

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Tuesday, February 21, 2017

TIME: 8:30 A.M.

PLACE: Room EW42

MEMBERS: Chairman Loertscher, Vice Chairman Monks, Representatives Luker, Crane, Palmer, Barbieri, Holtzclaw, Harris, Armstrong, Giddings, Manwaring, Zito, Scott, Smith, Jordan

**ABSENT/
EXCUSED:** None

GUESTS: The sign-in sheets will be retained with the minutes in the committee secretary's office until the end of session. Following the end of session, the sign-in sheets will be filed with the minutes in the Legislative Library.

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

MOTION: **Rep. Armstrong** made a motion to approve the minutes of the February 14 and 15, 2017 meetings. **Motion carried by voice vote.**

H 127: **Chairman Loertscher** presented **H 127**, legislation that addresses a constitutional compliance problem by amending language under Title 67, Chapter 429B, Idaho Code that contradicts Article III, Section 20 of the Idaho Constitution. The amendment removes any ambiguity in the statute over whether or not a Tribal Video Gaming Machine can be a house-banked slot machine.

Doug Okuniewicz, General Manager, Coeur d' Alene Racing, spoke **in support** of **H 127** and stated the bill does not take all machines away from the tribes. He stated there are three allowable forms of gambling in Idaho according to the Idaho Constitution. He stated house banked games are not legal in the state and the bill removes any ambiguity, which has been a source of confusion for years.

In response to committee questions, **Mr. Okuniewicz** stated the Lottery Director, who is in charge of overseeing tribal gaming, has his hands tied due to the current vague language. He stated there are many different games in the market now that are not slot machines that the tribes could use.

Shannon Wheeler, Nez Perce Tribe, spoke **in opposition** to **H 127** and stated the tribe agreed to the terms in **Proposition 1** in 2002 on what types of machines they could use. He stated they have around 600 machines. He stated the tribe has abided by the compact and has provided a lot of financial support to the community. He stated tribal gaming is heavily regulated and the tribes depend on the revenues by gaming sources that the casinos make. He said he questions the bills intent.

Darrell Shay, Shoshone Bannock Tribe, spoke **in opposition** to **H 127** and stated gaming dollars help the community and is linked to the tribes survival. He stated tribal gaming is not self-regulated like the State Lottery.

Scott Crowell, Special Gaming Counsel, Shoshone-Bannock Tribe, spoke **in opposition** to **H 127** and stated the compact to allow tribal gaming has helped the tribe with much needed resources and the legislation causes a negative relationship with the tribes.

In response to committee questions, **Mr. Crowell** stated the Idaho Constitution does not change the compact with the tribes. He stated he is concerned with the way the State is trying to change the compact and negotiations should go through the tribes first. He also stated the legislation will be used as a tool for frivolous lawsuits against the tribes. He stated if the State thinks the tribes are not adhering to the compact, there is a dispute resolution process they should use. He stated there is no ceiling in negotiations of the compact, even if it is against State law.

Marvin Osborne, Shoshone-Bannock Tribe Gaming, spoke **in opposition** to **H 127** and stated Indian gaming is one of the highest regulated in the industry. He stated gaming has helped the community.

In response to committee questions, **Mr. Osborne** stated **Jeff Anderson**, the Lottery Director comes to the casinos annually to check the machines and there is a 10% testing requirement.

Nathan Small, Shoshone-Bannock Tribe, spoke **in opposition** to **H 127** and stated there are many benefits of gaming for the tribes. He stated they are self-sufficient because of the gaming.

Jonathan Krutz, Stop Predatory Gambling Idaho, spoke **in support** of **H 127** and stated gambling has a negative impact on society. He stated slot machines are very addictive and illegal in the State of Idaho.

ADJOURN: Due to time constraints, **H 127** will be carried over to the meeting of February 22, 2017 at 8:30 a.m. The meeting was adjourned at 10:32 a.m.

Representative Monks
Chair

Kasey Winder
Secretary