

MINUTES  
**HOUSE STATE AFFAIRS COMMITTEE**

**DATE:** Tuesday, March 10, 2015

**TIME:** 8:30 A.M.

**PLACE:** Room EW40

**MEMBERS:** Chairman Loertscher, Vice Chairman Batt, Representatives Andrus, Luker, Crane, Palmer, Sims, Barbieri, Holtzclaw, McMillan, Bateman, Cheatham, Nielsen, Smith, Jordan, McCrostie, Wintrow

**ABSENT/  
EXCUSED:** None

**GUESTS:** Hyrum Johnson, City of Driggs; Jeff Harvey, Secretary of State; Ryan Haworth, Teton Thai; Ralph Mossman, City of Driggs; Chip Fisher, Ketchum Conference Center; Jeremy Pisca, NewTrac (Tamarack); David Papiez, Tamarack; Tyler Mallard, NewTrac (Tamarack); Larry Haworth, Teton Thai; Russell Westerberg, ILBA; Kate Haas, Ketchum Conference Center.

**Chairman Loertscher** called the meeting to order at 8:34 a.m.

**RS 23706C1:** **Jeff Harvey**, Secretary of State, presented **RS 23706C1**, proposed legislation that amends Section 1025 of the Idaho Uniform Business Organizations Code, to change or remove certain document processing fees. This legislation increases the fee in Chapter 21, Title 30, Section 214(d) the "expedite fee" from \$20 to \$50. It also removes the "non-typed fee" in Chapter 21, Title 30, Section 214(e), and the fee for filing articles of dissolution in Chapter 21, Title 30, Section 214(b)(40). He stated the increased expedite fee will offset the growing cost of processing these documents quickly, will help to prevent unnecessary payment of the fee, and will ensure that customers utilize the service only when there is a genuine need. He said the fee for filing articles of dissolution is inconsistent with other domestic entity fees, and can create a hardship to business owners who are wrapping up business activities. He stated that due to increases in technology, and to the ease of access to technology, the non-typed fee is no longer necessary.

**MOTION:** **Rep. McCrostie** made a motion to introduce **RS 23706C1**. A division was requested. **By a show of hands, the motion carried.**

**H 215:** **Kate Haas**, representing Ketchum Conference Center, presented **H 215**, legislation that creates a resort city conference center license for conference centers placed in resort cities, as defined in Idaho Code section 50-1044. The bill also creates a resort city restaurant license for restaurants in resort cities, as defined in Idaho Code section 50-1044, that have passed an authorizing ordinance. She stated the resort city restaurant license is a restricted license that limits the hours of service for liquor-by-the-drink and requires the majority of restaurant revenue to be derived from food service. She stated the bill does not create any new licenses. Instead, it authorizes no more than four licenses to be drawn from an existing pool of authorized, but unused, year-round resort licenses. She stated at least eight licenses will remain in the pool for future use.

**Mayor Hiram Johnson**, City of Driggs, spoke **in support** of **H 215** and stated the current system with liquor licenses is hurting businesses in the area. He stated 30% of property owners in Driggs are non-residents. He said there are 22 restaurants and only 2 have the current ability, under state law, to get the license. He stated there are approximately 50,000 people who drive through Driggs every week and accessibility to more licenses would help businesses. He stated the legislation permits resort licenses which would be available only to the businesses that meet the qualifications, not to every business. He stated the licenses would be distributed in a first-come first-serve basis. **Brian Hayworth**, self, spoke **in support** of **H 215** and stated the licenses need to be freed up so other businesses can obtain the amenities that visitors want.

**Jeremy Pisca** representing NEWTRAC, Tamarack, spoke **in opposition** to **H 215**, and stated the licenses were created for Tamarack. He stated the licenses were created for Tamarack because it is a 4-season resort. He said there was a recession in 2007, and the resort is now being rehabilitated. He stated the language in the bill is problematic because it leaves the amount of licenses issued open. He said there is no language in the bill that limits the amount of new licenses.

In response to committee questions, **Mr. Pisca** stated the licenses are being used by Tamarack now. He stated specialty licenses cannot be transferred but the bill changes that and allows them to be. He stated the bill takes away the 4 licenses already in Tamarack's possession.

**Ralph Mossman**, Councilman, City of Driggs; **Chip Fisher**, Ketchum Conference Center; **Larry Hayworth**, self, spoke **in support** of **H 215**. They were of the opinion that the licenses will bring more business to the Driggs area by allowing more options for patrons.

**Russell Westerberg**, Idaho Licensed Beverage Association, spoke **in opposition** to **H 215** and stated 860 individuals and organizations have obtained liquor licenses the old fashioned way. He stated the ILBA did not oppose the 12 licenses to resort city businesses but they should go through the same process as other license holders. He stated the individuals who already have licenses lose the value of their license when new ones are created.

In response to committee questions, **Mr. Westerberg** stated there is a waiting list for liquor licenses, as it should be. He stated compensation to the owners of the licenses is important and to just open up the pool, dilutes the values of the existing licenses.

**Rep. Miller** was recognized to provide closing testimony. He stated the legislation is about economic development in resort cities in Idaho. He stated 30% of the population doesn't drink at all. He said liquor licenses provides an option to the public when they are visiting. He stated in order to get the liquor license the business needs to meet requirements and qualify. He stated the 8 remaining licenses have not been used for 7-8 years.

**MOTION:**

**Rep. Palmer** made a motion to HOLD **H 215** in committee.

**Rep. Wintrow** spoke **in support** of the motion. **Rep. Luker** spoke **in support** of the motion and stated taking the existing licenses from the original owners is wrong. **Rep. McCrostie** spoke **in support** of the motion and stated the language needs to be cleaned up. **Rep. Smith** spoke **in support** of the motion and stated she wants more limitations on the licenses so they are not transferable and that it not take away from the year-round resorts. **Rep. Crane** spoke **in support** of the motion and stated he has a problem with taking away one business' liquor license and giving to another without their consent.

**SUBSTITUTE MOTION:**

**Rep. Barbieri** made a substitute motion to send **H 215** to the floor with a **DO PASS** recommendation. He spoke **in support** of the motion and stated the definition of transfer is a problem and there are a lot of licensee issues with resort towns. He stated that passing the legislation is an opportunity to help struggling communities without spending tax payers money or giving tax breaks. He stated that by issuing the other licensees nothing would be taken away from the existing license holders.

**VOTE ON SUBSTITUTE MOTION:**

A roll call vote was requested on the substitute motion. **Motion failed by a vote of 6 AYE and 11 NAY. Voting in favor of the motion: Reps. Sims, Barbieri, McMillan, Bateman, Cheatham and Jordan. Voting in opposition to the motion: Reps. Chairman Loertscher, Reps. Batt, Andrus, Luker, Crane, Palmer, Holtzclaw, Nielsen, Smith, McCrostie, and Wintrow.**

**VOTE ON ORIGINAL MOTION:**

**Chairman Loertscher** called for a vote on the original motion. **Motion carried by voice vote. Reps. Sims, Barbieri, McMillan, Cheatham, and Jordan** requested to be recorded as voting **NAY**.

**ADJOURN:**

There being no further business to come before the committee, the meeting was adjourned at 10:41 a.m.

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Representative Loertscher  
Chair

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Kasey Winder  
Secretary