

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Thursday, March 19, 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: John Sheldon, Les Bois Park; Bill Roden, Coeur d' Alene Tribes; Helo Hancock, Coeur d' Alene Tribes; Jeff Anderson, Lottery Commission; Sarah Fuhriman, Coeur d' Alene Tribes, Jeremy Chou, Givens Pursley; Doug Opuniewicz, Coeur d' Alene Racing; Tamara Mackenthun; Myron Amsden, Idaho Horse Council; Dwayne Didenieksen, L.B.P.; Jim Bernard, IMRE; Melissa Bernard, IMRE.

Chairman Loertscher called the meeting to order at 8:31 a.m.

MOTION: **Rep. Sims** made a motion to approve the minutes of the March 10, 2015 meeting. **Motion carried by voice vote.**

S 1104: **Senator Nonini** presented **S 1104**, legislation that requests a federal grant to construct and fund a fourth Veteran's Home in Idaho. He stated the grant will provide 65% of the construction cost for the home.

In response to committee questions, **Sen. Nonini** stated the other 35% of the funding comes from the Veteran's Fund that is already set up. He stated the fund for the Veterans grows every year and can sustain a new home.

MOTION: **Rep. Jordan** made a motion to send **S 1104** to the floor with a **DO PASS** recommendation.

SUBSTITUTE MOTION: **Rep. Luker** made a substitute motion to send **S 1104** to General Orders. He spoke to the motion and stated the word "shall" should be removed regarding the 35% of funding the State must match in order to get a federal grant. **Motion carried by voice vote.** **Rep. Mendive** will sponsor the bill on the floor.

H 279: **Rep. Perry** presented **H 279**, legislation that creates a Gaming Commission that has oversight on all forms of gambling in Idaho. She stated the Legislature doesn't have the capability to do oversight on gambling. She stated the Gaming Commission will act as a mediator between the gaming entities. She stated the Racing Commission would be removed from under the Idaho State Police and be put under the Idaho State Gaming Commission instead. She explained that the Chairman of the Gaming Commission would be appointed by the Governor and approved by the Senate. She said this is a good solution when dealing with the historic horse racing issues that have arisen. She stated oversight of all gaming has been an issue in Idaho, and this legislation would help remedy that.

In response to committee questions, **Rep. Perry** stated there will be a trailer bill regarding the Rules of the Gaming Commission. She stated the funds for each gaming entity will stay separate. She also said the Lottery Commission will help with the administrative functions of the Gaming Commission and it will be self-funded. She stated the Lottery Commission and Racing Commission will help fund the oversight of tribal gaming. She explained that the term "instant racing" was inserted because it is a term the media and the public use when referring to historic horse racing in Idaho but she has no problem taking the term out. She stated most other states have a Gaming Commission, such as the one being proposed, and they work well in providing oversight. She stated it is better for a Commission of experts in the field to provide oversight than the Legislature alone.

Rep. Jordan invoked Rule 38 for a possible conflict of interest but stated she would be voting on the legislation.

John Sheldon, Owner, Les Bois Park, spoke **in support** of **H 279** and stated Idaho needs one regulatory body to oversee all gaming in the state to ensure everyone is following the regulations set by the Legislature. **Melissa Bernard**, Owner, Sandy Downs, spoke **in support** of **H 279** and stated a Gaming Commission that combines all gaming in Idaho and provides oversight would make for a better playing field for all involved. **Doug Okuniewicz**, General Manager, CDA Racing, spoke **in support** of **H 279** and stated the Gaming Commission is a good idea because it creates a centralized system to provide oversight in a regulatory scheme in Idaho. He stated a Commission will be able to provide thorough oversight to all entities.

Bill Roden, Coeur d' Alene Tribe, spoke **in opposition** to **H 279** and stated the legislation brings up the issue of constitutionality of gaming in Idaho. **Jeremy Chou**, Intralot USA, spoke **in opposition** to **H 279** and stated the term instant racing in the bill could be problematic and the distribution of funds of the separate accounts could be an issue. He stated the current issues are with the Racing Commission, not the Lottery Commission, they operate fine by themselves.

Jeff Anderson, Director, Lottery Commission, spoke **in neutrality** to the bill and stated they have five members on their Board that are very knowledgeable and competent to handle the issues regarding simulcasting or other gaming functions. He stated the Lottery Commission has worked well for 26 years.

In response to committee questions, **Mr. Anderson** stated each gaming entity is in its own silo currently. He stated they will need a representative on the Commission for live horse racing but not for historic horse racing.

In closing, **Rep. Perry** stated Idaho needs expertise and continuing education in dealing with gaming. She stated a Gaming Commission would be able to provide what is currently needed. She stated it might take some time to get all of the factors worked out but everything is subject to the Legislature's approval. Constitutional issues go to the judicial branch.

MOTION:

Rep. McCrostie made a motion to **HOLD H 279** in committee. He spoke to the motion and stated the committee needs to decide if historic horse racing will be allowed to proceed before voting on a new Commission.

Rep. Crane spoke **in support** of the motion and stated an interim committee should be formed and tribal gaming should help fund the Gaming Commission.

Chairman Loertscher spoke **in opposition** to the motion and stated the legislation has been in the making for 20 years. He stated there has always been a need for a Gaming Commission. He stated regulation is needed and if we don't start now we will continue to struggle with issues in gaming. **Rep. Barbieri** spoke **in opposition** to the motion. **Rep. Sims** spoke **in opposition** to the motion.

SUBSTITUTE MOTION:

Rep. Cheatham made a substitute motion to **HOLD H 279** at the Call of the Chair.

Rep. Wintrow spoke **in support** of the substitute motion and stated there are a lot of issues with gaming and finding solutions needs to not be rushed.

AMENDED SUBSTITUTE MOTION:

Rep. Barbieri made an amended substitute motion to send **H 279** to the floor with a **DO PASS** recommendation.

VOTE ON AMENDED SUBSTITUTE MOTION:

A roll call vote was requested on the amended substitute motion to send **H 279** to the floor with a **DO PASS** recommendation. **Motion failed by a vote of 5 AYE, 12 NAY. Voting in favor** of the motion: **Reps. Sims, Barbieri, Cheatham, Nielsen, and Chairman Loertscher. Voting in opposition** to the motion: **Reps. Reps. Batt, Andrus, Luker, Crane, Palmer, Holtzclaw, McMillan, Bateman, Smith, Jordan, McCrostie and Wintrow.**

VOTE ON SUBSTITUTE MOTION:

A roll call vote was requested on the substitute motion to **HOLD H 279** at the Call of the Chair. **Motion failed by a vote of 7 AYE, 10 NAY. Voting in favor** of the motion: **Chairman Loertscher, Reps. Sims, Barbieri, McMillan, Cheatham, Nielsen, and McCrostie. Voting in opposition** to the motion: **Reps. Batt, Andrus, Luker, Crane, Palmer, Holtzclaw, Bateman, Smith, Jordan and Wintrow.**

VOTE ON ORIGINAL MOTION:

Chairman Loertscher called for a vote on the original motion to **HOLD H 279** in committee. **Motion carried by voice vote.**

S 1011: MOTION:

Chairman Loertscher returned **S 1011** to the committee for consideration.

Rep. Luker made a motion to send **S 1011** to General Orders with Amendments. He spoke to the motion and stated a moratorium on any new historic horse racing terminals for 2 years should be inserted into the bill. He stated 2 years would give the Legislature time to decide on the historic horse racing issue. He stated the moratorium would not affect any legal issues or investigations.

Rep. Bateman spoke **in support** of the motion and stated the proposed amendment is a wise move because we don't need a spread in gambling.

SUBSTITUTE MOTION:

Rep. Wintrow made a substitute motion to send **S 1011** to the floor without recommendation.

Rep. Andrus spoke **in support** of the substitute motion and stated the parties need to litigate instead of going through the Legislature. **Rep. Smith** spoke **in support** of the motion and stated she does not support the use of slot machines.

Rep. Barbieri spoke **in opposition** to the substitute motion and stated gambling is a source of revenue for the state and this bill was a reaction complaint brought against a competitor in the gambling arena.

MOTION:

Rep. Palmer made a motion to call for the question to end the debate. **Motion carried by voice vote.**

Rep. Jordan invoked Rule 38 for a possible conflict of interest and stated she will be voting on the legislation.

**VOTE ON
SUBSTITUTE
MOTION:**

A roll call vote was requested on the substitute motion to send **S 1011** to the floor without recommendation. **Motion carried by a vote of 15 AYE, 2 NAY. Voting in favor** of the motion: **Chairman Loertscher, Reps. Batt, Andrus, Luker, Crane, Palmer, Sims, Holtzclaw, Bateman, Cheatham, Nielsen, Smith, Jordan, McCrostie and Wintrow. Voting in opposition** to the motion: **Reps. Barbieri and McMillan. Rep. Andrus** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 10:57 a.m.

Representative Loertscher
Chair

Kasey Winder
Secretary