

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, January 30, 2019

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb (Rohn)

ABSENT/ EXCUSED: Senator Hill

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: **Chairwoman Lodge** called the Senate State Affairs Committee (Committee) to order at 8:03 a.m.

VOTE ON GUBERNATORIAL RE-APPOINTMENT: **The Gubernatorial Re-Appointment** of Brigadier General Michael J. Garshak as Adjutant General of the Idaho Military Division.

MOTION: **Senator Stennett** moved to send the Gubernatorial re-appointment of General Michael J. Garshak as Adjutant General of the Idaho Military Division to the floor with the recommendation that he be confirmed by the Senate. **Senator Anthon** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL RE-APPOINTMENT: **The Gubernatorial Re-Appointment** of John Chatburn as the Administrator to the Office of Energy and Mineral Resources.

Chairwoman Lodge asked Mr. Chatburn to update the Committee about the Office of Energy and Mineral Resources and provide some information about himself

John Chatburn, Administrator for the Governor's Office of Energy and Mineral Resources (OEM), stated the primary duty of the OEM is to coordinate energy and mineral planning and policy development for the State of Idaho. The OEM serves as coordinator for all State comments on federal environmental impact statements, and all National Environmental Policy Act documents pertaining to energy, mineral, and oil and gas projects. The OEM does not regulate but works on policy issues. They receive no General Fund dollars but get federal dollars through a State Energy Program grant. They have dedicated funds from the petroleum price violation escrow accounts and from the Renewable Energy Resources fund. **Mr. Chatburn** described current activities, including the coordination of 11 mineral exploration environmental assessments and coordinating the comments for mining environmental impact statements for the phosphate mine industry in southeast Idaho. They are still working on a variety of transmission line projects but some major ones are nearly finished. In addition, the OEM works closely on a national and regional level with other states on energy projects that have a scope beyond Idaho, where the OEM represents the Governor's office on a variety of boards and associations and other energy related bodies.

Mr. Chatburn stated he was born and raised in Albion in southeast Idaho, has worked for the State of Idaho in one capacity or another since 1995, and been with the OEM since 2009.

DISCUSSION:

Senator Stennett stated that OEM expanded three years ago from energy resources to energy and mineral resources. She asked what has changed related to staff and the kind of programs OEM participates in. **Mr. Chatburn** responded that, in the past, the OEM focused on natural resources, and the \$40 million in stimulus funds received funded the refitting of K-3 classrooms to be more energy efficient. The change shifted the focus from project implementation to policy coordination. The office now has eight full-time positions of which two are currently vacant. These two will be filled in the near future. That will allow the OEM to address the mineral and energy issues more fully. He stated he was surprised by the number of exploration efforts with potential mineral development in the state.

Vice Chairman Harris stated his interest in southeast Idaho and asked if Mr. Chatburn saw any improvement in the relationship between the federal government, State, and industry in relation to permits and mine permits. **Mr. Chatburn** said that they have a good relationship with the Bureau of Land Management in the Pocatello field office, who are the people closest to the permitting process and represent both State and federal agencies for the phosphate mine expansions and new mines on federal land in southeast Idaho.

Senator Anthon commented that Idaho has some rare minerals that are not being developed. He asked Mr. Chatburn, from an economic standpoint, what obstacles are preventing the development of those minerals. **Mr. Chatburn** answered that a number of companies are doing exploratory work to examine the potential to mine nontraditional minerals. There is generally a lack of human resources at the federal level to perform the analysis in a timely manner. The OEM is working with the federal agencies to overcome that obstacle and provide the assessments in a timely way.

Senator Winder asked for specifics about the oil and gas activities in New Plymouth as well as Payette and Gem counties. He also asked about the investigations on the amount of distillate being produced out of the wells in those areas. **Mr. Chatburn** stated that oil and gas development is currently in a holding pattern. There have been a couple of applications for permits and there could be some drilling this spring. **Mr. Chatburn** said, in his opinion, the primary reason for the lack of development in Idaho is the price of natural gas and the cost of disposing of any water coming out of the wells. About the investigation, he couldn't speak to that issue. The Idaho Department of Lands would be the regulating agency that initiates those investigations.

**GUBERNATORIAL
RE-APPOINTMENT:**

The Gubernatorial Re-appointment of Judy B. Taylor as Administrator of the Idaho Commission on Aging.

Judy Taylor, Administrator, Idaho Commission on Aging (Commission) stated her perspectives about the Commission. As a designated State unit on aging, the Commission is focused on helping older Idahoans stay informed, healthy, safe, and at home with the goal of preventing institutionalization. The people at the Commission are dedicated to do their part to enable the oldest generations of Idahoans to age in place in the communities of their choice.

DISCUSSION:

Senator Souza asked Ms. Taylor what she found to be the biggest challenge or the biggest surprise about this job. **Ms. Taylor** responded that the biggest surprise was the depth of talent and expertise within the Commission that was not being utilized across the state in a way that could impact both policy efforts and direct services to the vulnerable adults. She explained one of her main challenges was to get re-invited and show up to all the areas where they hoped to have influence across the state and to re-energize the Commission to help the State solve the issues of the oldest Idahoans aging successfully.

Senator Rohn asked what kind of priorities the Commission has for Alzheimer's disease. This will be an important issue for the state in the coming years. **Ms. Taylor** explained that they won a competitive grant to increase dementia capability, especially for the direct care providers in the State; they are ready to launch a caregiver conference next month; and the first five modules of an eleven module series on dementia skills series that has been in the making for a year are ready for production. They are partnering with Boise State University for the creation of the modules and launching them in an online learning environment. With the rise in the population of aging Idahoans, the State must be ready to keep people with dementia in the community.

Chairwoman Lodge announced that the two appointments will be voted on at the Committee meeting on Friday. She also took this opportunity to welcome Senator Rohn who is filling in for Senator Buckner-Webb.

HCR 0002

STATING FINDINGS OF THE LEGISLATURE honoring Director Eddie Yen on his 30th anniversary as Idaho's Asia Trade Representative.

Representative James Holtzclaw, District 20, explained that Idaho's exports are growing each year and are now over \$4 billion; \$573 million of goods are purchased by Taiwan. Taiwan is Idaho's second largest export partner next to Canada and much of this success can be attributed to Director Eddie Yen. Director Yen has been leading the Idaho trade office since 1989 and has spent the last 30 years working on behalf of Idaho to increase exports going to Taiwan. **Representative Holtzclaw** discussed the ways Director Yen has been successful in increasing the trade opportunities with Taiwan. This resolution is to honor and congratulate Director Yen for his outstanding service and commitment to Idaho.

Senator Stennett stated her appreciation that Director Yen is being honored and thanked Representative Holtzclaw for bring this bill forward. She elaborated on the work Director Yen has done and that he goes above and beyond the call of duty.

Chairwoman Lodge spoke of her experiences with Director Yen and that this is a good way to show our appreciation. She agreed with Senator Stennett's statement that he goes beyond anyone's expectations.

MOTION:

Senator Anthon moved to send **HCR 0002** to the floor with a **do pass** recommendation. **Senator Stennett** seconded the motion.

Senator Anthon spoke to the motion. He said he was pleased to hear the same kind of comments from the Minority Leader and the Chair as he would have made. He has had the privilege to work with Director Yen who has not only helped in Taiwan, he has been of significant help in other places in Asia. He has been a great asset with economic development leads where we are not only selling products from Idaho, but bringing business from Asia in foreign, direct investment in the State of Idaho. **Senator Anthon** stated his appreciation to Representative Holtzclaw and urged the Committee and the Senate to support **HCR 002**.

Senator Winder spoke in favor of the motion. He also has visited businesses and associations in Taiwan. He said that Director Yen is highly regarded at all levels of their business community as well as by their governmental officials including the Minister of Foreign Trade. Director Yen has been very loyal to Idaho and whatever we can do to acknowledge his service to Idaho is only a whisper of what could be done. **Senator Winder** stated his support of this bill and thanked Representative Holtzclaw for bringing this bill forward.

The motion carried by **voice vote**.

RELATING TO ALCOHOL TO REVISE provisions related to administration.

Senator Jim Rice, District 10, explained **RS 26640** will change the issuance of liquor licenses from a quota system where the applicant is put on a waiting list to a system that is local and based on restaurants and hotels. Currently, there are two types of licenses: general licenses which are transferable and specialty licenses which are not. Under this proposal, the specialty licenses would remain nontransferable; the existing general licenses would remain transferable. Current licenses would maintain value because the holder would receive a 10 percent discount on their purchases of liquor from the State dispensary and they remain transferable. In the future, certain types of businesses, such as bars and nightclubs, would have to buy one of the old, existing legacy licenses; there would not be new licenses available. The new licenses issued by cities and counties would be nontransferable. There are specific provisions that have to be met to qualify as a restaurant in order to get the new licenses. It also requires special training for servers. It clarifies and makes the penalties clearer and stronger. The cities and counties would have the ability to not issue licenses if they choose, which enhances local control. **Senator Rice** urged the Committee to print the bill and stood for questions.

Senator Winder said that this will be a contested issue and it is something to review as an effort is made to modernize and adjust for current activities in the state. He commended Senator Rice for bringing this forward and for his commitment to researching current laws. He looks forward to hearing the public testimony as this issue moves forward.

MOTION:

Senator Winder moved to send **RS 26640** to print. **Senator Anthon** seconded the motion.

Senator Anthon commented in favor of the motion. This is not the day to settle whether this is right or wrong, it is the day to determine if it is an appropriate conversation to have in terms of this RS. He stated his appreciation for those who are opposed and that this is a very complicated matter. It is appropriate to print **RS 26640** and move forward with the debate.

Chairwoman Lodge stated that this issue has been worked on for about ten years in search of a way to update and modernize the liquor system in Idaho so that small businesses and small restaurants would have an opportunity to have a liquor license. The way it is now, it is too expensive for small businesses to get a liquor license. She commended Senator Rice for taking this project on.

The motion carried by **voice vote**.

ADJOURNED:

There being no further business, **Chairwoman Lodge** adjourned the meeting at 8:40 a.m.

Senator Lodge
Chair

Twyla Melton
Secretary