

MINUTES  
**SENATE STATE AFFAIRS COMMITTEE**

**DATE:** Friday, March 07, 2014

**TIME:** 8:00 A.M.

**PLACE:** Room WW55

**MEMBERS PRESENT:** Chairman McKenzie, Senators Davis, Fulcher, Hill, Winder, Lodge, Siddoway, Stennett and Werk

**ABSENT/ EXCUSED:** None

**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) to order at 8:01 a.m. with a quorum present.

**GUBERNATORIAL APPOINTMENT:** The Gubernatorial Appointment of Daniel Kunz to the Idaho Energy Resources Authority (Authority).

**Chairman McKenzie** introduced Daniel Kunz who is filling the position previously held by Ralph Williams. He asked Mr. Kunz to provide some background and described his role on the Authority.

**Mr. Kunz** said he has attended two in-person meetings and at least two phone meetings during discussions on the Letter of Intent with Bonneville Power for future opportunities to finance projects regarding transmission in and out of Idaho. He stated he founded U.S. Geothermal (USG) and saw that company through its initial stages in 2000-2002. USG went public in 2004 resulting in funding of about \$300 Million to put USG into the business of making electricity. This project included developing transmission agreements, power purchase agreements, building and construction permitting and financing. USG is currently producing electricity from three facilities: Raft River, Idaho; Vale, Oregon, which is in Idaho Power territory; and one close to Reno, Nevada. **Mr. Kunz** was asked to join the Authority and he agreed.

**Senator Davis** asked if Mr. Kunz has identified any gaps that the State should help fill. **Mr. Kunz** stated he can't make that kind of an assessment yet. However, the State can be proud of the directors that currently reside at the Authority.

**Senator Davis** asked if Mr. Kunz has had a chance to review the Idaho Energy Plan and, if so, what are his observations. **Mr. Kunz** said he has been involved with the plan through USG. It is a good plan with policies that help the State develop its energy resources. **Senator Davis** asked if Idaho is implementing the principles of that plan. **Mr. Kunz** responded it was early for him to make that assessment but he didn't think the drivers, like Idaho Power, will let it be shelved.

**Senator Werk** ask if Mr. Kunz had a view on rooftop solar systems and net metering, and if the Authority had any role in those discussions. **Mr. Kunz** admitted that he didn't have a very detailed knowledge of solar yet. He stated his own views on the long term benefits of renewable energy. They are more costly up front, but over time, they completely erase the volatility of energy pricing, particularly as it relates to natural gas. Solar rooftop installations help provide a fixed energy source.

**Chairman McKenzie** thanked Mr. Kunz for his assistance when the Interim Energy Committee toured the USG facility at Vale. He noted that voting would be at the next Committee meeting.

**RS 23070**

A Senate Concurrent Resolution Urging Idaho Residents to Protect Themselves about the Risks and Symptoms of Carbon Monoxide Poisoning and by Installing Carbon Monoxide Detectors in Their Homes; presented by Senator Martin.

**Senator Martin** explained that the genesis of **RS 23070** was a tragic incident for the Bill Parrish family who resided in Pocatello. He gave a brief overview of his connection with this family. **Senator Martin** introduced Alan and Jan Parrish-Frew. Mr. Frew works for the Idaho Department of Transportation, and Jan Parrish-Frew is an architect and was the Executive Project Manager for the renovation of the Idaho State Capitol. **Senator Martin** yielded his time to the Parrish-Frew family. **Mrs. Parrish-Frew** introduced Bill Parrish's Mother, Becky Robinson. **Ms. Robinson** read a story written by a cousin; "Is a Life Worth \$50." (see attachment a)

**MOTION:**

**Senator Davis**, in memory of the Parrish family, moved to send **RS 23070** to print. **Senator Werk** seconded the motion. The motion carried by **voice vote**.

**H 400**

Relating to Horse Racing to Increase the Fiscal Year-End Balance in Order to have Sufficient Funds to Operate for at Least One Year Without Additional Revenue; presented by Frank Lamb, Executive Director, Idaho Racing Commission (Commission).

**Mr. Lamb** said that the Commission is totally self-funded by a percentage of the wagering income and license fees; it receives no General Fund appropriations. **Mr. Lamb** gave a brief financial history and explained why they were asking to increase the ceiling on their account balance. There was a decrease in funding due to the lack of racing at Idaho's major race track, Les Bois Park. As a result, staff was reduced, thus diminishing the ability to regulate; especially in the area of drug testing. It is not anticipated that the same situation will reoccur, but it is important to be prepared. By raising the ceiling from \$400,000 to \$600,000, it will allow the Commission to operated for one to one and one-half years. This is not asking for an increase in budget. As an example of increased costs, a drug test was \$18 when the ceiling was established 20 years ago; now it is \$65 and soon will be \$75. The stakeholders have participated in this proposal and have no opposition to it.

**MOTION:**

**Senator Werk** moved to send **H 400** to the floor with a **do pass** recommendation. The motion was seconded by **Senator Lodge**. The motion carried by **voice vote**.

**H 443**

Relating to Elections to Address Procedural Issues in Various Sections of the Idaho Code that were Discovered During Recent Elections; presented by Tim Hurst, Secretary of State's Office.

**Mr. Hurst** stated that **H 443** deals with issues regarding election consolidation.

- It outlines the process to disseminate information from the State Board of Education to the school district and county clerk when there is a change in school zones.
- It makes the recreation districts' timing for write-in candidates consistent with other taxing districts; 45 days instead of 25 days.
- It removes a conflict between § 34-106 and § 34-1404 in setting the final date for certifying the language for a ballot question .
- It allows a county to request a modification on election procedures in a taxing district election allowing changes in methodology to fit a precinct or taxing district.

- It prohibits a candidate from running for more than one city council seat at the same time.
- It removes the requirement that the city council has to "accept" the results of the election, but that they just have to receive them and print them.

**Senator Davis** talked about Section 4 of the bill, which is the election procedures section. Is the modification only for a certain election cycle or is it ongoing? Mr. Hurst said they interpret that as one time but Title 34 also gives the Secretary of State the power to interpret the law consistently throughout the State. **Senator Davis** asked that clarification be part of a future bill.

**MOTION:** **Senator Davis** moved to send **H 443** to the floor with a **do pass** recommendation. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

**H 508** Relating to Unclaimed Property to Revise the Requirement of a Notice of Escheatment and to Establish Outreach Provisions; presented by Cozette Walters, Administrator of Unclaimed Property, Treasurer's Office.

**Ms. Walters** provided an overview of how unclaimed property becomes unclaimed and what it includes and does not include. The property is acquired from businesses like banks, utility companies, medical offices and insurance companies. They are required to turn that money over to the last state of address. Currently, the State is holding over \$120 million as of November, 2013. That information is made available to the citizens through a variety of ways; the website, advertising in newspapers, attending conferences and various outreach programs. **H 508** strikes language regarding escheatment that is no longer necessary due to some 2012 legislation modifying the escheatment provisions. It also clarifies that the Treasurer's office can continue to conduct public outreach efforts and education programs regarding unclaimed property. This is not a bill to increase budget; it is a clean up and clarification bill.

**MOTION:** **Senator Davis** moved to send **H 508** to the floor with a **do pass** recommendation. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

**RS 23099** Relating to State Elected Officials to Set the Compensation for the State Elected Officers; presented by Senator Davis.

Senator Davis stated that every four years the Legislature has the authority to review the compensation that is paid to various statewide elected officials or constitutional officers. Article V, Section XVII specifically refers to the judiciary and also includes language for payment of the constitutional officers. Salaries are set before the beginning of a term and that amount will be in effect for the following four years. This legislation allows for a two and one-half percent increase for each of the next succeeding four years with a total fiscal impact of \$86,627.

Senator Davis explained that there are two changes other than the historic percentage changes. The first modification is that the Lieutenant Governor would change from 30 percent to 35 percent. Additionally, the Attorney General would be decoupled from the percentage of the Governor, and instead, would be associated with the compensation paid to a district court judge. This is a message to practitioners that if they are looking at a district court judge position, there is also a position of equal financial stature in the office of the Attorney General. The fiscal year difference will be larger in 2015 because the Attorney General will be fixed as of the end of the year (see attachment b).

**MOTION:** **Senator Fulcher** moved to send **RS 23099** to print. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.

- RS 23095** Relating to Salaries of Judges to Adjust Judicial Salaries and Increases within the Judiciary; presented by Senator Davis.
- Senator Davis** stated that the constitutional language is similar and dissimilar in both language and interpretation. Article V, Section XXVII and Article V, Section XVII of the Idaho Constitution must be looked at in concert with one another. They are not bound by the same commencement of the term type language and they can, and historically have, provided for interim increases in compensation. That is practical because judges do not all run at the same time like constitutional officers. Currently, there is a very serious compression in compensation. The total fiscal impact of this proposal is just over \$1.1 million. **Senator Davis** explained the breakdown in the compensation (see attachment c). Special attention was given to the increase for district judges in order to attract a more robust list of applicants. The idea is to provide a better pattern going forward with a strong percentage gap. Three significant investments are being made in the judiciary this year: First, the Judge's Retirement Fund transfers to PERSI; second, are changes in compensation as contemplated in this RS; and third, are the investments in technology that the court desperately needs.
- MOTION:** **Senator Werk** moved to send **RS 23095** to print. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.
- Senator Davis** asked that Representative Moyle be added to the Statement of Purpose for **RS 23095** and **RS 23099**.
- RS 23081** A Senate Concurrent Resolution to Recognize and Commend Hilary Knight for Her Achievements at the 2014 Winter Olympic Games; presented by Senator Stennett.
- Senator Stennett** stated that this a resolution to honor Hilary Knight, from Sun Valley, for her silver medal as a player on the Women's Hockey Team, at the 2014 Olympic Games in Sochi, Russia. Ms. Knight was honored in 2011 in Sun Valley for her contribution to the Women's Ice Hockey International Competition. Ms. Knight began playing hockey at the age of five and moved around various states with her family as she continued to pursue that sport throughout her childhood. Ms. Knight also took skating lessons and participated in other sports. She continues with hobbies in tennis, mountain biking and skiing. A friend of the family was an ice hockey coach and encourage Ms. Knight and her brothers to take up the sport. They were skiers before they learned to skate. At the age of five, Ms. Knight told her grandmother that she would play at the Olympic Winter Games. Her philosophy is "I dream, I will it, I'm passionate, I'm determined and I dare to be whatever I choose to be." Ms. Knight's degree is from the University of Wisconsin. She received the Jeff Sauer Award for the most dedicated player for the 2011-2012 season. She was named the Captain of the Badgers during her Senior year at the University of Wisconsin. In January of 2011, she scored her 90th goal for the Badgers to become the All Star leading goal scorer at the University of Wisconsin in women's hockey history.
- MOTION:** **Senator Werk** moved to send **RS 23081** to print. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**.
- MINUTES:** **Senator Lodge** moved to accept the Minutes of January 30, 2014. **Senator Werk** seconded the motion. The motion carried by **voice vote**.
- ADJOURNED:** **Chairman McKenzie** thanked the Committee and there being no further business, adjourned the meeting at 8:58 a.m.

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Senator McKenzie, Chair

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Twyla Melton, Secretary