is currently in court and when the negotiated process is complete, any negotiated agreement between the State of Idaho and the Coeur d'Alene Tribe, would require judicial approval.
- MOTION:** **Rep. Burgoyne** made a motion to introduce **RS 23041** and recommend that it be sent directly to the Second Reading Calendar. **Motion carried by voice vote. Rep. Malek** will sponsor the bill on the floor.

RS 23082: **Russ Hendricks**, Idaho Farm Bureau Federation, presented **RS 23082**. He stated **RS 23082** is a new version of **H0468** which is currently holding on the Third Reading Calendar. The Resource and Conservation Committee sent it to the Floor, where issues concerning unintended consequences were realized. Individuals worked with the affected parties and drafted language which address the concerns raised, while maintaining the intent of the bill. Mr. Hendricks stated there is one minor exception, with regard to the final paragraph of **RS 23082** and explained to committee members the revised language for page 3, lines 20-23.

MOTION: **Rep. Rusche** made a motion to introduce **RS 23082** with the changes on page 3. **Rep. Rusche** stated his concern and questioned whether a private property right negates the value of the state licensing schema. Rep. Rusche questioned if this was a road to start going down where private property rights can negate the ability of the state to require licenses and professional regulation aimed at protecting the public. He said now to question whether you need to have an outfitters guide because it promotes safety is a whole other question. He said he thought **RS 23082** deserves discussion, and should not be sent to the Second Calendar Reading.

SUBSTITUTE MOTION: **Rep. Burgoyne** made a substitute motion to introduce **RS 23082** striking lines 20-23 on page 3, and adding the change provided by **Mr. Hendricks** and recommend **RS 23082** be sent directly to the Second Calendar Reading. **Motion carried by voice vote.** **Rep. Boyle** will sponsor the bill on the floor.

RS 23071: **Jay Larsen**, President, Idaho Technology Council, presented **RS 23071**. He stated the proposed legislation is consistent with Idaho tax policy excluding services from state sales taxation subscriptions, licenses or similar arrangements for the use of computer software are excluded from the definition of "computer software" and are not subject to Idaho sales or use tax unless some tangible form of the software is delivered to the user.

In response to questions, **Mr. Larsen** stated when the Code was written in 1983-1993, Cloud services were not available. This will allow an individual to have some sort of service where an individual pays a small subscription fee or some other type of agreement, and the individual will use the service monthly.

In response to questions, **Mr. Larson** stated there are 20 companies in Idaho which were not in existence 5-7 years ago. Several of those companies have over a ½ billion dollars in revenue and pay taxes. This is an industry that will continue to grow and tends to pay higher salaries.

MOTION: **Rep. Rusche** made a motion to introduce **RS 23071**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 1:50 p.m.

Representative Moyle
Acting Chair

Lisa Hamlin
Secretary