

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

- DATE:** Monday, February 08, 2016
- TIME:** 9:00 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:** Representative Crane.
- GUESTS:** Larry Johnson, Endowment Fund Investment Board.
Chairman Loertscher called the meeting to order at 9:02 a.m.
- HCR 29:** **Rep. Kloc** presented **HCR 29**, a concurrent resolution to honor the values of America symbolized by the Statue of Liberty. He gave some history of immigrants that have come to America and the Statue of Liberty through the years.
- MOTION:** **Rep. Bateman** made a motion to send **HCR 29** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kloc** will sponsor the bill on the floor.
- H 426:** **Jace Perry**, Investment Accountant, State Treasurer's Office, presented **H 426**, a bill that clarifies defeased bonds or advanced bonds no longer have the State credit enhancement guarantee, as they would have the security of the escrow. He stated the clarification helps define the liability that the State reports under the program and is important for capacity calculations.

In response to committee questions, **Mr. Perry** stated the IBBA worked with the Bond Council and school districts and they felt the rewording of the language was better understood than the previous language that currently exists. He stated the new language is stronger language and does not change the law. He stated the legislation is specifically for Section 33-5303 of the Idaho Code which deals with the school bond program.
- MOTION:** **Rep. McCrostie** made a motion to send **H 426** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nielsen** requested to be recorded as voting **NAY.** **Rep. Barbieri** will sponsor the bill on the floor.
- H 427:** **Jace Perry**, Deputy Treasurer, State Treasurer's Office presented **H 427**, a bill that clarifies arbitrary and confusing language relating to the Idaho Bond Bank Authority (IBAA) Administrative Fund. He stated the fund pays for the administration of the Idaho Bond Bank and the recommendation for the legislation comes from the IBBA Board.

In response to committee questions, **Mr. Perry** stated the duties of the administration of the IBBA is to analyze applications of bonds, review legal documents, and oversee compliance with requirements for bonds. He stated the Treasurer's Office currently doesn't ask for reimbursement for these costs. He stated the intent of the legislation is to give the Treasurer's Office the authority to approve or deny the costs and pull the funds needed. He stated this is not a revenue bill, it simply gives authority for the Treasurer's Office to pay for its costs. He stated the Bond Bank revenue is from the bonds themselves and does not pay for overhead costs. He stated the wording inserted is to ensure the natural overview from the Treasurer's Office and allows the Bond Bank Board to have authority over the funds instead of the monies going directly to the Treasurer's Office.

Ron Crane, Treasurer, State Treasurer's Office, stated when the bond bank first started, there were very few bonds so the Treasurer's Office absorbed the costs. He stated now the bond bank is more successful and this legislation provides a way for the IBBA to become a self-serving entity. He stated the bond bank is needed to provide a way for all municipalities to get into the market and that would not be possible otherwise.

In response to committee questions, **Treasurer Crane** stated the word "may" on page 1, line 32 is more flexible than "shall" would be. He stated the bill is purely operational and all the monies come from the Treasurer's budget, the IBBA does not receive separate funds.

MOTION: **Rep. Batt** made a motion to send **H 427** to General Orders.

SUBSTITUTE MOTION: **Rep. Nielsen** made a substitute motion to **HOLD H 427** in committee.

AMENDED SUBSTITUTE MOTION: **Rep. McCrostie** made an amended substitute motion to send **H 427** to the floor with a **DO PASS** recommendation.

ROLL CALL VOTE: Roll call vote was requested on the amended substitute motion to send **H 427** to the floor with a **DO PASS** recommendation. **Amended Substitute Motion carried by a vote of 8 AYE, 7 NAY, 2 Absent/Excused. Voting in favor** of the motion **Chairman Loertscher, Reps. Luker, Bateman, Cheatham, Smith, Jordan, McCrostie and Wintrow. Voting in opposition** to the motion **Reps. Batt, Palmer, Sims, Barbieri, Holtzclaw, McMillan and Nielsen. Absent/Excused: Reps. Andrus and Crane. Rep. McCrostie** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 10:25 a.m.

Representative Loertscher
Chair

Kasey Winder
Secretary